

KEY FACTS

UK FINANCIAL AND RELATED PROFESSIONAL SERVICES

MARCH 2015



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TheCityUK

TheCityUK represents the UK-based financial and related professional services industry. We lobby on its behalf, producing evidence of its importance to the wider national economy. At home in the UK, in the EU and internationally, we seek to influence policy to drive competitiveness, creating jobs and lasting economic growth.

UK-based financial and related professional services contributed 12% of UK GDP in 2013. Over 2 million people work in the industry across the country, two thirds of whom are outside London. Our industry employs 7% of the population and the productivity of these jobs is 70% above the UK average. Foreign companies invested around £100bn into UK financial companies since the start of 2007, more than in any other sector. The UK is Europe's financial centre and leads the way in international banking, fund management, international insurance, private equity and derivatives trading. The UK also holds a leading position in the delivery of accounting services, legal services and management consulting.

FOREWORD

FROM CHRIS CUMMINGS
CHIEF EXECUTIVE, THECITYUK

Financial and related professional services touch our lives in many ways. We rely on them to safeguard our money, to help us save for the future and to protect us against the many risks we face. Then there is the less visible side of the industry – the funding that businesses rely on, the framework that keeps our international trade working. Almost every item we buy, everything we eat, everything we wear, every device we use, has found its way into our shops and supermarkets as a result of manufacturing, trading and transport systems made possible by the support of UK financial and related professional services.

This is a national industry, the importance of which goes well beyond London and the South East. The financial services sector employs over one million people in the UK, with another million in the related professional services industry – two thirds of whom are based outside the M25. The sector has helped to raise living standards by spreading high productivity and high value added employment around the country in a sustainable way. The value added to the economy per financial and related professional services worker is £85,000, compared to the £50,000 annual average for workers in other sectors.

A strong London is good for the regional economies, but it is very much a symbiotic relationship. Strong regional centres increase the global appeal of London by widening the talent pool and offering growth opportunities for financial and related professional services firms. In 2013, financial and related professional services employed over 7% of the UK workforce, produced nearly 12% of total economic output, contributed £66bn in taxes and generated a trade surplus of £67bn. Foreign companies invested around £100bn into the UK financial services sector since 2007 – more than in any other sector.

We must not lose sight of the importance of an industry that connects us all. In 2015 a new government will face the challenge of keeping Britain globally competitive. Financial and related professional services are an obvious area for further support and development to create jobs and boost economic growth across the entire UK.



UK FINANCIAL AND RELATED PROFESSIONAL SERVICES, SERVING PEOPLE AND BUSINESSES

SUPPORTING JOBS AND GROWTH ACROSS THE UK

2.1 MILLION



OVER 2.1 MILLION PEOPLE WORK ACROSS THE UK IN FINANCIAL AND RELATED PROFESSIONAL SERVICES. TWO-THIRDS ARE EMPLOYED OUTSIDE LONDON



FINANCIAL AND RELATED PROFESSIONAL SERVICES CONTRIBUTED **£180BN** TO THE UK ECONOMY IN 2013. THIS REPRESENTED 11.8% OF UK ECONOMIC OUTPUT

11.8%

FACILITATING PEOPLE'S EVERYDAY LIVES

9,000



AROUND 9,000 BANK BRANCHES AND 68,000 CASH MACHINES ARE AVAILABLE IN THE UK



OVER 95%
OF ADULTS IN THE UK HAVE AT LEAST ONE BANK ACCOUNT

TWO-THIRDS
OF THE UK PUBLIC ENJOY THE SECURITY OF HOME OWNERSHIP THANKS TO MORTGAGES



PROVIDING FINANCE AND SERVICES THAT KEEP BUSINESSES WORKING

£435^{BN}



THE OUTSTANDING AMOUNT OF LOANS MADE AVAILABLE BY MAJOR BANKS TO UK BUSINESSES TOTALLED **£435BN** AT THE END OF 2014

UK COMPANIES HAVE RAISED **£327BN** IN ISSUES OF SHARES THROUGH THE LONDON STOCK EXCHANGE AND BY PRIVATE EQUITY BETWEEN 2006 AND 2013.

£327^{BN}



£1.7 TRILLION

UK ASSET MANAGERS AND INSURERS OWN **£1.7 TRILLION** OF SHARES AND BONDS ISSUED BY UK COMPANIES



UK FINANCIAL SERVICES ARE A VITAL SOURCE OF TAX RECEIPTS, CONTRIBUTING £66BN IN TAX REVENUE IN 2013/14, OR 11.5% OF TOTAL UK TAX RECEIPTS.

UK FINANCIAL AND RELATED PROFESSIONAL SERVICES GENERATED A TRADE SURPLUS OF **£67BN** IN 2013, MORE THAN ALL OTHER NET EXPORTING INDUSTRIES COMBINED



FOREIGN COMPANIES INVESTED AROUND **£100BN** INTO UK FINANCIAL COMPANIES SINCE 2007. THIS IS ROUGHLY TWICE THE COST OF HS2.



UK FUND MANAGERS HELP TO PROTECT AND GROW **£4.0 TRILLION** IN FINANCIAL ASSETS

OVER HALF OF ALL UK FAMILIES AND HOUSEHOLDS HAVE SAVINGS AND PENSIONS THAT ARE MANAGED BY THE UK FUND MANAGEMENT INDUSTRY



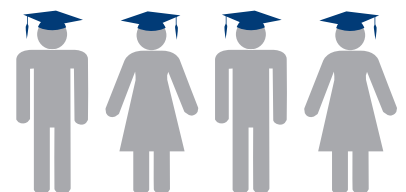
THE UK INSURANCE INDUSTRY PAID OUT AN AVERAGE OF **£1,250** PER PERSON IN BENEFITS IN 2012

BANKS PROVIDE AROUND **80%** OF FINANCE TO UK SMEs, WHILE THERE IS A GROWING MARKET IN OTHER SOURCES OF FINANCE



THROUGH PUBLIC PRIVATE PARTNERSHIP (PPP), MORE THAN **£55BN** HAS BEEN INVESTED IN DEVELOPING OVER 700 PUBLIC INFRASTRUCTURE PROJECTS ACROSS THE UK, INCLUDING 140 HOSPITALS

NEARLY **1 MILLION** PEOPLE HAVE QUALIFICATIONS ADMINISTERED BY THE UK'S LEGAL, ACCOUNTING AND RELATED PROFESSIONAL BODIES



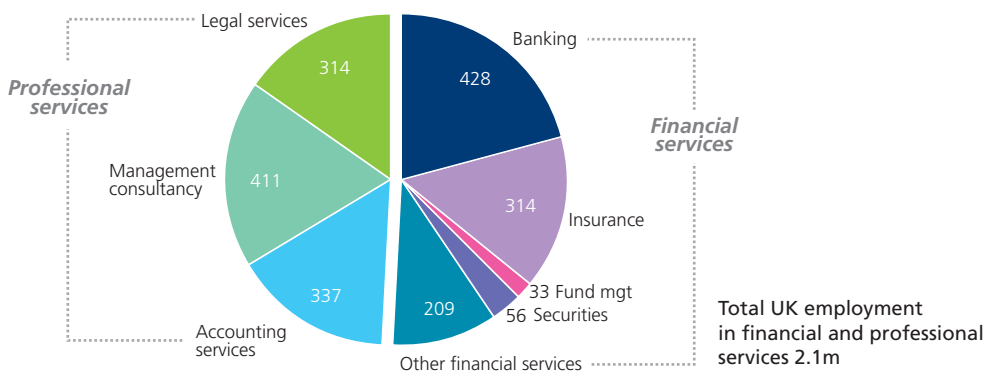
1. SUPPORTING JOBS AND GROWTH ACROSS THE UK

A leading employer Over 2.1 million people work across the UK in financial and related professional services – including legal services, accounting services and management consultancy – accounting for over 7% of total UK employment:

- More than two-thirds are employed outside London, including over 200,000 in the North West and South-East; around 150,000 in the East of England, Scotland and the South West; and around 130,000 in West Midlands and Yorkshire and The Humber.
- Out of all 650 Parliamentary constituencies in the UK there are 150 (23%) where 3,000 or more people are employed in financial and related professional services and a total of 486 (77%) with more than 1,000 such employees.
- Over 20 towns and cities in the UK each have over 10,000 people employed in financial and related professional services.
- Of total financial services employment of 1 million, the majority was in banking (427,900 employees) and insurance (313,700 employees). Securities dealing (55,800) and fund management (33,400) were the other main categories, with other financial services accounting for 209,100 employees. Professional services employment of 1.1m people is divided between management consultancy (411,200), legal services (314,200) and accounting services (336,800).
- Financial and related professional services on average employ a younger workforce than other sectors. Just over 50% of industry workers are under 40 years old, compared to 47% in other sectors. Around 36% of those employed are between 40 and 54 years old (the same as in other sectors), and 12% are over 54 (17% for other sectors). The industry therefore has a positive effect in helping to offset the higher jobless rate amongst the younger population in the UK.

EMPLOYMENT BY SECTOR IN UK FINANCIAL AND RELATED PROFESSIONAL SERVICES

Employment in main sectors, thousands, 2013



Source: ONS Business Register and Employment Survey

2.1 million

Over 2.1 million people work across the UK in financial and related professional services

EMPLOYMENT IN UK FINANCIAL AND RELATED PROFESSIONAL SERVICES

Total **2,102,200**



▲ **+33,900** (2012-2013 change)

Scotland
150,400



▼ **-6,200** (2012-13 change)

Northern Ireland
31,100



▼ **-400** (2012-13 change)

North West
227,300



▲ **+15,000** (2012-13 change)

Wales
59,900



▲ **+8,000** (2012-13 change)

West Midlands
133,200



▼ **-2,600** (2012-13 change)

South West
150,200



▲ **+3,600** (2012-13 change)

South East
251,000



▼ **-7,500** (2012-13 change)

London
692,500



▲ **+16,300** (2012-13 change)

North East
45,200



▼ **-200** (2012-13 change)

Yorkshire and The Humber
128,900



▲ **+300** (2012-13 change)

East Midlands
82,600

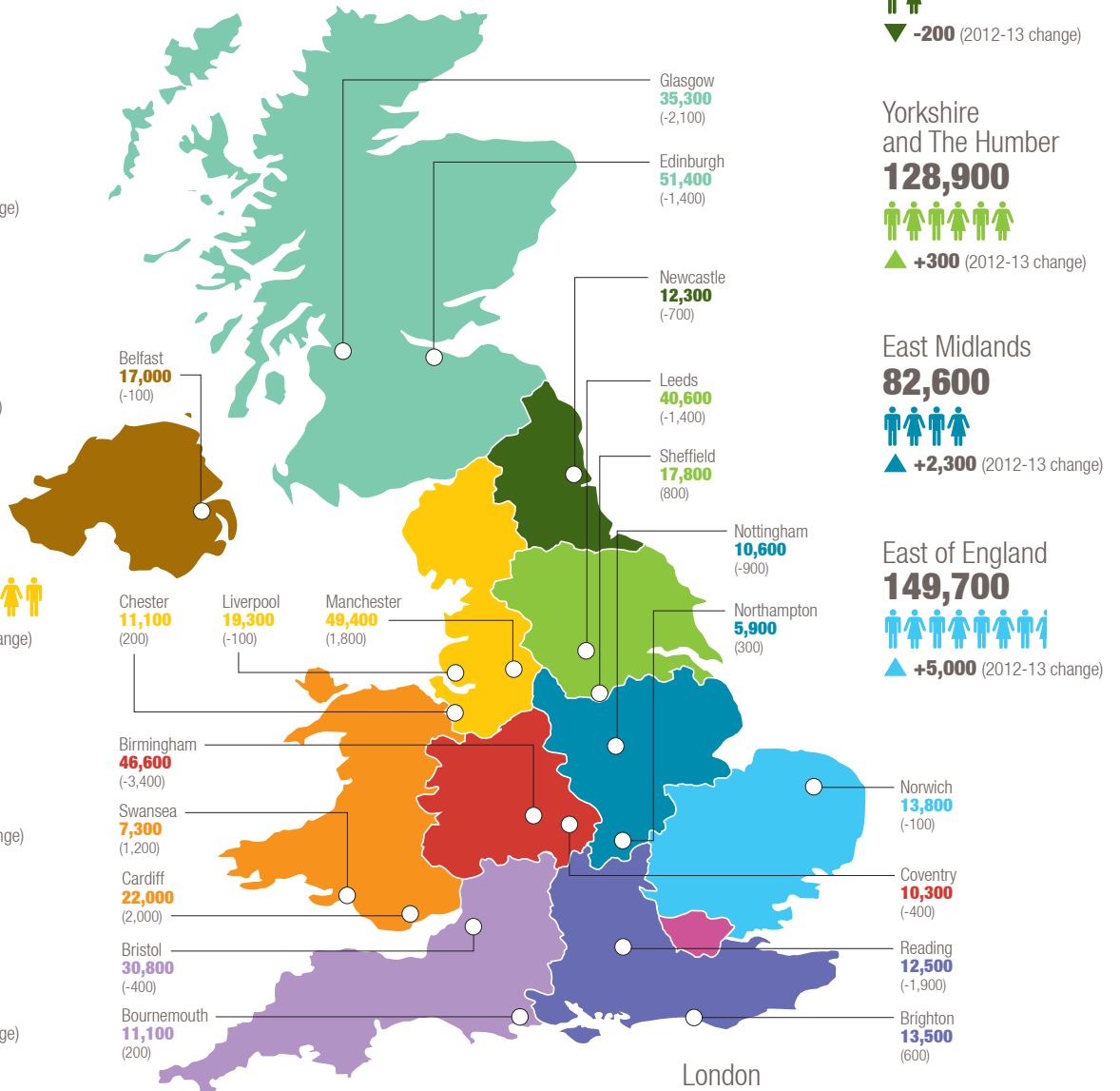


▲ **+2,300** (2012-13 change)

East of England
149,700



▲ **+5,000** (2012-13 change)



A significant contributor to UK economic output Across their domestic and international activities, financial and related professional services contributed £180bn to the UK economy in 2013. Exports make up a substantial share of this contribution, with around a third of financial services' contribution to GDP arising from services provided to overseas clients.

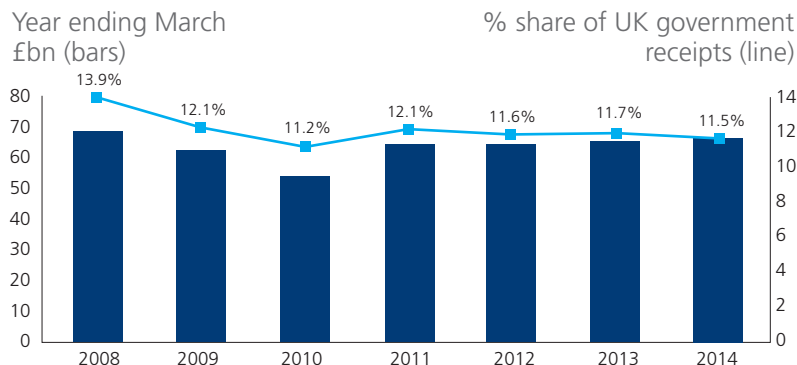
The industry has helped to raise regional and national living standards by spreading high productivity and high value added employment around the country in a sustainable way. Productivity in the financial and related professional services sector is strong across the UK:

- At 11.8% of the economy, industry output is above the 7.2% contribution to UK employment, indicating that productivity levels are well above the average for the UK economy overall.
- The average GVA per financial and related professional services worker is close to £85,000, compared to the £50,000 UK average for other sectors. No region has financial services GVA per worker lower than £61,000, indicating that high value jobs are spread by the industry throughout the UK.
- Those geographical areas that have a higher share of GVA coming from the financial and related professional services sector typically have seen quicker growth.

The spread of financial and related professional services activity throughout the UK has the power to help decentralise the economy from London. This is an important element in the rebalancing debate, particularly in a world where public sector employment will in future provide less support to regional and national economies. Furthermore, as lower cost locations, developing the industry in the regions and nations has the power to raise the efficiency and productivity of the whole economy.

A large generator of tax receipts UK financial services are a vital source of tax receipts, contributing £66bn in tax revenue in 2013/14, accounting for 11.5% of total UK tax receipts. A major source of tax receipts was the £29.7bn from employees' income tax and national insurance contributions.

TAX CONTRIBUTION OF UK FINANCIAL SERVICES



Source: PricewaterhouseCoopers/City of London Corporation

11.8%

Industry output at 11.8% is above the 7.2% contribution to UK employment, indicating that productivity levels are well above the average for the UK economy overall

£66_{bn}

UK financial services are a vital source of tax receipts, contributing £66bn in tax revenue in 2013/14

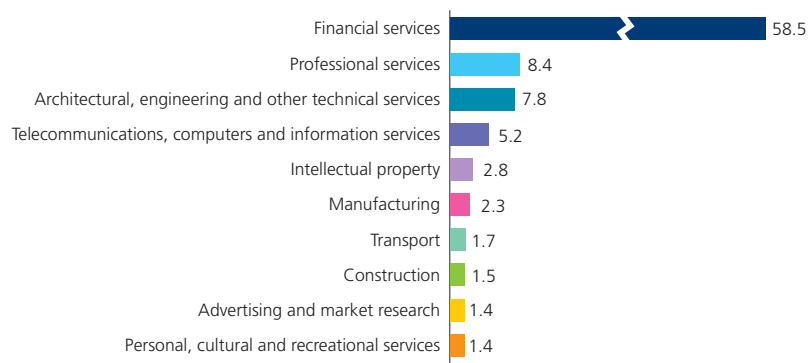
Generating a trade surplus and attracting foreign investment into the UK

Helping to offset the UK's trade in goods deficit: UK financial and professional services generated a trade surplus of £67bn in 2013, which represents around 4% of GDP in its own right: the trade surplus was up 10% in the first nine months of 2014 on the same period in 2013, pointing to a full year total of around £74bn.

- UK financial and professional services firms are the face of British businesses across the globe. The trade surplus of financial and professional services is larger than the combined surplus of all other net exporting industries in the UK. This helps to offset UK's large trade in goods deficit of over £100bn.

UK SECTORS GENERATING TRADE SURPLUS

£bn, 2013



Source: ONS Balance of Payments Yearbook

- The UK is the leading exporter of financial services across the world. Its trade surplus in financial services is double that of the next largest trade surpluses recorded by Luxembourg, Switzerland and the US.
- The UK's major trading partners include the US, EU Member States, and other advanced economies such as Switzerland, Japan, Australia and Canada. These are followed by emerging markets such as Russia, Saudi Arabia, South Africa and Turkey, as well as international financial centres such as Hong Kong and Singapore. The volume of trade with emerging markets has great potential for growth.

Attracting foreign direct investment (FDI) to the UK Foreign companies invested around £100bn in the UK financial services sector since 2007, close to a third of total FDI. This is roughly twice the cost of HS2. Financial services attracts more FDI into the UK than any other sector.

£100bn

Foreign companies invested around £100bn in the UK financial services sector since 2007

INVESTING IN BRITAIN'S FUTURE

In 2015 a new government will face the challenge of keeping Britain globally competitive with a strong economy that delivers jobs and growth. The financial and related professional services industry will play its part, but it is government which can create the environment within which the economy and society thrives.

JOBS

To give people of all ages the best chance in a changing jobs market, government can:

- Build an education system that gives young people the skills they need to work in the knowledge economy
- Bridge the gap between basic skills and those needed for professional level jobs with further and higher education

GROWTH

To keep the UK competitive and make sure businesses are able to grow, government can:

- Keep regulation proportionate by adopting measures such as 'one in, one out' or impact assessments for new rules while recognising that regulation rarely creates jobs but does create barriers to entry, potentially stifling innovation

INDIVIDUAL CONSUMERS

Finance that works for people as they face important choices throughout their lives needs a framework of regulation and customers who are informed and engaged. To help people provide for themselves, government can:

- Improve consumers' ability to make good financial choices from an early age through financial education in the school curriculum

SMEs

Small and medium sized business are essential to growing the economy and creating jobs. To support SMEs, government can:

- Work with industry and regulators to grow the market for complementary sources of finance for SMEs in addition to bank loans

TAX

To keep the UK competitive, with a tax system appropriate for a world-leading economy, government can:

- Establish a charter of principles for the UK tax system including: competitiveness; stability; predictability; consultation; coordination; continuity and simplification

INFRASTRUCTURE

Every part of the UK needs investment in modern transport connections, secure energy supply, new housing and world-class digital infrastructure to share prosperity and security fairly. To make this happen, government can:

- Agree infrastructure policy that is long-term, stable and joined up across government departments

THE UK IN THE WORLD

Britain is a global hub with an open economy, generating jobs and prosperity for people across the country. To keep the UK competitive and open for business, government can:

- Make the economic case for the UK to remain at the heart of a dynamic, reformed EU which can compete in global markets
- Check the impact on competitiveness, jobs and growth of all proposed EU regulation and legislation
- Use the UK presidency of EU in 2017 to strengthen the European Single Market

- Help people gain new skills throughout life so that no-one is left behind by changing employment opportunities
- Create incentives to employ young people by reducing National Insurance for young employees

- Test all new regulation for the impact it has on competitiveness
- Recognise that highly skilled immigration is good for growth by giving the Treasury, BIS and DCLG an equal role with the Home Office in the development and assessment of policy on migration

- Work with industry to ensure that information, advice and guidance is available to people facing financial choices
- Build a lifelong saving culture by creating a stable and predictable system of regulation and taxation
- Increase the level of pension auto-enrolment from 8% to 12% to help people save enough for a decent income in retirement

- Increase support for SME lending through the British Business Bank and Funding for Lending Scheme
- Have regard to the impact on SME lending of regulations (Basel III and CRD IV) which increase banks' capital requirements
- Reduce barriers to entry for new banks to increase competition and customer choice

- Review all corporate and personal taxes to stay globally competitive
- Eliminate sections of the tax code made unnecessary by the General Anti Avoidance Rule

- Create a pipeline of detailed and time-constrained projects supported by all main political parties
- Build world class airport links for the whole of the UK
- Remove obstacles to long term financing from regulations such as were posed by Solvency II

- Lead efforts in the EU and G20 to make regulation coherent across the world to minimise regulatory arbitrage
- Increase the scope and depth of trade and investment agreements with economic partners
- Continue to work on attracting inward investment, promoting external trade and removing barriers for the UK's financial services sector through the Financial Services Trade and Investment Board
- Keep pushing for the Transatlantic Trade & Investment Partnership's (TTIP) proposed arrangements for measures affecting EU-US trade in goods and services to include financial services regulation

2. FACILITATING PEOPLE'S EVERYDAY LIVES

Providing broad access to financial services products and services Banks continue to improve the speed and ease with which customers can use their services. Millions of people use online and telephone banking services to conduct their financial affairs anytime, from anywhere. Bank cards are welcomed just about anywhere in the world.

- **Providing bank finance**

- Nearly 70,000 cash machines are available in the UK. The UK has the most cash machines in the EU with more per person than in France, Italy or Germany. Some 45 million, or 86% of adults in the UK used a cash machine in 2013.
- Around 9,000 bank branches are available in the UK. The branch remains at the heart of banking, but the high street outlets of our banks are changing. Counter transactions are falling sharply, but many customers still want to see staff for those “big life” decisions, such as arranging a mortgage.
- There were over 140 million current and deposit accounts with the main high street banks. Over 95% of adults in the UK have at least one bank account.
- Personal deposits of up to £85,000 in each bank are protected through the Financial Services Compensation Scheme.

- **Enhancing consumer services** Financial services companies have made multi-billion pound investments in recent years to enable their customers to take advantage of innovations such as internet banking and contactless payments.

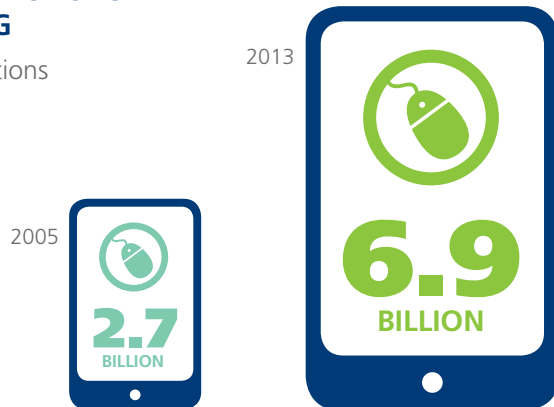
- The shift away from paper payments continues, with cheque and credit volumes now making up only 10% of all payments.
- Some 2.9 billion cash withdrawals were made from the UK's ATM network in 2013.
- There were 20 billion cash payments in 2013, representing 52% of all payments by volume. About 60% of all cash payments were for a value of £5 or less, which increases to 90% for values up to £20. Cash payments are likely to decline over the next decade due to growth in mobile phone payment services, a continuing migration towards plastic cards and migration of spending from the high street to the internet.

86%

86% (45 million) of all adults in the UK used a cash machine in 2013

ONLINE TRANSACTIONS IN UK BANKING

Billions of transactions
each year



Source:
British Bankers' Association

- Plastic cards are accepted for payment at over 1.6 million point-of-sale terminals installed in over 1 million outlets in the UK. There was an average of 170 card transactions per person in the UK in 2013, with an annual value of £8,300. Of all transactions in the UK, around a third were on food and drink, 10% on motoring and fuel, and a sixth on entertainment.
- Bank customers increasingly use their accounts without visiting a branch. Around 50 million customers were registered for online banking at the end of 2013. The number of online transactions recorded by major banks more than doubled to 6.9 billion between 2005 and 2013.
- Mobile and internet banking is now being used for transactions worth nearly £1 billion a day. Internet banking services typically receive 7 million log-ins a day. Some 12.4 million banking apps had been downloaded by the end of 2013.

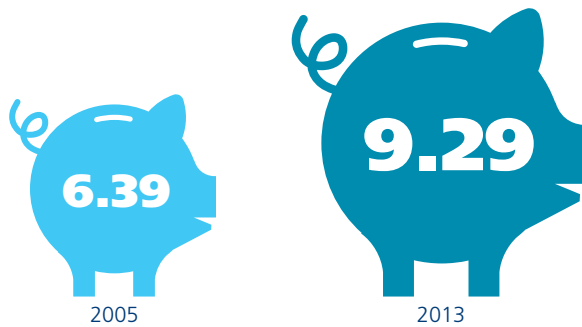
50 million

Around 50 million
customers in the UK
are registered for
online banking

- **Increasing financial inclusion** There are 9.3 million basic bank accounts in the UK, a rise of 2.9 million since 2005, with 95% of accounts accessible from Post Office counters. These accounts help to increase financial inclusion by giving access to electronic payments and cash machines to people with credit histories that make them less eligible for other accounts.

BASIC BANK ACCOUNTS

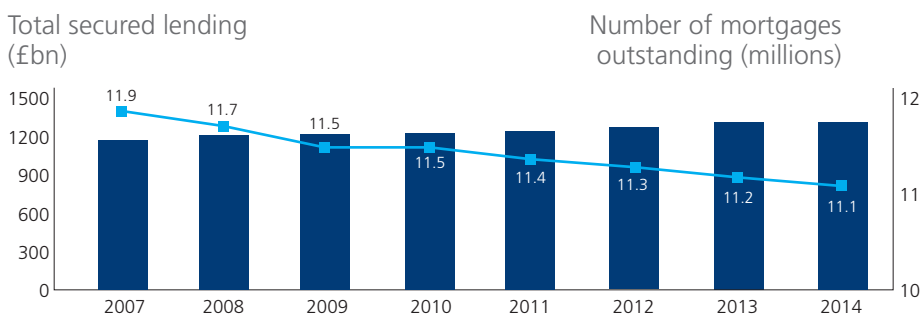
Millions



Source: British Bankers' Association

- **Providing mortgage finance** Two thirds of the public enjoy the security of home ownership thanks to mortgages. There are some 11.1 million outstanding mortgages in the UK. The outstanding value of mortgage lending totalled nearly £1.3 trillion at the end of 2014. In the rental market, private landlords and housing associations, both largely reliant on loans from banks and other lenders, have increased the quality and choice of accommodation available.

UK MORTGAGE LENDING



Source: British Bankers' Association

£1.3 trillion

The outstanding value of mortgage lending totalled nearly £1.3 trillion at the end of 2014

Safeguarding savings and managing investments for the future UK fund managers help to protect and grow £4.0 trillion in financial assets, or £64,000 per person in the UK, representing savings through pensions, life assurance policies and other investments:

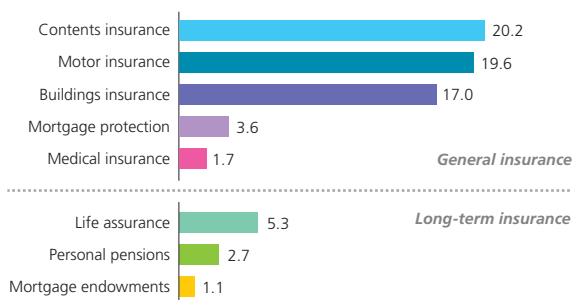
- Over half of all UK families and households have savings and pensions that are managed by the UK fund management industry.
- Contributions to personal pension pots have exceeded £18bn a year for the past five years, helping savers to achieve their aspirations for independent and fulfilling retirement years. Personal pensions supplement state and occupational pension schemes.
- The UK has the second largest pension industry worldwide, with total investments of around £2.2 trillion at the end of 2013. Pension providers have a key role in delivering cost effective and accessible pensions in the future, which for most people in the private sector will increasingly be 'defined contribution' (DC). Under DC schemes, pension payments are derived from the total value of contributions to pension pots made by individuals and their employers, with the value of the fund determined by the performance of investments. Annuities have often been used to provide a guaranteed income in retirement.

Protecting against risks The UK insurance industry paid out an average of £1,250 per person in the UK in 2012 in pension benefits, claims related to life insurance, accident and disability policies, and general insurance claims.

Nine out of ten households in the UK are estimated to have at least one insurance product, demonstrating the industry's role in safeguarding people's possessions.

HOUSEHOLDS WITH INSURANCE PRODUCTS

Number of households with insurance products (in millions), out of 26.4 million households in the UK in 2012



Source: Association of British Insurers

£2.2 trillion

The UK has the second largest pension industry worldwide, with total investments of around £2.2 trillion at the end of 2013

3. PROVIDING FINANCE AND SERVICES THAT KEEP BUSINESSES WORKING

On a basic level, most businesses would not be able to operate without the financial services industry. The sector supports businesses in myriad ways, ranging from providing current accounts for day-to-day expenditures to insurance cover for assets to growth capital for investment.

The funds businesses need can come from a number of sources. The most common options for companies looking to raise money include bank finance, bonds, equities on stock markets and private equity. Other forms of finance include asset finance, business angel investments, insurance companies and pension funds lending, crowd-funding and private placements. Provision of finance enables companies to invest in creating jobs, training and developing people, and developing their products and services.

Bank lending The outstanding amount of loans made available by major banks to UK businesses totalled £435bn at the end of 2014. Of this total, nearly 40% was lent to SMEs.

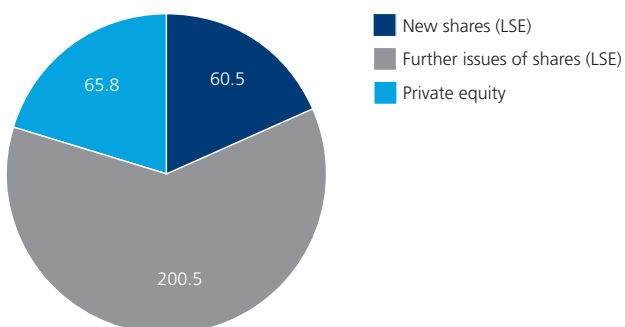
The outstanding value of bank lending to small and medium-sized businesses in the UK totalled around £167bn at the end of 2014. Term loans and overdraft facilities represent the main method by which SMEs seek finance from banks, which in total provide 80% of finance to SMEs. The geographical distribution of SME borrowing is generally reflective of the locational spread and turnover of all businesses in England, Scotland and Wales. Most regions outside London and the South East receive a greater regional share of bank borrowing compared to their business activity.

Equity financing

- **Shares** UK companies raised £327bn in issues of shares between 2006 and 2013: £261bn in issuance of shares on the London Stock Exchange's (LSE) markets; and £65bn raised in private equity (shares in private companies).

ISSUES OF SHARES BY UK COMPANIES

On the LSE's markets & by private equity
£bn, 2006-2013



Source: London Stock Exchange, British Private Equity and Venture Capital Association

£435_{bn}

The outstanding amount of loans made available by major banks to UK businesses totalled £435bn at the end of 2014

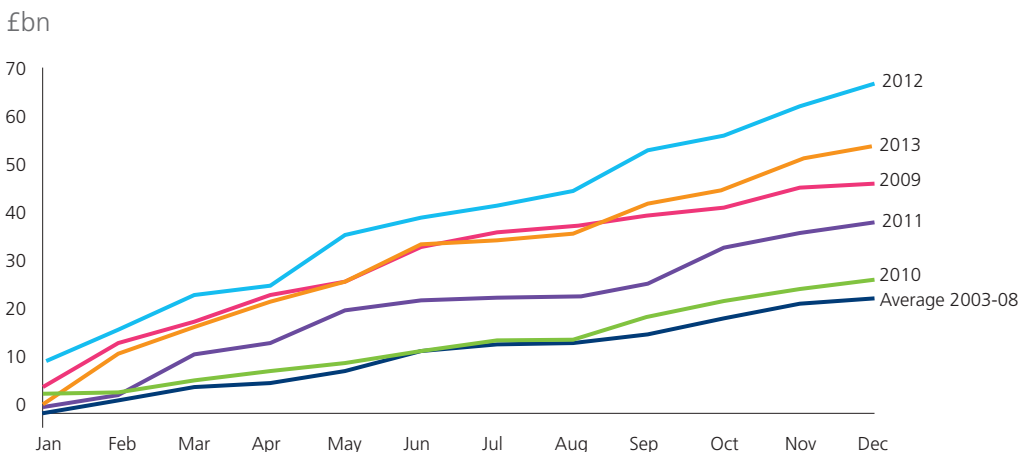
- **Bond issuance** Although UK companies have historically raised debt finance through the banking system rather than bond markets, this has started to change in recent years. Bond issuances are likely to increase in the years ahead as bank lending growth remains subdued relative to the recent past. London continues to be a major centre for issuance and trading of international bonds.
- **Leading small cap equity market** Small caps from across the UK enjoy access to the largest share market for small companies in Europe, with around 1,100 companies quoted on the AIM. In 2014, AIM companies raised £3.9bn through new and further issues of shares.

Investing capital in UK companies UK asset managers and insurers owned nearly £1.7 trillion of shares and bonds issued by UK companies at the end of 2012: their holdings of shares accounted for 36% of the total market value of shares issued by UK companies. The stock of lending by insurance companies and pension funds to UK businesses totalled £37bn in September 2014.

Alternative Finance Finance for SMEs has been enhanced by state support schemes such as the Funding for Lending scheme and the new British Business Bank. Nevertheless, alternative finance has an important role to play in financing SMEs. According to new research by the University of Cambridge and EY¹, the alternative finance market in the UK was estimated to be worth €2.3bn in 2014, up by 168% year on year.

Although this figure includes peer-to-peer consumer lending and reward-based crowdfunding, among other models, more than 7,000 SMEs received around £1bn worth of funding from alternative finance providers in 2014, according to the University

CUMULATIVE GROSS BOND ISSUANCE BY UK BUSINESSES



*issuance by private non-financial corporations where the issuer's country of incorporation and that of any parent or guarantor is in the UK

Sources: Dealogic, Bank of England calculations

¹"Moving Mainstream: The European Alternative Finance Benchmarking Report". University of Cambridge and EY, February 2015.

£37bn

The stock of lending by insurance companies and pension funds to UK businesses totalled £37bn in September 2014

£167bn

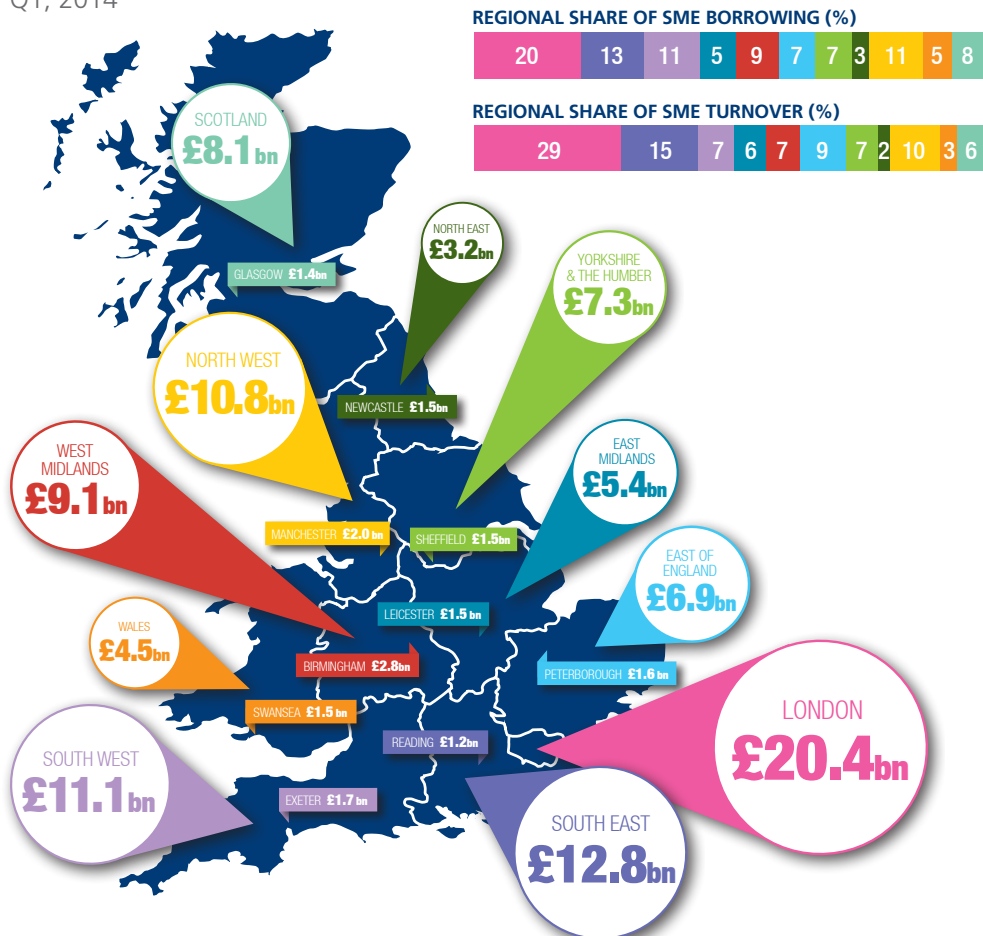
Bank lending to small and medium-sized businesses in the UK totalled £167bn at the end of 2014

of Cambridge/EY research. The market is set to continue to expand rapidly, albeit from a very low base: in comparison, outstanding bank loans to SMEs exceeded £167bn in the same year.

There are also a number of other promising opportunities in alternative finance to complement bank lending, such as the development of private placement markets, the re-opening of SME loan securitisation markets as a mechanism to increase – especially longer term – funding to SMEs, the establishment of an institutional market in untranching whole loan conduits, the encouragement of credit rating services for mid-market companies, and the provision of a credit information exchange for SMEs and mid-market companies.

BANK LENDING TO SMEs ACROSS THE UK

Q1, 2014



Source: BBA
 Participating lenders in the regional/city BBA SME lending datasets are Barclays, Lloyds Banking Group, HSBC, RBS, Santander UK and Clydesdale & Yorkshire Banks. These institutions account for about 60% of UK bank lending to SMEs.

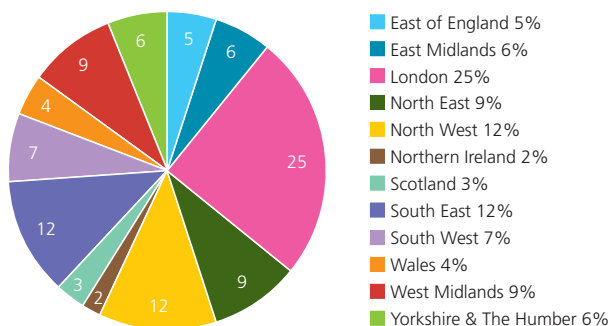
£3.9bn

In 2014, AIM companies raised £3.9bn through new and further issues of shares

- Primary destination for private equity** The UK private equity and venture capital sector manages assets totalling over £150bn. In 2013, UK private equity funds invested £4.2bn in over 700 UK companies. UK companies backed by private equity employ over 500,000 people. Regionally, there has been a continuous decentralisation of investment from London and the South East to other parts of the country as the region saw a decrease in investment from £3.3bn in 2012 to £1.9bn in 2013. The South West, East Midlands and Yorkshire and the Humber, in contrast, all saw considerable increases in investment levels at £326m, £540m and £364m respectively. Companies outside London accounted for around three-quarters of UK private equity investments in 2013 (by number).

UK PRIVATE EQUITY INVESTMENTS

UK investee companies, % share of total (number of companies), 2013



Investing in infrastructure UK financial and professional services firms have provided private investment in UK public infrastructure through Public Private Partnerships (PPPs). Through PPPs, more than £55bn has been invested in developing over 700 public sector infrastructure projects across the UK, including 140 hospitals. The UK Government aims to invest over £460bn up to 2020 and beyond in its National Infrastructure Plan 2014. Over two-thirds of this will need to come from a diverse range of private investment sources.

Providing professional and supporting services The UK has high quality professional and support services. It has the largest and most developed market in Europe for legal services, management consulting and accounting.

- Promoting professional standards** Nearly 1 million people have qualifications administered by the UK's legal, accounting and related professional bodies. These qualifications represent a global standard, as well as providing a training ground for the next generation of business leaders. Over a third of board members in companies included in FTSE indices are chartered accountants.

£55 billion

Through PPPs, more than £55bn has been invested in developing over 700 public sector infrastructure projects

KEY FACTS ABOUT UK FINANCIAL AND PROFESSIONAL SERVICES

The information in this report is drawn from a wide range of statistical sources and reports, compiled and published by TheCityUK. The research provides a comprehensive overview of trends and issues in financial and related professional services. In particular TheCityUK research seeks to highlight the important contribution of financial and professional services to the UK economy and to raise awareness of the role of the UK in international financial markets.

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