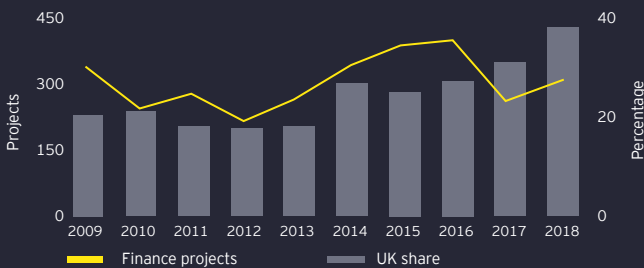


The UK retains its top position for financial services investment in Europe, but investor sentiment on the UK's future attractiveness is at a historic low



UK financial services (FS) attracted 112 foreign direct investment (FDI) projects in 2018 – the highest in Europe – and an increase of 44% from 2017

The UK share of European financial services projects has increased as firms move in preparation for Brexit



Source: EY European Investment Monitor (EIM), 2019

However, investor sentiment has hit a record-low, storing up trouble for FDI in 2020/2021

The percentage of financial services investors who believe the UK's attractiveness will decline has increased over the last three years

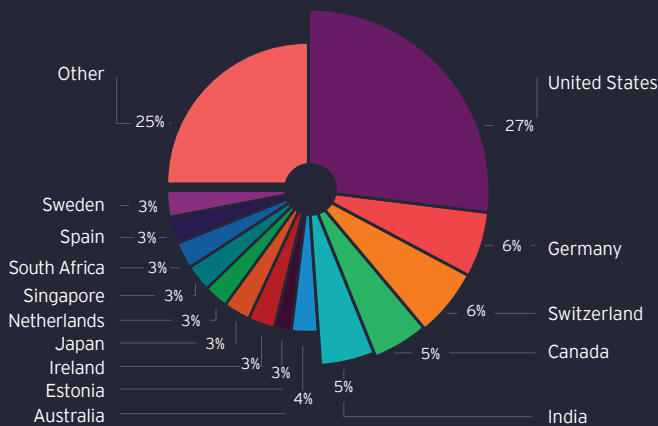


The percentage of financial services investors who have plans to establish or expand operations in the UK has declined over the last three years



Source: EY Attractiveness Survey UK, June 2019

The US remained the biggest source of financial services investment into the UK in 2018



Source: EY European Investment Monitor (EIM), 2019

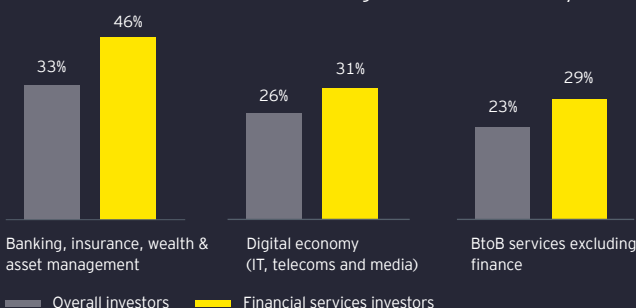
London secured 77% of all financial services investment into the UK, compared with 60% in 2017

| | 2017 | 2018 | |
|--------------------------|------|------|---|
| Greater London | 47 | 86 | ↑ |
| Scotland | 7 | 7 | ↔ |
| North West England | 7 | 6 | ↓ |
| Yorkshire and the Humber | 3 | 3 | ↔ |
| East Midlands | 2 | 2 | ↔ |
| Northern Ireland | 1 | 2 | ↑ |
| South East England | 4 | 2 | ↓ |
| Wales | | 2 | ↑ |
| North East England | 3 | 1 | ↓ |
| West Midlands | 1 | 1 | ↔ |
| East of England | | | ↔ |
| South West England | 3 | | ↓ |

Source: EY European Investment Monitor (EIM), 2019

Financial services is still seen as the key driver of UK growth

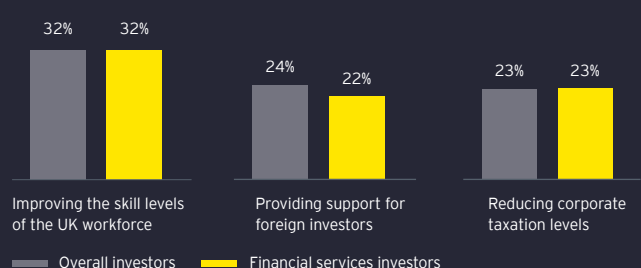
33% of overall UK investors and 46% of FS investors see financial services as critical to the overall strength of the UK economy



Source: EY Attractiveness Survey UK, June 2019

What can be done to improve the UK's attractiveness?

Investors ranked **improving workforce skills** as the most important priority for the UK government to improve the UK's attractiveness in future



Source: EY Attractiveness Survey UK, June 2019