

# The UK remains Europe's most attractive destination for financial services (FS) investment, but its lead is narrowing

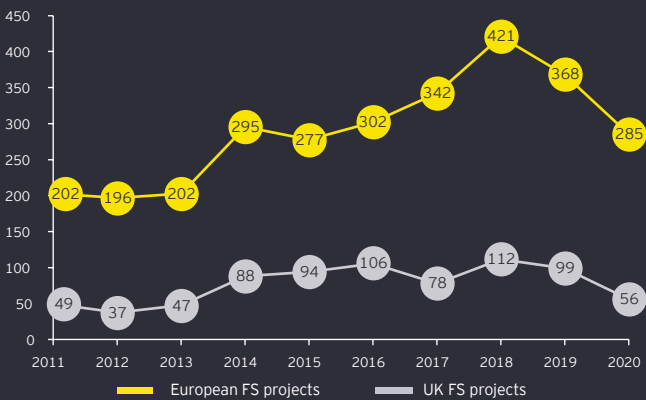


## Minds made for empowering financial services

The UK continues to be Europe's top location for financial services investment, attracting 56 global projects in 2020. The UK - and Europe overall - saw a decline in the total number of FS projects compared to the year before, but investor sentiment is encouraging and suggests the UK financial services market will remain the most attractive in Europe for post-pandemic investment.

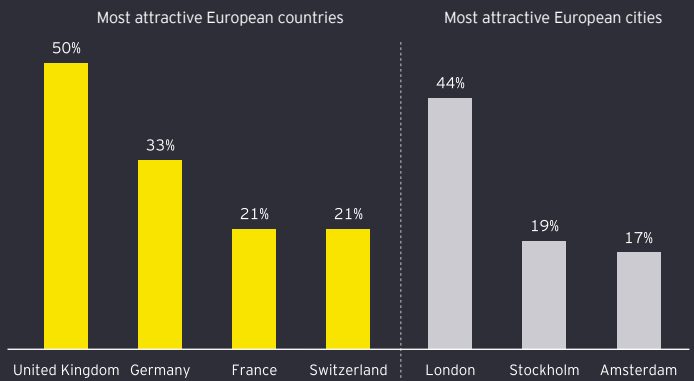
Financial services FDI fell by 23% across Europe in 2020, as the COVID-19 pandemic impacted business confidence and travel

Total number of European and UK FS investment projects



Source: EY European Investment Monitor (EIM), 2011-20

Despite falling activity levels, FS investors named the UK as the top European country, and London the top European city, for FS foreign investment in 2021



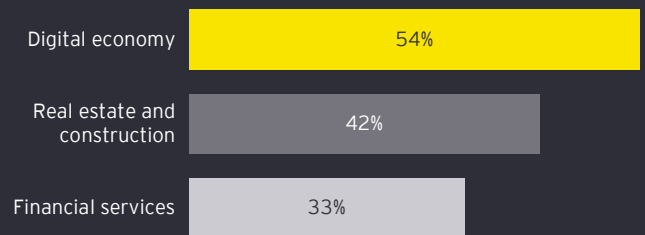
Source: EY Europe Attractiveness Survey, June 2021

Whilst the UK maintained its top position in 2020, the total number of projects fell by 43% to 56. Five of the top six European countries saw FDI declines in 2020 - with the exception of France - which increased its projects, and has now taken second place

Top six European countries	2019	2020
United Kingdom	99	56
France	38	49
Germany	43	37
Spain	40	31
Switzerland	16	14
Ireland	31	13

Source: EY European Investment Monitor (EIM), 2019-20

For the second year running, FS investors named the digital economy as the top sector to drive UK growth, with financial services coming in third



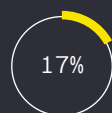
Source: EY UK Attractiveness Survey, June 2021

But investor sentiment for the UK's future attractiveness is very encouraging

In the next three years,



This is up on past years, where:



of FS investors believe the UK will be more attractive

Source: EY UK Attractiveness Survey, 2021, September 2020, April 2020, and 2019

Within the UK, London remains a beacon for FS FDI, with Scotland particularly showing continued strength

Top six UK cities and regions	2019	2020
Greater London	67	38
Scotland	8	6
North West England	5	3
Yorkshire and the Humber	6	3
East of England	0	2
West Midlands	3	2

Source: EY European Investment Monitor (EIM), 2019-20