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The UK Wealth Management industry generates 1% of GDP, employs 12.5% of the financial services community and influences the wealth of nearly 9% of the UK population.

The UK wealth management industry manages over **GBP2.1 trillion** in private client monies and generates nearly **GBP7.6 billion** in annual tax for the UK Exchequer. This is according to the research findings commissioned by a grouping of wealth management companies seeking to determine the value of the total industry. Their initiative is part of a broader effort to build a common understanding of the market place and to interact with politicians, regulators as well as the respective trade and industry bodies.

The research, conducted by HNW market research experts Scorpio Partnership, highlighted that the industry directly employs **124,000 professionals**, generates over **GBP30 billion** in annual revenues and contributes an estimated **1% of GDP**. The research evaluated the financial contribution of the 10 professional sectors in the UK that are considered to constitute the industry.

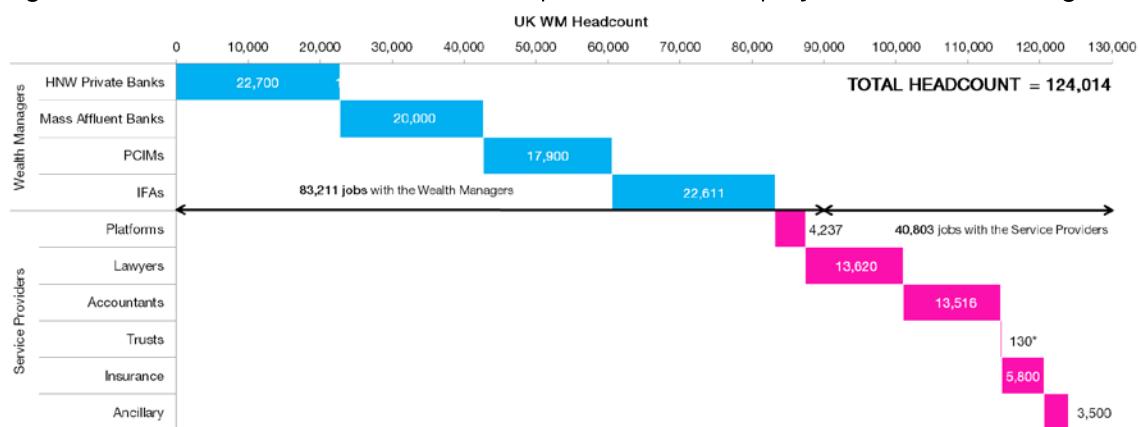
The initiative is the first of its kind to assess the total economic contribution of the UK wealth management industry. It will now be shared with industry leaders across the different sectors analysed as well as trade bodies including BBA, APCIMS, STEP and CityUK and representatives from the regulatory community. The initiative was coordinated by **Owen James** and **Scorpio Partnership**.

“The objective of the initiative was to underscore the net value of the industry to the UK economy in these complex market conditions. This industry and its professionals manage the personal wealth of the engine room of growth for the UK economy. Our aim has been to identify for the first time what the sum total of this activity represented,” said **Sebastian Dovey**, managing partner at **Scorpio Partnership**.

“The industry needs to communicate in concert. This initiative is aimed at determining the core value of the wealth management industry and clearly shows the important worth of wealth – both personal and corporate – to the wider future story for the UK economy,” said **Andrew Fisher**, chief executive at **Towry**.

By comparison with other financial services activities, the entire UK retail banking sector employs 400,000 professionals, while the UK fund management industry employs 50,000. (Further details on the research methodology are in the notes section of this release).

Figure 1: Distribution of financial services professionals employed for wealth management activities

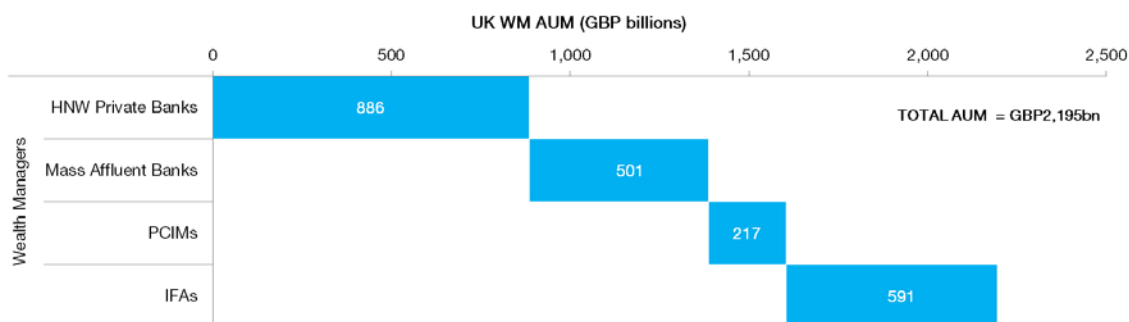


Source: Scorpio Partnership

For the research initiative, wealth management in this context was defined as clients with net investable wealth in excess of GBP100,000. Based on the number of client accounts and asset volumes handled by the industry it is estimated that the sector has a role to play in managing the financial matters of over **9% of the UK population**.

The assets managed by this sector is held between four primary business models – the UK HNW private banks, Mass Affluent banks, private client investment managers and independent financial advisors as well as their associated platforms. The other critical contributors to the industry of wealth management include lawyers, accountants, insurance, platforms, trusts and ancillary services (such as IT, consulting etc).

Figure 2: Distribution of assets under management by business model



Source: Scorpio Partnership

Additional selected key findings of the research process:

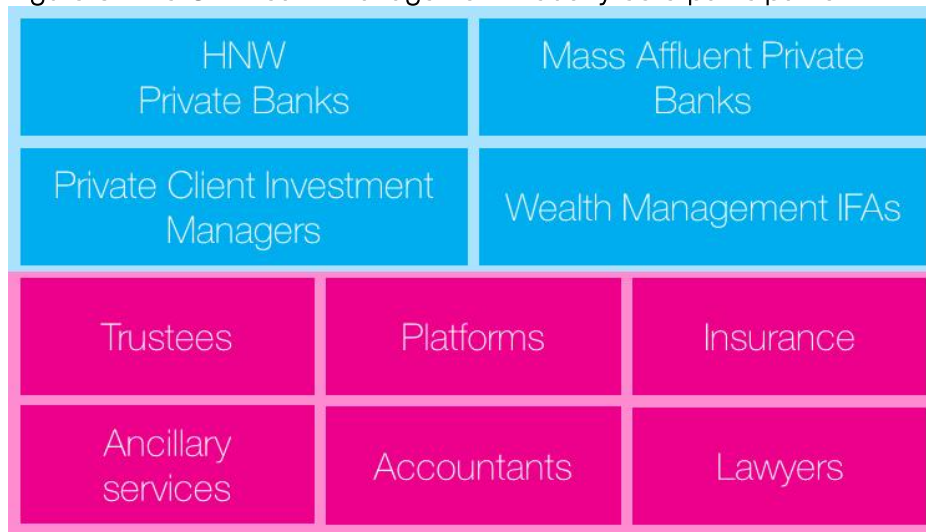
- There are 448,090 individuals with investable wealth in excess of GBP500,000.
- The financial analysis indicates that the revenue generated by the industry may be 20% below the potential revenue generated in other competing financial services centres operating wealth management due to regulatory and compliance factors.
- Wealth management services for “Premier” clients (typically with investable assets between GBP100,000 and GBP1,000,000) are generating significantly higher returns than the service providers at the larger account sizes. Typically the gross profit margins are as much as 25%-35% greater.
- The big four accounting firms alone generate GBP100 million in annual revenue for private client related business while the top 100 generate a further GBP110 million and the rest of the private client accountants produce a further GBP290 million in annual revenues from this sector.
- The private client legal community has 85,128 solicitors operating in the sector of which 9,364 are client facing. This professional generated an annual salary income of GBP825.1 million.
- The insurance industry generates GBP7.9 billion in premiums from wealthy clients in the UK annually with the average insurance premium (for all insurance related products held) at GBP17,500.

ENDS

Notes to editors:

1. Additional comments from senior executives of the 15 participating firms can be arranged on request.
2. Additional insight or graphics from the research can be made available on request.
3. The wealth management industry for this research initiative comprised the following 10 segments listed in the graphic below. The research included data provided by the participating companies, independent sources including government statistics and proprietary data generated by Scorpio Partnership.

Figure 3: The UK Wealth Management Industry core participants



4. About Owen James: Owen James Group organise bespoke, tailored events for the financial services industry, which in turn provide a platform for research, lobbying and marketing initiatives both in the UK and Asia Pacific. Through A Meeting of Minds and a series of breakfast briefings, Owen James co-ordinate all the Steering Party activity. The firm organises A Meeting of Minds for three distribution communities - the private banks and wealth managers; the IFAs; and the retail banks and affinities.
5. About Scorpio Partnership: Founded in 1998, Scorpio Partnership (www.scorpiopartnership.com) is the leading consumer insight and business development consultancy to the global wealth industry. The firm specialises in understanding the wealthy and the financial institutions they interact with. The firm undertakes projects for private banks, investment banks, asset managers, governments, family office, technology firms and related industry service providers.

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