



**IMAS**

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# UK FINANCIAL SERVICES INDUSTRY ANNUAL REVIEW 2014

JANUARY 2015

- GENERAL INSURANCE
- INVESTMENT
- LENDING
- FINANCIAL SUPPORT SERVICES

In association with



**UK Trade  
& Investment**

## UK FINANCIAL SERVICES: INTERNATIONAL APPEAL



This report highlights the size and structure of the UK financial services industry and the increasing overseas interest in the sector. Over 1,000 international firms own businesses in UK financial services, which demonstrates the openness of the sector. This number is growing, given the UK's importance in the global financial services market, which reflects its experience, concentration of expertise, favourable time zone and language. The UK's openness to investment is matched and facilitated by transparency of information. Every company has to file financial returns annually and the majority of firms that are active in UK financial services are regulated by the Financial Conduct Authority (FCA) and the Prudential Regulation Authority (PRA). These sources form the basis of the detailed analysis behind this review.

### 英国金融服务业：国际吸引力



本报告突出了英国金融服务业的规模和结构以及海外对于这一领域日益增长的兴趣。1000多家国际公司在英国金融服务业拥有企业，展示出这一领域的开放度，而英国在全球金融服务市场的重要地位反映出英国拥有经验、专长集聚、时区和语言有利，有鉴于此，这一数字正在增长。英国对投资的开放度由信息的透明度所推动，并且与之匹配。每家公司每年都必须申报财务收益，而且活跃在英国金融服务业的大多数公司都由金融服务署监管。来源于财务收益和金融服务署的信息组成了本报告背后详细分析的基础。

### Сектор финансовых услуг Великобритании: международная привлекательность



Данный отчет освещает размер и структуру сектора финансовых услуг Великобритании и растущий международный интерес к деятельности этого сектора. Более 1000 международных фирм владеют британскими компаниями в сфере финансовых услуг, что наглядно демонстрирует открытость этого сектора. Количество этих компаний растет, учитывая важную роль Великобритании на рынке международных финансовых услуг, отражающую опыт, накопленные знания, удобный часовой пояс и язык. Открытость Великобритании для инвестиций существует одновременно с прозрачностью информации и опирается на нее. Каждая компания обязана ежегодно подавать финансовые отчеты, и большинство фирм, работающих в британском секторе финансовых услуг, подлежат регулированию со стороны Управления по финансовому регулированию и надзору (FSA). Эти два источника легли в основу подробного анализа, стоящего за данным отчетом.

### Serviços financeiros no Reino Unido: interesse internacional



Este relatório destaca a dimensão e a estrutura da indústria de serviços financeiros no Reino Unido e o crescente interesse internacional no setor. Mais de mil empresas internacionais possuem negócios em serviços financeiros no Reino Unido, o que demonstra a abertura do setor. Esse número vem aumentando devido à importância do Reino Unido no mercado global de serviços financeiros, o que reflete a sua experiência, sua concentração de conhecimento, fuso horário favorável e idioma. A abertura do Reino Unido a investimentos tem seu correspondente na transparência de informação, que a facilita. Toda empresa deve declarar imposto de renda anualmente e a maior parte das que se encontram ativas na prestação de serviços financeiros no Reino Unido é regulada pela Autoridade de Serviços Financeiros. Estas duas fontes são o fundamento da análise detalhada que serve de base ao presente relatório.

### الخدمات المالية في المملكة المتحدة : جاذبية دولية

يُلقى هذا التقرير الضوء على حجم وهيكل صناعة الخدمات المالية في المملكة المتحدة والرغبة الدولية المتزايدة في هذا القطاع. حيث تمتلك أكثر من 1000 شركة عالمية أعمال في قطاع الخدمات المالية في المملكة المتحدة. وهذا يدل على انفتاح هذا القطاع. ويزداد نمو هذا القطاع نظرًا لأهمية المملكة المتحدة في السوق العالمي للخدمات المالية مما يعكس خبرتها وتركيزها في هذا المجال وفرق التوقيت المواتية بالإضافة إلى عامل اللغة. ويرتبط انفتاح المملكة المتحدة على الاستثمارات ويسهل من عملها وجود شفافية في المعلومات حيث تلتزم جميع الشركات بالكشف عن عوائدها المالية سنويًا وتخضع غالبية الشركات التي تنشط في قطاع الخدمات المالية في المملكة المتحدة إلى لوائح وضوابط هيئة الخدمات المالية. ومن ثم يُشكل هذان المصدران أساس التحليل المفصل لهذا التقرير.



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## FOREWORD

### UK Trade & Investment

I am delighted to support IMAS's UK Financial Services Industry Annual Review 2014. This is the fourth IMAS Annual Review, providing an unrivalled, in-depth insight which is essential to anyone seeking to gauge a comprehensive understanding of the structure and ownership of the UK's financial services industry.

The UK is the world's preeminent financial centre, with more overseas financial institutions and investors choosing to undertake business in – and with – the UK than any other country. The UK is very much open for business, evidenced in this report by the fact that nearly half of businesses valued in excess of £100m are overseas owned, confirming both the UK's openness as well as international appeal.

The UK financial services sector has a strong offer. We have a transparent legal system, liquid capital markets, a favourable geographical location and a highly skilled and educated workforce. The industry is overseen by a well-respected securities market regulator – the Financial Conduct Authority – so investors can have confidence in the strength and impartiality of our regulatory system.

The UK's financial services industry has an unrivalled concentration of capital and capabilities, as well as a regulatory system that is effective, fair and principled; an aspect of the UK's sector which is reflected in this report. The UK has an unparalleled level of disclosure and transparency in company reporting.

The UK Government is committed to strengthening the UK's position as the world's international financial centre. UK Trade & Investment (UKTI) is a UK Government department working with businesses based in the United Kingdom to ensure their success in international markets, and encourage the best overseas companies to look to the UK as their global partner of choice; and within that, the UKTI Financial Services Organisation is the dedicated team helping attract and facilitate inward investment to the UK and facilitate overseas trade in the financial and related professional service sectors.

If you are thinking of the UK as a place in which, or from which, to do business then it is our job at UKTI to make the process of setting up easier. The UKTI Financial Services Organisation offers a single portal for investors to engage with to make the process of setting up a financial services institution in the UK as simple and as streamlined as possible.

If you are an investor thinking of entering the UK market, or indeed just want to gain a better understanding of the UK financial services landscape, then I hope you enjoy reading this insightful and comprehensive report.



A handwritten signature in black ink that reads 'Dominic Jermey'.

**Dominic Jermey**  
Chief Executive, UK Trade & Investment

## ABOUT UK TRADE & INVESTMENT

# FIND OUT MORE ABOUT

# GREAT

## BRITAIN & NORTHERN IRELAND

*The UK is a proven world-class asset for multinational companies from all key business sectors. The evidence is clear – for companies seeking to maximise strategic commercial value, a UK investment is essential. With an unrivalled business operating environment, an internationally competitive tax system and a world-class skills base, the UK is Europe's strongest location for international investors.*

*To benefit from the outstanding commercial opportunities in the UK, please contact the UKTI Investment Hub:*

*Call: +44 (0)20 7333 5442*

*Email: [enquiries@ukti-invest.com](mailto:enquiries@ukti-invest.com)*

*Visit: [www.ukti.gov.uk/invest](http://www.ukti.gov.uk/invest)*



## FOREWORD

### IMAS Corporate Finance

In order to provide our clients with the highest quality service, we have analysed the entire UK financial services industry employing over 15 years of research. This, coupled with deal experience derived from the successful completion of over 120 transactions and other project work, provides unique insight into the industry.

I am delighted that our work also allows us to share the knowledge with you and highlight some of the key trends and developments that took place in the UK financial services industry in 2014.

We saw continuing strong direct and indirect interest from overseas in the industry. Over half of all groups in the UK with an estimated value in excess of £100m are now ultimately owned by an international parent or a private equity firm headquartered overseas.

We believe that this is partly driven by the general transparency of the UK financial services industry. This is a function of both Companies House and the FCA register being accessible to the public (which has been invaluable for IMAS's research into the sector) along with a favourable legal framework. Undoubtedly the UK's historic specialism in financial services, along with the accompanying intellectual property and skills that can be sourced here, must also play a key role. These factors contribute to ensuring that UK financial services remain competitive and provide a level playing field for all investors, be they UK or overseas companies.

The research contained in this review is a summary of a more detailed analysis that is available on our website [www.imas.uk.com](http://www.imas.uk.com) (see "Our Edge").

I would like to thank UKTI for their continuing support and my colleagues whose work during the year allows us to produce this review with such precision and depth that makes it a truly unique document.



A handwritten signature in black ink that reads "Olly Laughton-Scott".

**Olly Laughton-Scott**  
Founding Partner, IMAS

## ABOUT IMAS AND IMAS-INSIGHT

Founded in 1992, IMAS is an M&A firm specialising in advising sellers and buyers of privately owned businesses across the UK financial services industry. IMAS's partners, who have extensive experience from their careers in major UK financial institutions, work closely with our clients to understand their strategic objectives and cultural preferences, in order to design and manage processes that are optimally suited to our clients' needs. By applying our proprietary knowledge and research capabilities, we are able to provide objective advice on a range of options and efficiently bring solutions to our clients.

In 2014 we helped successfully complete 12 transactions with an aggregate value in excess of £400 million. For a comprehensive list of our completed transactions please visit our website. A selection of transactions completed over the last three years is shown below.

## IMAS DEALS

|  |   |  |   |
|--|---|--|---|
|  <p>Stackhouse Poland in the sale of a minority stake to Synova Capital</p>  |  <p>HgCapital in the buyout of A-plan</p>                         |  <p>GAB Robins in the sale to Crawford &amp; Company</p>   |  <p>Thomas Miller Investment in the acquisition of Broadstone Wealth Management</p>       |
|  <p>Bowmark Capital in the acquisition of iPrism Underwriting Agency</p>     |  <p>R3:Financial Services Group in the sale to Police Mutual</p>  |  <p>American Express in the sale of ITS to management</p>    |  <p>Markerstudy in the acquisition of Capita's personal lines insurance distribution</p>  |
|  <p>Schneider Foreign Exchange in the sale to Monex Group</p>                |  <p>Border Asset Management in the sale to Sanlam</p>             |  <p>Skipton Building Society on the sale of The Private Health Partnership to Punter Southall group</p>  |  <p>Fish Insurance on its sale to Inflexion</p>   |

## EXECUTIVE SUMMARY

### The UK financial services market

The continued recovery of business and consumer confidence in 2014 resulted in stronger economic growth and stronger M&A markets, with the UK financial services market representing a key sector. IMAS estimates that there are in excess of 50,000 trading entities operating within this diverse market. Of those with an estimated capital value in excess of £5m, IMAS has employed its proprietary technology to analyse the market into four principal sub-sectors which in aggregate have grown in number by c. 6% since 2013 to 3,299 groups: investment (1,642), general insurance (639), lending (531) and financial support services (487).

The composition of the market has remained broadly stable with the investment sub-sector continuing to account for approximately half of the market. It is notable that the ownership profile of the market has been driven this year by the growth in privately held businesses, which have increased by over 10%. Such businesses have benefitted from improving trading conditions and a market which fosters and encourages innovation from the entrepreneurs of tomorrow.

Whilst privately held businesses represent c. 45% of the UK financial services market with an estimated capital value in excess of £5m, the ownership profile is concentrated within smaller businesses. Overseas owned businesses are the second most prevalent form of control in the market with c. 32%, but this increases significantly to over 47% for businesses valued in excess of £100m which confirms the UK financial services market's openness and continued international appeal.

### Continued strong growth in M&A activity to £20bn

2014 built on the already strong growth in M&A activity witnessed in 2013 with deal values rising over 25% in 2014 to almost £20bn, driven by significant growth within the investment and financial support services sectors. As the global economic outlook has improved, there has been a corresponding increase in the number of transactions being completed and it is noteworthy that in 2014, in contrast to 2013, the fastest growing segment of the market is in the sub-£100m deal size.

Overseas owned companies continue to represent one of the most acquisitive constituencies within the market, representing almost 32% of all acquisitions in 2014. Overseas buyers comprise new entrants to the market and those with existing operations in the UK that are looking to expand. This remains an important distinction as for every one company acquired by a new entrant from overseas during 2014, over ten are acquired by those already established in the UK.

The US continues to drive the majority of overseas investment into UK financial services, with over 60% of all overseas backed acquisitions completed by US acquirers.

### The rise of private equity

Private equity (including private equity-backed businesses) has always been an important investor in the UK financial services market, but 2014 marked a significant milestone in that it became the most acquisitive constituency within the market, responsible for over one in every three deals. As a result, private equity now controls almost 6% of UK financial services. Private equity has investments across the breadth of UK financial services with exposure to all business models prevalent in the market: risk, distribution and services.

Given the nature and horizon of private equity investment, it is also one of the most active sellers of UK financial services businesses, with over one in five sales in 2014 undertaken by private equity.

### Additional regulatory scrutiny

Regulation of UK financial services continues to impact the landscape and continues to be a key driver of M&A activity. One of the most notable changes in the year was the transfer of consumer credit regulation from the OFT to the FCA, which has already started to change the way in which certain markets operate, notably within the high-cost short-term credit sector. As firms continue to assess the implications of applying for full authorisation from the FCA, we believe that consolidation of certain markets will continue as can be seen in the debt purchase markets.

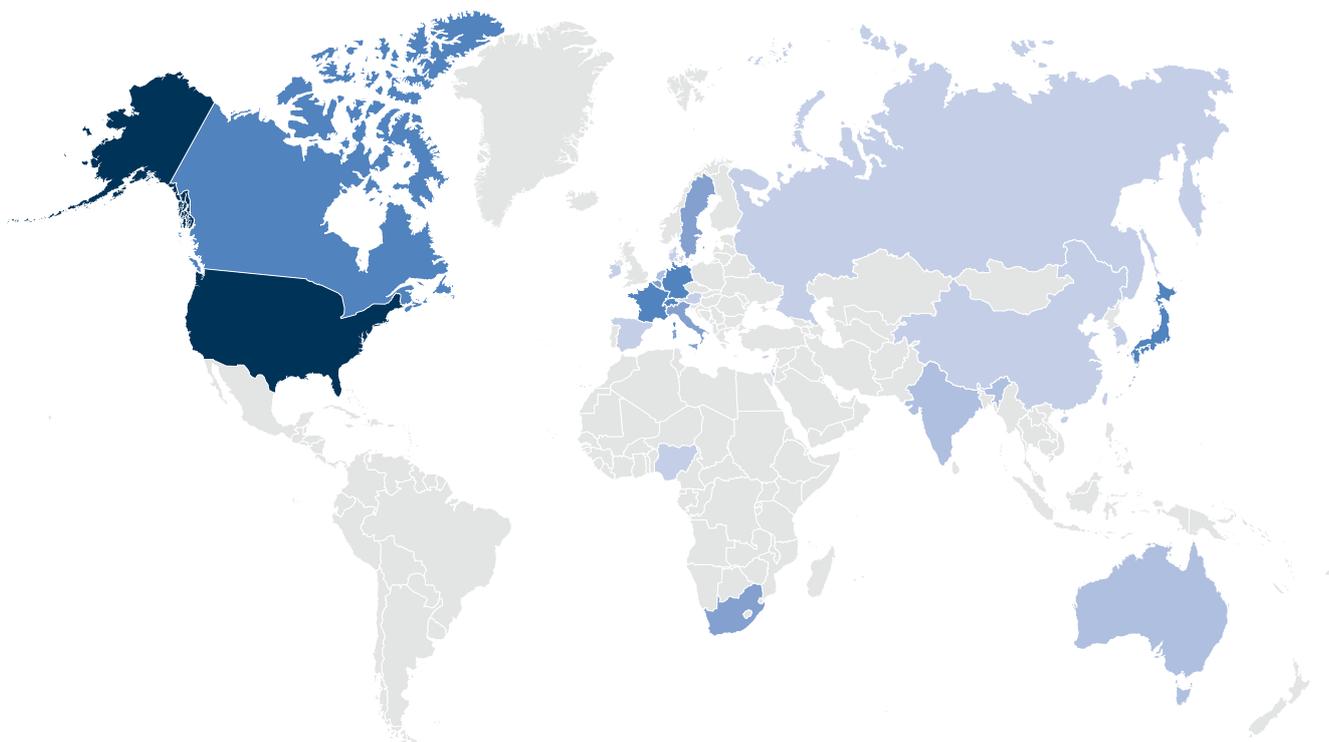
Regulatory compliance has resulted in larger institutions continuing to review the breadth of their operations and strategically refocusing their activities on their core markets. This has yielded several non-core disposals and enabled new markets and new entrants to flourish to meet demand that is no longer being satisfied. This can be seen not only in the number of new challenger banks in the market, a number of which are backed by private equity, but also by new markets such as peer-to-peer lending that are growing quickly and leveraging the latest technological innovations.

### 2015 – further M&A consolidation expected

The UK financial services sector has maintained a strong position within the global market, offering broad expertise and skills, robust legal and regulatory frameworks, liquid capital markets, transparency in financial reporting and a favourable geographic location.

If confidence continues to build and the costs of regulatory compliance increase, we expect M&A activity within the UK financial services sector to continue to grow, driven by further investment from overseas as well as by publicly quoted companies and private equity firms that still have significant capital to deploy.

## OVERSEAS INVESTMENT IN UK FINANCIAL SERVICES



Number of financial services businesses owned by overseas headquartered entities

| Country            | Investments | Country                | Investments | Country            | Investments |
|--------------------|-------------|------------------------|-------------|--------------------|-------------|
| <b>US</b>          | 496         | <b>Australia</b>       | 26          | <b>South Korea</b> | 8           |
| <b>Switzerland</b> | 42          | <b>Sweden</b>          | 15          | <b>Nigeria</b>     | 8           |
| <b>France</b>      | 38          | <b>Italy</b>           | 15          | <b>Denmark</b>     | 8           |
| <b>Japan</b>       | 35          | <b>South Africa</b>    | 11          | <b>Spain</b>       | 7           |
| <b>Germany</b>     | 33          | <b>Belgium</b>         | 10          | <b>Cyprus</b>      | 7           |
| <b>Canada</b>      | 31          | <b>Channel Islands</b> | 10          | <b>Russia</b>      | 7           |
| <b>Bermuda</b>     | 29          | <b>Ireland</b>         | 9           | <b>Singapore</b>   | 7           |
| <b>Netherlands</b> | 27          | <b>China</b>           | 9           | <b>Austria</b>     | 6           |
| <b>India</b>       | 27          | <b>Israel</b>          | 9           | <b>Bahrain</b>     | 6           |

## THE UK FINANCIAL SERVICES INDUSTRY



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The financial services sector is a key component of the UK economy. This review sets out a summary of the industry based on detailed analysis of every business within the sector and the impact M&A activity is having on the landscape.

We have divided our analysis into the four sub-sectors of General Insurance, Investment, Lending and Financial Support Services.

As a whole, the financial services sector continued to grow in value and M&A activity rose sharply in 2014 for the second year running. Private equity, either by directly deploying funds to new investments or via supporting their existing investments in the sector, was particularly prominent. It featured as an acquirer in more transactions than any other type of buyer group, overtaking overseas owned groups for the first time in the last four years since we started tracking the data.

However, the most dramatic change was seen among UK quoted companies. In 2012 they accounted for 12 of the 104 transactions (of an estimated value of £5m or more). In 2014 they accounted for 43 transactions, representing almost a quarter of the total volume.

Overseas investment continued to be dominated by US groups, making up 60% of the acquisitions in 2014, albeit that only one of the transactions was completed by a US group entering the UK for the first time.

Other than US groups, 17% of the overseas buyers were entering the UK for the first time, demonstrating the UK's continued attractiveness to international financial services groups.

**Table 1: Ownership by value band of UK financial services groups**

|                 | UK Quoted  | Privately Held | Widely Held | Overseas Owned | Private Equity | Mutual/Friendly | Other     | Total        |
|-----------------|------------|----------------|-------------|----------------|----------------|-----------------|-----------|--------------|
| £100+ million   | 92         | 98             | 23          | 305            | 57             | 42              | 26        | <b>643</b>   |
| £25-100 million | 45         | 261            | 29          | 291            | 70             | 50              | 13        | <b>728</b>   |
| £5-25 million   | 27         | 1,118          | 59          | 448            | 70             | 147             | 28        | <b>1,897</b> |
| <b>Total</b>    | <b>164</b> | <b>1,477</b>   | <b>111</b>  | <b>1,044</b>   | <b>197</b>     | <b>239</b>      | <b>67</b> | <b>3,299</b> |

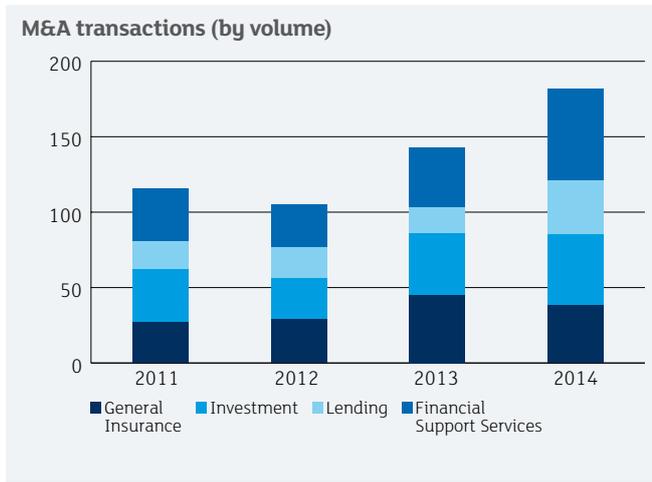
Source: IMAS-*insight*

The strength of the UK economy has enabled the total number of groups, potentially worth £5m or more, to increase by 6% to 3,299 in 2014. Whilst most ownership categories saw growth of between 2% and 4%, the number of privately held groups grew by 10%. The only ownership category that shrunk in size was mutuals/friendly societies which dropped by 3%.

International interest in the UK financial services sector has remained relatively stable over the last couple of years. It represents c. 47% of groups estimated to be worth more than £100m, and more than one quarter of smaller groups in the UK worth less than £100m.

By combining the largest groups that are controlled by private equity firms which are headquartered outside of the UK with the 305 overseas owned groups, international ownership increases to over 51% in the UK financial services sector, i.e. the majority are owned by groups headquartered outside of the UK.

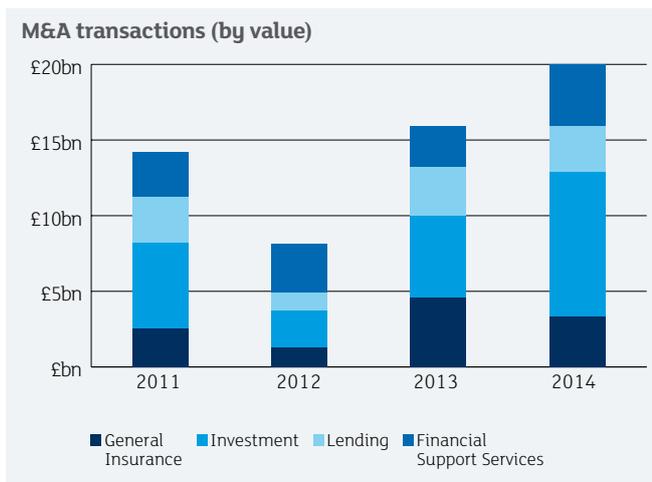
## M&A ACTIVITY



Source: IMAS-insight

M&A transaction volumes, representing deals with a minimum transaction value of £5m, grew by 27% in 2014, showing a continuing confidence in the market.

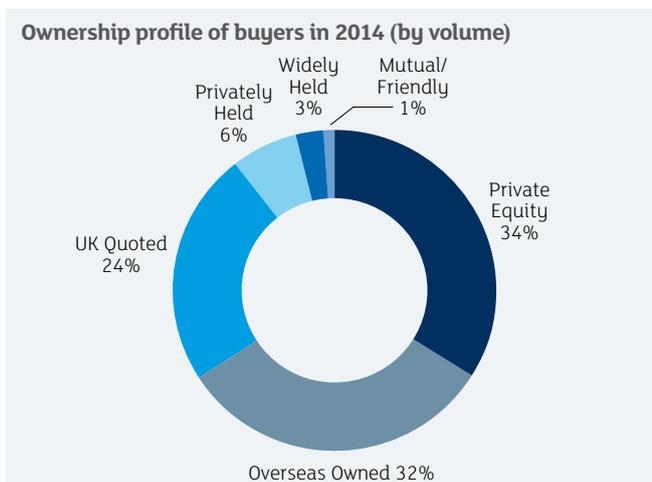
All subsectors saw increasing volumes compared to last year except General Insurance, which had high levels of activity in 2013. The most significant rise was in the Lending sector which more than doubled to 36 transactions in 2014.



Source: IMAS-insight

Aggregate M&A transaction values (each valued at £5m or more) continued to grow in 2014, reaching c. £20bn, over 25% higher than in 2013, its highest level since our records began.

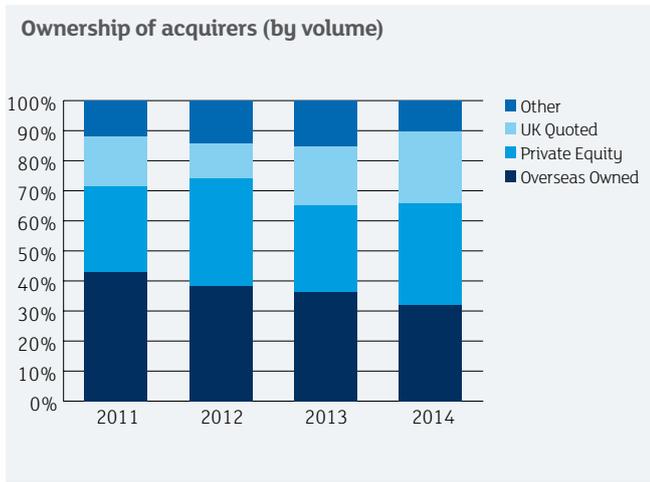
The Investment and Financial Support Services sectors drove the growth, being 77% and 49% higher than last year, respectively.



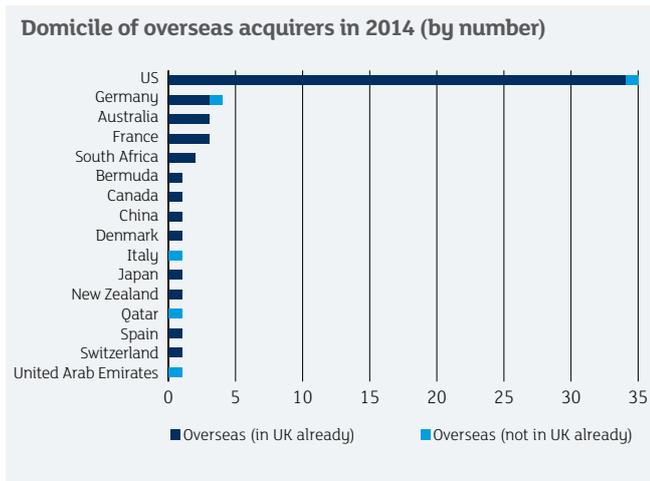
Source: IMAS-insight

Private equity and private equity-owned firms (collectively labelled "Private Equity" in the chart) were the most active acquirers of UK financial services firms, representing over one in every three deals in 2014. Almost another third was accounted for by overseas owned groups.

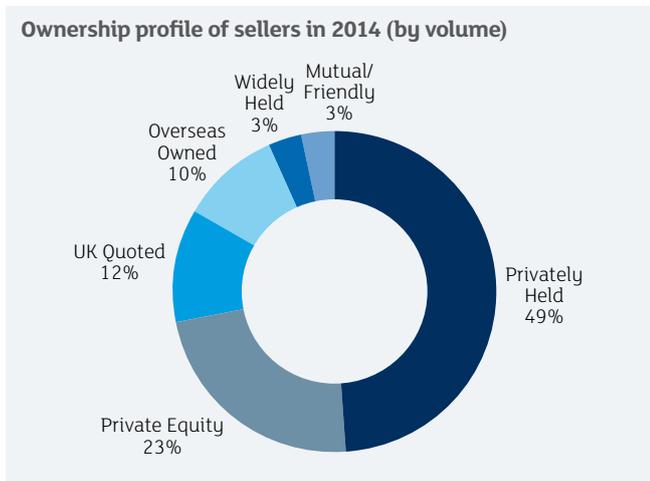
## M&A ACTIVITY



Source: IMAS-insight



Source: IMAS-insight



Source: IMAS-insight

2014 was the first year when private equity (being both private equity funds and private equity owned companies) became the largest buyer of financial services businesses in the UK, overtaking overseas investors.

However, the most significant increase in M&A activity was accounted for by UK public companies. Over the last two years they have doubled their relative share of the volumes and quadrupled the number of transactions.

Overseas acquirers still represent a very important buyer group. US groups dominated with 60% of the acquisitions in 2014. Only one of these acquisitions was completed by a US group that was not already established in the UK.

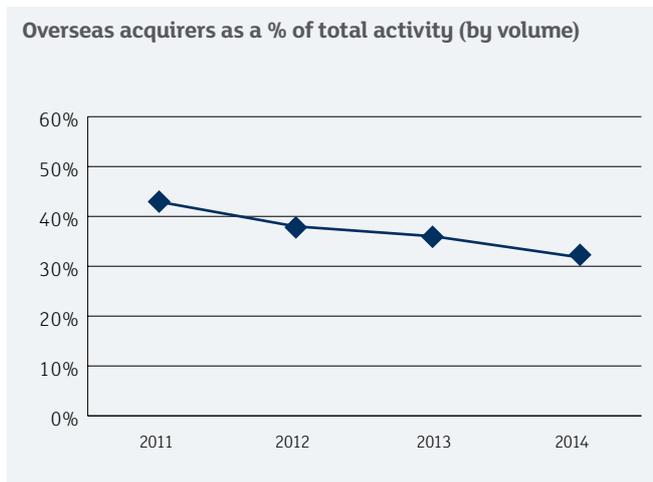
established themselves in the UK and may have had reasons to look elsewhere or focus on their domestic operations. However, it also suggests that the UK continues to attract broader interest from those that are keen to become part of the international financial services industry.

The picture is different when looking at other overseas acquirers. 17% of those were made by companies entering the UK for the first time. This suggests that US groups may have largely already

Privately owned businesses are the most common target for an acquirer in UK financial services. 49% of all financial services businesses sold in 2014 for an estimated value of £5m or more were privately owned.

As a consequence of their business model, private equity funds also represent a significant category of sellers.

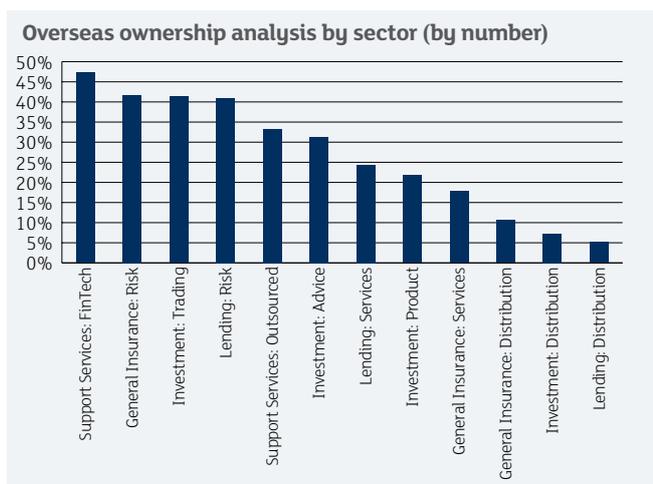
## OVERSEAS ACTIVITY



Source: IMAS-*insight*

Overseas owned businesses have consistently been the most active acquirers of UK financial services businesses in recent times. However, 2014 has marked the first year in recent times when overseas acquirers were overtaken by private equity funds, both as investors directly from their funds and via their portfolio businesses, as the largest buyer group.

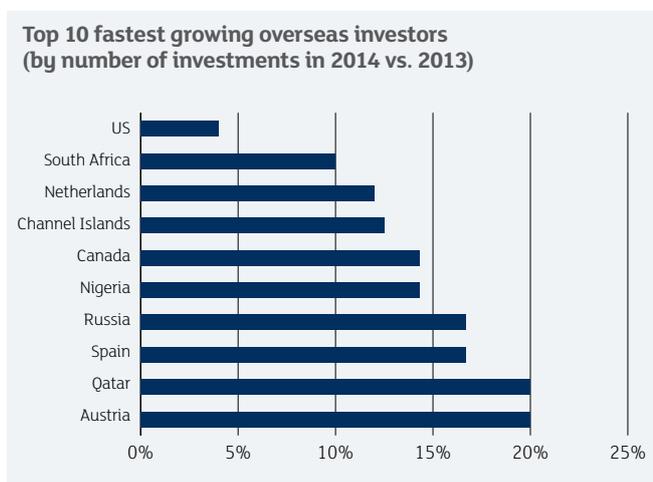
Of the 58 acquisitions by overseas groups, over 90% already had a UK presence.



Source: IMAS-*insight*

Analysing the level of overseas ownership within each sub-sector of the UK financial services industry reveals significantly different levels of control.

The financial technology (“FinTech”) sub-sector within support services continues to show the highest level of overseas ownership at over 45%, demonstrating its international outlook. The risk-taking sub-sectors of general insurance and lending also typically operate in global markets and have a high level of overseas ownership accordingly.

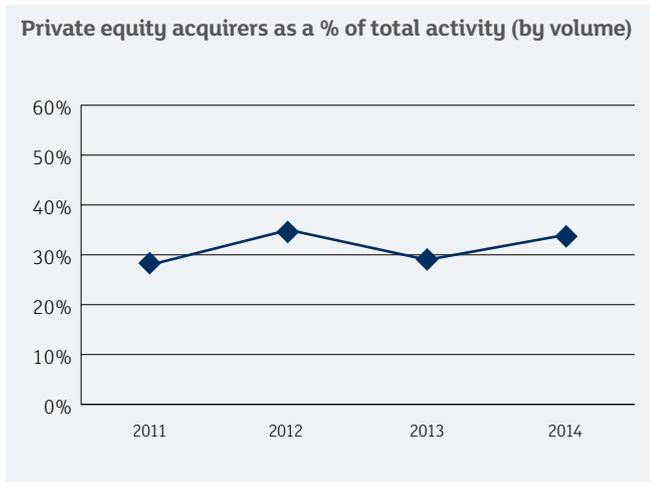


Source: IMAS-*insight*

The US remains the largest investor nation in UK financial services. Other nations have been increasing their exposure more rapidly over the last year, albeit from a lower base.

Of those countries with more than five investments in UK financial services, as shown opposite, Austria and Qatar have grown the fastest over the last year.

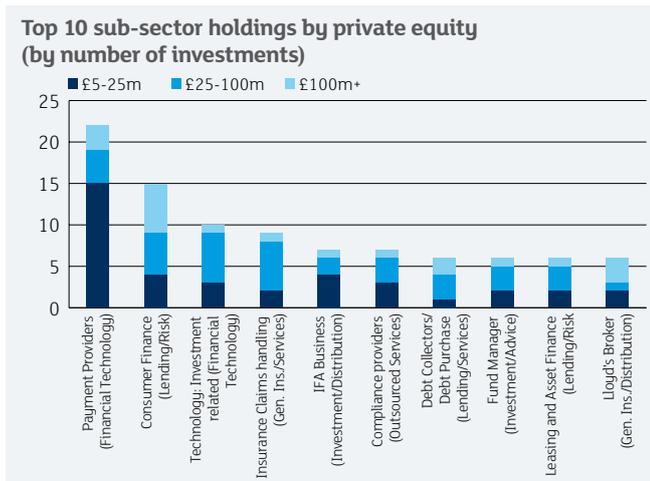
## PRIVATE EQUITY ACTIVITY



Source: IMAS-insight

Private equity houses are now the most active acquirers within UK financial services.

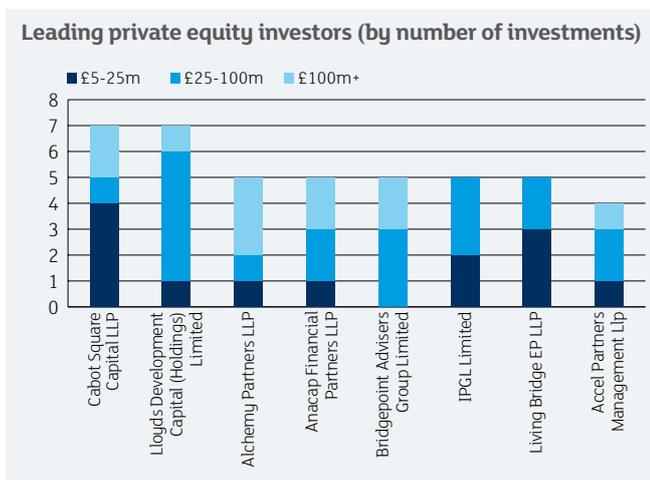
Private equity firms have increased their exposure to both the general insurance and financial support services sectors in the past year.



Source: IMAS-insight

By analysing current portfolio investments that are controlled by private equity houses, the financial services activities which are the most attractive to private equity investors have been identified.

The analysis demonstrates that payments and consumer finance are the two segments of the market that have attracted the highest number of private equity investments in recent years.

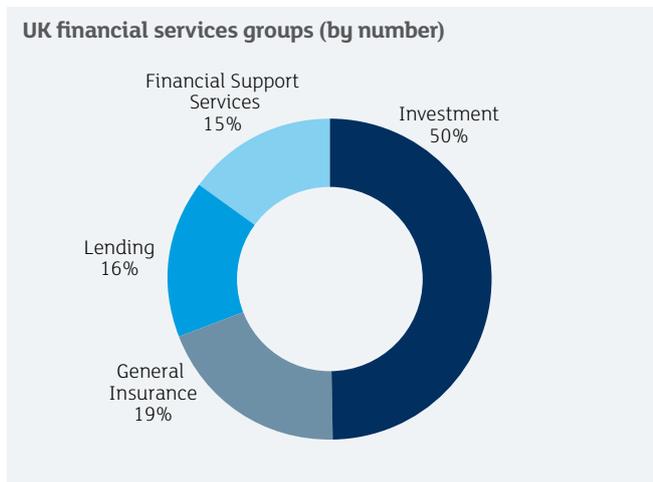


Source: IMAS-insight

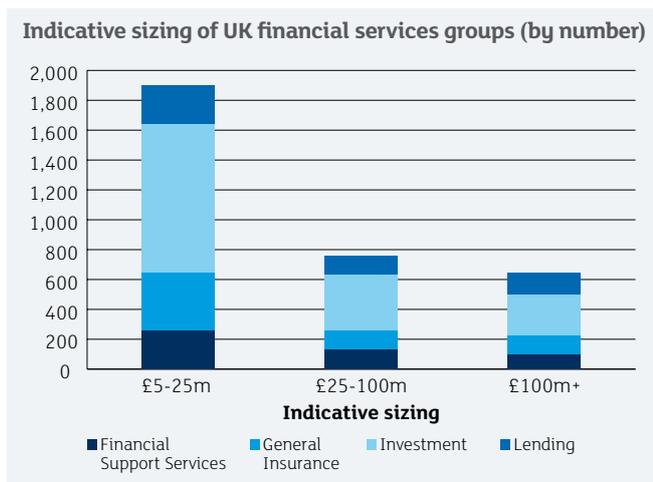
This analysis highlights which private equity funds currently have the greatest number of investments within UK financial services.

Each of the funds cover a diverse range of specific sub-sector interests.

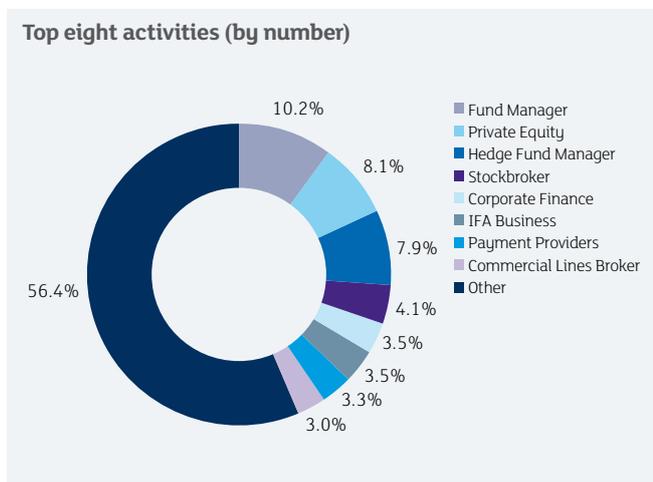
## MARKET STRUCTURE



Source: IMAS-insight



Source: IMAS-insight



Source: IMAS-insight

IMAS has categorised each of the identified groups into one of four sectors, based on their principal line of business, and further into nearly one hundred sub-sectors, which are further explained in the sector reviews of this report.

The Investment sector remains the largest, accounting for half of the industry, represented by fund managers, hedge fund managers and private equity firms. The general insurance sector is the next largest,

representing just under one in five groups within the industry, with brokers predominant.

Banks are the largest constituent of the lending sector, whilst payment providers are the largest constituent within the financial support services sector.

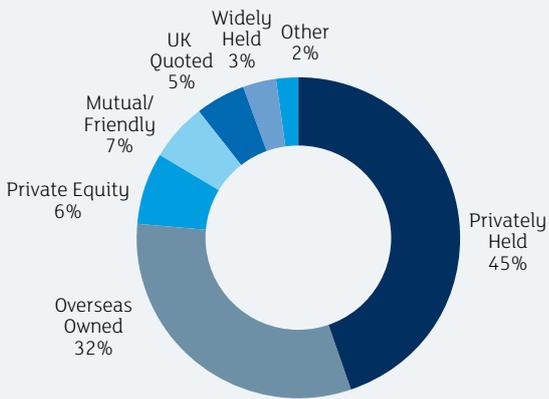
The size of the overall UK financial services market has grown by 6% in 2014, but the broad distribution of groups within the market remained similar with c.58% of such groups within the £5-25m estimated value band.

The top eight activities represent over 40% of the total industry and are heavily concentrated within the advisory segment of the Investment sector.

Within this segment, fund managers, private equity houses, hedge fund managers and stockbrokers total over 900 groups, approximately 30% of the entire financial services sector.

## OWNERSHIP

**Ownership profile of UK financial services (by number)**

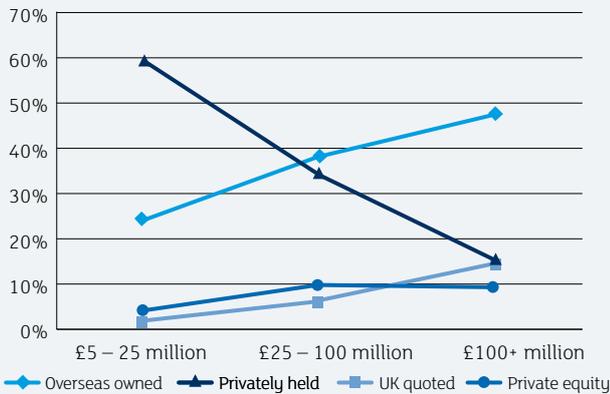


Source: IMAS-insight

The broad profile of ownership within UK financial services has not changed significantly in the last 12 months.

Privately held firms and overseas-owned companies remain the two dominant forms of control by number of groups, representing over three-quarters of the total industry.

**Ownership trends within UK financial services (by value)**

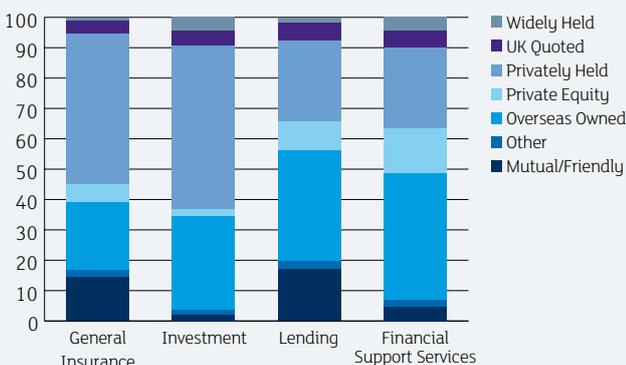


Source: IMAS-insight

The most prevalent forms of control vary significantly depending on the value of the group. Private ownership is widespread within the smaller size banding of £5-25 million, but declines rapidly as values increase. The opposite is the case among both overseas owned groups and UK publicly quoted groups which both increase as values increase.

This trend is consistent with private owners of businesses looking to realise value for their investment at some point in their lifetime, typically selling the business to a larger and better capitalised group that is either quoted in the UK or held by an overseas group.

**Ownership profile of UK financial services sectors (by value)**

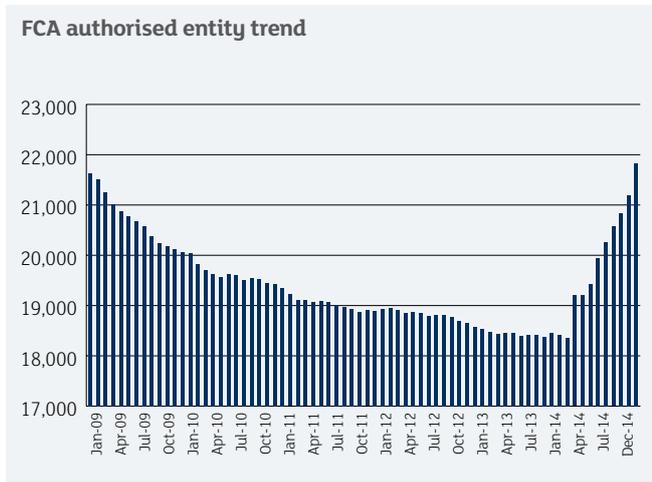


Source: IMAS-insight

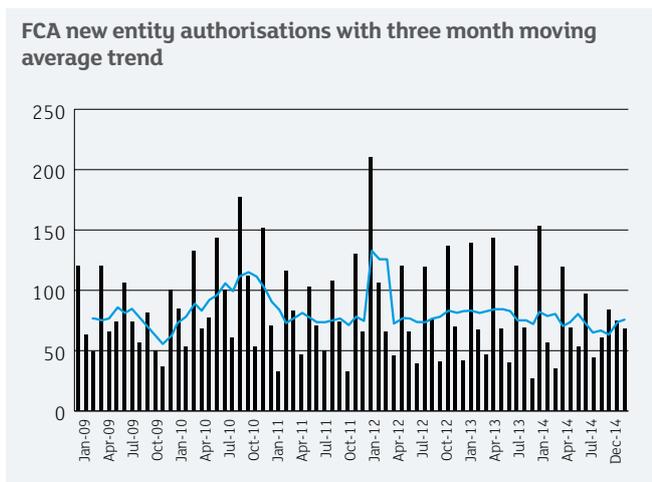
Comparing the ownership between the four sectors reveals a higher proportion of private ownership within the General Insurance and Investment sectors.

In contrast, overseas ownership is the most common form of control within both the Lending and Financial Support Services sectors.

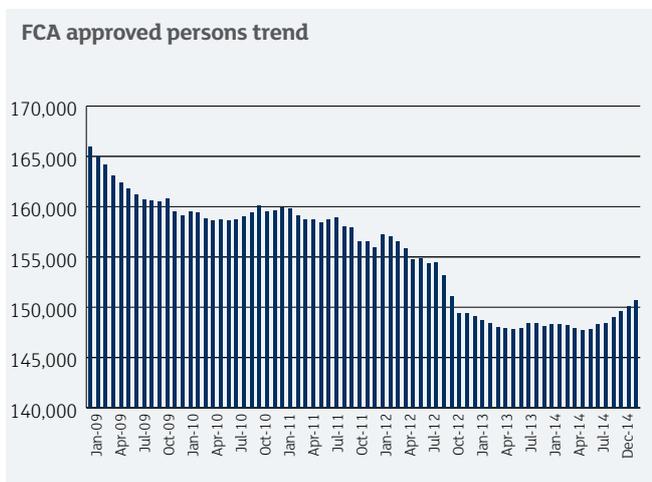
## FCA REGULATION



Source: IMAS-insight



Source: IMAS-insight



Source: IMAS-insight

The Financial Conduct Authority (FCA) and the Prudential Regulation Authority (PRA) are the principal regulators of the UK financial services industry. However, certain activities relating to financial services fall outside of the current regulatory scope of the FCA and PRA, or do not require authorisation by the regulatory authorities.

The trend in all FCA authorised entities (irrespective of size) therefore only shows part of the industry, albeit the major

part. The decline until April 2014 was partly a function of M&A consolidation and de-authorisations, offset to a smaller extent by new entity authorisations. However, the regulation of consumer credit was transferred from the OFT to the FCA on 1 April 2014, which accounted for the significant increase in authorised entities in the ensuing months.

The trend in new entity authorisations since January 2009 shows a repeating quarterly pattern, with an initial strong month followed by two quieter months.

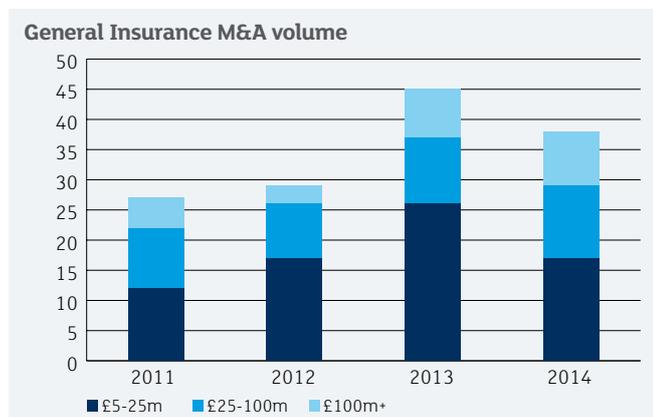
The moving average of new entity authorisations has remained fairly constant at approximately 75 per month since the middle of 2011.

Individuals who undertake a customer function or have a senior management control function at an FCA authorised firm are required to be registered and approved with the FCA. Hence the c.150,000 approved persons (AP) working in the industry represent a small subset of the entire workforce which does not include other employee functions, such as IT, operations or administration.

## GENERAL INSURANCE



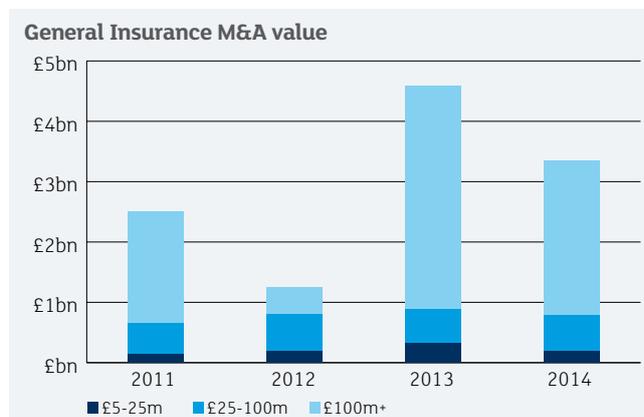
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Source: IMAS-insight

2014 was slightly less active than 2013 in terms of completed insurance transactions in excess of £5m of value, both by number and aggregate value. 2014 did however see announcement of potentially the largest insurance transaction for some time, the acquisition of Catlin by XL. If this had been taken into account then 2014's aggregate value would have been materially higher than 2013. With 38 completed transactions, 2014 was still well ahead of 2011 and 2012 showing that the confidence and interest in the sector was still there and we expect this to continue for 2015.

In the distribution/broker sector 2014 was however a materially more significant year than 2013 with in excess of £2bn of



Source: IMAS-insight

transactions compared to only £0.9bn last year and 25 transactions compared to 23, driven by the floatation of brokers and acquisitions by Gallagher and private equity.

The insurer/risk sector in 2014 was much quieter than 2013, 6 transactions compared to 10 and only £1.1bn compared to £3.5bn aggregate value. With Catlin in discussions this relative slowdown could be quickly reversed. The motivation in this sector does seem to be scale driven by solvency, with recent benign catastrophe years resulting in soft insurance and reinsurance rates.

**Table 2: Ownership by value band of the UK general insurance market**

|                 | UK Quoted | Privately Held | Widely Held | Overseas Owned | Private Equity | Mutual/Friendly | Other     | Total      |
|-----------------|-----------|----------------|-------------|----------------|----------------|-----------------|-----------|------------|
| £100+ million   | 21        | 7              | 2           | 61             | 13             | 15              | 3         | <b>122</b> |
| £25-100 million | 3         | 47             | 2           | 37             | 17             | 15              | 3         | <b>124</b> |
| £5-25 million   | 2         | 264            | 4           | 44             | 7              | 62              | 10        | <b>393</b> |
| <b>Total</b>    | <b>26</b> | <b>318</b>     | <b>8</b>    | <b>142</b>     | <b>37</b>      | <b>92</b>       | <b>16</b> | <b>639</b> |

Source: IMAS-insight

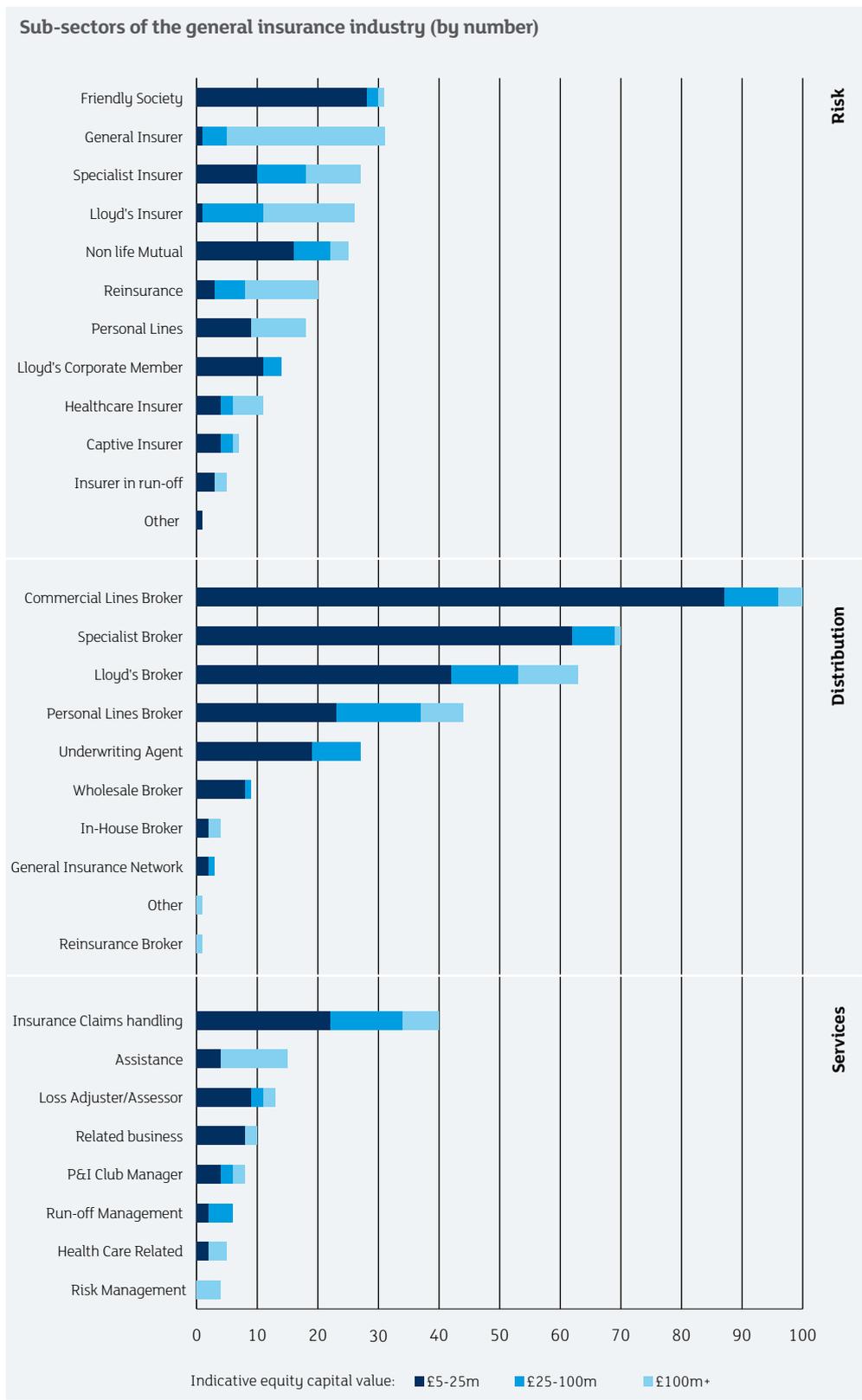
The sector has seen an increase in the number of material entities (those with estimated value of £5m or more) this year, up by 3% (18 companies), compared to the stagnant development of previous years. The majority of this growth has been in the privately owned sector, up by 6% or 18 companies, although with deals announced in January this has already declined. 2013 was an active year for private buyers and so this development was to be expected.

Other sectors have moved slightly but the most interesting one is Private Equity which has declined by 3 while the mutual category has increased by 3.

The composition by size has also changed with there being many more £5m-£25m entities, up by 33 or 9.1% while the larger ones, greater than £25m estimated value, have declined by 15 or 5.8%, reflecting a consolidation of larger companies which looks like it will continue into 2015 as well. Transactions already announced in 2015 have reduced the number of the smaller entities by 6.

Half of the sector is made up of broking/distribution companies and 76.75 of these are in the sub £25m value range and only 7.3% are in the £100m plus size range. This contrasts to the insurance company/risk sector, which accounts for 34% of the whole sector and where only 41.6% are in the small category and 37.8% are £100m plus companies. Other service and support companies account for 16% of the sector.

## GENERAL INSURANCE SUB-SECTORS



The analysis highlights the sub-sector and activity classifications employed in this report, and details the number of participants within each.

Commercial lines brokers, offering general insurance policies aimed at the corporate market, account for just over 15% of the entire insurance sector.

Source: IMAS-insight

## M&A IN 2014: GENERAL INSURANCE

The monthly M&A reviews detailed below are edited versions of the IMAS M&A Monthly newsletter which is available by email and on the IMAS website. Please register at <http://www.imas.uk.com/Join.aspx> to receive monthly M&A email updates and access 2014 commentary.

### Selected key deals

- XL potential acquisition of Catlin
- Qatar Insurance acquisition of Antares
- Gallagher acquisition of Oval
- Listing of AA and Saga
- RSA restructuring

### Key drivers

- Solvency
- Weak insurance rates
- Renewed confidence in distribution sector
- Revival of economy

### January

Marsh UK strengthened its Scottish commercial operations by acquiring Central Insurance Services. Peter Cullum, having backed the launch of Global Risk Partners in October 2013, launched Minority Venture Partners and made its first investment in Green Insurance. Kingsbridge sold a minority stake to private equity firm ISIS.

### February

Interest in Lloyd's continued with Qatar Insurance Company acquiring £200m capacity Antares from investors led by Lightyear Capital. Tokio Marine Kiln acquired a 49% stake in NAS Insurance, based in Los Angeles and transacting premiums in excess of \$75m.

Innovation Group acquired LAS Claims Management for £35m and Quindell agreed to acquire the remaining majority 57% shares in Ingenie for up to £73.7m in Quindell shares. Police Mutual acquired R3: Financial Services Group which trades as Forces Financial. Capita made an investment in Infinity Agency, an MGA, securing a long term business outsourcing contract.

### March

Bluefin, Jelf and Towergate continue the consolidator acquisition trail, recording two, one and four acquisitions each respectively. Other broker acquirers were Beaumonts acquiring E Farley & Son in Bradford and Swinton acquiring CH Turner in Cleethorpes.

Private equity was active with ECI Partners invested in Avantia, the online home insurance business, and Apollo and CVC announcing their intention to proceed with an IPO for Brit Insurance with an estimated valuation of £1bn. Aviva announced the sale of its Turkish general insurance business, Aviva Sigorta, to a private equity consortium.

Hyperion subsidiary Howden acquired a Colombian reinsurance broker and FP Marine acquired Risk Exchange, a marine broker in Hong Kong. Allianz is to buy part of Italian insurer Unipol's property and casualty business for up to €440m.

### April

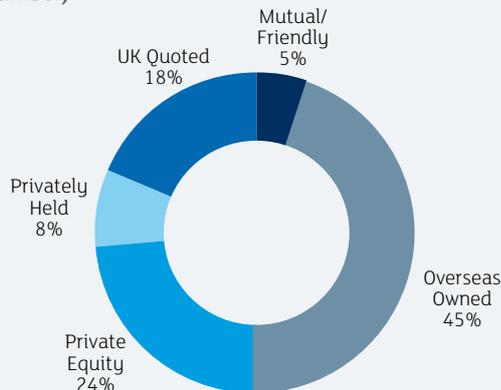
Gallagher completed the acquisition of Oval for £199m; they also acquired Wesfarmers's insurance broking operations (primarily trading as Oamps) based in Australia, New Zealand and the UK for A\$1.1bn. Stackhouse Poland acquired Liverpool based Coulter Hurst & Company and Integro bought Richard Thacker & Company an education and legal specialist in Manchester. VRS Vericclaim acquired HNW loss adjuster Ellis May.

Private equity investor Bowmark acquired a majority stake in Iprism, the online wholesale broker/underwriting agent. Enstar completed its acquisition of Torus, while Aspen spurned the £3.2bn hostile bid by Endurance. RSA sold its businesses in the Baltics and Poland for £300m to PZU, one of the largest insurance groups in Poland.

### May

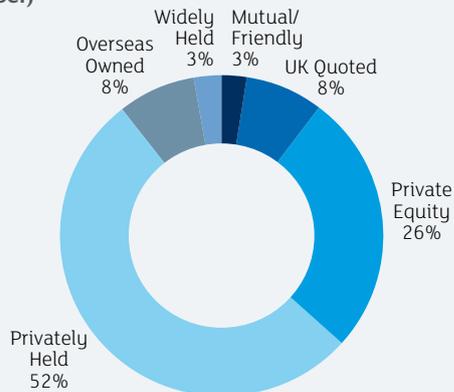
Two insurance businesses listed on the LSE: Saga with an initial market capitalisation of £2.1bn; and National Accident Helpline

General insurance ownership profile of buyers in 2014 (by number)



Source: IMAS-insight

General insurance ownership profile of sellers in 2014 (by number)



Source: IMAS-insight

with an initial market capitalisation of £82.3m. Listed company Brightside Group recommended a £127m cash offer from funds managed by AnaCap.

Gallagher acquired Heritage Insurance Management in Guernsey; it also acquired an 87% stake in Noraxis a commercial and personal lines broker in Canada from RSA for aggregate consideration of C\$500m. BMS Associates sold a minority stake to Capital Z for £30m to support its expansion and Oval acquired Northern Ireland broker Trotter Reid. Charles Taylor acquired KLA Holdings, for a maximum of £3.3m, and Knowles, a property and casualty claims specialist with 10 offices.

### June

The AA listed on the LSE with an initial market capitalisation of £1.4bn. Motor claims management and legal expenses provider ULR Additions was acquired by 116 Cardamon; Liberty Insurance acquired Hughes Insurance, a Northern Ireland broker with 11 branches and MicroEnsure (UK) received \$10.4m of additional funding to continue its expansion. Lockton acquired specialist motor sports broker MIS Motorsport.

### July

Markerstudy acquired Supercover, a specialist gadget insurance provider for £20m, Towergate completed two small broker acquisitions, Lovat Insurance and Watt UK, while Lark acquired Insurance Risk Solutions, a Bury St Edmunds broker, from controlling shareholder Bob Beckett.

RSA Insurance continued to rationalise the group and sold its Chinese subsidiary, Sun Alliance (China) Ltd to Swiss Re for £71m. Amlin increased its investment in Leadenhall Capital Partners by 35% to hold 75%.

Private equity firm Onex acquired York Risk Services Group for \$1.325bn. Ace agreed to acquire Itau Seguros, a large Brazilian corporate P&C insurer for approximately \$685m and Helvetia and National Suisse agreed merger terms which will create a CHF9bn GWP insurance group.

### August

Allied World acquired RSA's Hong Kong and Singapore operations for approximately \$215m and in Bermuda Ironshore saw Chinese conglomerate Fosun acquiring a 20% stake for \$467m. B.P. Marsh invested £1.6m in Nexus Underwriting Management in return for a 5% stake and Integro acquired Stonehouse Conseillers, a film and advertising agency specialist.

### September

DLG sold its Italian and German businesses to Mapfre for €550m and Aviva sold its stake in Spanish JV CXG to NCG Banco for £226m. In the US Sedgwick CMS acquired VRS Vericclaim, giving it its first UK claims operation. In the UK Bluefin acquired RG Ford, The Policy Shop, a personal lines broker, sold to Markerstudy and Henderson acquired Richard Kiddle in Peterborough. County Insurance acquired Clement Gallagher's book of business, relocating it to Southport.

In Lloyd's Kaufman Financial Group acquired Oval International (Lochain Patrick) from Gallagher. Energy claims adjuster Matthew Daniel was acquired by French specialist Bureau Veritas and Quindell bought out its telematics JV partner RAC for a net cost of £3.5m. The RAC's IPO plans were put on hold, with new financial backing from Singapore based sovereign wealth fund GIC.

### October

Announced that Willis was taking a majority stake in £113m revenue Miller Insurance Services, subject to final agreement. Ryan Direct acquired the rights to Am Trust's SME commercial combined portfolio as well as securing £20m GWP, Assurant Intermediary, subject to regulatory approval.

Jelf acquired Midlands broker Cronin & Co, Bluefin acquired Scottish broker OKD and Lockton acquired the Scottish branch of Griffiths & Armour. Alan & Thomas secured Casterbridge Insurance in Dorchester, and Academy acquired Cambridge broker Elstree Insurance. MVP made an investment in County Insurance. Assurant Solutions expanded with the acquisition of French mobile insurance administrator CWI Group and Marshall Sugden, ex Bluefin, completed the MBO of Sydney Packett & Sons.

### November

Exclusive talks between Hyperion and R K Harrison were announced and Evercore and Rothschild were appointed as advisers to Towergate as a result of approaches by potential buyers. Hyperion subsidiary, Howden, acquired Powell Bateson, a Liverpool commercial broker and San Paulo-based Harmonia. Clear Insurance acquired Heartland Group, a Leamington Spa based commercial broker.

Hamilton Insurance Group acquired Sportscover Underwriting, Syndicate 3334 and Kinetic Insurance Brokers. Sterling Insurance Group, the £155m GWP insurance company, announced their sale to French mutual Covea for an undisclosed sum.

The loss adjusting sector saw GAB Robins being sold to Crawford & Company for £45.8m.

### December

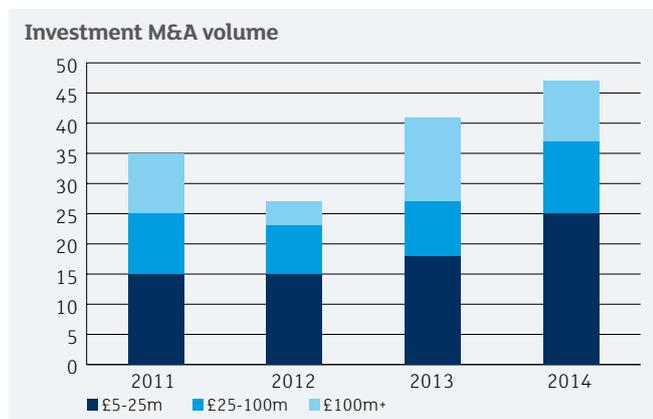
It was announced that XL was in talks with Catlin at potential value of £2.5bn, Catlin also sold its stake in Box Innovation Group to Aioi Nissay Dowa for £85m resulting in them owning 75.01%.

A-Plan was sold by Equistone to fellow PE investor Hg Capital and Stackhouse Poland completed a MBO backed by PE house Synova Capital, both transactions being for undisclosed sums. Jelf acquired Beaumont Insurance Group for up to £18.4m (£8.3m dependent on performance) and Bluefin acquired Marchant McKechnie, an East Yorkshire broker specialising in the care sector. JLT acquired Hayward Aviation from Towergate for £27m and Integro, the US international broker, acquired Howard Global, a bloodstock broker. Esure acquired the other 50% of Gocompare for £95m.

## INVESTMENT



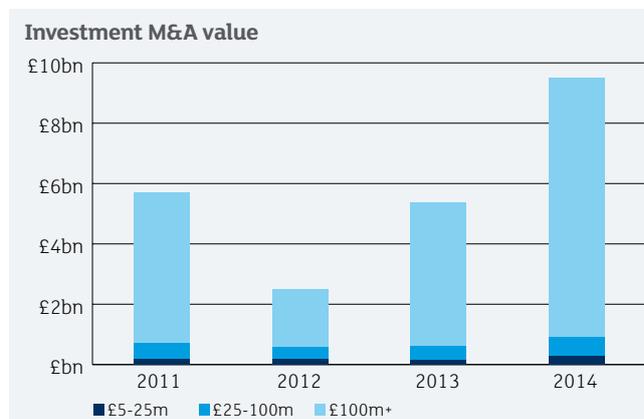
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Source: IMAS-insight

M&A activity in the Investment sector rose again in 2014. Both aggregate volumes and values grew significantly during the year, being boosted by intense deal activity at the lower and mid-range values, combined with fewer, but considerably larger, high-end deals, exemplified by Aviva's £5.6bn bid for Friends Life and BMO's £700m takeover of F&C Asset Management.

All areas within the sector experienced deal activity, but most of the action was in the investment management and related advisory space. One in every three transactions involved a fund management business, such as Standard Life's acquisition of Ignis Asset Management. Another third of the acquisitions were of wealth managers and private client stockbrokers, most



Source: IMAS-insight

notably Old Mutual's purchase of Quilter Cheviot and Rathbones acquisitions of Jupiter's private client business.

In the other areas of the sector, we saw several important deals in foreign exchange and life products, including Travelers' sale to UAE Exchange and Guardian Assurance's acquisition of the annuity assets from Phoenix.

The typical buyer in the sector was a subsidiary of an international group, representing almost a third of all acquisitions in 2014. But, at the higher end of the scale, UK PLCs were the most prevalent acquirers, accounting for 38% of the transactions above £100m of value.

**Table 3: Ownership by value band of the UK investment market**

|                 | UK Quoted | Privately Held | Widely Held | Overseas Owned | Private Equity | Mutual/Friendly | Other     | Total        |
|-----------------|-----------|----------------|-------------|----------------|----------------|-----------------|-----------|--------------|
| £100+ million   | 40        | 76             | 16          | 116            | 12             | 7               | 10        | <b>277</b>   |
| £25-100 million | 25        | 156            | 19          | 146            | 11             | 8               | 6         | <b>371</b>   |
| £5-25 million   | 15        | 653            | 37          | 244            | 16             | 19              | 10        | <b>994</b>   |
| <b>Total</b>    | <b>80</b> | <b>885</b>     | <b>72</b>   | <b>506</b>     | <b>39</b>      | <b>34</b>       | <b>26</b> | <b>1,642</b> |

Source: IMAS-insight

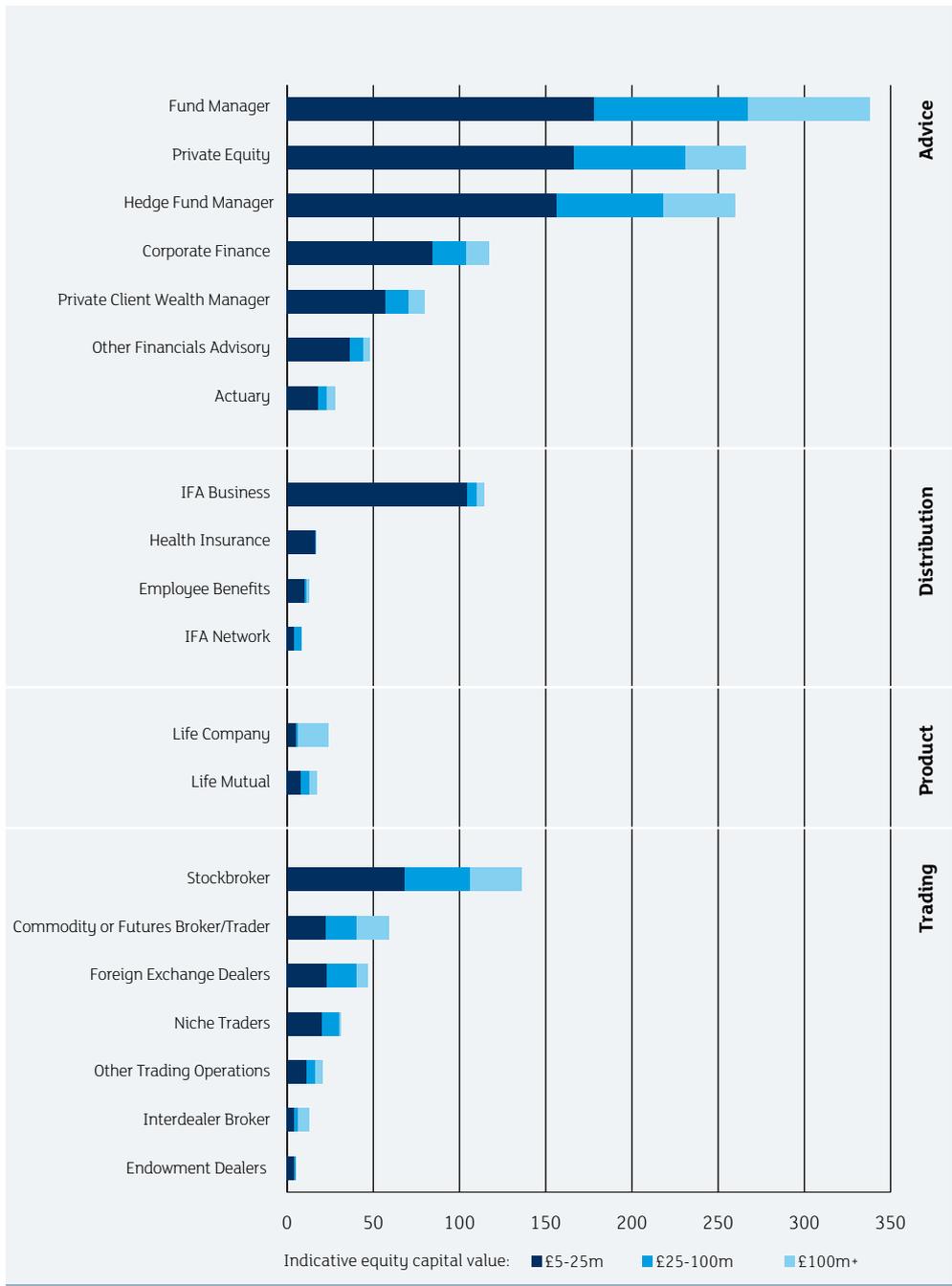
The investment sector represents over half of the financial services sector in the UK by quantity, having grown by close to 8% in 2014 to now count over 1,600 groups, each with a potential value of £5m or above.

The most common ownership remains the 'Privately Held', constituting just over half of the population. It was also in this category that we saw the highest increase in numbers in 2014. This was partly attributable to the continuing consolidation among smaller businesses which, as they successfully merge and grow, start entering the table. In 2014 over 100 new 'Privately Held' groups were valued at potentially £5m or more, a rise of almost 13% from 2013.

The other significant increase in the population was in the number of 'Overseas Owned' groups. 21 groups were added in 2014, almost all of which are in the highest value bracket. The increase reflects some of the high profile acquisitions by international financial services groups such as Old Mutual and BMO of investment managers in the UK during the year. Almost one third of the sector population has ultimate parents overseas, similar to the other subsector of the financial services industry.

Private equity funds were net sellers of businesses in the sector during 2014, reducing the category by seven groups. Having benefitted from the recovery of the market and capitalised on favourable developments in the last few years, many private equity funds seized the opportunity to sell to strategic buyers.

## INVESTMENT SUB-SECTORS



The analysis highlights the sub-sector and activity classifications employed in this report, and details the number of participants within each.

Fund managers, offering investment products aimed at retail and institutional markets, account for c.20% of the entire investment sector by number.

Source: IMAS-insight

## M&A IN 2014: INVESTMENT

The monthly M&A reviews detailed below are edited versions of the IMAS M&A Monthly newsletter which is available by email and on the IMAS website. Please register at <http://www.imas.uk.com/Join.aspx> to receive monthly M&A email updates and access 2014 commentary.

### Selected key deals

- Aviva's bid for Friends Life
- BMO Financial Group's takeover of F&C Asset Management
- Old Mutual's acquisition of Quilter Cheviot
- Standard Life's acquisition of Ignis Asset Management

### Key drivers

- Drastic changes in the annuity market
- Increasing importance of economies of scale in investment management
- Shift away from commission and transaction-based earnings to fund-based, recurring income models
- Vertical integration of parts of the value chain

### January

The year began with strong interest from overseas: Bank of Montreal Financial Group made an indicative offer to acquire the entire share capital of F&C Asset Management Plc for a total of £708m. It represented the largest deal for over three years in the UK fund management industry. Industrial and Commercial Bank of China Ltd agreed to acquire a 60% stake in Standard Bank Plc, the London-based global markets subsidiary of Standard Bank Group Ltd, South Africa, for an estimated consideration of \$765m.

We saw continued interest from private equity in the retail financial advisory market as Inflexion Private Equity took a 50.1% stake in Succession Group, providing funding for further acquisitions of IFAs by the group.

### February

Permira acquired Tilney's regional business from Deutsche Bank, paving the way for a merger with Bestinvest, in which Permira recently invested. River and Mercantile Asset Management announced plans to merge with the investment consultancy P-Solve, a subsidiary of Punter Southall, and seek a flotation on the London Stock Exchange.

Elsewhere, MetLife agreed to sell its bulk annuity business to Rothesay Life and Legal & General acquired Global Index Advisors in the USA for up to \$50.4m.

### March

Phoenix Group Holdings agreed to sell Ignis Asset Management, one of the top 15 UK asset managers with £59bn assets under management, to Standard Life for £390m. Sigma Capital Group raised £8m via a placing of new ordinary shares.

In the financial advisory space, Ascot Lloyd agreed to buy the noncore IFA subsidiaries of IFG Group, Punter Southall Group acquired a minority stake in Argentis Financial Group, and St James's Place acquired Henley Group, an international IFA based in Hong Kong. Aon also announced that it had agreed to acquire Lorica Employee Benefits.

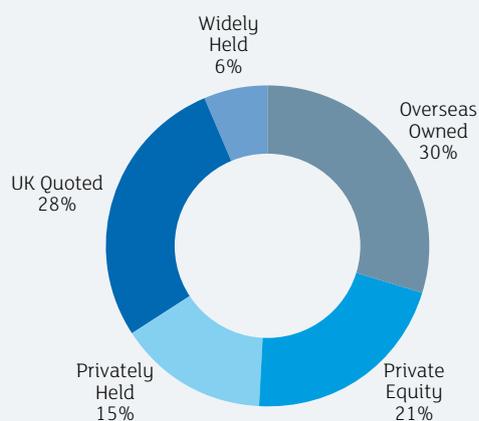
### April

Rathbone Brothers agreed to buy Jupiter Asset Management's private client business and Tilney's London-based private client arm from Deutsche Bank. Ingenious Asset Management and Thurlough Investment Managers announced an agreement to merge their businesses and Brooks Macdonald Group acquired DPZ Capital in Jersey.

In one of the largest deals this year in the advisory market, Towry bought the assets of Baker Tilly's private client private client financial advice and investment management business which advises more than 4,500 private clients with over £1.5bn of assets. Ashcourt Rowan completed the acquisition of UK Wealth Management and Attivo Group acquired Anthony Etkind & Co.

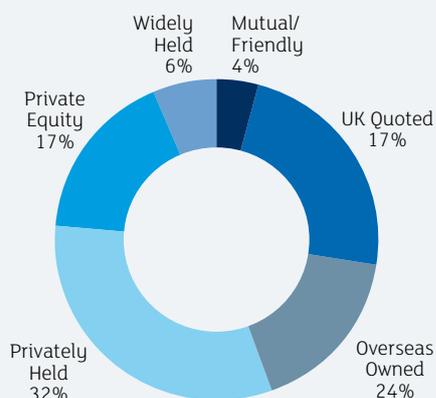
GAIN Capital Holdings, a US provider of online foreign exchange trading services, acquired Galvan Research & Trading.

### Investment ownership profile of buyers in 2014 (by number)



Source: IMAS-insight

### Investment ownership profile of sellers in 2014 (by number)



Source: IMAS-insight

### May

British fund managers and life assurers were active abroad, including: Legal & General completed the purchase of Global Index Advisors and it was confirmed that Man Group was in talks to acquire Boston-based equity trader Numeric Holdings, which manages \$13.9bn.

Flows also went the opposite way with overseas groups acquiring in the UK (albeit via their existing UK subsidiaries): Stifel Financial Corp, the US investment bank, agreed to acquire Oriel Securities Holdings; Arthur J Gallagher & Co acquired Shilling Ltd; Old Mutual Wealth bought out Henderson's stake in its multi-manager Cirilium joint venture with network Intrinsic; and the South African group Momentum Global, acquired Blue Speck Financial Ltd, also known as YourWealth.co.uk.

### June

London Stock Exchange Group announced that it planned to acquire Russell Investments, with approximately £150bn of AUM and a further £3trn of assets benchmarked to the Russell indices, from Northwestern Mutual Life Insurance Co, for a cash consideration of £1.6bn; Henderson Global Investors acquired Geneva Capital Management, a mid and small cap equities specialist with \$6.3bn of AUM, paying a maximum total of \$200m; and Man Group agreed to acquire Pine Grove Asset Management, a specialist manager in credit-focused hedge fund portfolios with c. \$1bn AUM.

Onshore in the UK, River and Mercantile, the merged asset management and pension consultancy, listed on the London Stock Exchange with a valuation of £150m.

Elsewhere in the sector, Equiniti agreed to acquire the assets of execution-only stockbroking platform Selftrade with £4.2bn of client assets and Nutmeg, the direct-to-consumer investment platform raised £18.86m from a number of investors.

### July

Legg Mason Asset Management agreed to acquire the 130-year old Martin Currie Investment Management which had £5.8bn AUM at 30 June 2014. TD Banking Group bought out Royal Bank of Scotland's 50% stake in the NatWest execution only stockbroking arm.

In the advisory market, AJ Gallagher, via its subsidiary Gallagher Employee Benefits, acquired the assets of Baker Tilly Employee Benefits. Punter Southall Health & Protection, a subsidiary of Punter Southall Group, agreed to acquire Private Health Partnership from Skipton Building Society.

### August

The largest deal to be announced this month was American International Group Inc. agreeing to acquire Ageas Protect Ltd, a provider of long term insurance life protection products. In fund management, Elcot Capital Management bought a 25.1% stake in Premier Asset Management from Electra Private Equity with an option to acquire a further 25.1% in the future.

We saw continued consolidation in the IFA industry. In its largest acquisition to date, Bellpenny agreed to buy Torquil Clark Holdings Ltd, with over £900m of client assets, from Skipton Building Society.

### September

Engage Mutual announced that the board has recommended a merger with Family Investments to form one of the largest mutual insurers in the UK.

In the wealth management space it was announced that Openwork, the IFA network, will take control of Metlife's network of 930 protection advisers. Thomas Miller Investment agreed to buy Broadstone Wealth Management, creating a combined group with c. £2.8bn of assets under management.

Intermediate Capital Group acquired the remaining 49% stake in Longbow Real Estate Capital that it does not already own for a total of £37m.

### October

Old Mutual agreed to acquire Quilter Cheviot Ltd from private equity funds advised by Bridgepoint Advisers for £585m in what is one of the largest transactions in the sector this year. Elcot Capital bought another 25.1% of Premier Asset Management from Electra Private Equity. Octopus Investments bought healthcare real estate investment manager MedicX Holdings, with £700m of AUM, from funds advised by Cabot Square Capital and Amlin agreed to increase its stake to 75% in Leadenhall Capital Partners, the insurance focused investment manager.

GAIN Capital Holdings Inc. entered an agreement to acquire City Index, the online spread betting company, for US\$118m from IPGL.

### November

Aviva and Friends Life Group reached an agreement on a possible all share combination. Discovery Group Europe Ltd, a subsidiary of Discovery Holdings Ltd in South Africa, agreed to acquire the remaining 25% equity shareholding in the PruHealth and PruProtect Joint Venture held by Prudential Plc, for £115m, and Fleming Family & Partners and Stonehage announced their merger to form the largest independent multi-family office in EMEA.

### December

BGC, the US interdealer broker, bought the London-based assets of RP Martin, the wholesale broking firm, from Gresham Private Equity; RIT Capital Partners plc, entered into an agreement to acquire GVO Investment Management Limited, a specialist fund manager with c. £350m AUM, from Hansa Aktiengesellschaft.

The private medical insurance specialist, Chase Templeton, acquired Private Medical Advisors Ltd, JVA Healthcare Services Ltd and the SME PMI book of Ludlow Wealth Management Group. Man Group agreed to acquire Silvermine Capital Management and the investment management contracts from Merrill Lynch Alternative Investments totalling \$1.2bn.

## LENDING SECTOR



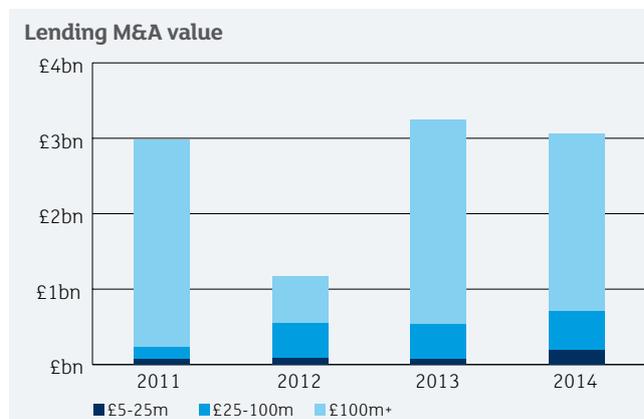
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Source: IMAS-insight

M&A volumes more than doubled in 2014 to record the highest level of deal activity since 2011 as confidence returned to the lending markets. Whilst M&A values retreated modestly by c. 6%, 2013 benefitted from some large one-off transactions such as the restructuring of the Co-operative Bank, and hence the underlying trend remained positive.

2014 was notable as the year in which challenger banks continued their strong growth: Metro and Aldermore both raised new equity, while OneSavings Bank was the first to achieve a stock market listing, followed closely by TSB and Virgin Money. Other banks are known to be evaluating the equity capital markets as a potential exit option for their owners, including the EU-mandated disposal by RBS of Williams & Glyn.



Source: IMAS-insight

There continued to be significant focus within the SME sector where credit supply remained under pressure. Private equity interest has continued to be strong in this area resulting in new platform investments and acquisitions by existing portfolio companies to broaden their proposition.

Regulation continues to be a key driver of M&A activity. The key change in 2014 was the transfer of consumer credit regulation from the OFT to the FCA. This has driven further consolidation within the debt purchase market and significant changes to the high-cost short-term credit sector. As firms continue to apply for full authorisation under the FCA, we believe further M&A activity is likely.

**Table 4: Ownership by value band of the UK lending market**

|                 | UK Quoted | Privately Held | Widely Held | Overseas Owned | Private Equity | Mutual/Friendly | Other     | Total      |
|-----------------|-----------|----------------|-------------|----------------|----------------|-----------------|-----------|------------|
| £100+ million   | 20        | 6              | 3           | 76             | 16             | 16              | 8         | <b>145</b> |
| £25-100 million | 6         | 29             | 3           | 48             | 19             | 23              | 3         | <b>131</b> |
| £5-25 million   | 5         | 108            | 4           | 68             | 15             | 51              | 4         | <b>255</b> |
| <b>Total</b>    | <b>31</b> | <b>143</b>     | <b>10</b>   | <b>192</b>     | <b>50</b>      | <b>90</b>       | <b>15</b> | <b>531</b> |

Source: IMAS-insight

The UK lending market as a whole is comprised of 531 groups with an estimated capital value in excess of £5m, an increase of 5.6% over 2013. While overseas owned groups continue to be the most common ownership category, representing in excess of 36% of the total sector, it is privately held and private equity-backed groups that have grown the fastest over the last year.

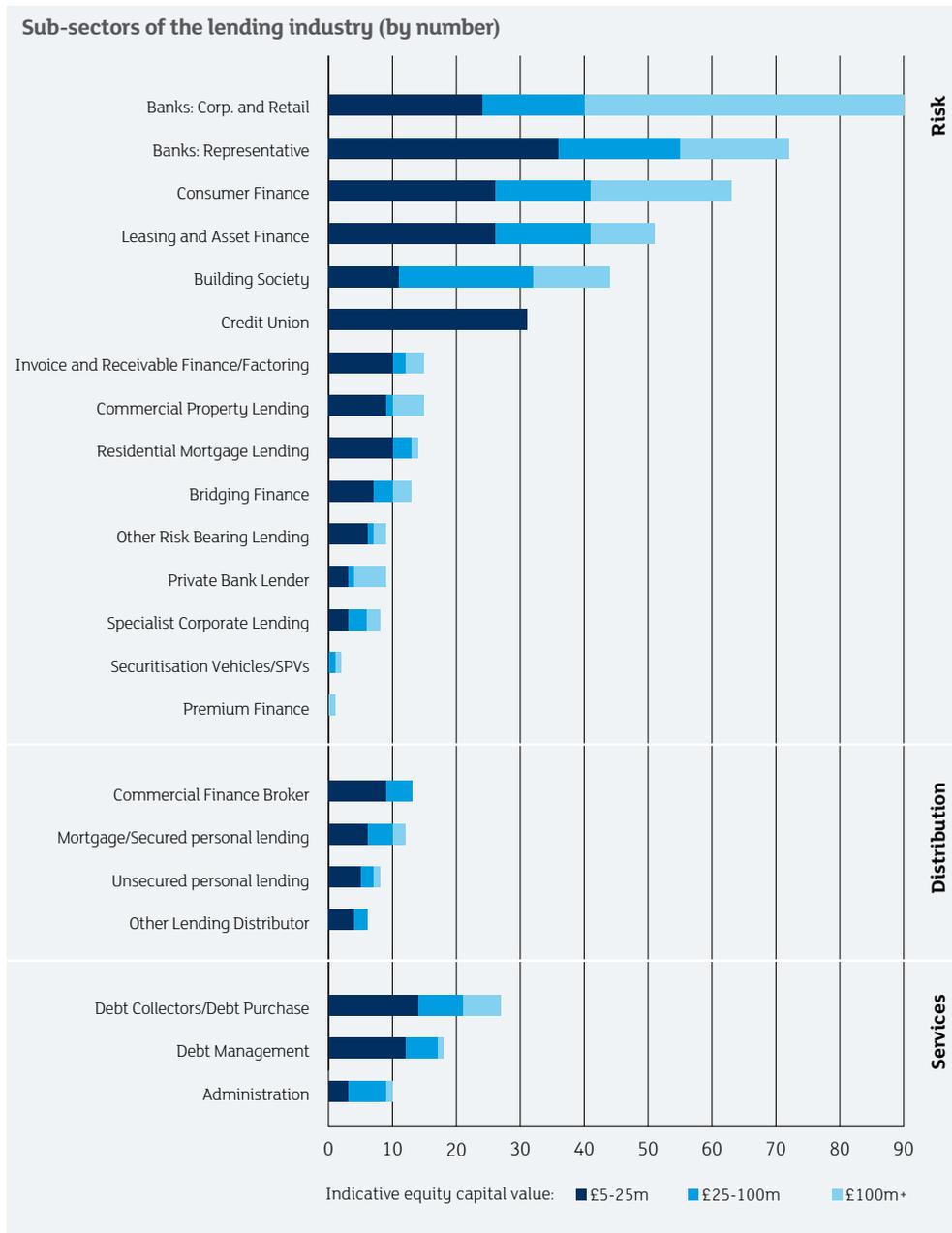
Privately held groups are the second most common form of control, representing over 26% of the sector, and have grown by over 12% in number over the last year. Control continues to be heavily weighted towards the smaller end of the market.

Private equity remains the most active investor in the lending sector and now controls almost one in every ten UK lending groups, having also grown strongly in number by over 11% in the last year.

Overseas owned businesses continue to represent the most significant form of control in the UK lending sector, particularly for groups valued in excess of £25m. Notably, over half of the groups valued in excess of £100m are controlled by overseas parents.

Mutual and friendly societies continue to be a feature of the UK lending market, represented by building societies and credit unions, and account for over 16% of the total sector.

## LENDING SUB-SECTORS



The analysis highlights the sub-sector and activity classifications employed in this report, and details the number of groups within each.

Corporate and retail banks account for over c.17% of the entire lending sector.

Source: IMAS-*insight*

## M&A IN 2014: LENDING

The monthly M&A reviews detailed below are edited versions of the IMAS M&A Monthly newsletter which is available by email and on the IMAS website. Please register at <http://www.imas.uk.com/Join.aspx> to receive monthly M&A email updates and access 2014 commentary.

### Selected key deals

- IPO of OneSavings Bank, the first of the new challenger banks to acquire a full listing on the LSE
- Cabot Credit's acquisition of Marlin, continuing the consolidation within the debt purchase market
- STAR Capital's investment into Kennet Equipment Leasing to increase the provision of credit to SMEs

### Key drivers

- Continued bank deleveraging to bolster capital ratios
- Regulatory change, notably within the consumer credit markets
- Scarcity of credit for SMEs, leading to the continued development of alternative lending models (such as peer-to-peer) and new independent lenders

### January

The challenger banks were active in raising new capital with Metro Bank raising £387.5m to support the bank's expansion at a 30% premium to the prior capital raise in June 2012. Aldermore raised £40m from Toscafund and Lansdowne Partners to enable continued support for the SME sector. In the peer-to-peer lending market, Zopa secured a £15m investment from Arrowgrass Capital to support its expansion. In the equity release market, Stonehaven was acquired by MGM Advantage Group subject to regulatory approval and Grainger plc sold an equity release portfolio for £87.6m to Clifden Holdings. Elsewhere, LDC acquired a significant stake (subject to regulatory approval) in Bluestone Group. Albemarle & Bond announced it had terminated its formal sale process.

### February

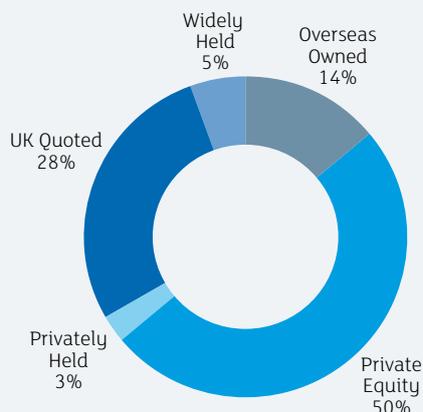
The debt purchase market remained highly active with Cabot Credit Management acquiring Marlin for £295m and Portfolio Recovery Associates (PRA) acquiring Aktiv Kapital AS, a Norwegian-based group operating across Europe and Canada, for \$1.3bn. Cabot's US parent Encore Capital also acquired Grove Capital Management, a UK debt buyer specialising in insolvency portfolios. Capquest also announced the acquisition of the business operations and loan portfolio of motor finance firm British Credit Trust. ISIS Equity Partners announced a minority investment in Enterprise Finance, the specialist secured lending distributor, in a deal that valued the business at £28m. Scottish Equity Partners completed an £8m investment in Car Loan 4U, the leading online car finance specialist. Elsewhere, S&U acquired the home credit business of Ambassador Financial Services with gross assets of £0.5m and Investec announced that it was exploring a potential sale of Kensington Mortgages.

### March

The key transaction announced was RCapital's acquisition of Shopacheck Financial Services, the home collection credit business, from Cattles' subsidiary Welcome Financial Services. Shopacheck will be merged with RCapital's existing portfolio business Morses Club to create the largest independent home collected credit business in the UK with revenue of c. £80m.

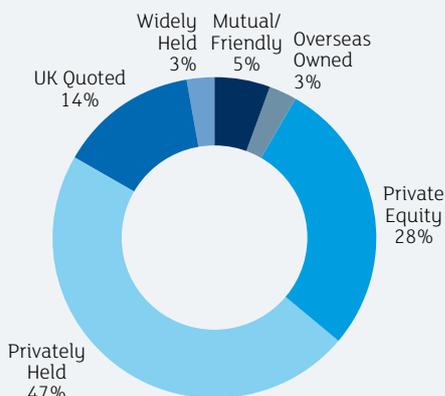
Lloyds Banking Group continued to deleverage with the sale of a portfolio of European commercial real estate loans to an affiliate of Marathon Asset Management for €280m. Strong equity capital markets enabled SOF Investments to sell down its remaining 23.9% stake in debt purchaser Arrow Global and UKFI sold down a further 7.8% in Lloyds Banking Group, raising £4.2bn, leaving a residual shareholding of c. 24.9%. Elsewhere, US-based Carrington Holding Company entered the UK mortgage broking market through the acquisition of Clear Financial Solutions in Scotland. Albemarle & Bond, the listed pawnbroker, appointed administrators.

Lending ownership profile of buyers in 2014 (by number)



Source: IMAS-insight

Lending ownership profile of sellers in 2014 (by number)



Source: IMAS-insight

### **April**

The IPO market for new challenger banks continued to receive significant attention. The consumer credit market saw two transactions: Lone Star acquired US based DFC Global Corp., trading in the UK under the Money Shop brand and online as PaydayUK and Payday Express. Promethean Investments acquired 128 branches of Albemarle & Bond, the listed pawnbroker that went into administration in March, leaving behind a further 59 branches. Elsewhere Investec Asset Finance acquired Mann Island Finance, the motor finance broker, and Capita announced the acquisition of Crown Mortgage Management, the mortgage administration service provider.

### **May**

Banking continued to be one of the most active segments of the market. OneSavings Bank plc and TSB Banking Group plc both confirmed their intention to proceed with IPOs on the LSE while RBS continued to make progress for the divestiture of Citizens Financial Group in the US and Williams & Glyn in the UK. Shawbrook Bank announced the acquisition of Centric Commercial Finance from Cabot Square Capital. Alchemy acquired Hampshire Trust plc, and Tungsten Corporation plc received regulatory approval to acquire FIBI Bank (UK) plc. Elsewhere Capita plc acquired Scottish debt collector Stirling Park LLP and P2P Global Investments plc listed on the LSE, raising c. £200m for the investment manager, Marshall Wace LLP, to invest in corporate loans originated through online platforms.

### **June**

The banking IPO market was active through the successful flotations of both TSB Bank and OneSavings Bank. Secure Trust Bank also raised £50m of gross proceeds through a new issuance of shares. Elsewhere, Lloyds Banking Group continued to divest non-core assets, announcing the sale of a portfolio of UK commercial real estate loans for £352m to affiliates of Cerberus Global Investors. Fairpoint Group continued the diversification of its debt management business through the acquisition of legal services provider Foster and Partners, which followed its transaction with Simpson Millar LLP.

### **July**

Cabot Square Capital announced a £25m investment into Henry Howard Finance and STAR Capital Partners announced an investment in excess of £100m into Kennet Equipment Leasing. In the debt purchase market, National Australia Bank (NAB) disposed of a £625m portfolio of largely non-performing UK commercial real estate loans to an affiliate of Cerberus Global Investors. Elsewhere, Homeloan Management Limited was acquired by Computershare Limited for an initial consideration of £47.5m from Skipton Building Society.

### **August**

In the debt purchase market, Lowell Group announced that the Ontario Teachers' Pension Plan had acquired a significant minority interest in the group. Provident Financial Group announced the acquisition of Duncton Group (trading as Moneybarn), the largest non-standard vehicle finance group in the UK, for £120m.

### **September**

In the debt purchase market, TowerBrook Capital Partners sold its portfolio company Capquest to Arrow Global for £158m. In the mortgage market, Blackstone Tactical Opportunities and TPG Special Situations Partners acquired Kensington Group for £180m from Investec; and, in the consumer finance market, NorthEdge Capital invested in pawnbroker Ramsdens Financial. Private equity portfolio companies were also active in M&A with Enterprise Finance (backed by ISIS Equity Partners) acquiring bridging specialist West One Loans and Bluestone Group (backed by LDC) acquiring debt collection agency Empingham.

### **October**

Within the debt purchase and collection markets, Hoist Finance announced the acquisition of a non-performing consumer loan portfolio from Santander UK. Link Financial Group announced the acquisition of legal advocacy service provider Kearns Legal Services and debt collection agency Tessera announced that it was in talks to divest most of its assets to one of its major clients. In addition, Cabot Credit Management acquired a leading Credit Union software platform in Ireland through the purchase of exclusive licenses from XRS.

### **November**

Strong equity capital markets activity continued with Virgin Money successfully listing with a £1.25bn capitalisation and Mortgage Advice Bureau successfully listing with a £80.8m capitalisation. Within the mortgage administration market, Capita announced that it was the preferred bidder for the outsourcing of The Co-operative Bank's mortgage servicing, which would result in Capita acquiring the staff and assets of Western Mortgage Services. Elsewhere, Blue Motor Finance, the prime motor finance provider, confirmed that it had secured an equity investment from Cabot Square Capital alongside a new £200m long-term funding line. In the bridging market, Capital Bridging Finance acquired Mayfair Bridging.

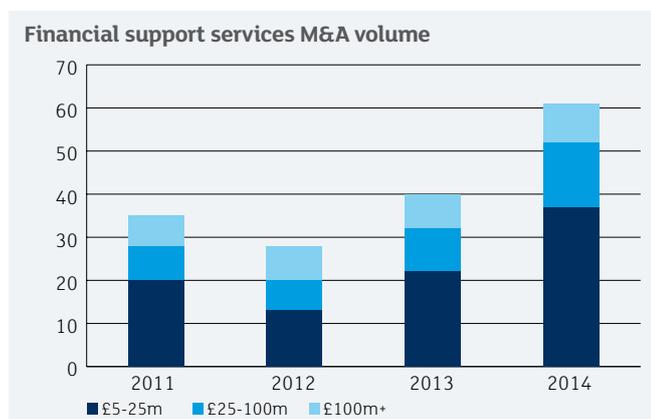
### **December**

The high-street banks continued to deleverage through the sale of non-core portfolios with Lloyds Banking Group, National Australia Bank and RBS Group announcing the sale of real-estate loan portfolios. In addition, Virgin Money announced the sale of Church House Trust to Ocean Capital for £13m. Elsewhere in the mortgage market, Arbuthnot Banking Group announced the acquisition of a £117.6m portfolio of residential mortgages from the administrators of Dunfermline Building Society for a cash consideration of £106.3m. In addition, secured loan broker Y3S Group announced the acquisition of 50% of Chaseblue Loans. In the banking market, new digital banking challenger Atom Bank announced that it had secured £25m equity investment to launch in 2015 pending regulatory approval. In the consumer finance market, International Personal Finance Plc announced a recommended £23.8m takeover offer for MCB Finance Group Plc.

## FINANCIAL SUPPORT SERVICES



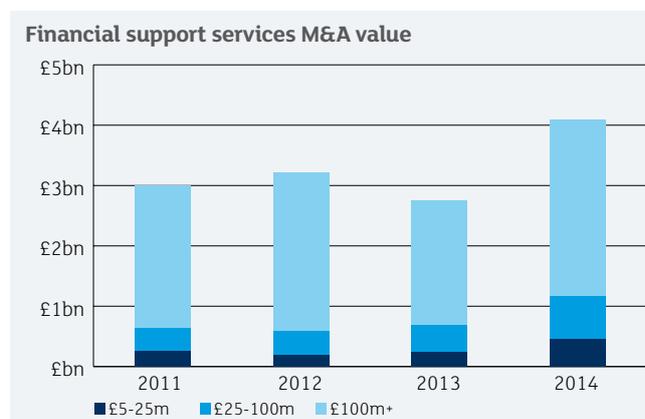
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Source: IMAS-insight

2014 was a busy year for Financial Support Services with deal volumes up 53% on prior year to over 60 deals and deal values up 49% on prior year to over £4bn in aggregate. This represented a four year high, both in volume and value terms, since 2011.

Notable deals during 2014 included Markit's \$1.3bn IPO on Nasdaq, GTCR's buyout of Callcredit, Carlyle's \$700m buyout of Dealogic, CME's \$655m acquisition of Fenics and Trayport, Montagu's £300m buyout of Open International and Equifax's £200m acquisition of TDX.



Source: IMAS-insight

Overseas groups, particularly from the US, and private equity houses were both active acquirers in the sector representing over 60% and 35% respectively of buyers by volumes. Overseas investors were directly involved in all deals over £100m except for one (Montagu / Open International).

Analysis of deals by sub-sector reveals continued M&A activity in the payments sub-sector (40% of 2014 deal volumes) followed by investment technology (14%) and compliance (9%).

### Ownership by value band of the UK financial support services market

|                 | UK Quoted | Privately Held | Widely Held | Overseas Owned | Private Equity | Mutual/Friendly | Other     | Total      |
|-----------------|-----------|----------------|-------------|----------------|----------------|-----------------|-----------|------------|
| £100+ million   | 11        | 9              | 2           | 52             | 16             | 4               | 5         | <b>99</b>  |
| £25-100 million | 11        | 29             | 5           | 60             | 23             | 4               | 1         | <b>133</b> |
| £5-25 million   | 5         | 93             | 14          | 92             | 32             | 15              | 4         | <b>255</b> |
| <b>Total</b>    | <b>27</b> | <b>131</b>     | <b>21</b>   | <b>204</b>     | <b>71</b>      | <b>23</b>       | <b>10</b> | <b>487</b> |

Source: IMAS-insight

Financial support services comprised of 487 groups with estimated equity capital value in excess of £5m, an increase of 5.0% on 2013.

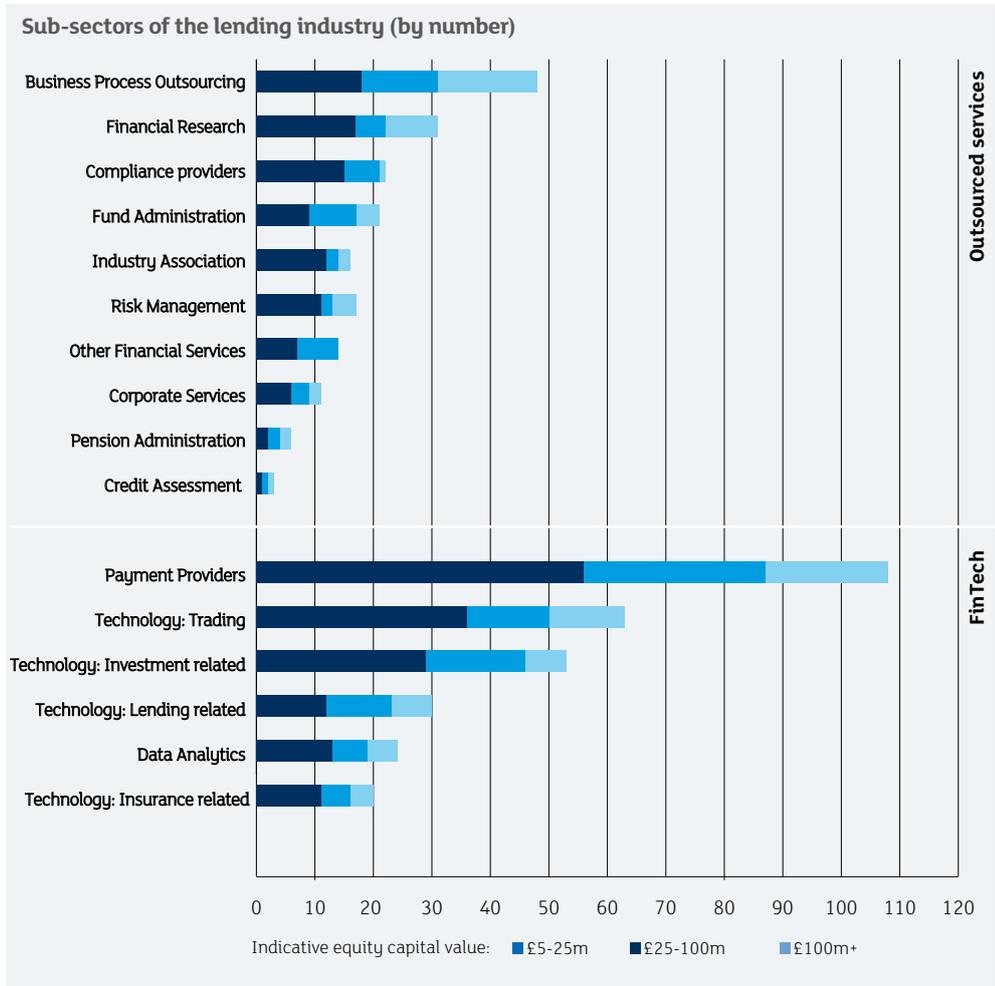
Whilst the international nature of the sector remains important with 42.5% of all groups owned by overseas shareholders, private equity ownership saw the highest growth relative to last year of 18.3%, reflecting a number of new private equity investments in the sector during 2014 including Montagu / Open International, Electra / Ogier Fiduciary Services and Carlyle / Dealogic.

The £100m+ equity capital value segment has also shown the highest relative growth relative to last year of 17.9%, and represents 20.3% of all groups in 2014 (up from 18.1% in 2013).

This reflects a combination of factors including the increasing maturity (and thus size) of a number of participants as well as the role that private equity backing has had e.g. deploying additional capital in a buy and build strategy to acquire scale.

Private ownership continues to remain an important group within the sector, representing ownership of 26.9% of all groups, marginally up on prior year (26.7%). Again the £100m+ value segment has seen growth (nine groups in 2014, compared with five in 2013), again broadly reflecting the increasing maturity and (selectively) valuation multiples in the sector.

## FINANCIAL SUPPORT SERVICES SUB-SECTORS



The analysis highlights the sub-sector and activity classifications employed in this report, and details the number of participants within each.

Payment providers represent over 22% of the financial support services sector.

Source: IMAS-*insight*

## M&A IN 2014: FINANCIAL SUPPORT SERVICES

The monthly M&A reviews detailed below are edited versions of the IMAS M&A Monthly newsletter which is available by email and on the IMAS website. Please register at <http://www.imas.uk.com/Join.aspx> to receive monthly M&A email updates and access 2014 commentary.

### Selected key deals

- Markit's Nasdaq IPO raising \$1.3bn
- Carlyle's \$700m acquisition of Dealogic
- Montagu's £300m acquisition of Open International (Open GI & Powerplace)
- GTCR's £480m acquisition of Callcredit
- CME's \$655m acquisition of Trayport and Fenics

### Key drivers

- Demand for scalable financial data firms
- Venture capital funding for disruptive technology e.g. international remittances, peer-to-peer lending, cryptocurrencies
- Achieving scale economies in outsourced administration e.g. trust / compliance services

### January

Electra Partners acquired the Ogier Fiduciary Services business in a £180m transaction, Equifax acquired TDX Group, the debt placement services and management platform for £200m and Bank of NT Butterfield acquired the trust and corporate services business from Guernsey-based Legis Group Holdings. Deutsche Börse acquired regulatory compliance software provider Impendium Systems, Zopa, the peer-to-peer lending platform, secured £15m from London-based hedge fund Arrowgrass Capital Partners, Markit acquired order management system business thinkFolio for £55m, Monitise acquired Turkish mobile technology company Pozitron Yazilim AS for £24m and mobile payment specialist Powa Technologies announced a further \$20.7m investment from Wellington Management.

### February

GTCR acquired credit reference and consumer data firm Callcredit Information Group for £480m, Quindell Portfolio announced the option to acquire the remaining 57% in telematics insurance provider ingenie, Lysanda acquired telematics provider Tracker Network and HgCapital invested in insurance broker software provider Relay Software.

### March

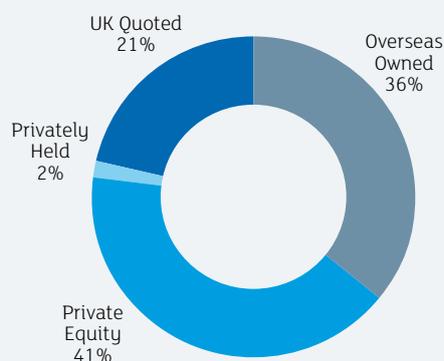
Euronet Worldwide announced the £145m acquisition of payments and foreign exchange services provider HiFX, mobile payments provider Monitise announced a £109m share placing which saw Mastercard take a minority stake (alongside existing investor Visa), money transfer service provider Azimo raised \$10m in development capital led by Greycroft Partners and online money transfer specialist Worldremit secured \$40m in Series A development capital from Accel Partners.

HgCapital acquired electronic trading applications provider Ullink, ECI Partners acquired online insurance broker Avantia for £57m, Equiniti acquired the lending systems and solutions provider Pancredit Systems, Personal Group Holdings acquired the employee benefits technology provider Lets Connect IT Solutions for £12m and The Consulting Consortium secured a £10m investment from growth capital provider the Business Growth Fund.

### April

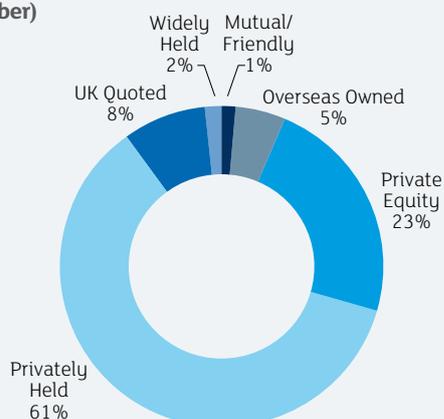
IntercontinentalExchange acquired specialist low latency trading technology firm Algo Technologies, GBGroup acquired fraud detection and risk management business DecTech Solutions for £20.5m and LexisNexis Risk Solutions acquired intelligence and tracing services provider Tracesmart. WorldPay Group acquired the Latin American payment solutions provider Cobre Bem Tecnologia, Albion Ventures and Octopus Investments acquired mobile payment services firm Mi-Pay for up to £9m, Debitsuccess acquired direct debit billing provider Harlands Group and international payments business The Currency Cloud raised \$10m in Series B funding from existing investors.

**Support services ownership profile of buyers in 2014 (by number)**



Source: IMAS-insight

**Support services ownership profile of sellers in 2014 (by number)**



Source: IMAS-insight

### May

UAE investment firm Centurion Investments acquired retail foreign exchange business Travelex, Kalixa Pay acquired card processing services provider PXP Solutions and WorldPay invested in US payments start-up Paizen. CFH Group acquired 50% in FX technology firms Boston Technologies Inc & Boston Prime, Fixnetix bought back the 25% stake previously sold to NYSE, Mergermarket acquired the financial documents provider Perfect Information for £26m, LexisNexis acquired insurance telematics provider Wunelli and Vasco Data Security International acquired fraud and money laundering firm Risk IDS.

### June

Data provider Markit raised \$1.28bn in an IPO on Nasdaq, GFT Technologies acquired IT consultancy Rule Financial, online wealth management platform Nutmeg raised £19m from investors including Schroders and Balderton Capital and Thomson Reuters acquired the bond market index business UBS Convertible Indices. Optimal Payments acquired payment businesses Meritus Payment Solutions and Global Merchant Advisors for up to \$210m and \$15m respectively, Monitise acquired the marketing content delivery platforms Markco Media and Second Last Ticketing for up to £55m, Powa Technologies acquired mobile payments start-up MPayMe for \$75m, money transfer start-up TransferWise raised \$25m from existing shareholders and Sir Richard Branson and Ebury raised £18m from Greylock IL to grow its SME and currency services.

### July

CME Group acquired European energy market trading software provider Trayport as well as pricing, risk management and analytics software business Fenics from inter-dealer broker GFI Group for \$655m, HgCapital acquired insurance software provider Sequel Business Solutions, Direct Line acquired a 15% stake in telematics service provider The Floop and Xchanging acquired the European web-based insurance operations of Agencyport Software for £64.1m and insurance broker and reinsurance systems provider Total Objects for up to £21m. Online business lending firm Funding Circle raised \$65m from VC investors, ACI Worldwide acquired ecommerce and payments fraud prevention business Retail Decisions (ReD) for \$205m. Computershare acquired mortgage administrator Homeloan Management for £47.5m, Equiniti acquired JP Morgan's corporate dealing service and Euromoney acquired the trade and assets of the Mining Events Division for £45.3m.

### August

Montagu Private Equity acquired insurance software and services provider Open International (including Open GI and Power Place) for c. £300m, Bridgepoint acquired international payments provider Moneycorp for £212m, MoneyGram International acquired MoneyGram services provider MTI Money Transfer and Digital Payments PLC completed the acquisition of US payments technology and processing business Muscato Group Inc. for \$14.6m. Funding Circle acquired US online underwriting technology business LeapPay and Target acquired Freedom Finance, the personal loan broker.

### September

Cardtronics acquired the Co-op Group's Sunwin Services Group for £35m, Sage Group acquired the US payroll and HR services business PayChoice for \$157.8m, Earthport raised £26.6m for international expansion, Barclays acquired secure payment services provider The Logic Group, and Collinson Group acquired international payment-based loyalty solutions provider Welcome Real-time. Reed Elsevier acquired the bank sanction software business Fircosoft for €150m, Acturis Group acquired German motor insurance software provider NAFI, TFG Financial Systems acquired risk management software provider Risk Technology Solutions, Equiniti acquired customer complaints firm Invigia and Capita acquired accountancy and back office provider Throgmorton UK Limited.

### October

First Derivatives increased its holding in capital markets data analytics business Kx Systems from 20.1% to 65.2% for £36.0m, Bridgepoint Development Capital invested €23m for a minority stake in online payment services provider Trustly Group, bitcoin wallet provider and Blockchain secured a \$30m Series A financing from Lightspeed Venture Partners, Wicklow Capital and Mosaic Ventures. Target Group announced its first acquisition of a secured loan portfolio from debt purchaser Arrow Global and Orient Capital acquired proxy solicitation services provider D.F. King (Europe).

### November

Carlyle and Euromoney acquired investment banking software and data platform Dealogic for \$700m, Solera Holdings acquired the vehicle valuations data and software business CAP Automotive for approximately \$464m, Capita announced the acquisition of the staff and assets of Western Mortgage Services, in a deal worth up to £325m over 10 years, SS&C Technologies acquired investment management software firm DST Global Solutions for \$95m and European Capital acquired global compliance and regulatory services provider Cordium.

Monitise announced a £49.2m joint investment by Santander, Telefónica and Mastercard, Worldpay acquired SecureNet, Skrill acquired online payments business Ukash, NoteMachine acquired foreign currency firm Eurochange and mobile payments and e-commerce company Powa Technologies raised a further \$80m from US investment house Wellington Management.

### December

Proposed digital bank Atom raised £25m ahead of its launch in 2015, AIM-listed payment services firm SafeCharge International acquired both prepaid card issuance business 3V Transaction Services for €14.5m and CreditGuard, the secure payment services provider for up to \$8.4m. eToro, the social investment network, announced a further \$27m equity round from Spark Capital and BRM Group as well as new investment from Ping An Ventures and SBT Venture Capital. Objectway Financial Software acquired UK mid-market investment management software firm 3i Infotech Western Europe and Duff & Phelps acquired financial regulation firm Kinetic Partners.

## REPORT METHODOLOGY

### Data sources

Company data in this report has been analysed as at 5 December 2014. M&A transactional data and FCA trend data has been analysed as at 31 December 2014.

The company data employed in this report has been compiled from Companies House and the FCA Register and classified and enhanced with proprietary research undertaken by IMAS.

The FCA Register identifies all entities that are authorised in the UK and regulated by the FCA. This is extended by IMAS' proprietary research to identify businesses that are outside the FCA's regulatory scope but within the normal definition of financial services.

Companies House provides financial disclosures of all UK entities, including the ownership structure of each entity.

### Data verification

All groups and entities that are contained in this report can be reviewed and verified on [www.imas.uk.com](http://www.imas.uk.com).

### Methodology

#### Activity

Company entities have been categorised based on their principal business activity into the following sectors: general insurance, investment, lending and financial support services. Where a company undertakes more than one business activity, they are classified according to their principal line of business.

#### Groups

UK entities have been grouped together under the ultimate UK parent company based on disclosure from Companies House. This is updated where relevant for additional changes of control that have taken place since the last filing date (e.g. due to an acquisition or divestiture) and of which IMAS is aware.

#### Ownership

The ultimate UK parent company in the UK is identified by IMAS and its ownership analysed accordingly. It is this company which determines the ownership category, irrespective of the ownership status of its own parent outside the UK.

Where judgemental issues have arisen relating to ownership, we have sought to apply 'substance over form'. For example, overseas intermediate holding companies are looked through to the ultimate domicile of the parent company.

#### Sizing

IMAS' value banding is an indicative sizing of the ultimate UK parent company of the group, based on a number of factors including, but not limited to, IMAS' proprietary models and assumptions (which are subject to change without notice) and publicly available information including turnover, profits, net asset value and the number of approved persons.

These models and assumptions are regularly reviewed and updated where appropriate.

Whilst the valuation methodology may be subjective, the approach has been consistently applied and companies categorised accordingly into the following broad categories: £5m to £25m, £25m to £100m, and £100m+. Businesses with a lower estimated capital value have been excluded from this report but can be reviewed and verified on [www.imas.uk.com](http://www.imas.uk.com).

#### M&A Transactions

Transactions are included upon announcement and withdrawn only if they fail to complete. Transactions included are only those which represent actual business sales (not books of business) with a value in excess of £5m where the target is a UK-based financial services business. Where values are not disclosed, IMAS has estimated a value based on available data.

## IMAS-INSIGHT WEB EXAMPLES

IMAS-*insight* is IMAS's proprietary knowledge management system that 'maps' the UK financial services industry, analysing over 50,000 UK financial services businesses, and over 380,000 FCA registered individuals. This can be accessed without subscription at [www.imas-insight.com](http://www.imas-insight.com).

Granular detail on sub-sections of the market

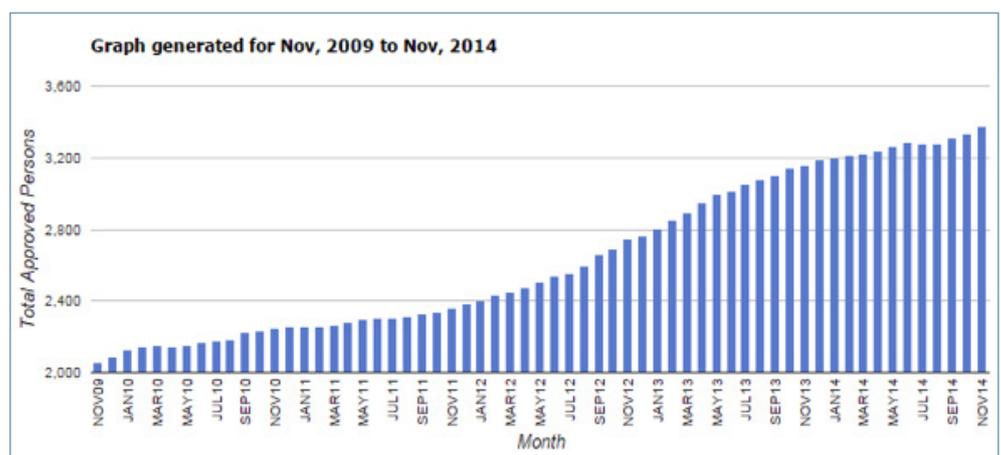
| Filter                    | Ownership by size         | Age analysis of principal shareholder | Overseas ownership by country | Private equity ownership analysis | All UK entities analysed by size |                 |            |           |              |
|---------------------------|---------------------------|---------------------------------------|-------------------------------|-----------------------------------|----------------------------------|-----------------|------------|-----------|--------------|
| Investment / Distribution | <b>Ownership</b>          |                                       |                               |                                   |                                  |                 |            |           |              |
| All Sub-sectors           | UK Quoted                 | Privately held                        | Widely Held                   | Overseas Owned                    | Private Equity                   | Mutual/Friendly | Other      | Total     |              |
| All Sub-sectors           | <b>IMAS value banding</b> |                                       |                               |                                   |                                  |                 |            |           |              |
| Employee Benefits         | £100+ million             | 92                                    | 97                            | 23                                | 305                              | 57              | 42         | 26        | 642          |
| Health Insurance          | £25 - 100 million         | 45                                    | 261                           | 29                                | 292                              | 70              | 50         | 11        | 758          |
| IFA Business              | £5 - 25 million           | 27                                    | 1,111                         | 60                                | 449                              | 70              | 146        | 29        | 1,892        |
| IFA Network               | <b>Total</b>              | <b>164</b>                            | <b>1,469</b>                  | <b>112</b>                        | <b>1,046</b>                     | <b>197</b>      | <b>238</b> | <b>66</b> | <b>3,292</b> |
| Tied Adviser              |                           |                                       |                               |                                   |                                  |                 |            |           |              |

Search results >> Group overview

| Entity Overview                    | ST. JAMES'S PLACE WEALTH MANAGEMENT PLC                 |                            |                                       |                         |                   |
|------------------------------------|---|----------------------------|---------------------------------------|-------------------------|-------------------|
| Entity AP Details                  | Add to My Watch List   My Watch List                    |                            |                                       |                         |                   |
| Group Overview (IMAS Defined)      | Feedback  |                            |                                       |                         |                   |
| Group AP Details                   | <b>Ownership of Company/Group: Quoted</b>               |                            |                                       |                         |                   |
| FS Directorships external to group | <b>Name</b>   | <b>IMAS Value Banding</b>  | <b>IMAS Defined First Activity</b>    | <b>First Authorised</b> | <b>No. of APs</b> |
| Updates                            | ST. JAMES'S PLACE PLC                                   | £100 million+              | Life Company (Investment/Product)     | N/A                     | N/A               |
|                                    | SJPC 7 LIMITED  | £100 million+              | Waiting to be Classified              | N/A                     | N/A               |
|                                    | ST. JAMES'S PLACE REASSURANCE (2009) LIMITED            | £100 million+              | Life Company (Investment/Product)     | 01/01/2009              | 7                 |
|                                    | ST. JAMES'S PLACE UK PLC                                | £100 million+              | Life Company (Investment/Product)     | 01/01/1901              | 16                |
|                                    | ST. JAMES'S PLACE WEALTH MANAGEMENT GROUP PLC           | £100 million+              | Life Company (Investment/Product)     | N/A                     | N/A               |
|                                    | ST. JAMES'S PLACE WEALTH MANAGEMENT PLC                 | £100 million+              | IFA Network (Investment/Distribution) | 01/12/2001              | 3399              |
|                                    | ST. JAMES'S PLACE INTERNATIONAL ASSURANCE GROUP LIMITED | £25 million - £100 million | Life Company (Investment/Product)     | N/A                     | N/A               |

Detailed overview of group structure and ownership

Performance metrics updated weekly





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