

Statistical bulletin

Ownership of UK quoted shares: 2018

The value of ordinary shares held in UK incorporated companies listed on the London Stock Exchange by sector of the owner, with a geographical breakdown for shares owned outside the UK.



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Correction

3 March 2022 09:30

During the creation of the 2020 Ownership of UK quoted shares publication, a processing issue in the 2018 publication was identified. As such, we have taken this opportunity to correct and update the 2018 publication and will also implement the resulting changes as part of the Blue Book 22 publication. Within the confines of the publication, the changes impact all sectors of the economy to a small degree.

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1 . Main points

- At the end of 2018, shares in quoted UK domiciled companies (that is, their country of incorporation in the UK) listed on the London Stock Exchange (LSE) were worth a total of £1.97 trillion.
- The proportion of UK shares held by the rest of the world increased yet again to set a record high, at 55.7% of the value of the UK stock market.
- The proportions of UK shares held by UK-resident individuals rose to 13.3%, up by 1.0 percentage point from 2016, moving further away from the historic low of 10.2% in 2008.
- The proportion of quoted shares held by investment trusts fell by 0.8 percentage points to 1.3%, the lowest point since 2002.
- Other financial institutions based in the UK saw a very small rise from 2016, to stand at 8.2%.
- Insurance companies' share of the market stands at 3.9%, falling 1.0 percentage point from 2016.

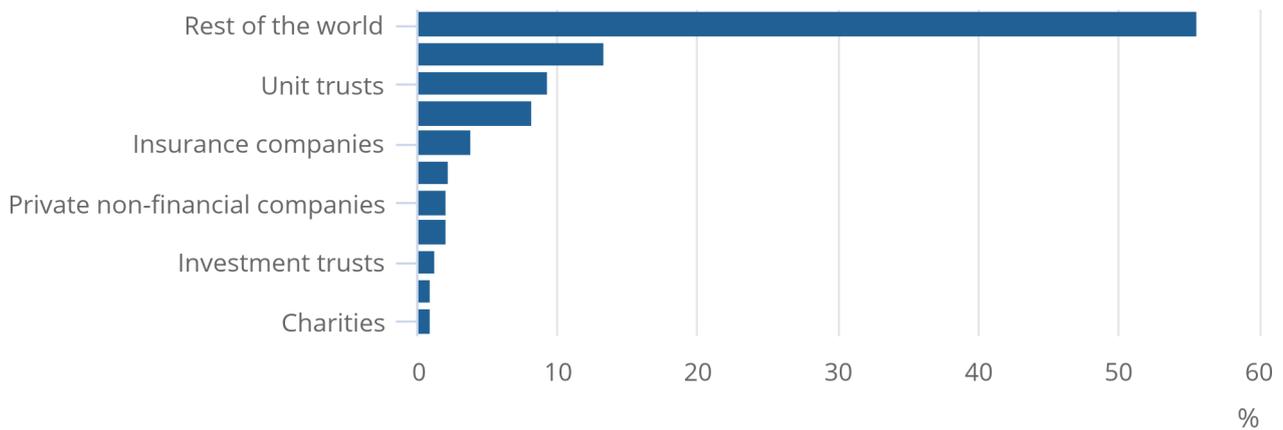
2 . Beneficial owners

Figure 1: Rest of the world dominates ownership of UK quoted shares

Beneficial owners of UK quoted shares at 31 December 2018

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Beneficial owners of UK quoted shares at 31 December 2018



Source: Office for National Statistics

Notes:

1. Components may not sum due to rounding.
2. Public sector comprises local government, central government and public corporations.

Table 1: Beneficial ownership of UK shares by value
At 31 December for 2012, 2014, 2016 and 2018

	Percent				£ billion			
	2012	2014	2016	2018	2012	2014	2016	2018
Rest of the world	53.3	53.7	53.9	55.7	933.2	1073.6	1100.5	1098.2
Individuals	10.6	12.4	12.3	13.3	184.6	247.5	251.5	261.8
Unit trusts	9.5	9.1	9.5	9.4	167.0	181.4	193.7	185.1
Other financial institutions	6.6	7.1	8.1	8.2	114.9	142.5	166.1	162.6
Insurance companies	6.2	5.9	4.9	3.9	108.8	118.3	100.3	76.9
Pension funds	4.7	3.0	3.0	2.2	82.4	60.0	60.6	44.1
Public sector²	2.3	2.0	2.2	2.1	40.1	39.2	45.0	40.5
Private non-financial companies	1.9	1.4	1.8	2.1	33.4	27.8	36.7	41.0
Investment trusts	1.7	1.8	2.1	1.3	30.6	36.0	42.6	26.0
Banks	2.5	2.6	1.1	0.9	44.3	51.8	22.6	17.4
Charities	0.6	1.1	1.0	0.9	10.6	22.8	20.7	18.1
Total¹	100.0	100.0	100.0	100.0	1,749.9	2,000.8	2,040.4	1,971.7

Source: Office for National Statistics

Notes

1. Components may not sum due to rounding.
2. Public sector comprises local government, central government and public corporations.

Rest of the world shareholdings continued their rise from previous years as shown in Table 1. Individuals have maintained their place as the second largest proportion, with other financial institutions and unit trust proportions remaining similar to previous years. Insurance companies and pension funds sectors saw falling proportions in recent years.

Table 2: Holdings of FTSE 100, Alternative Investment Market and other quoted companies by beneficial owner
At 31 December 2018

	Percent		
	FTSE 100	AIM	Other quoted
Individuals	58.9	49.3	47.4
Charities	10.1	25.0	21.4
Insurance companies	9.3	9.1	9.5
Pension funds	8.3	9.1	8.1
Investment trusts	4.1	1.3	3.6
Unit trusts	2.3	3.0	2.2
Banks	2.2	0.4	1.6
Other financial institutions	2.0	0.6	2.4
Private non-financial companies	1.2	1.5	1.5
Public sector²	1.2	0.2	0.0
Rest of the world	0.5	0.5	2.1
Total¹	100.0	100.0	100.0

Source: Office for National Statistics

Notes

1. Components may not sum due to rounding.
2. Public sector comprises local government, central government and public corporations.

These totals indicate the beneficial owner proportions split into different markets and indices. The results should be regarded as indicative because the sample size is too small to use sub-samples for each of the three groups above. However, the evidence suggests that Alternative Investment Market (AIM) companies are owned to a greater extent by individual shareholders. Because these firms have a small value compared with the overall value of UK quoted shares, they do not substantially affect the final results.

3 . UK FTSE All-Share Index

Figure 2: FTSE All-Share Index has fallen sharply in the second half of 2018

FTSE All-Share Index, 1997 to 2018

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FTSE All-Share Index, 1997 to 2018



Source: Office for National Statistics

The UK stock market covers the total value of shares registered in the UK and quoted on the London Stock Exchange. As at 31 December 2018, the value of all UK ordinary shares quoted on the London Stock Exchange stood at £1.97 trillion.

The trend of the FTSE All-Share can be broken down into crisis points and the recoveries which followed. Figure 2 starts close to the peak of the “dot-com bubble” in the late 1990s; once the speculation bubble burst, the FTSE All-Share fell by around 50%. Following this, the stock market value rose, peaking in late 2007. Subsequently, the FTSE All-Share index fell by around 49% during the 2008 economic downturn before recovering again.

By December 2014, the FTSE All-Share Index stood at around its pre-crisis level. The index continued its growth into early 2015 until uncertainty surrounding global economies halted the steady rise in value. There was strong performance throughout 2016, partly because of a fall in the value of sterling helping global firms’ market capitalization.

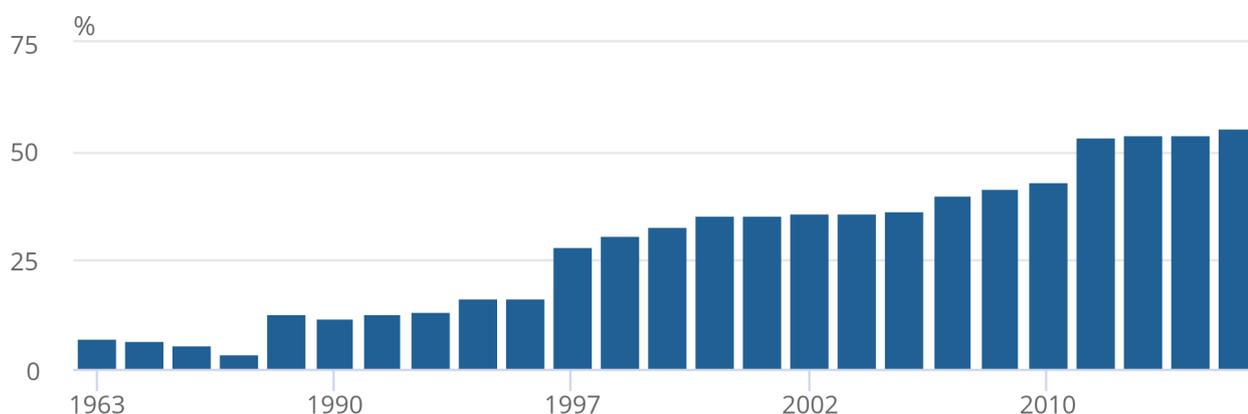
Although the general trend of the index has been increasing, economic uncertainty surrounding UK securities has caused volatility during the last two years (2017 and 2018).

4 . Rest of the world

Figure 3: Rest of the world shareholdings have continued to rise

End-year position for selected years, 1963 to 2018

Figure 3: Rest of the world shareholdings have continued to rise
 Data between 1998 and 2008 are partially based on fixed proportions²
 End-year position for selected years, 1963 to 2018



Source: Office for National Statistics

Notes:

1. Share ownership data not collected for all years.
2. The analysis of pooled nominee accounts' allocation of beneficial owners was not updated between 1998 and 2008. Instead, the proportions of the 1997 analysis were used during this period. As such, data between these periods are not directly comparable with data outside this window.

The proportion of UK domiciled companies' quoted shares by value owned by investors outside the UK has increased substantially in recent decades. This proportion has continued to increase, and stood at 55.7% by the end of 2018. The stable rise since 1994 reflects the increasing internationalisation of the UK stock market, and the increasing ease with which overseas residents can invest in UK quoted shares (for example, through electronic trading platforms). A large proportion of rest of the world shareholdings are investments in large multinational corporations.

5 . Individuals

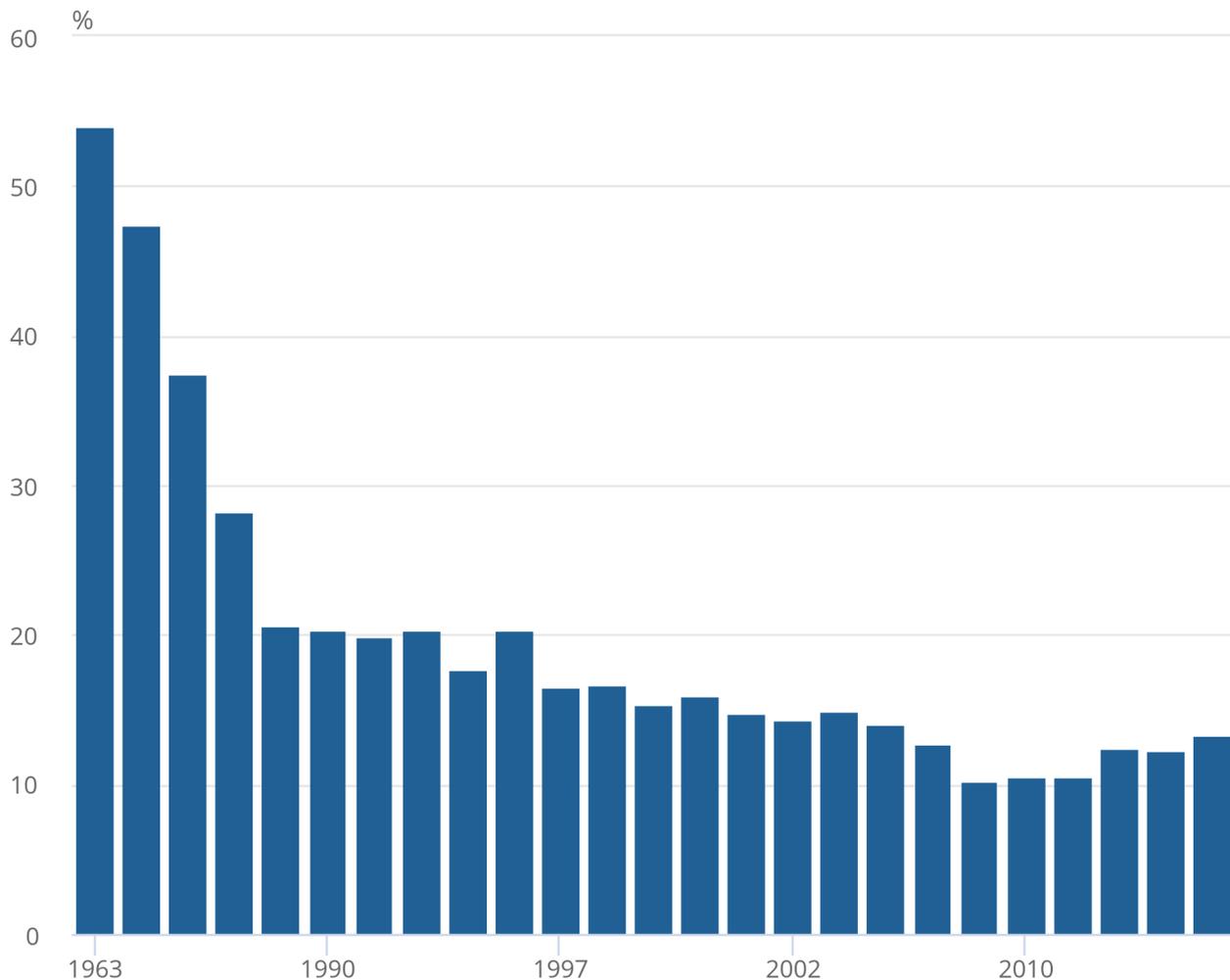
Figure 4: Individuals' shareholdings have begun to rise in recent years

End-year position for selected years, 1963 to 2018

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Data between 1998 and 2008 are partially based on fixed proportions²

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Source: Office for National Statistics

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The proportion of shares held by individuals has declined since 1963, when individuals owned approximately 54% of UK quoted shares in terms of total value. However, this trend has changed since the record low in 2008 (10.2%), indicating a change in investment strategy by individuals, and at the end of 2018 stood at 13.3% of all UK quoted shares.

6 . Insurance companies

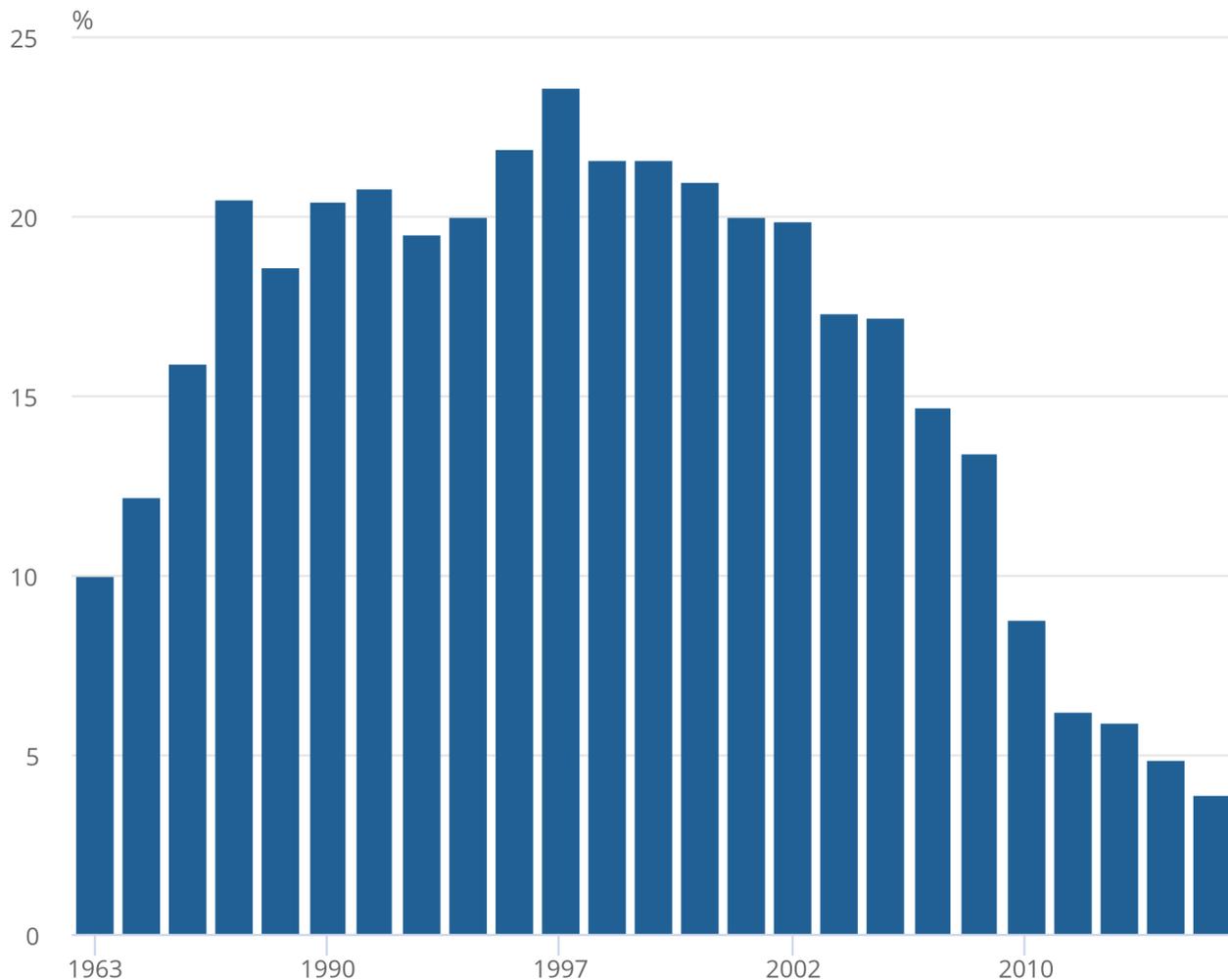
Figure 5: Shareholdings of insurance companies continue a downward trend

End-year position for selected years, 1963 to 2018

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Data between 1998 and 2008 are partially based on fixed proportions²

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Source: Office for National Statistics

Notes:

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2. The analysis of pooled nominee accounts' allocation of beneficial owners was not updated between 1998 and 2008. Instead, the proportions of the 1997 analysis were used during this period. As such, data between these periods are not directly comparable with data outside this window.

Insurance companies' proportions have fallen since 1997 from a high of 23.6%. In recent years this has seen five consecutive record lows set, with 2018 standing at 3.9%.

In recent years, insurance companies have been moving away from UK shares and investing more in overseas securities and mutual funds. Evidence of this is observed in the [MQ5: Investment by insurance companies, pension funds and trusts publication dataset](#). This investment in mutual funds may indicate that these businesses adopted a strategy of passive investment during this period.

Passive investment is a strategy whereby asset holders invest in funds that hold a basket of assets to represent the asset group. This ensures that returns to the investor are the same as the returns of that asset group, but costs are reduced as analysis of each constituent of the group is not required.

7 . Unit trusts and other financial institutions

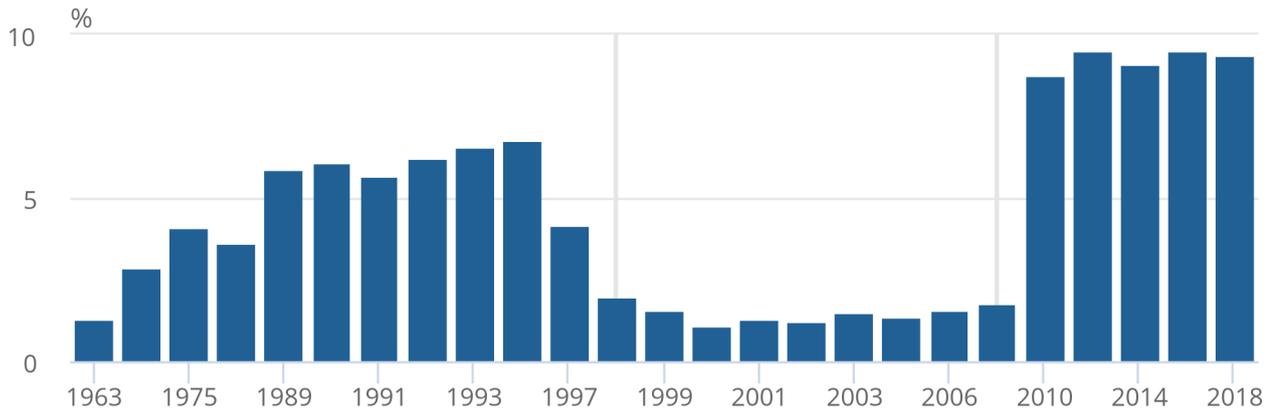
Figure 6: Shareholdings of unit trusts have remained steady

End-year position for selected years, 1963 to 2018

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End-year position for selected years, 1963 to 2018

Data between 1998 and 2008 are partially based on fixed proportions²



Source: Office for National Statistics

Notes:

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2. The analysis of pooled nominee accounts' allocation of beneficial owners was not updated between 1998 and 2008. Instead, the proportions of the 1997 analysis were used during this period. As such, data between these periods are not directly comparable with data outside this window.

The 2010 estimate of 8.8% was a substantial increase from the level in earlier years and the 2018 estimate holds steady alongside previous years at 9.4%. Note that between 1998 and 2008, it was assumed that 3% of the value of shares held by multiple-ownership pooled nominee accounts would have underlying ownership by unit trusts.

An exercise to update the sector allocations in 2010 suggested that 13% of these holdings were owned by unit trusts. This had a large impact on the results for 2010, since pooled nominees are such a large proportion of UK quoted shares. Consequently, comparisons in the intermediate years between 1997 and 2010 should not be made.

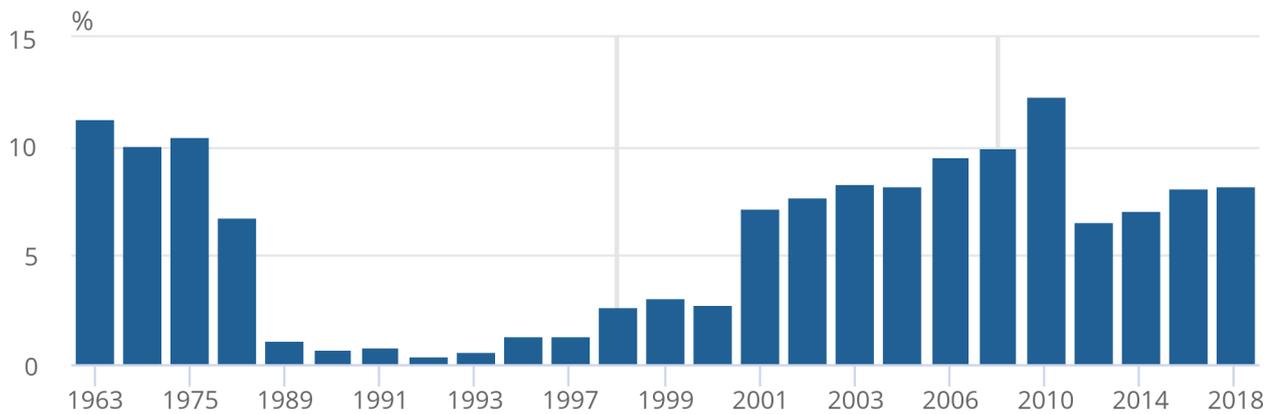
Figure 7: Shareholdings of other financial institutions has risen slightly to stand at 8.2%

End-year position for selected years, 1963 to 2018

Figure 7: Shareholdings of other financial institutions has risen slightly to stand at 8.2%

Data between 1998 and 2008 are partially based on fixed proportions³

End-year position for selected years, 1963 to 2018



Source: Office for National Statistics

Notes:

1. Share ownership data not collected for all years.
2. 1963 to 1981 also contain investment trusts.
3. The analysis of pooled nominee accounts' allocation of beneficial owners was not updated between 1998 and 2008. Instead, the proportions of the 1997 analysis were used during this period. As such, data between these periods are not directly comparable with data outside this window.

In the 1990s, other financial institutions (OFI) held a relatively small percentage of UK quoted shares by value. Their holdings increased throughout the 2000s, reaching a peak of 12.3% in 2010, followed by a sharp fall in 2012. In recent years a period of recovery has been evident, with the OFI market share trend continuing to show an increase from 2012. In 2018 the market share has risen slightly from 2016, now standing at 8.2%.

8 . Public sector

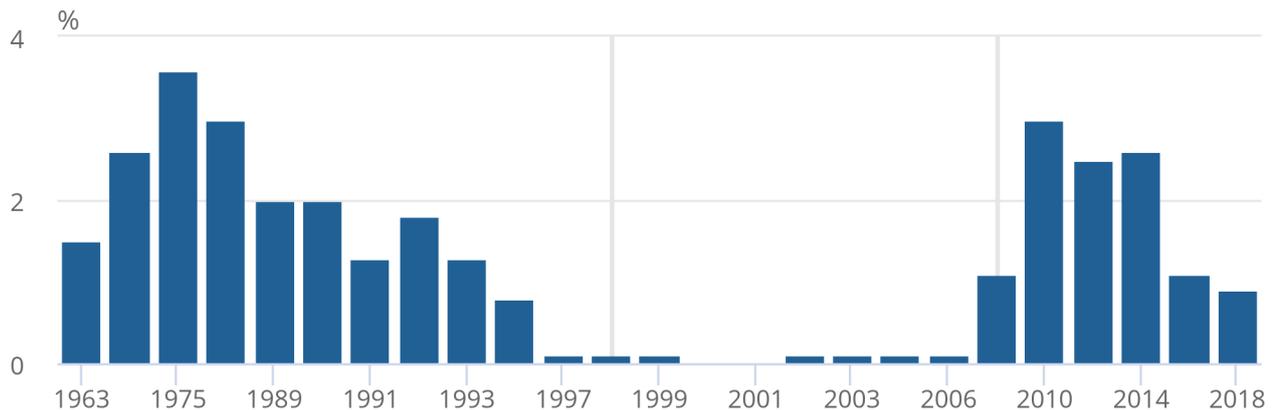
Figure 8: Shareholdings of the public sector continued to fall

End-year position for selected years, 1963 to 2018

Figure 8: Shareholdings of the public sector continued to fall

End-year position for selected years, 1963 to 2018

Data between 1998 and 2008 are partially based on fixed proportions²



Source: Office for National Statistics

Notes:

1. Share ownership data not collected for all years.
2. The analysis of pooled nominee accounts' allocation of beneficial owners was not updated between 1998 and 2008. Instead, the proportions of the 1997 analysis were used during this period. As such, data between these periods are not directly comparable with data outside this window.

The UK government participated in the recapitalisation of several banks following the 2008 economic downturn. Since 2016, the remaining shares owned by the UK government in Lloyds TSB Group have been sold, reducing the proportion of public sector owned UK quoted shares. However, the government still owns a majority stake in the Royal Bank of Scotland.

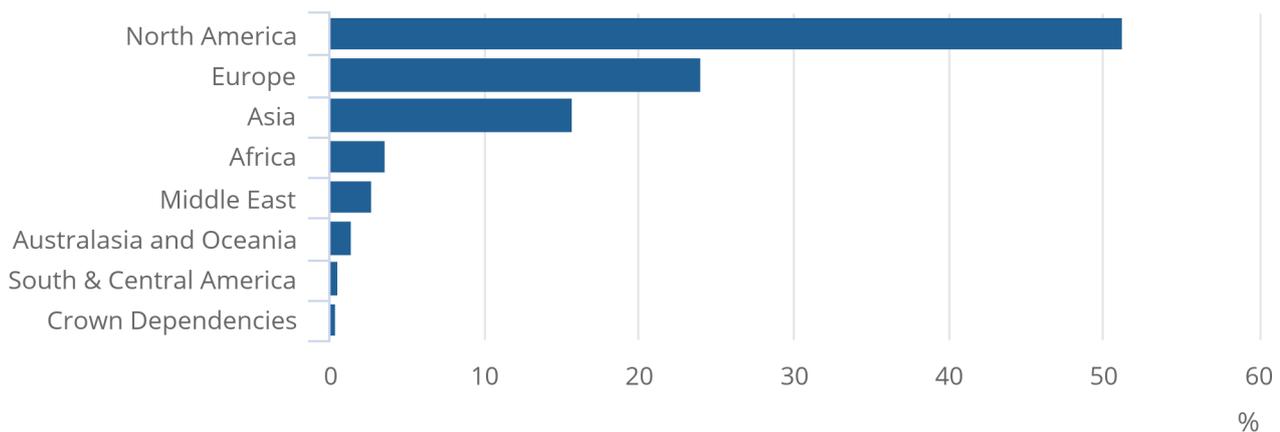
9 . Geographical breakdown

Figure 9: The majority of UK quoted shares held overseas are owned by North American residents

Geographical breakdown of rest of the world holdings of UK shares at 31 December 2018

Figure 9: The majority of UK quoted shares held overseas are owned by North American residents

Geographical breakdown of rest of the world holdings of UK shares at 31 December 2018



Source: Office for National Statistics

Notes:

1. Components may not sum due to rounding.
2. Crown dependencies refers to Jersey, Guernsey and Isle of Man.
3. Asia excludes the Middle East.
4. Middle East includes Bahrain, Israel, Jordan, Kuwait, Lebanon, Oman, Qatar, Saudi Arabia and United Arab Emirates.

On 31 December 2018, the rest of the world held 55.7% (£1.1 trillion) of UK domiciled companies' quoted shares. Figure 9 gives a continental breakdown of where the rest of the world shares are held. North America and Europe remain the largest proportion here with South & Central America's proportions falling.

Table 3: Rest of the world holdings of UK quoted shares by beneficial owner
At 31 December 2018

	Percent		£ billion	
	North America	Other RoW	North America	Other RoW
Unit trusts	53.1	25.9	299.2	138.5
Other financial institutions	28.5	31.4	160.6	167.9
Pension funds	14.2	7.6	80.0	40.6
Insurance companies	1.2	9.4	6.8	50.3
Individuals	0.9	0.7	5.1	3.7
Public Sector²	0.8	1.9	4.5	10.2
Charities	0.7	0.1	3.9	0.5
Banks	0.5	21.3	2.8	113.9
Private non-financial companies	0.2	1.6	1.1	8.6
Investment trusts	0.0	0.0	0.0	0.0
Total¹	100.0	100.0	564.0	534.3

Source: Office for National Statistics

Notes

1. Components may not sum due to rounding.
2. Public sector comprises local government, central government and public corporations.

Using the analysis of Equiniti and Orient Capital, Table 3 shows the beneficial owners of shares based outside the UK, with North America shown separately to other areas. North American investors have increasingly invested directly in the ordinary shares of UK companies listed on the London Stock Exchange. Several UK companies also have American Depositary Receipt (ADR) programmes established for North American investors to trade foreign shares and receive paid dividends in US dollars.

10 . Ownership of UK quoted shares data

[Ownership of UK Shares](#)

Dataset | Released 14 January 2020

Additional reference tables for ownership of quoted UK shares.

11 . Glossary

Beneficial owner

The true, underlying owner of the share who receives the benefits of holding the security, such as the income through dividends.

Dematerialisation

The process of more shares being held in electronic form than in paper form.

Multiple ownership pooled nominee accounts

An entry on the share register representing two or more beneficial owners from at least two different sectors. The beneficial owners must be established through the Companies Act 2006 Section 793 request, because the electronic register does not give a complete breakdown of beneficial ownership.

Quoted shares

Shares that are quoted on the London Stock Exchange, and that can be openly traded between investors.

UK domiciled companies

Companies which the London Stock Exchange has identified as UK incorporated.

12 . Measuring the data

This biennial statistical bulletin provides estimates of holdings of ordinary shares in UK domiciled quoted companies by sector of beneficial ownership. It should be noted that only companies listed on the London Stock Exchange (LSE), and whose country of incorporation is listed as UK according to the LSE are included in the analysis in this bulletin.

Share ownership is measured using data from Euroclear (CREST), the electronic settlement system for equity share trading and further analysis of share registers. The majority of shares in terms of value are held in multiple ownership pooled accounts (64.2% at the end of 2018). The shares have been allocated to individual beneficial owners using further analysis of share registers. To identify an estimate of the true beneficiary of these pooled accounts, a sample of the accounts from company share registers was analysed by Equiniti and Orient Capital.

The CREST dataset does not include shares held in paper form. The dataset which was used to analyse the difference between paper shares and electronic shares came from the London Stock Exchange. These paper shares have been apportioned to the different beneficial owners based on this analysis, laid out in the [Ownership of UK quoted shares QMI](#).

In previous years, external users' observations of the data reflected the extent to which the published data differed from outside data. As such, the number of Alternative Investment Market (AIM) companies was increased in the sample to better represent the shareholdings of beneficial owners in these companies. This breakdown is shown in Table 2.

More quality and methodology information on strengths, limitations, appropriate uses, and how the data were created is available in the [Ownership of UK quoted shares QMI](#). All the tables and charts in this bulletin, and the datasets, are on this basis.

The broad composition of share ownership at the end of 2018 was similar to 2012, 2014 and 2016, as each of the publications followed the same broad methodology, set out in the [Share Ownership Methodology](#) published in 2013, and first implemented in the 2014 publication.

13 . Strengths and limitations

The bulletin is used to provide an estimate to populate the financial accounts and derive an asset breakdown for the transaction line “Quoted Shares” and “Unquoted Shares” holdings in these accounts. The data are also used to assign dividend receipts to sectors. The bulletin is used by external users that take an interest in who owns shares in UK-listed companies. Our data provide this benchmark for beneficial owners of UK quoted shares every two years.

Our dataset provided by Euroclear (CREST) consists of companies making up roughly 80% of the value of UK shares on the London Stock Exchange. This provides a solid and realistic estimation of the proportions of ownership of shares among sectors.

Care should be taken when making comparisons between years prior to 2010. From 1998, the share ownership survey switched to using data from the CREST system, which led to a discontinuity in the analysis. The greatest impact was that some companies previously classified as unit trusts and investment trusts were then classified as other financial institutions. As such, long-term trends are now harder to identify and follow. Additionally, the analysis of pooled nominee accounts was not updated between 1998 and 2008, causing large variations in some beneficial owners’ proportions. For these years, the 1997 analysis was carried forward to compile the results.

The methodological improvements that were made in the 2012 survey particularly affected other financial institutions. While the 2010 data were recalculated as part of the 2012 survey to make them more comparable, the fall in ownership by other financial institutions data between 2010 and 2012 may in part be the result of changes in methodology.

Share ownership analysis has not been carried out at uniform intervals, so care should be taken when interpreting time series charts and tables in this publication.

As seen in Table 1 of the statistics attached to this bulletin, a large proportion of the shares in the UK market are held in mutual fund accounts before they are divided among the beneficial owners. As a result, the beneficial owners of shares are not necessarily the same as the registered owners.

Since the dematerialisation of shares in 1996 there has been a growing trend towards investors using pooled nominee accounts, accounts where the beneficial owners are from two or more of the National Accounts categories.

The geographical breakdown (Figure 9) is based on work by Equiniti and Orient Capital, commissioned by us, on both the pooled and non-pooled accounts in the sample. As a result, they are based on a smaller sample than the preceding analysis and are more prone to fluctuations between years depending on the companies selected.

14 . Related links

[Ownership of UK Quoted Shares: 2014](#)

Bulletin | Released 2 September 2015

This previous bulletin contains more definitions relevant to share ownership publication and the impact of the reduced analysis between 1998 and 2008.