

Share Ownership Survey 2008



Date: 27 January 2010

Coverage: United Kingdom **Theme:** The Economy

This Statistical Bulletin gives the results of a survey of the ownership of ordinary shares in quoted companies in the UK. The Office for National Statistics carried out this survey using data obtained from Euroclear (CREST), the electronic settlement system for equity share trading. The survey shows how the value of UK quoted shares was distributed between sector of beneficial owner at 31 December 2008.

For UK share ownership at 31 December 2008:

At the end of 2008 the UK Stock Market was valued at £1,158.4 billion, a decrease of £699.8 billion (37.7 per cent) since the end of 2006.

Figures for end-2008 show that:

- Investors from outside the UK owned 41.5 per cent of UK shares listed on the UK Stock Exchange, up from 40.0 per cent at end-2006. Rest of the world investors held £481.1 billion of shares – down from £742.4 billion at end-2006

Beneficial ownership of UK shares 2006 and 2008

	£billion		Per cent owned	
	2006	2008	2006	2008
Rest of the world	742.4	481.1	40.0	41.5
Insurance companies	272.8	154.9	14.7	13.4
Pensions funds	235.8	148.8	12.7	12.8
Individuals	238.5	117.8	12.8	10.2
Unit trusts	30.0	21.3	1.6	1.8
Investment trusts	45.1	22.1	2.4	1.9
Other financial institutions	179.1	115.3	9.6	10.0
Charities	16.1	8.7	0.9	0.8
Private non-financial companies	33.5	34.7	1.8	3.0
Public sector	2.0	13.0	0.1	1.1
Banks	63.0	40.6	3.4	3.5
Total	1858.2	1158.4	100.0	100.0

- UK individuals owned £117.8 billion of shares (10.2 per cent) – down from 12.8 per cent at end-2006
- Insurance companies owned £154.9 billion (13.4 per cent) – down from 14.7 per cent at end-2006
- The percentage holding of UK shares by pension funds remained steady at 12.8 per cent (£148.8 billion) from 12.7 per cent (£235.8 billion) at end-2006
- The percentage holdings of UK shares by other financial institutions increased to 10.0 per cent (£115.3 billion) from 9.6 per cent (£179.1 billion) at end-2006
- Banks owned £40.6 billion (3.5 per cent) of UK shares – their highest proportion since the survey began in 1963
- Government intervention in financial companies in 2008 meant that the public sector holdings of shares rose from £2.0 billion (0.1 per cent) at end-2006 to £13.0 billion (1.1 per cent) at end-2008
- FTSE 100 companies continued to dominate the UK stock market. The proportion of funds invested in these companies varied between 64.9 per cent for individuals and 96.5 per cent by private non-financial companies. Overall, 84.6 per cent of equity investment in quoted companies was in FTSE 100 companies

Summary

The figures quoted below include the unidentified shareholdings and the holdings in certificated form that have been apportioned across the other sectors (see Annex A for details).

Between 1 January 2007 and 31 December 2008 the value of all UK ordinary shares quoted on the London Stock Exchange decreased by £699.8 billion to £1,158.4 billion, a fall in value of 37.7 per cent.

Institutional shareholders accounted for 39.9 per cent of the UK ordinary shares at 31 December 2008 with a combined value of £462.4 billion. Of these, the largest holders were insurance companies (£154.9 billion) and pension funds (£148.8 billion).

At end-2008, individuals' holdings amounted to £117.8 billion, or 10.2 per cent. This excluded individuals' ownership through mutual funds.

In 2008, rest of the world holders owned 41.5 per cent of the ordinary shares, representing investments of £481.1 billion. Of the rest of the world holdings, 34 per cent had their beneficial owner in Europe, with North American beneficial holdings at 30 per cent.

Detailed Commentary

1. Analysis by beneficial ownership

Tables A, B and Figure 1 show beneficial owners of UK quoted ordinary shares. At the end of 2008 the sector with the largest beneficial shareholding was the rest of the world, holding 41.5 per cent of all shares with a value of £481.1 billion.

Insurance companies held 13.4 per cent (£154.9 billion) of shares, slightly more than pension funds with 12.8 per cent (£148.8 billion). Unit and investment trusts held 3.7 per cent of shares (£43.4 billion).

Individuals held 10.2 per cent (£117.8 billion). An analysis of individual ownership of investment trusts is given in section 4. Many individuals also make investments in ordinary shares through unit trusts. However, holdings via unit trusts (which are not quoted companies) are not attributed to individuals or other holders of units in these analyses.

Other financial institutions (such as securities dealers) held 10.0 per cent (£115.3 billion) of shares – a figure that includes the holdings of many banking groups, as the ultimate parent company is frequently not classified as a bank. The holdings of banks continued to increase and at 3.5 per cent (£40.6 billion) was at their highest level since the survey began.

Table A: Beneficial ownership of UK shares, 1963–2008 (per cent)

		1963	1969	1975	1981	1989	1990	1991	1992	1993	1994	1997	1998	1999	2000	2001	2002	2003	2004	2006	2008
Rest of the world	DEYF	7.0	6.6	5.6	3.6	12.8	11.8	12.8	13.1	16.3	16.3	28.0	30.7	33.0	35.7	35.7	35.9	36.1	36.3	40.0	41.5
Insurance companies	DEYG	10.0	12.2	15.9	20.5	18.6	20.4	20.8	19.5	20.0	21.9	23.6	21.6	21.6	21.0	20.0	19.9	17.3	17.2	14.7	13.4
Pension funds	DEYH	6.4	9.0	16.8	26.7	30.6	31.7	31.3	32.4	31.7	27.8	22.1	21.7	19.6	17.7	16.1	15.6	16.0	15.7	12.7	12.8
Individuals	DEYI	54.0	47.4	37.5	28.2	20.6	20.3	19.9	20.4	17.7	20.3	16.5	16.7	15.3	16.0	14.8	14.3	14.9	14.1	12.8	10.2
Unit trusts	DEYJ	1.3	2.9	4.1	3.6	5.9	6.1	5.7	6.2	6.6	6.8	4.2	2.0	1.6	1.1	1.3	1.2	1.5	1.4	1.6	1.8
Investment trusts	DEYK	11.3 ¹	10.1 ¹	10.5 ¹	6.8 ¹	1.6	1.6	1.5	2.1	2.5	2.0	1.2	1.3	1.2	1.3	1.6	1.3	1.7	2.5	2.4	1.9
Other financial institutions	DEYL					1.1	0.7	0.8	0.4	0.6	1.3	1.3	2.7	3.1	2.8	7.2	7.7	8.3	8.2	9.6	10.0
Charities	DEYM	2.1	2.1	2.3	2.2	2.3	1.9	2.4	1.8	1.6	1.3	1.9	1.4	1.3	1.4	1.0	1.1	1.2	1.1	0.9	0.8
Private non-financial companies	DEYN	5.1	5.4	3.0	5.1	3.8	2.8	3.3	1.8	1.5	1.1	1.2	1.4	2.2	1.5	1.0	0.8	0.7	0.6	1.8	3.0
Public sector ²	DEYO	1.5	2.6	3.6	3.0	2.0	2.0	1.3	1.8	1.3	0.8	0.1	0.1	0.1	–	–	0.1	0.1	0.1	0.1	1.1
Banks	DEYP	1.3	1.7	0.7	0.3	0.7	0.7	0.2	0.5	0.6	0.4	0.1	0.6	1.0	1.4	1.3	2.1	2.2	2.7	3.4	3.5
Total		100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

1 Includes Investment trusts.

2 Public sector comprises local government, central government and public corporations.

3 The end-2008 survey did not identify any significant shareholdings of quoted shares owned by building societies.

4 The Share Ownership Survey has been conducted at irregular intervals since 1963. This leads to gaps in the time series shown here in Tables and Figures.

5 Components may not sum to the total due to rounding.

At end-2008, charities (including trusts and universities) held 0.8 per cent (£8.7 billion) of shares, and private non-financial companies held 3.0 per cent (£34.7 billion). Shareholdings by the public sector had increased to 1.1 per cent (£13.0 billion).

Tables A, B and Figure 1 set out a comparison of holdings by beneficial owner. The changes in the main sectors are illustrated in Figures 2 to 5.

Figure 1: Beneficial ownership of UK shares, end–2008

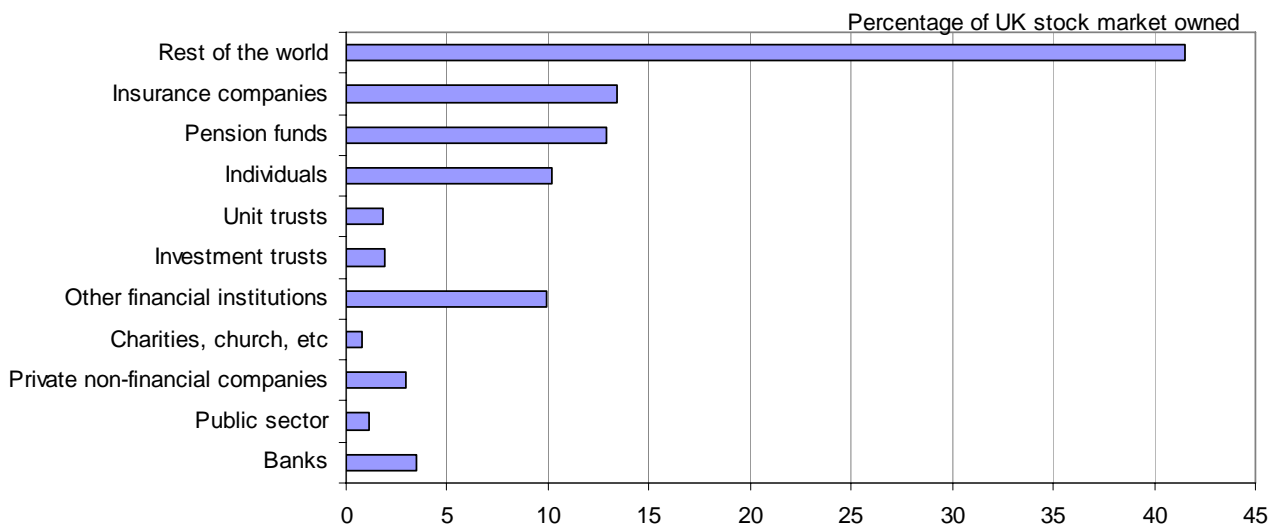


Table B: Beneficial ownership of UK shares, 1989–2008 (£ billion)

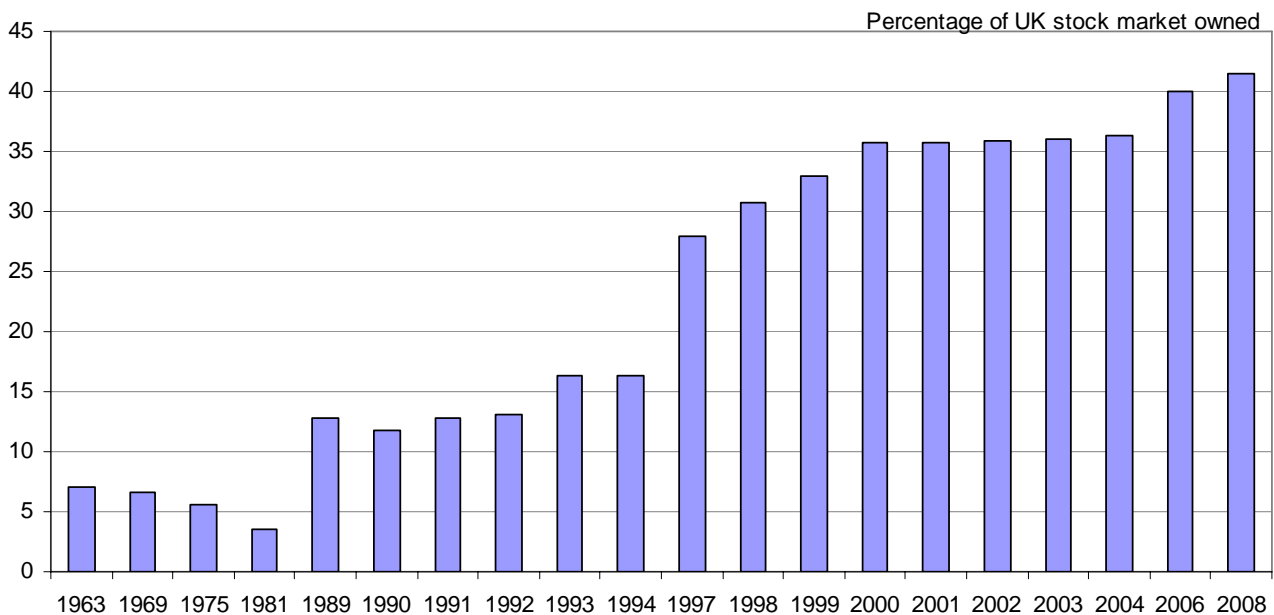
		1989	1990	1991	1992	1993	1994	1997	1998	1999	2000	2001	2002	2003	2004	2006	2008
Rest of the world	DEZV	64.5	52.7	68.1	80.7	130.2	124.3	355.2	460.9	596.9	645.9	555.2	414.1	494.2	537.6	742.4	481.1
Insurance companies	DEZJ	93.9	91.0	110.2	119.8	159.8	167.2	298.8	325.5	389.6	380.9	310.6	230.1	236.9	254.2	272.8	154.9
Pension funds	DEZK	154.8	140.4	165.7	199.5	251.5	211.8	279.8	325.8	353.8	321.2	250.0	180.1	218.7	232.6	235.8	148.8
Individuals	DEZH	104.3	90.5	105.3	125.4	141.1	154.6	208.8	250.8	275.8	289.9	229.9	165.5	203.9	208.4	238.5	117.8
Unit trusts	DEZM	29.7	27.3	30.4	38.0	52.7	51.8	53.1	30.1	29.6	19.1	20.0	13.8	20.4	21.1	30.0	21.3
Investment trusts	DEZL	7.9	6.9	7.8	12.8	19.8	15.0	15.1	19.2	21.5	24.0	25.3	15.0	23.4	37.3	45.1	22.1
Other financial institutions	DEZP	5.8	3.0	4.4	2.7	4.5	9.8	16.1	40.4	56.4	51.4	111.2	88.4	113.4	122.1	179.1	115.3
Charities	DEZI	11.7	8.2	12.8	11.2	12.5	9.9	24.3	20.4	24.0	24.8	16.1	13.1	15.9	16.2	16.1	8.7
Private non-financial companies	DEZQ	19.3	12.7	17.6	11.3	11.7	8.7	14.8	20.9	39.9	26.9	15.3	9.1	9.9	9.6	33.5	34.7
Public sector	DEZU	10.2	9.0	6.8	11.3	10.2	5.8	1.1	1.4	1.7	0.6	0.7	1.3	1.4	1.4	2.0	13.0
Banks	DEZN	3.3	3.2	1.1	3.0	4.7	3.0	0.8	8.4	18.0	26.0	19.8	24.2	30.1	39.7	63.0	40.6
Total		505.4	444.9	530.2	615.7	798.7	761.9	1267.9	1503.7	1807.2	1810.7	1554.1	1154.6	1368.0	1480.2	1858.2	1158.4

1 Components may not sum to the total due to rounding.

Rest of the World

During the 1980s and 1990s, the proportion of shares owned by rest of the world investors increased substantially (Figure 2), from 3.6 per cent in 1981 to around 13 per cent during the period 1989-92 and rose again to 16.3 per cent in 1993 and 1994. By 2000 holdings had increased to 35.7 per cent. The past decade has continued to see increases, with holdings in 2006 at 40.0 per cent and the 2008 figure higher again at 41.5 per cent. The large increase since 1994 partly reflects the growth in international mergers and acquisitions, as well as refinements to the classification of holdings, including the incorporation of securities dealers' data.

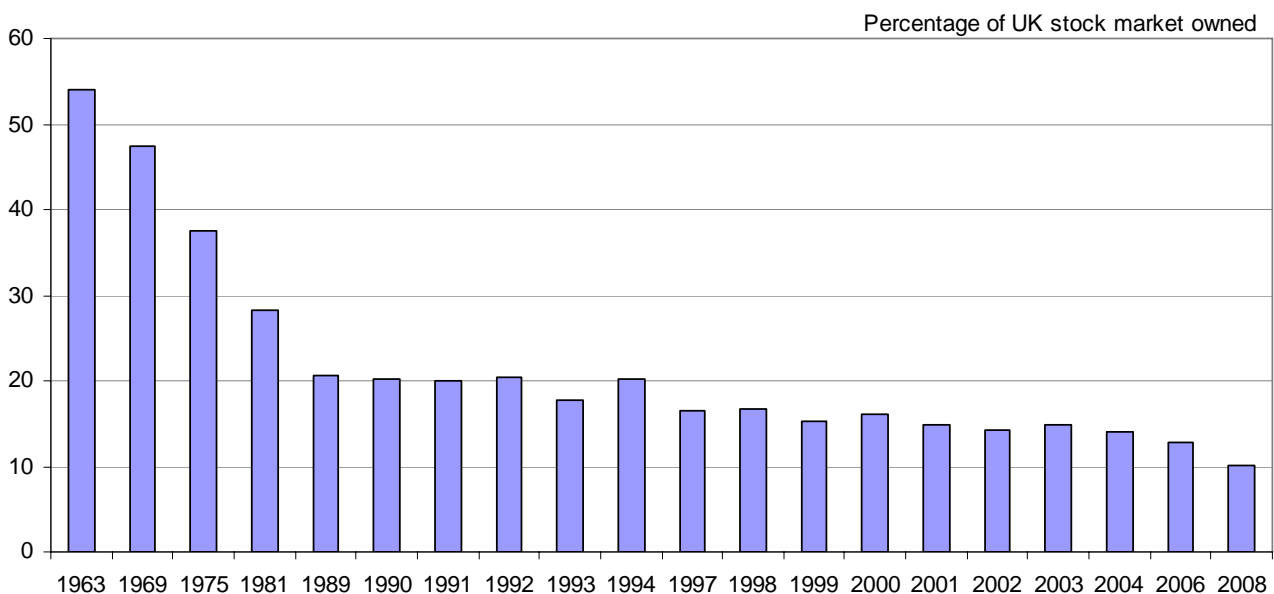
Figure 2: Rest of the world shareholdings, 1963–2008



Individuals

The proportion of shares held by individuals (Figure 3) has been on a downward trend since 1963 when individuals owned 54.0 per cent of quoted shares. Although the trend was flat at around 20 per cent between 1989 and 1994, by 2004 holdings had decreased to 14.1 per cent. The proportion of holdings has continued to fall and in 2008 stood at 10.2 per cent. Included in individual ownership are shares owned by company directors and those in privatised and demutualised companies which are still owned by individuals. The figures for individuals' shareholdings do not give a complete picture of their equity investments, as individuals' shareholdings in unit trusts cannot be shown separately in this survey.

Figure 3: Individuals' shareholdings, 1963–2008

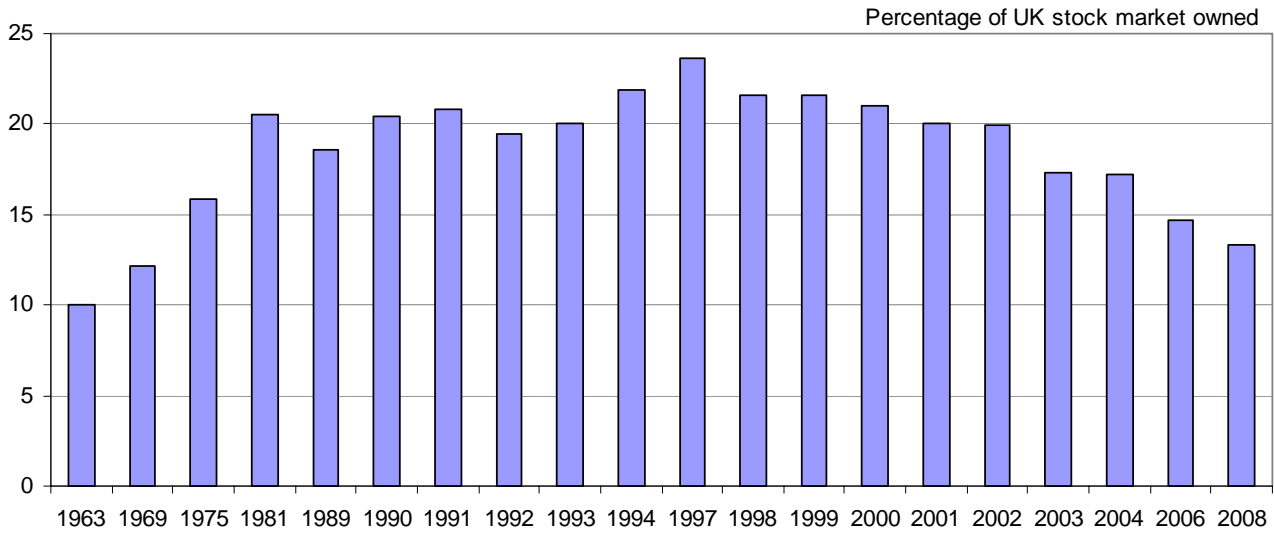


Insurance companies

The proportion of shares held by insurance companies (Figure 4) grew from 10.0 per cent in 1963 to a high of 23.6 per cent in 1997. Since this time, insurance companies' holdings have continued to fall, reaching 13.4 per cent in 2008. This is the lowest recorded percentage holding by insurance companies since 1969.

Taken together, the proportion of shares held by insurance companies and pension funds has been on a downward trend since 1991. This trend continued into 2008, the combined holdings representing 26.2 per cent, down from 27.4 per cent in 2006.

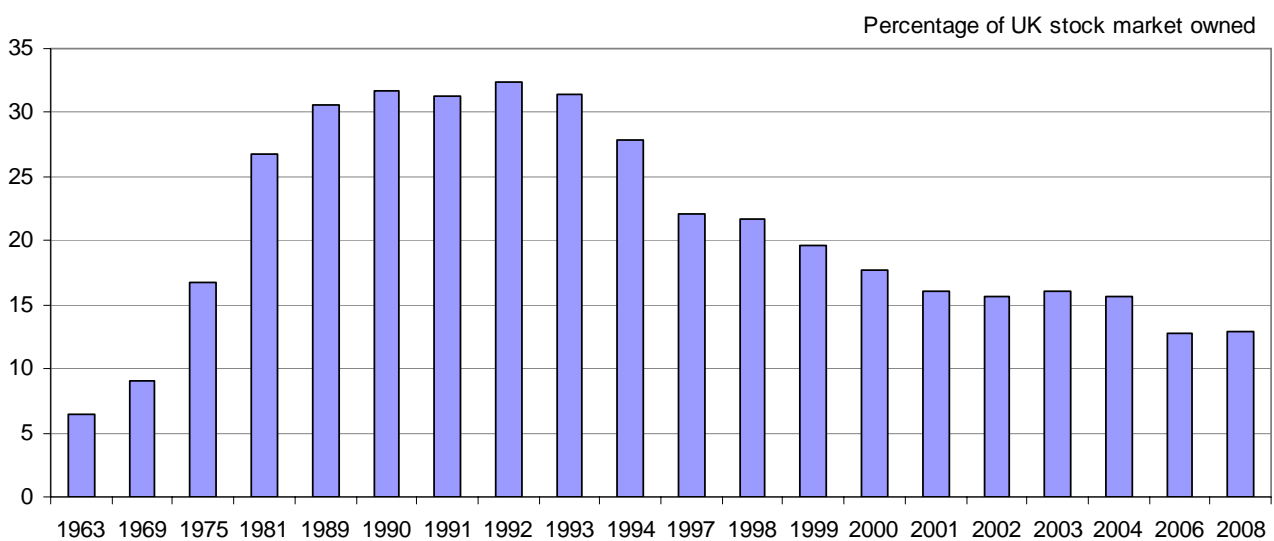
Figure 4: Insurance companies' shareholdings, 1963–2008



Pension Funds

Since the high point of 1992, the proportion of shares held by pension funds (Figure 5) has fallen. With the increasing number of alternative investment opportunities throughout the 1990s, fund managers looked to broaden their portfolios to seek higher returns and to spread risk. ONS inquiries to pension funds show a trend towards bond investment starting in 1999. Holdings were at 12.8 per cent at end-2008, in line with the 2006 estimate. These are the lowest figures since the 1960s.

Figure 5: Pension funds' shareholdings, 1963–2008



2. Analysis by industry of issuing company and investing sector

Each issuing company in the survey was coded for the broad industry group to which it belonged. Three industry groups are identified, defined by Standard Industrial Classification codes: financial, manufacturing and non-manufacturing. Separate analyses of shareholdings in each industry are shown in Tables 3-5.

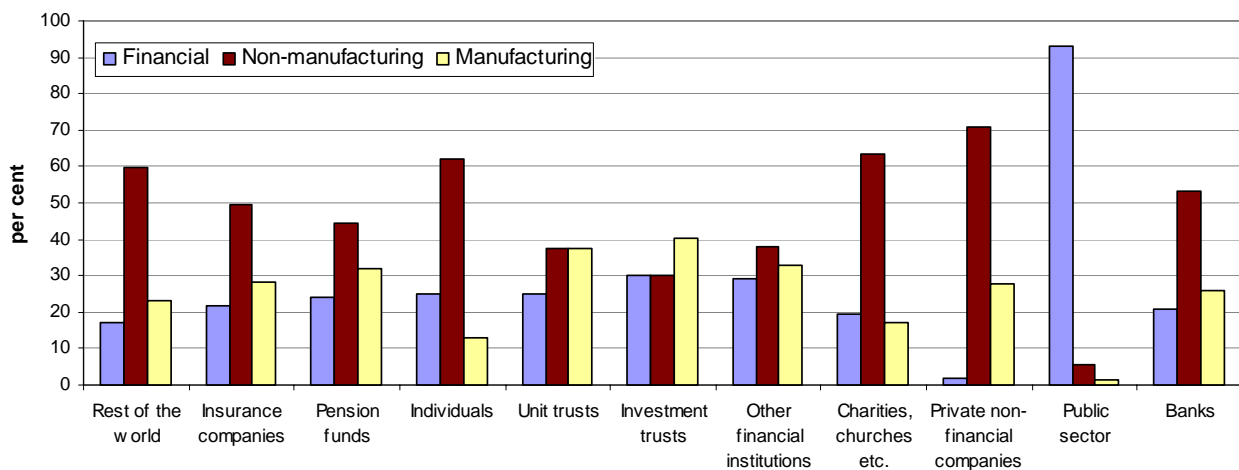
Table C and Figure 6 illustrate the holdings of beneficial sectors analysed by the industry in which they are invested.

Table C: Beneficial ownership of companies by industry: end-2008

	Industry of company which issued the shares			Total
	Percentage invested in			
	Financial companies	Non-manufacturing companies	Manufacturing companies	
Rest of the world	17.1	59.9	23.0	100.0
Insurance companies	21.9	49.7	28.3	100.0
Pension funds	24.1	44.2	31.7	100.0
Individuals	25.0	61.9	13.1	100.0
Unit trusts	24.9	37.6	37.6	100.0
Investment trusts	29.9	29.9	40.3	100.0
Other financial institutions	29.1	38.0	32.8	100.0
Charities, churches etc	19.5	63.2	17.2	100.0
Private non-financial companies	1.7	70.6	27.7	100.0
Public sector	93.1	5.4	1.5	100.0
Banks	20.7	53.2	26.1	100.0
Total	21.6	53.1	25.4	100.0

1 Components may not sum to the total due to rounding.

Figure 6: Industry breakdown of shares held, end-2008



Other financial institutions are the most heavily weighted investor in financial companies (29.1 per cent), while rest of the world has the lowest weighted proportion (17.1 per cent).

Of the major beneficial sectors, individuals have the least exposure to manufacturing companies at 13.1 per cent, compared with other financial institutions which is the most heavily weighted, holding 32.8 per cent.

Government intervention in financial institutions

The financial crisis of 2008 led to unprecedented government intervention in the UK financial industry. The impact upon the 2008 Share Ownership Survey is as follows:

- The initial recapitalisation of The Royal Bank of Scotland Group plc (RBS) in November 2008 included an injection of £15 billion in return for acquiring ordinary shares. Government purchased around 58 per cent of the ordinary share equity in the company. This investment is included in these results (at end-December 2008 market values). The December 2009 recapitalisation of RBS, the issue of preference shares in 2008, and the subsequent conversion of them into ordinary shares in April 2009, are not covered by this survey.
- The recapitalisations of LloydsTSB Group plc and HBOS plc took place in 2009. Government also participated in two subsequent recapitalisations of Lloyds Banking Group plc in 2009. These are not covered by this survey.
- Northern Rock plc and Bradford and Bingley plc delisted in February and September 2008 respectively, prior to Government taking ownership. They are not covered by this survey.

3. Analysis of shares held in FTSE 100 companies

The sample for the 2008 survey included most of the companies in the FTSE 100 at 31 December 2008. An analysis of holdings in these companies has been carried out, and grossed to cover all FTSE 100 companies. FTSE 100 companies comprised 84.6 per cent of the total value of the stock market at end-2008. A detailed analysis of beneficial holder by size of holding is given in Table D, and Tables 6 to 9.

Table D: Beneficial ownership of FTSE 100 and other companies: end-2008

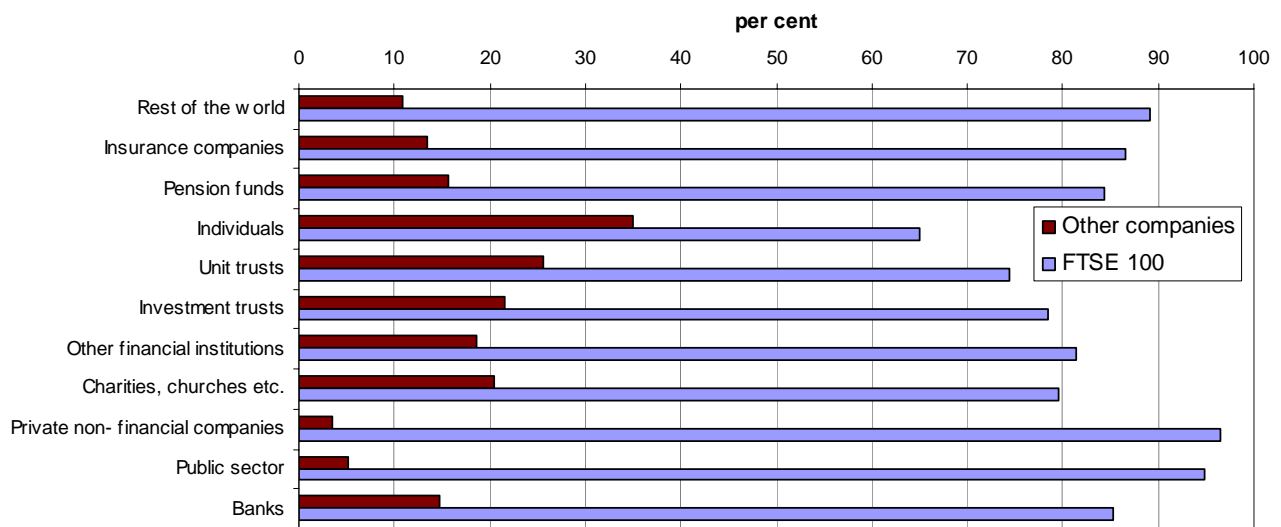
	Per cent of total equity owned:			Per cent invested in:		
	FTSE 100	Other	All	FTSE 100	Other	All
Rest of the world	43.8	29.1	41.5	89.2	10.8	100.0
Insurance companies	13.7	11.6	13.4	86.6	13.4	100.0
Pension funds	12.8	13.0	12.8	84.3	15.7	100.0
Individuals	7.8	23.1	10.2	64.9	35.1	100.0
Unit trusts	1.6	3.1	1.8	74.2	25.8	100.0
Investment trusts	1.8	2.7	1.9	78.3	21.7	100.0
Other financial institutions	9.6	12.0	10.0	81.4	18.6	100.0
Charities, churches etc	0.7	1.0	0.8	79.5	20.5	100.0
Private non-financial companies	3.4	0.7	3.0	96.5	3.5	100.0
Public sector	1.3	0.4	1.1	94.6	5.4	100.0
Banks	3.5	3.4	3.5	85.2	14.8	100.0
Total	100.0	100.0	100.0	84.6	15.4	100.0

1 Components may not sum to the total due to rounding.

Table D and Figure 7 compare the ownership of shares split between FTSE 100 companies and other companies at end-2008. The largest group of investors in both FTSE 100 and other companies was the rest of the world with 43.8 per cent and 29.1 per cent respectively. Individuals held 23.1 per cent in companies outside of the FTSE 100 (up from 22.3 per cent in 2006), compared with a 7.8 per cent holding in FTSE 100 companies (down from 9.9 per cent in 2006).

Table D and Figure 7 also show how the value of funds invested by each beneficial holder was split between the FTSE 100 and smaller companies at end-2008. For the larger investing sectors, the proportion of funds invested in FTSE 100 companies varied between 64.9 per cent, held by individuals, and 89.2 per cent by the rest of the world; while between 10.8 per cent and 35.1 per cent was invested in smaller companies.

Figure 7: Proportion of funds in FTSE 100 and other companies, end-2008



4. Analysis of shares held in investment trusts

For the National Accounts, shares of investment trusts are classified as 'mutual fund' shares. Accordingly, investment trusts have been separated out for National Accounts purposes. The results are given in Tables 10 and 11.

Table E: Beneficial ownership of investment trusts and other companies: end-2006 and end-2008

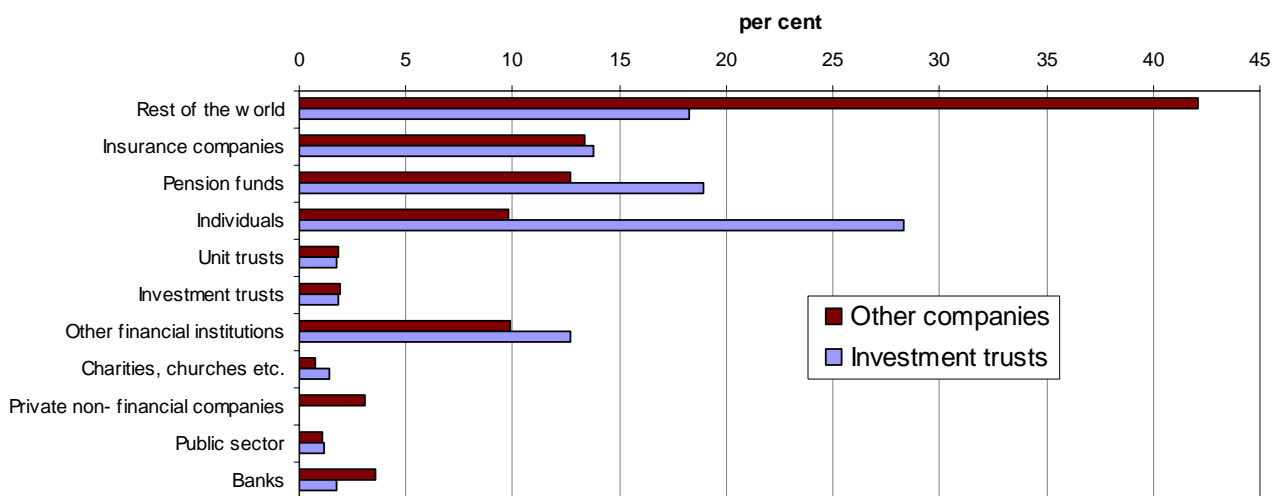
	Value of shares owned £ billion				Percentage of shares owned			
	Investment trusts		Other companies		Investment trusts		Other companies	
	2006	2008	2006	2008	2006	2008	2006	2008
Rest of the world	6.0	6.1	736.4	473.5	10.5	18.3	40.9	42.1
Insurance companies	7.6	4.6	265.2	150.4	13.3	13.8	14.7	13.4
Pension funds	7.3	6.3	228.5	143.0	12.7	18.9	12.7	12.7
Individuals	28.9	9.4	209.6	109.9	50.4	28.2	11.6	9.8
Unit trusts	0.5	0.6	29.5	20.7	0.9	1.8	1.6	1.8
Investment trusts	0.9	0.6	44.2	21.4	1.6	1.8	2.5	1.9
Other financial institutions	4.1	4.2	175.0	111.0	7.2	12.6	9.7	9.9
Charities, churches etc	0.9	0.5	15.2	8.3	1.6	1.5	0.8	0.7
Private non-financial companies	0.6	-	32.9	34.4	1.0	-	1.8	3.1
Public sector	-	0.4	2.0	12.6	-	1.2	0.1	1.1
Banks	0.5	0.6	62.5	39.9	0.9	1.8	3.5	3.5
Total	57.3	33.3	1801.0	1125.1	100.0	100.0	100.0	100.0

1 Sector totals are slightly different to those in earlier tables, as the investment trusts total is constrained to MEUP.

2 Components may not sum to the total due to rounding.

Table E and Figure 8 show that in 2008 individuals held 28.2 per cent of investment trusts, compared with 9.8 per cent of other companies. The 2008 figure for individuals holding shares within investment trusts almost halved from the 2006 figure of 50.4 per cent. Investment trusts are small companies and have a limited life, which leads to a variable ownership structure for the sector and causes a high rotation rate of investment trusts sampled in the survey. Insurance companies held 13.8 per cent of investment trusts (up from 13.3 per cent in 2006) compared with 13.4 per cent of other companies. Pension funds held 18.9 per cent of investment trusts and 12.7 per cent of other companies. Rest of the world holdings in investment trusts was 18.3 per cent (up from 10.5 per cent in 2006), compared with 42.1 per cent of other companies.

Figure 8: Beneficial ownership of investment trusts and other companies, end-2008



5. Geographical analysis of shares held in UK quoted companies

On the 31 December 2008 the value of all UK quoted ordinary shares was £1,158.4 billion. Of this, the rest of the world held 41.5 per cent (£481.1 billion).

For each survey since 2000 North America has held a similar proportion of the total foreign owned UK shares and at end-2008 their holding was 30 per cent.

European holdings of UK shares have fallen since the 2001 high point when they stood at 38 per cent. In 2008 their holding was 34 per cent.

In 2008 Asian holdings of UK shares was 17 per cent.

African investment has increased since the 2004 survey with their proportion of the total foreign owned UK shares standing at 15 per cent in 2008. In 2008 holdings by Australasia and Oceania were 3 per cent of the rest of the world total, the highest percentage holdings since the start of the geographical analysis in 1999.

**Table F: Geographical analysis by beneficial owner:
end-2008 per cent owned of total**

Geographical Area	1999	2000	2001	2002	2003	2004	2006	2008
Europe	28	37	38	37	36	34	30	34
Offshore UK	1	1	1	1	1	1	1	1
North America	41	32	32	30	31	32	33	30
Asia	19	21	19	21	22	22	21	17
Africa	11	9	10	11	10	11	13	15
Australasia and Oceania	1	0	0	0	1	1	2	3
Total	100	100	100	100	100	100	100	100

1. At the end of the survey there was a proportion of unallocated holdings. For continuity, these were apportioned across all sectors except North America. It was felt that USA holdings would have been identified through the classification process.
2. Australasia and Oceania holdings have totalled 0.3 per cent for 2000, 2001 and 2002 but have been rounded down to 0.
3. The Offshore UK category represents the Channel Islands, the Isle of Man and British Overseas Territories.
4. Components may not sum to the total due to rounding.

Annex A – Methodological Notes

1. For 2008 73.0 per cent (£844.8 billion) of shareholdings in the sampled companies were directly classified to National Accounts sectors (down from 76.5 per cent for the 2006 survey). In the headline figures, the remaining 27.0 per cent (£313.6 billion) of pooled and excluded shares have been redistributed across other sectors.
2. The geographical analysis is based on information on the location of foreign shareholders identified in the 1997 survey. This is supplemented with more recent information from Waterlow Stock Exchange Yearbook 2008 (Caritas Data).

Sampling methodology

3. The first stage was a sample of companies selected from a database supplied by the London Stock Exchange. All companies with a market capitalisation greater than £2.2 billion were selected. The remaining companies within the sample were drawn with probability of selection proportional to size (market capitalisation). This method of sampling has been used since end-1998 when the Euroclear (CREST) data were introduced. 199 companies (206 registers) were surveyed, representing 88 per cent of UK market capitalisation, which comprised:

- the 83 largest companies by market capitalisation as at 30 September 2008, and
- 116 small companies

The need to select the sample in advance of the survey date of 31 December 2008 meant that the sampling frame related to 30 September 2008.

4. The register analyses were run as at 31 December 2008 but, due to the settlement period on the Euroclear (CREST) system, transactions immediately prior to 31 December may not have been recorded on the registers.
5. The sampled companies were grossed up to represent the entire stock exchange at 31 December 2008. Market values are derived by multiplying the number of shares in each company by the share price at 31 December 2008.
6. A number of shares are still held in certificated form outside the Euroclear (CREST) system and have been classified to 'excluded' in the analysis. For these and for other 'pooled' holdings a number of adjustments have been made to the data.

Checking holdings

7. The Euroclear (CREST) data for each sampled company were checked against the Waterlow Stock Exchange Yearbook 2008 (Caritas Data) listings of shareholders holding substantial numbers of ordinary shares. Holdings by foreign investors and institutions were noted. The securities dealers' inquiry data were used to improve the estimates of holdings by foreign investors and financial institutions.
8. Holdings which remained unallocated after the checking and adjustment process were apportioned according to the following fixed percentages, in line with those estimated during the processing of the end-1997 survey:

Holdings not on Euroclear (CREST)

Private individuals	80%
Rest of the world	20%

Holdings classified as 'pooled' on Euroclear (CREST)

Pension funds	50%
Insurance companies	20%
Rest of the world	20%
Investment trusts	3%
Unit trusts	3%
Other financial institutions	3%
Individuals	1%

9. In 1998 the survey switched to using data from the Euroclear (CREST) system which led to discontinuities. The largest impact was that some companies previously classified to unit trusts and investment trusts are now classified as other financial institutions. This makes long-term trends in these sectors hard to identify.

Euroclear (CREST) accounts

10. The following 'Notes for Member Account Category' were issued to participants to help in the classification of Euroclear (CREST) accounts:

Accounts should be classified according to the sector of beneficial owner of the securities. This information will be used by the Office for National Statistics in compiling data for use in the UK National Accounts. Institutions or individuals that are not resident in the UK should be classified to one of the two 'overseas' categories. For the purposes of this code only, residents in Ireland, the Channel Islands and the Isle of Man are to be classed as 'overseas'.

Pooled nominee accounts where all of the beneficial owners fall into one of the categories listed below should be classified to that category. Otherwise, they should be classified to 'multiple ownership: pooled nominees'.

- **Individuals:** Includes holdings owned by individual persons resident in the UK (whether registered in their own name, through a PEP/ISA, or as clients of a stockbroker or fund management group); shares held for employee share-ownership schemes; and shares held in trusts with named individual beneficiaries.
- **Charities, churches etc.:** Includes all private non-profit making bodies, including private trusts set up for charitable purposes, charities and holdings by universities and the church commissioners.
- **Insurance companies:** Includes pooled pension funds managed by insurance companies.
- **Pension funds:** This includes local authority, public corporation and private pension funds. Segregated pension funds managed by insurance companies should be classified here.
- **Investment trusts:** Comprises authorised investment trusts and authorised open-ended investment companies incorporated in the UK, including PEP/ISAs run by them.
- **Unit trusts:** Comprises authorised unit trusts, including PEP/ISAs run by unit trusts.
- **Banks:** Comprises institutions authorised as deposit takers by the Bank of England.
- **Other financial institutions:** Includes securities held by brokers and security dealers investing on their own account rather than for clients; venture capital companies; unauthorised investment trusts; unauthorised unit trusts; and other financial institutions not elsewhere specified.
- **Non-financial companies:** Includes private limited companies (Ltd's), public limited companies (PLC's) and unincorporated partnerships, such as firms of accountants and solicitors. Corporations owned by central government or local authorities should be classified to public corporations.
- **Central Government:** Includes government departments, government agencies and the Bank of England (including its issue department and banking department).
- **Local Government:** Included holdings held directly by local authorities. Securities owned by local authority superannuation funds should be classified to pension funds.
- **Public Corporations:** Comprises corporations which, although owned by central government or local authorities, have substantial freedom to conduct their affairs on ordinary business lines. Securities owned by public corporation superannuation funds should be classified to pension funds.
- **Non-resident: owner in EU:** All institutions or individuals resident in countries of the European Union other than the UK.
- **Non-resident: owner outside EU:** All institutions or individuals resident in countries outside of the European Union. Also includes beneficial owners who are known to be resident abroad, but where the country of residence is not known precisely, and pooled nominee

accounts where the beneficial owners are all non-residents but the split between EU and non-EU residents is not known.

- Multiple ownership: including pooled nominees: All accounts where the beneficial owners are from two or more of the categories listed above. If the beneficial owners are all overseas residents but the split between EU and non-EU residents is not known they should be classified to Overseas: owner outside EU.

Background Notes

Additional information

1. This is the latest in a series of ONS surveys into UK share ownership, a survey which is run every two years. The results of the survey are used to improve the sectoral breakdown of the ownership of shares in the National Accounts and to assign the dividends received to the correct sector of ownership.
2. Information on the UK Share Ownership Survey, including previous reports, is available on the Office for National Statistics website at:
www.statistics.gov.uk/StatBase/Product.asp?vlnk=930
3. Further information on the National Accounts treatment of government interventions into the financial sector can be found in the following article:
www.statistics.gov.uk/CCI/article.asp?ID=2301
4. Shareholdings held via the Euroclear (CREST) system are held in a CREST account. Each CREST account is set up and sponsored by a CREST participant who classifies the beneficial owner of the account when it is created. The beneficial owner is the person or organisation who benefits from dividends or increases in share price. Some holdings may have been allocated to the wrong sector due to human error or miscoding on the Euroclear (CREST) system.
5. National Statistics are produced to high professional standards set out in the Code of Practice for Official Statistics. They undergo regular quality assurance reviews to ensure that they meet customer needs. They are produced free from any political interference.
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In these tables, data are shown both with and without the unidentified holdings reallocated to sectors. This is to allow users to see the size of any reallocation. It is recommended that the allocated versions are used for data analysis.

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1 Total market value by sector of beneficial owner: end-2008

	£ billion	percentage of total
Individuals	61.2	5.3
Charities, churches, etc.	8.7	0.8
Insurance companies	105.7	9.1
Pension funds	25.8	2.2
Investment trusts	14.7	1.3
Unit trusts	13.9	1.2
Banks	40.6	3.5
Other financial institutions	107.9	9.3
Private non-financial companies	34.7	3.0
Public sector	13.0	1.1
Rest of the world	418.4	36.1
Multiple ownership: including pooled nominees	245.9	21.2
Excluded	67.7	5.8
Total	1 158.4	100.0

1 The end-2008 survey did not identify any significant shareholdings of quoted shares owned by building societies.

2 Public sector comprises local government, central government and public corporations.

3 Components may not sum to the total due to rounding.

2 Total market value by sector of beneficial owner: end-2008

Featuring pooled and excluded shareholdings reallocated across the other sectors

	£ billion	percentage of total
Individuals	117.8	10.2
Charities, churches, etc.	8.7	0.8
Insurance companies	154.9	13.4
Pension funds	148.8	12.8
Investment trusts	22.1	1.9
Unit trusts	21.3	1.8
Banks	40.6	3.5
Other financial institutions	115.3	10.0
Private non-financial companies	34.7	3.0
Public sector	13.0	1.1
Rest of the world	481.1	41.5
Total	1 158.4	100.0

1 Components may not sum to the total due to rounding.

3 Analysis by sector of beneficial owner and industry of issuing company: end-2008

	Industry of company which issued shares							
	£ billion				Percentage			
	Financial companies	Non-manufacturing companies	Manufacturing companies	Total	Financial companies	Non-manufacturing companies	Manufacturing companies	Total
Individuals	18.0	33.3	9.8	61.1	7.2	5.4	3.3	5.3
Charities, churches, etc.	1.7	5.5	1.5	8.7	0.7	0.9	0.5	0.8
Insurance companies	21.7	56.6	27.4	105.7	8.7	9.2	9.3	9.1
Pension funds	5.2	14.8	5.9	25.9	2.1	2.4	2.0	2.2
Investment trusts	4.8	3.5	6.4	14.7	1.9	0.6	2.2	1.3
Unit trusts	3.5	5.0	5.5	14.0	1.4	0.8	1.9	1.2
Banks	8.4	21.6	10.6	40.6	3.4	3.5	3.6	3.5
Other financial institutions	31.7	40.8	35.4	107.9	12.7	6.6	12.0	9.3
Private non-financial companies	0.6	24.5	9.6	34.7	0.2	4.0	3.3	3.0
Public sector	12.1	0.7	0.2	13.0	4.8	0.1	0.1	1.1
Rest of the world	67.1	258.1	93.1	418.3	26.9	42.0	31.7	36.1
Multiple ownership: including pooled nominees	61.3	102.1	82.6	246.0	24.5	16.6	28.1	21.2
Excluded	13.6	48.2	5.9	67.7	5.4	7.8	2.0	5.8
Total	249.7	614.7	294.0	1 158.4	100.0	100.0	100.0	100.0

1 Components may not sum to the total due to rounding.

4 Analysis by sector of beneficial owner and industry of issuing company: end-2008

Featuring pooled and excluded shareholdings reallocated across the other sectors

	Industry of company which issued the shares							
	£ billion				percentage of total			
	Financial companies	Non-manufacturing companies	Manufacturing companies	Total	Financial companies	Non-manufacturing companies	Manufacturing companies	Total
Individuals	29.5	72.9	15.4	117.8	11.8	11.9	5.2	10.2
Charities, churches, etc.	1.7	5.5	1.5	8.7	0.7	0.9	0.5	0.8
Insurance companies	34.0	77.0	43.9	154.9	13.6	12.5	14.9	13.4
Pension funds	35.8	65.8	47.2	148.8	14.3	10.7	16.1	12.8
Investment trusts	6.6	6.6	8.9	22.1	2.6	1.1	3.0	1.9
Unit trusts	5.3	8.0	8.0	21.3	2.1	1.3	2.7	1.8
Banks	8.4	21.6	10.6	40.6	3.4	3.5	3.6	3.5
Other financial institutions	33.6	43.9	37.9	115.4	13.5	7.1	12.9	10.0
Private non-financial companies	0.6	24.5	9.6	34.7	0.2	4.0	3.3	3.0
Public sector	12.1	0.7	0.2	13.0	4.8	0.1	0.1	1.1
Rest of the world	82.1	288.2	110.8	481.1	32.9	46.9	37.7	41.5
TOTAL	249.7	614.7	294.0	1 158.4	100.0	100.0	100.0	100.0

1 Components may not sum to the total due to rounding.

5 Analysis by sector of beneficial owner and industry of issuing company: end-2008

Featuring pooled and excluded shareholdings reallocated across the other sectors

	Industry of company which issued the shares			
	Percentage invested in:			
	Financial companies	Non-manufacturing companies	Manufacturing companies	Total
Individuals	25.0	61.9	13.1	100.0
Charities, churches, etc.	19.5	63.2	17.2	100.0
Insurance companies	21.9	49.7	28.3	100.0
Pension funds	24.1	44.2	31.7	100.0
Investment trusts	29.9	29.9	40.3	100.0
Unit trusts	24.9	37.6	37.6	100.0
Banks	20.7	53.2	26.1	100.0
Other financial institutions	29.1	38.0	32.8	100.0
Private non-financial companies	1.7	70.6	27.7	100.0
Public sector	93.1	5.4	1.5	100.0
Rest of the world	17.1	59.9	23.0	100.0
Total	21.6	53.1	25.4	100.0

1 Components may not sum to the total due to rounding.

6 Total market value of holdings in FTSE 100 and other companies by sector of beneficial owner: end-2008

	£ billion			Percentage of sector		
	FTSE 100	Other companies	Total	FTSE 100	Other companies	Total
Individuals	39.5	21.7	61.2	4.0	12.1	5.3
Charities, churches, etc.	7.0	1.8	8.8	0.7	1.0	0.8
Insurance companies	93.0	12.7	105.7	9.5	7.1	9.1
Pension funds	22.6	3.2	25.8	2.3	1.8	2.2
Investment trusts	11.1	3.6	14.7	1.1	2.0	1.3
Unit trusts	9.7	4.3	14.0	1.0	2.4	1.2
Banks	34.6	6.0	40.6	3.5	3.4	3.5
Other financial institutions	87.6	20.3	107.9	8.9	11.4	9.3
Private non-financial companies	33.5	1.2	34.7	3.4	0.7	3.0
Public sector	12.3	0.7	13.0	1.3	0.4	1.1
Rest of the world	379.2	39.2	418.4	38.7	21.9	36.1
Multiple ownership: including pooled nominees	205.9	40.1	246.0	21.0	22.4	21.2
Excluded	43.6	24.0	67.6	4.5	13.4	5.8
Total	979.6	178.7	1 158.4	100.0	100.0	100.0

1 Components may not sum to the total due to rounding.

7 Total market value of holdings in FTSE 100 and other companies by sector of beneficial owner: end-2008

	Percentage invested in:		
	FTSE 100	Other companies	Total
Individuals	64.5	35.5	100.0
Charities, churches, etc.	79.5	20.5	100.0
Insurance companies	88.0	12.0	100.0
Pension funds	87.6	12.4	100.0
Investment trusts	75.5	24.5	100.0
Unit trusts	69.3	30.7	100.0
Banks	85.2	14.8	100.0
Other financial institutions	81.2	18.8	100.0
Private non-financial companies	96.5	3.5	100.0
Public sector	94.6	5.4	100.0
Rest of the world	90.6	9.4	100.0
Multiple ownership: including pooled nominees	83.7	16.3	100.0
Excluded	64.5	35.5	100.0
Total	84.6	15.4	100.0

1 Components may not sum to the total due to rounding.

8 Total market value of holdings in FTSE 100 and other companies by sector of beneficial owner: end-2008

Featuring pooled and excluded shareholdings reallocated across the other sectors

	£ billion			Percentage of Sector		
	FTSE 100	Other companies	Total	FTSE 100	Other companies	Total
Individuals	76.5	41.3	117.8	7.8	23.1	10.2
Charities, churches, etc.	7.0	1.8	8.8	0.7	1.0	0.8
Insurance companies	134.2	20.7	154.9	13.7	11.6	13.4
Pension funds	125.5	23.3	148.8	12.8	13.0	12.8
Investment trusts	17.3	4.8	22.1	1.8	2.7	1.9
Unit trusts	15.8	5.5	21.3	1.6	3.1	1.8
Banks	34.6	6.0	40.6	3.5	3.4	3.5
Other financial institutions	93.8	21.5	115.3	9.6	12.0	10.0
Private non-financial companies	33.5	1.2	34.7	3.4	0.7	3.0
Public sector	12.3	0.7	13.0	1.3	0.4	1.1
Rest of the world	429.1	52.0	481.1	43.8	29.1	41.5
Total	979.6	178.7	1 158.4	100.0	100.1	100.0

1 Components may not sum to the total due to rounding.

9 Total market value of holdings in FTSE 100 and other companies by sector of beneficial owner: end-2008

Featuring pooled and excluded shareholdings reallocated across the other sectors

	Percentage invested in:		
	FTSE 100	Other companies	Total
Individuals	64.9	35.1	100.0
Charities, churches, etc.	79.5	20.5	100.0
Insurance companies	86.6	13.4	100.0
Pension funds	84.3	15.7	100.0
Investment trusts	78.3	21.7	100.0
Unit trusts	74.2	25.8	100.0
Banks	85.2	14.8	100.0
Other financial institutions	81.4	18.6	100.0
Private non-financial companies	96.5	3.5	100.0
Public sector	94.6	5.4	100.0
Rest of the world	89.2	10.8	100.0
Total	84.6	15.4	100.0

1 Components may not sum to the total due to rounding.

10 Shareholdings in investment trusts and other companies: end-2008

	£ billion		Percentage of	
	Investment trusts	Other companies	Investment trusts	Other companies
Individuals	8.9	54.2	26.7	4.8
Charities, churches, etc.	0.5	8.3	1.5	0.7
Insurance companies	2.4	103.2	7.2	9.2
Pensions funds	0.9	25.0	2.7	2.2
Investment trusts	0.3	14.3	0.9	1.3
Unit trusts	0.3	13.6	0.9	1.2
Banks	0.6	39.9	1.8	3.5
Other financial institutions	3.9	103.9	11.7	9.2
Private non-financial companies	–	34.4	–	3.1
Public sector	0.4	12.6	1.2	1.1
Rest of the world	3.8	412.9	11.4	36.7
Multiple ownership: including pooled nominees	10.9	236.1	32.7	21.0
Excluded	0.5	66.8	1.5	5.9
Total	33.3	1 125.1	100.0	100.0

1 Sector totals are slightly different to those in earlier tables, as the investment trusts total is constrained to MEUP.

2 Components may not sum to the total due to rounding.

11 Shareholdings in investment trusts and other companies: end-2008

Featuring pooled and excluded shareholdings reallocated across the other sectors

	£ billion		Percentage of	
	Investment trusts	Other companies	Investment trusts	Other companies
Individuals	9.4	109.9	28.2	9.8
Charities, churches, etc.	0.5	8.3	1.5	0.7
Insurance companies	4.6	150.4	13.8	13.4
Pension funds	6.3	143.0	18.9	12.7
Investment trusts	0.6	21.4	1.8	1.9
Unit trusts	0.6	20.7	1.8	1.8
Banks	0.6	39.9	1.8	3.5
Other financial institutions	4.2	111.0	12.6	9.9
Private non-financial companies	–	34.4	–	3.1
Public sector	0.4	12.6	1.2	1.1
Rest of the world	6.1	473.5	18.3	42.1
Total	33.3	1 125.1	100.0	100.0

1 Sector totals are slightly different to those in earlier tables, as the investment trusts total is constrained to MEUP.

2 Components may not sum to the total due to rounding.

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