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Finance for Europe

Capital Markets in the UK

Key Performance Indicators

December 2024

Association for Financial Markets in Europe
www.afme.eu

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December 2024

Executive summary

This report is an extension of the seventh edition of AFME's annual Capital Markets Union: Key Performance Indicators report, which tracks the development of the European capital markets ecosystem.

The purpose of this report is to assess the UK's progress in enhancing and expanding its capital markets against a set of benchmark indicators.

We group our eight indicators into four areas which seek to measure the various features needed to develop an efficient, deep, and interconnected capital market, namely:

1. Access to capital
2. Availability of pools of capital for investment
3. Transition to sustainable finance and digitalisation
4. Efficiency of capital markets ecosystem and integration

We compare the evolution of the UK's capital market, according to our indicators, with other global regional peers such as the United States (US), China, the European Union (EU), Japan, Australia, and some selected EU Member States.

Key findings

This report demonstrates that the UK remains one of the leading global financial centres, however for the second consecutive year the gap between the UK and other markets continues to narrow. There remain positive indications that the UK can continue to use the advantage that exists, and the capacity that exists, to drive future growth and expand key areas such as financial technology and sustainable finance.

UK capital markets have maintained their role as a pivotal hub for capital market funding. Over the past three years, UK corporates have raised a quarter of their funding via public markets. Despite the challenges faced in 2022, capital markets issuance for UK non-financial corporates experienced growth in 2024, continuing the recovery from 2023. However, a longer-term perspective reveals a significant downward trend over the past decade, with convertibles and IPO issuances declining by over 90%, and follow-on issuances decreasing by 30%.

Delistings have remained consistent, averaging around 200 annually since 2019. The ability of small and medium-sized enterprises to secure equity risk financing is crucial, with the funding gap between the US and UK increasing by nearly a third to 0.36% of GDP compared to 2023. Despite a slowdown in the addition of new unicorns, the UK holds the position of having the fourth largest number of unicorns globally.

UK households continue to have substantial savings invested in capital markets instruments, amounting to 145% of GDP. However, UK issuers have seen a decline in their position as originators of green bonds within Europe, falling to the fifth place from third in 2023.

The UK continues to be a global and regional hub for FinTech companies, driven by innovative ideas, a supportive regulatory environment, and high levels of funding. Nevertheless, the UK might be losing its competitive edge in the FinTech sector, particularly in the emerging field of tokenised securities.

Over the last two decades, the UK equity market has been consistently declining, now representing only 3.4% of the world's market capitalisation in 2024. Additionally, the securitisation market in the UK remains underdeveloped and underutilised compared to other regions, presenting a substantial potential for growth and expansion.

Overview of indicators and ranking of the United Kingdom

Table 1: Comparison of United Kingdom Capital Markets Against Key Performance Indicators (2024)[1]

Indicator	US	China	EU	Japan	Australia	UK 2024	UK 2023
Market Finance NFC Equity and Bond issuance as % of total NFC annual financing	35.5%	19.5%	14.1%	19.9%	19.9%	34.4%	23.4%
Pre-IPO Risk Capital Equity crowdfunding, Business Angel Growth Private Equity investment, and venture capital investment as % of GDP	0.8%	0.1%	0.2%	0.2%	0.2%	0.42%	0.41%
Household Market Investment Household financial assets saved in financial instruments (listed equity, bonds, funds, pensions, and insurance reserves) as % GDP*	298%	47%	93%	143%	220%	145%	150%
ESG Finance ESG bond issuance as % of total bond issuance	1.1%	2.0%	11.8%	2.3%	9.6%	5.9%	7.5%
FinTech Composite indicator of funding for FinTech companies, talent pool, regulatory environment, and innovation. Range 0-1	0.3	0.2	0.16	0.4	0.4	0.43	0.44
Loan Transfer Securitisation issuance and loan portfolio transactions as % of outstanding bank loans	7%	0.6%	1.9%	0.8%	2.8%	2.2%	1.7%
Global cross-border Finance Composite indicator of cross-border M&A transactions, equity & bond issuance, Private Equity, and portfolio holdings, FX trading. Range 0-1	0.9	0.1	0.3	0.2	0.3	0.8	0.8
Global equity footprint Market capitalisation as a % of world's total	54%	10%	13%	6%	2%	3.4%	3.5%

*Data as of 2024H1 except for the Household Market Investment Indicator which is based on Q1 2024 data.

[1] For the purpose of ranking the respective indicators for each country, colour codes indicate higher ranking (green), average ranking (amber) and lower ranking (red) for the most recent performance in 2024H1.

ACCESS TO CAPITAL

1. Market Finance Indicator

The Market Finance Indicator measures the capacity for companies to raise finance on public markets.

The indicator achieves this by quantifying the proportion of total finance for non-financial corporates (NFCs), which is provided by capital markets instruments (equity and bonds). The indicator is calculated as annual gross NFC equity and bond issuance as a percentage of the sum of annual gross lending (new loans) to NFCs and equity and bond issuance.

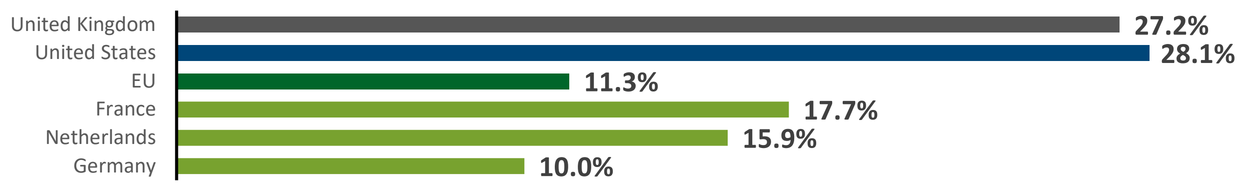
$$\frac{\text{NFC Equity and Bond Issuance}}{\text{Total NFC Financing}} \Rightarrow \frac{\text{IPO} + \text{Secondary Offerings} + \text{Investment Grade bonds} + \text{High Yield Bonds} + \text{Convertible Bonds}}{\text{NFC Loans (New Issuance)} + \text{IPO} + \text{Secondary Offerings} + \text{Investment Grade bonds} + \text{High Yield Bonds} + \text{Convertible Bonds}}$$

UK corporates derive a quarter of total funding from capital markets

UK capital markets continue to be a regional and global hub for capital market funding. Over the previous 3 years, UK corporates have raised a quarter of their funding via public markets, with the 3-year average increasing by 1.5% compared to last year, showing growth across this metric of similar size to that seen in the US.

More UK businesses continue to use capital markets for a significant share of their finance needs compared to other European countries.

1.1 2021-2024H1 3Y average Market Finance indicator by country Corpoprate bond and equity issuance as % of total corporate financing

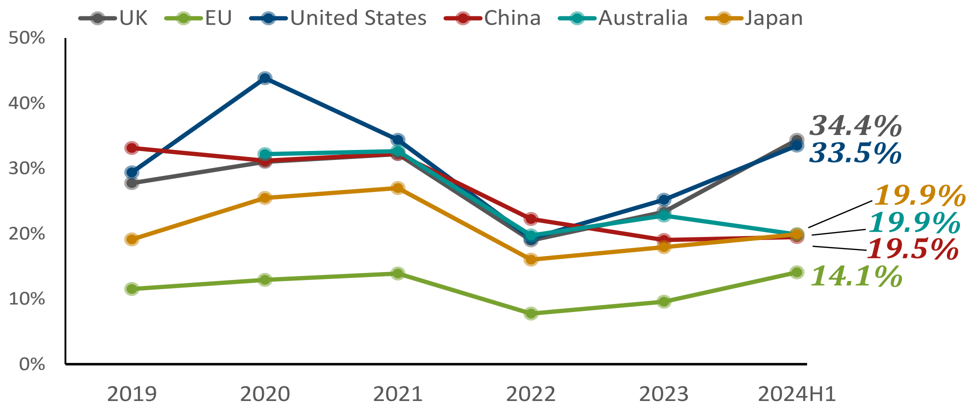


***Source**: Dealogic, US FED, ECB, BoE, and other European central banks*

Following a challenging 2022 for market-based funding, capital markets issuance continued to grow for UK non-financial corporates in 2024, continuing the recovery seen in 2023. The UK has continued to see growth comparable to that in the US, seeing 6-year highs and outperforming US issuances in the first half in 2024.

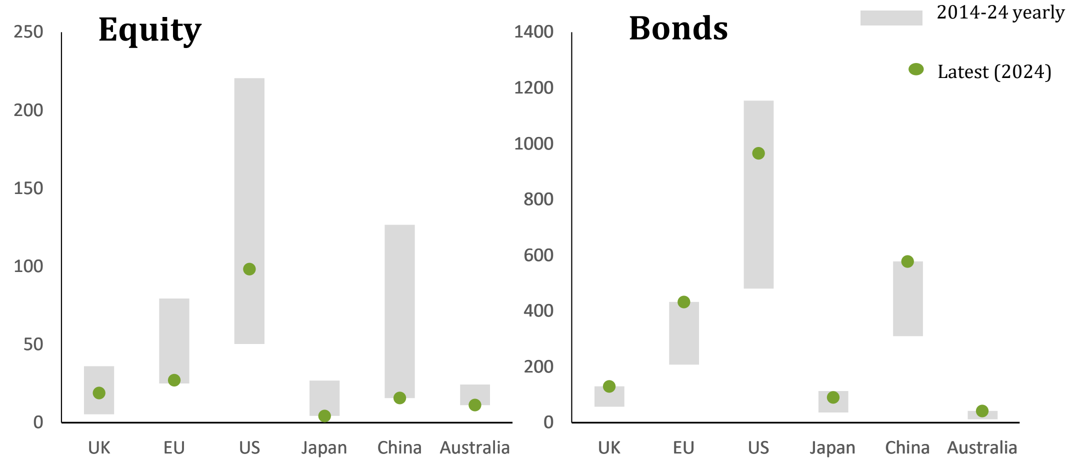
Even though there is a positive short-term trend in the UK since 2022, the longer-term trend, over the past 10 years, shows a stark downward trend (see Chart 1.3), with convertibles and IPO issuances down over 90% each and follow-on issuances down 30%. The total amount of capital raised through IPOs was at its lowest level since 2009, at the height of the financial crisis. High yield bond issuances were down by a quarter. One positive factor is that Investment Grade bonds issuances were slightly up by 4% on average over the reporting period. Even though there has been a contraction of these metrics across the UK, the US and the EU, the UK shows the most significant reduction in the number of these issuances.

1.2 Market Finance Indicator (NFC equity and bond issuance as a % of total NFC annual financing)



Source: *Dealogic, US FED, ECB, BoE, and other European central banks*

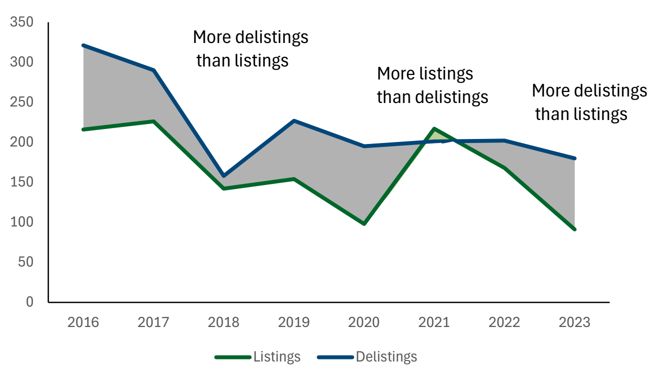
1.3 Equity and bond issuance by region (2014-24 range and 2024 annualised amount, £bn)



Source: *Dealogic, US Fed, ECB, BoE, and other European central banks*

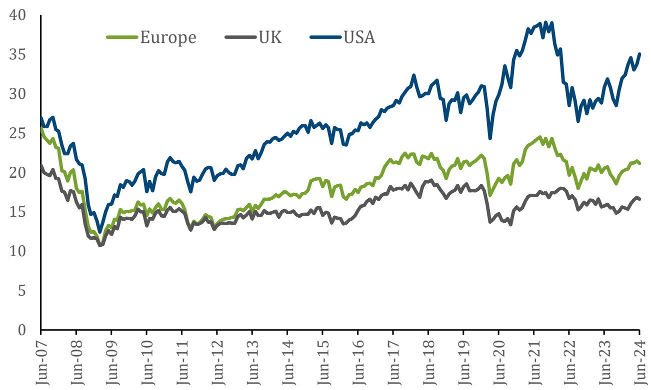
We have continued to see a continuation of the trend where UK delistings outnumbered UK listing (Chart 1.4). With outflows totalling £1.4tn in market cap since 2018, a sizeable proportion of this figure due to M&A activity. The current trend shows a consistent level of delistings with approximately 200 delistings on average since 2019. The level of listings has been more volatile, reaching a peak of 210 in 2021 and a low of 100 in 2023. The UK trails behind both the US and the EU on this measure.

1.4 Listings and delistings LSE



Source: *LSE*

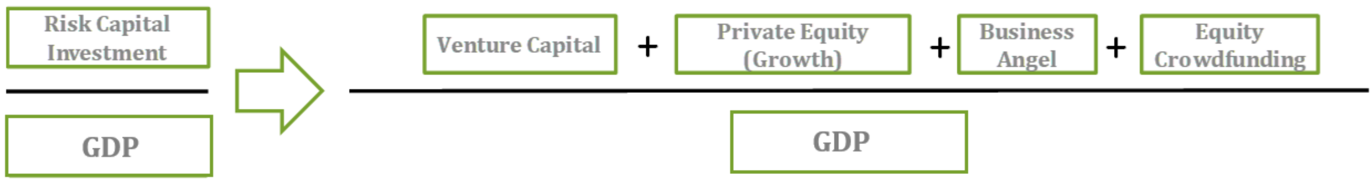
1.5 Cyclically adjusted PE ratio: UK, US, Europe



Source: *Barclays*

2. Pre-IPO Risk Capital Indicator

The pre-IPO risk capital indicator measures the capacity of small and medium enterprises (SMEs) to raise equity risk capital from private markets. The indicator is measured as a ratio of the flow of equity risk capital investment relative to GDP.

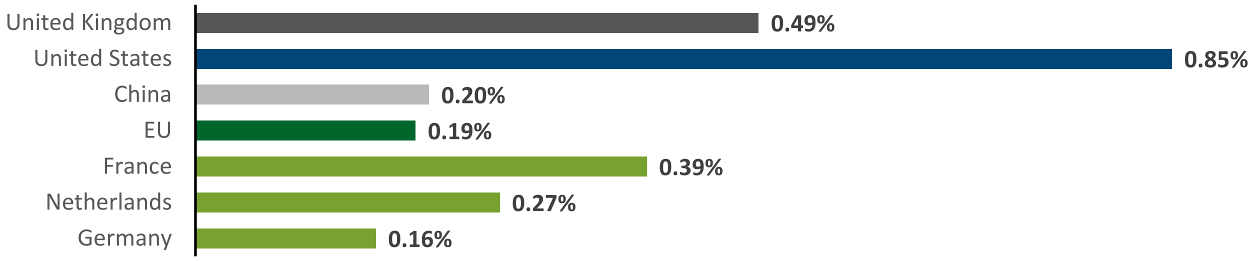


UK risk capital continues underdeveloped compared to the US

The capacity of small and medium-sized enterprises to secure equity risk financing is pivotal in aiding new ventures to grow, thereby driving employment and economic expansion. Compared to 2023 the nominal funding gap expressed in GDP terms between US and UK has increased by nearly a third to 0.36% from 0.29%.

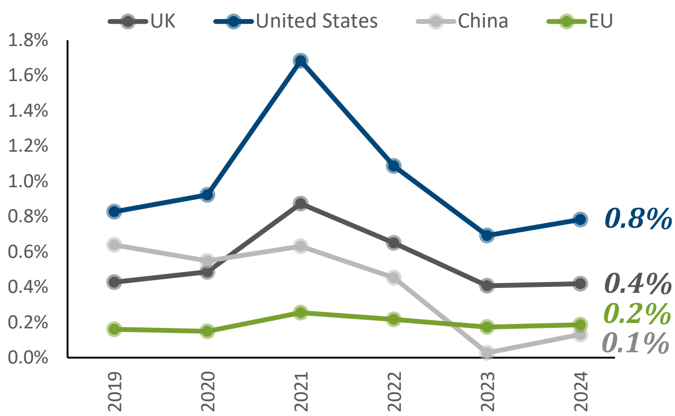
Although the UK still enjoys a comparative advantage when comparing the levels of pre-IPO funding, the gap between jurisdictions has reduced when comparing the UK to France, Netherlands, but has increased against the EU. The US already a leader in equity risk financing continues to grow and consolidate its position in this space.

2.1 Venture capital, private equity (growth), business angel and equity crowdfunding investment (%GDP, 2022-2024 annual average)



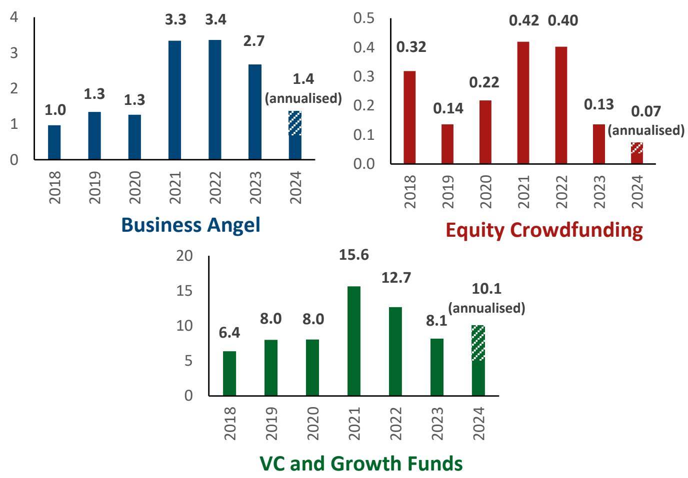
Source: *EBAN, Invest Europe, Eikon and Dealroom*

2.2 Evolution of Pre-IPO Indicator: (investment from VC, Growth PE, Business angel and equity crowdfunding as % of GDP)



Source: *EBAN, InvestEurope, Dealroom , ECB, BoE, Eikon*

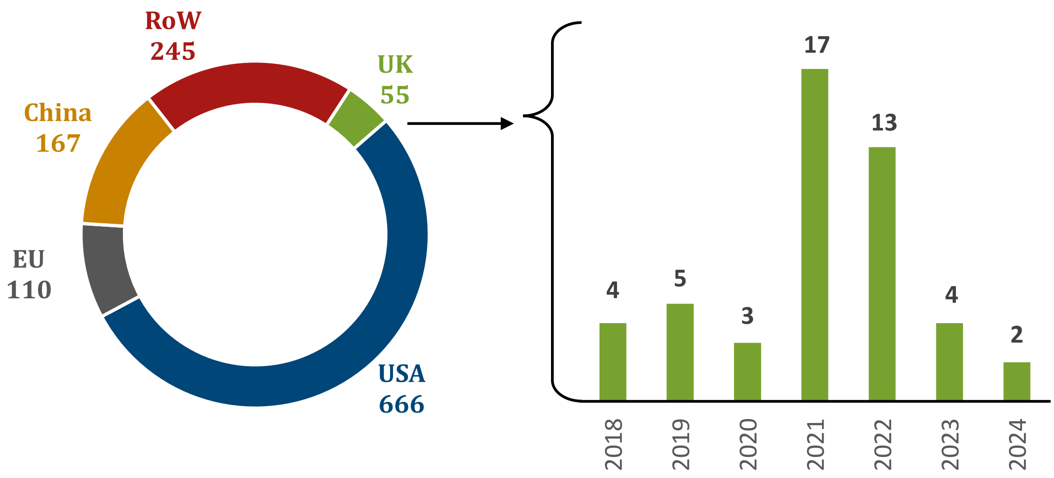
2.3 Breakdown of UK risk capital by category (£bn)



Source: *EUROCROWD, TAB, EBAN, InvestEurope, Dealroom , Eikon*

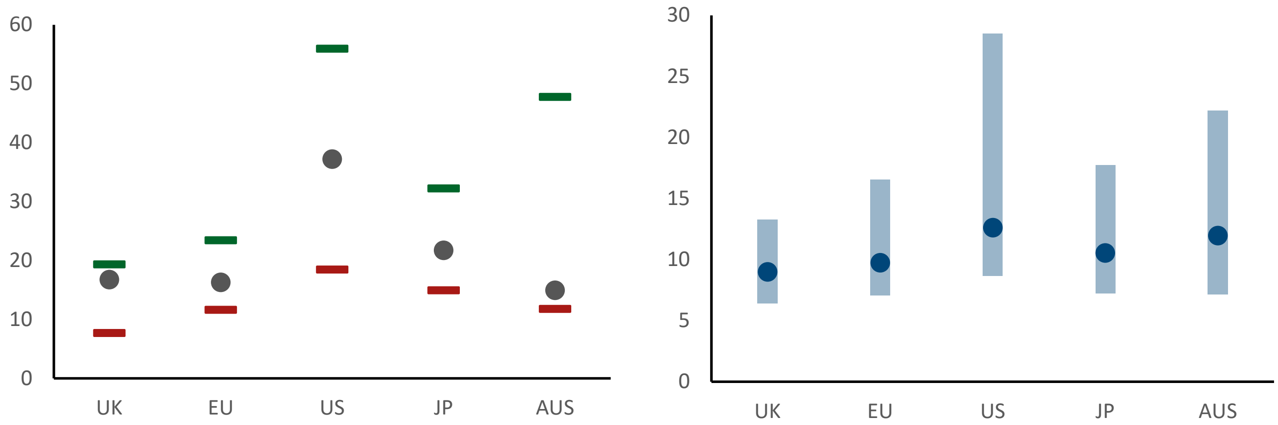
After 3 years of decline across the UK, EU, and US, we have seen a reversal and an uptick globally in this metric. The United States still leads the way in terms of investment from PE, VC, and equity crowdfunding as a percentage of risk capital and bank lending. In the UK, this uptick is driven by the expansion of VC and growth funds, which offsets the decline in equity-based crowdfunding. Looking forward. It will be important to monitor the impact that the new Public Offer Platform in the UK has on this metric.

2.4 Geographic distribution of Unicorns (left) and number of UK companies reaching Unicorn status by year (right)



Source: *CBinsights*

2.5 US companies that go public get higher valuations: Price-to-earnings (left) and Enterprise value to EBITDA (right) of recent IPO companies



Source: *Eikon and Dealogic. Median and 25th - 75th percentiles in range*

The UK has the fourth largest number of unicorns globally (a unicorn is a private company with a valuation of at least $1 billion) and is the leader within geographical Europe. This is despite the US, China and India having significantly larger economies and a higher number of registered enterprises. Nevertheless, the rate of new unicorn creation has slowed from the peaks seen in 2021 and 2022, with only two new unicorns being added this year.

POOLS OF INVESTMENT CAPITAL

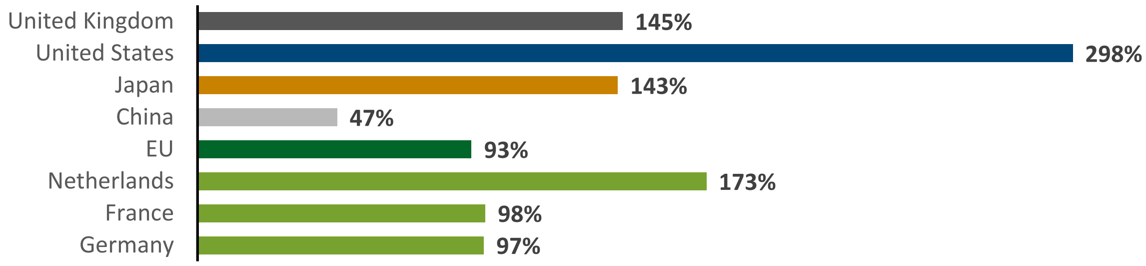
3. Household Market Investment Indicator

The household market investment indicator measures the availability of savings from retail investors to invest in capital markets instruments. This ratio is estimated as household financial assets (excluding cash, deposits, and unlisted equity) as a percentage of GDP. The asset classes aggregated as "Household financial assets" in this indicator include listed equity shares[2], investment fund shares, bonds, life insurance reserves and pension fund holdings.

$$\frac{\text{Household financial assets}}{\text{GDP}} \Rightarrow \frac{\text{Listed equity shares} + \text{Investment Fund shares} + \text{Bonds} + \text{Life insurance and Pension Funds}}{\text{GDP}}$$

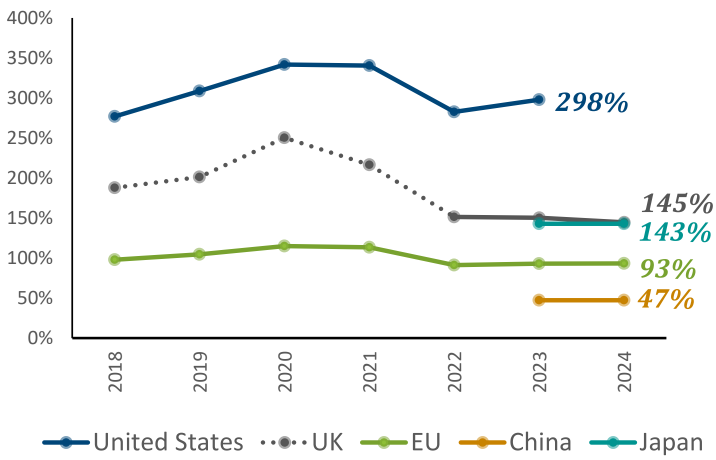
The availability of investment opportunities helps transform savings into productive assets, helping to drive returns on capital and economic growth. UK households have a deep pool of savings invested in capital markets instruments with the equivalent of 145% of GDP invested in listed equity, bonds, investment funds, or insurance and pension products. This is significantly above the Euroopean average investment rate of 93% and similar to the amount of savings invested by Japanese households (143% GDP) but now trails Dutch households (173% of GDP).

3.1 Household Market Investment Indicator: household market financial assets (listed equity, bonds, funds, pensions, insurance reserves) as a % of GDP



Source: Eurostat, US FED, and OECD

3.2 Household market financial assets (listed equity, bonds, funds, pensions, insurance reserves) as a % of GDP

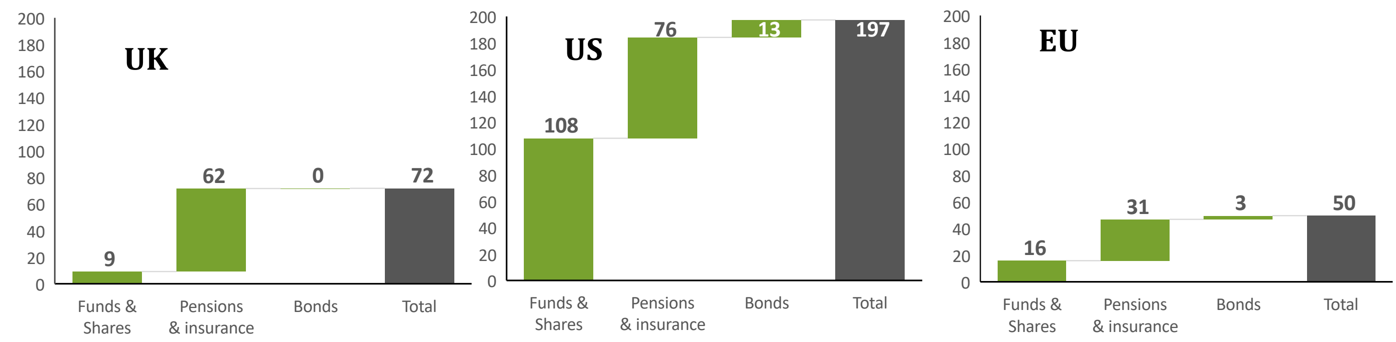


Source EUROSTAT, FED, ONS. Pre-2022 UK data may not be comparable due to methodology changes affecting the amount of household pensions savings

[2] Unlisted shares, which are not necessarily a capital markets instrument, are not included the indicator.

The ONS has updated their estimates of Private, Defined Benefit Pension liabilities the latest data from the Pension Protection Fund's (PPF) Purple Book. This has significantly reduced estimates from 2021 onwards and thus has an impact on the Household market investment indicator.

3.3 Savings per adult in market-based instruments (£ thousands, PPP adjusted)



Source EUROSTAT, FED, US FED, ONS

The US has the deepest savings per adult compared to the UK and EU, this is largely down to the increased levels at which US adults hold listed shares and funds. Total savings per adult in the United States are more than double that of the UK.

The difference in the component parts of savings in market-based instruments is also striking, with the levels at which pensions savings are held being roughly comparable whereas there is a much more signficant difference in portions allocated to listed shares and funds; this total is 9,000 in the UK compared to 107,000 in the US, a difference of more than ten fold. The UK also trails the EU (15,000 in this specific metric), but overall UK adults hold more savings than those in the EU.

The new Government in the UK has already stated that it sees increasing retail investors' participation in capital markets as a key priority. The development of this metric will give a key insight into how succeasful this is.

3.4
3.5 Participation rate of capital markets products (% households)

	US	EZ	UK
Shares	21%	11%	10%
Voluntary private pensions	54%	28%	54%
Funds	12%	13%	11%

Source: *EUROSTAT, FED, ONS*

The UK recently launched in 2024 a revised framework for the Long-Term Asset Fund (LTAF) product, which intends to help retail clients invest in private assets (private equity, private debt, and infrastructure) and contribute to further develop the UK's pools of capital. The LTAF product seeks to replicate the successful US Business Development Companies (BDCs) vehicle which was launched in the United States in 1980 and accumulates $312bn in AuM as of 2024.

TRANSITION TO SUSTAINABLE FINANCE AND DIGITALISATION

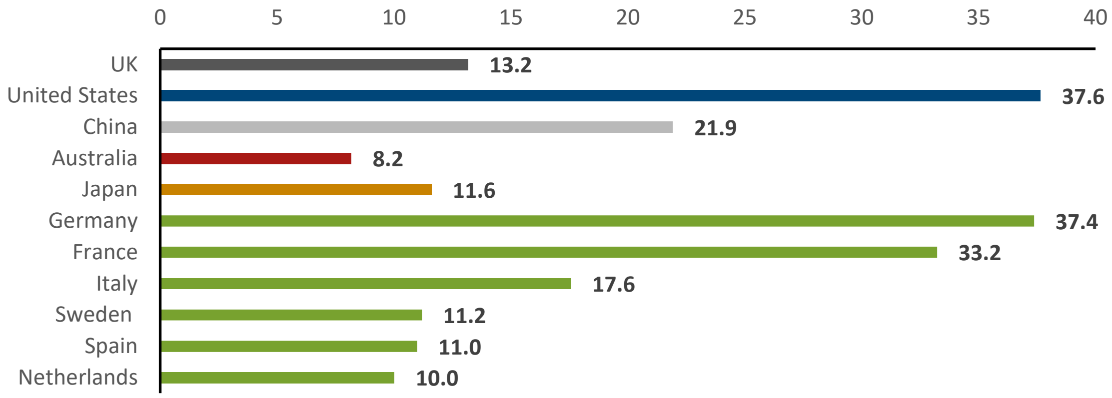
Funding a sustainable transition to net-zero is a cornerstone of future growth. This indicator seeks to quantify the labelling of ESG bond instruments and is estimated as a ratio of issuance of ESG bond instruments (corporate, government, municipal, agency, securitisation, and covered bonds) relative to total bond issuances. The definition of ESG is based on the Climate Bond's Initiative proceeds-based criteria (green, social, sustainable, and sustainability-linked).

$$\frac{\text{Sustainable Bond Issuance}}{\text{Total Bond Issuance}} \Rightarrow \frac{\text{Sustainable Corporate Bonds} + \text{Sustainable Government Bond} + \text{Sustainable Municipal and Agency Bonds} + \text{Sustainable Securitisation} + \text{Sustainable Covered Bonds}}{\text{Total Corporate Bonds} + \text{Total Government Bond} + \text{Total Municipal and Agency Bonds} + \text{Total Placed Securitisation} + \text{Total Covered Bonds}}$$

The UK's underutilised potential to lead the net zero transition

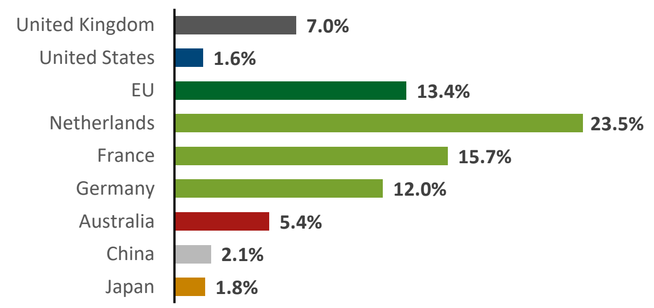
UK issuers have fallen to the fourth largest originators of green bonds of any European country, down from third in 2023, with Italy now above the UK. Our latest data for the first half of 2024 indicates that UK issuers originated GBP 12bn in green bonds.

4.1 Green bond issuance by country of issuer: 2024H1, £bn



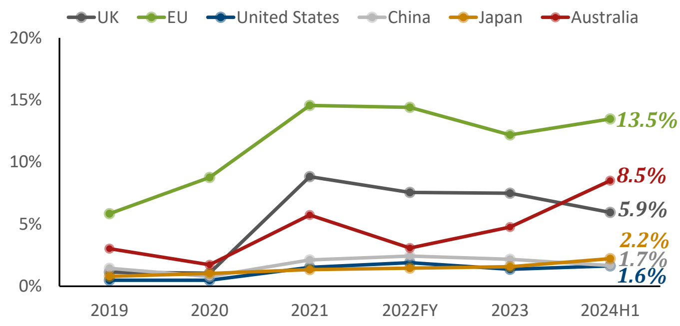
Source: *CBI, Dealogic*

4.2 ESG Finance Indicator (ESG bond issuance as % of total bond issuance, 2022-2024 annual average)



Source: *CBI, Dealogic, ECB, SIFMA, ECBC and AFME*

4.3 ESG Finance Indicator (ESG bond issuance as % of total bond issuance)



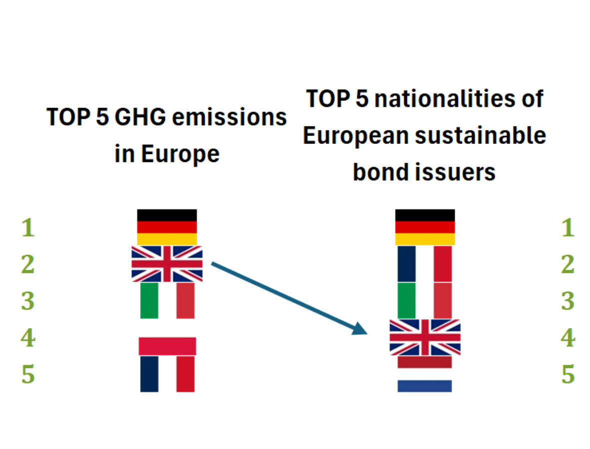
Source: *CBI, Dealogic, ECB, SIFMA, ECBC and AFME*

The UK should explore how to leverage its European leadership in capital markets depth to become a European and global leader in green finance. Historically, the UK has performed consistently worse than other regional peers such as the Netherlands, France, and Germany across the ESG Finance Indicator.

It should be noted that Australia has made a significant increase across the indicator with the issuance of a [$7bn Green Bond]. The Australian Office of Financial Management issued the first Green Treasury Bond on 4

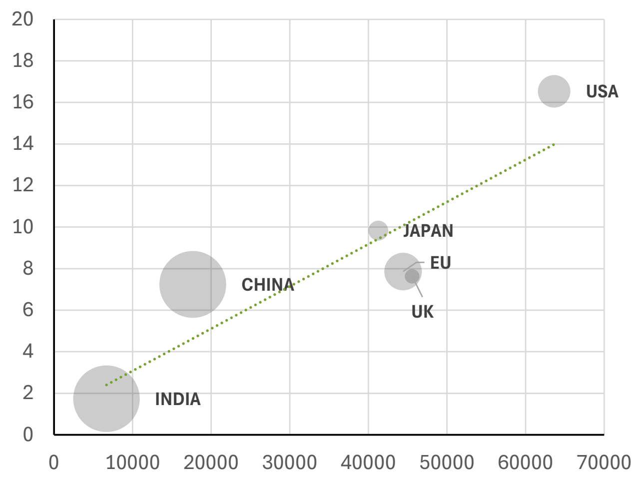
June 2024, The Green Bond Framework sets out the Australian Government's key climate change and environmental priorities and outlines how green bonds will be used to finance eligible green expenditures.

4.4 European GHG emissions and sustainable bond issuers



Source: *Eurostat*

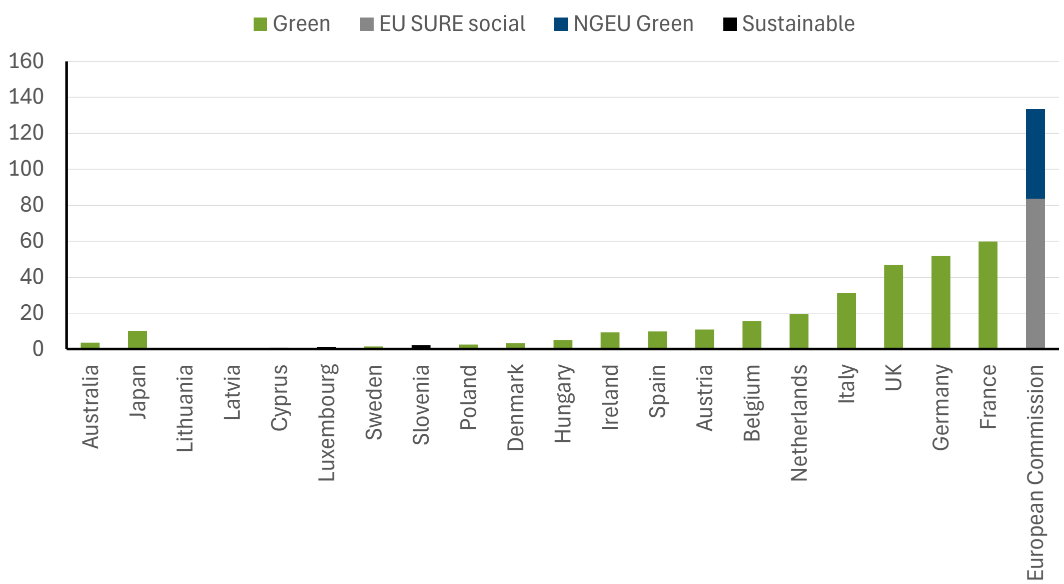
4.5 Consumption-based pollution per capita and level of country development



Source: *Eurostat*

The UK is the second largest European GHG polluter but the fourth largest sustainable bond issuer, and there is scope for it to make greater use of financial markets to invest in addressing its environmental impact. However, the UK's consumption-based pollution is smaller than comparable economies (considering the scale at which the UK contributes to production of pollution in other countries via imports). It should be noted that green bonds as referenced in 4.1 are classified differently from sustainable bonds in 4.4. This does not mean that the UK is a low-carbon economy, as it still relies heavily on fossil fuels for its domestic energy needs and exports a large amount of emissions-intensive goods and services.

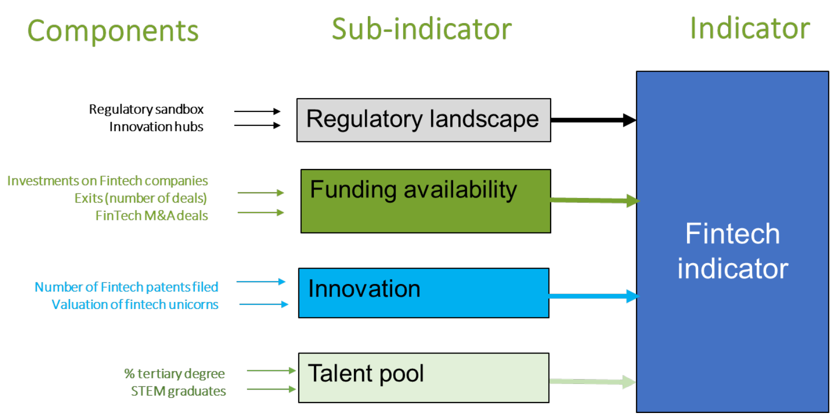
4.6 European outstanding ESG government bonds by country 1Q24 (£bn)



Source: *Climate Bond Initiative, Dealogic, AFME Government Bond Data Report*

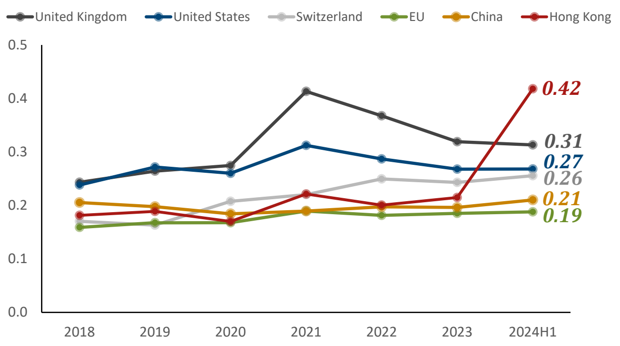
5. FinTech Indicator

The FinTech Composite Indicator seeks to evaluate countries by their capacity to host a fintech ecosystem. The indicator is constructed based on four sub-indicators: (i) regulatory landscape; (ii) availability of finance for companies; (iii) degree of innovation; and (iv) talent pool. Each of the four sub-indicators is composed of individual metrics as illustrated in the figure below:



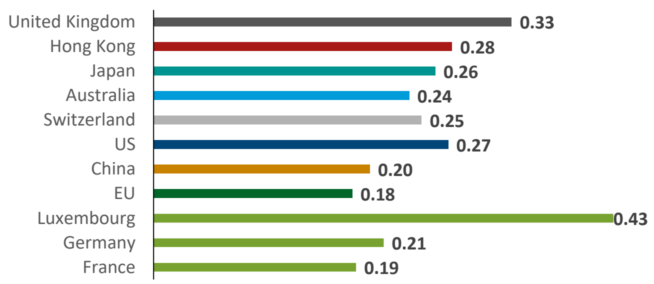
According to the FinTech Indicator, the UK is a both a global and regional hub for FinTech companies, ahead of other major economies such as the US, China, and the EU. This world leading position is driven by multiple factors, including the generation of innovative ideas through company patents, the number of FinTech unicorn companies valued above $1bn, a business-friendly regulatory environment for FinTech, a robust talent pool, and high levels of funding available to the FinTech sector. However, latest indicators show a slight deterioration due to lower volumes of funding to fintech companies, and a rapid increase in DLT issuance seen in other countries.

5.1 FinTech Indicator (0: Min, 1: Max)
Composite indicator based on regulatory landscape, funding availability, innovation, and talent pool



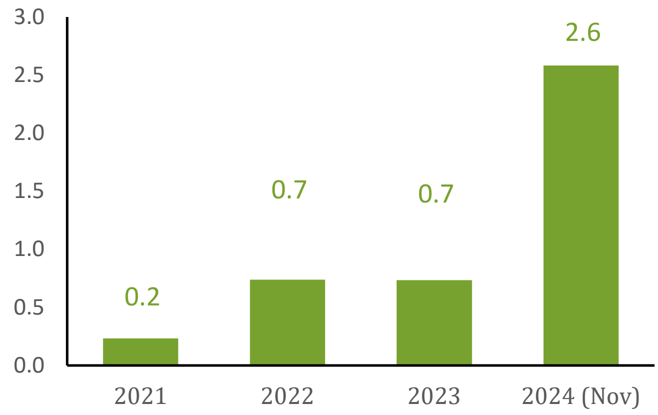
Source: *AFME Research*

5.2 FinTech Indicator (0: Min, 1: Max)
Composite indicator based on regulatory landscape, funding availability, innovation, and talent pool (3Y average)



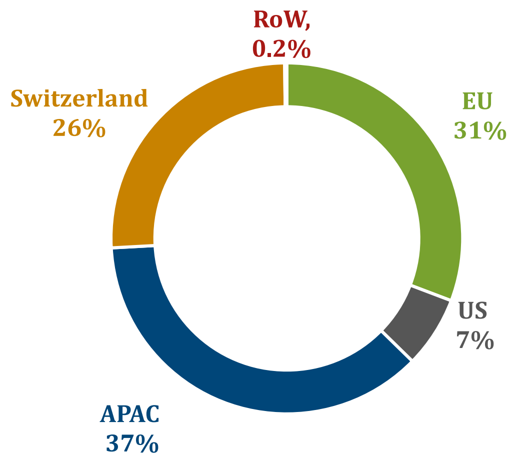
Source: *AFME Research.*

5.3 Global issuance of DLT-based bonds since 2021 (£bn)



Source: *AFME Research*

5.4 Global issuance of DLT-based bonds by location of issuer since 2021

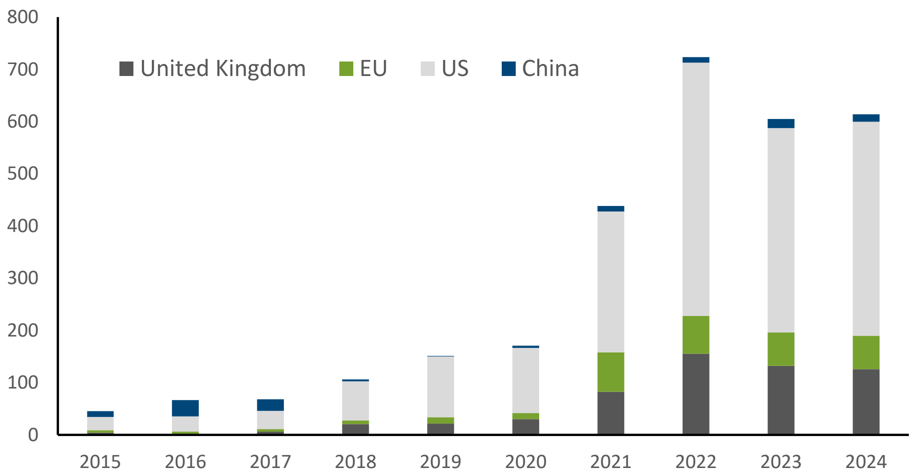


Source: *AFME Research. US includes World Bank and IADB. The World Bank DLT bonds included were issued on EU and Swiss infrastructures.*

The UK has been slow to embrace tokenised securities compared to other jurisdictions that have taken proactive steps to facilitate their development and adoption. For example, the EU has issued a comprehensive regulatory framework for crypto-assets and DLT, Switzerland has amended its existing laws to accommodate DLT-based securities, and Hong Kong has granted licences to several platforms that offer tokenised securities. In contrast, the UK has only seen one tokenised security issuance, with an undisclosed amount. However, it should be noted that the UK Government announced a trial in November 2024 to issue DLT-based digital gilts.

This suggests that the UK may be at risk losing its competitive edge in the FinTech sector, especially in the emerging field of tokenised securities. There is no room for complacency in this fast-evolving market, as other countries are rapidly advancing their capabilities and offerings.

5.5 Value of FinTech Unicorns ($bn)



Source: *CBinsights*

However, the number of established unicorns the UK clearly is ahead of the EU in terms of valuations and home to a sector that is a third of the size of the United States (this is striking given that total US GDP is six times larger of that of the United Kingdom). Although valuations have decreased from the high in 2022, they have remained consistent across the UK and globally through 2023 and 2024.

INTEGRATION AND EFFICIENCY OF CAPITAL MARKETS ECOSYSTEM

6. Loan Transfer Indicator

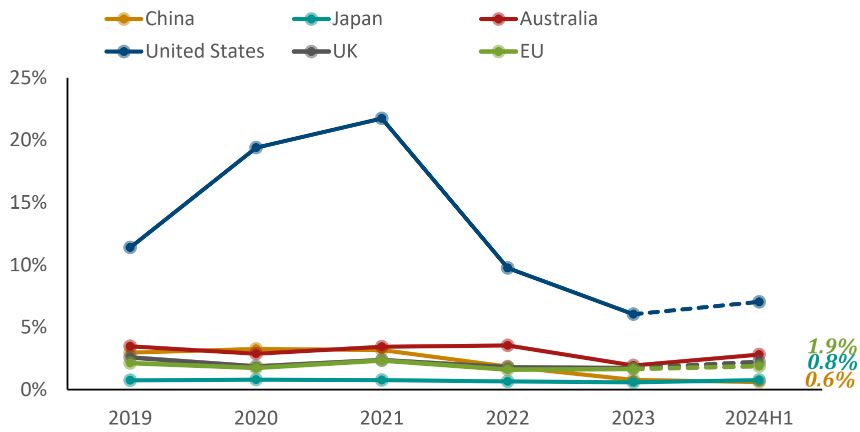
The Loan Transfer Indicator measures the capacity to transform bank loans into capital markets vehicles such as securitisation and loan portfolio transactions. The transformation of loans is crucial for enabling additional lending to the real economy by freeing up bank balance sheet capacity.

The indicator is estimated as a ratio of securitisation issuance (placed and retained) and loan portfolio sales relative to outstanding loans to businesses and households.

A structural competitive disadvantage: lack of a deeper UK securitisation market

Once adjusted by loan size, the rate of loan transformation in the UK lags behind other major European markets such as Spain, France and the Netherlands, but is on a par with the EU average.

6.1 Securitisation and portfolio sales as % of outstanding loans

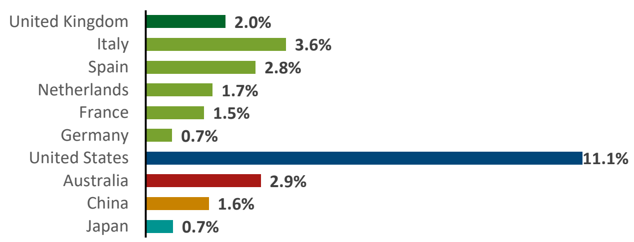


Source: AFME, SIFMA, Bank of America, JP Morgan, NAB (National Australian Bank), Macquarie, S&P, World Bank. US and Australian volumes include ABS, RMBS, CMBS and CDO.

Once securitisation issuance is considered as a proportion of GDP, contrasting trends are highlighted with the rest of the world, demonstrating that the UK and EU lag far behind global competitors in terms of the amount the domestic securitisation markets contribute to the financing of the economy.

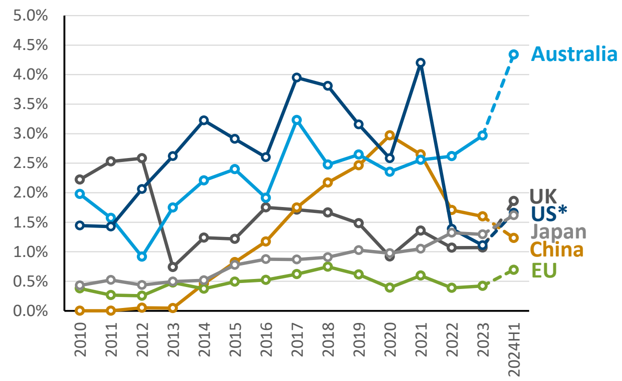
This suggests that the UK securitisation market is underdeveloped and underutilised compared to other regions, and that there is a large potential for growth and expansion.

6.2 Securitisation and portfolio sales as % of outstanding loans (3Y)



Source: AFME, SIFMA, ECBC, FDIC, ECB, US Fed, Bank of America, JP Morgan, Debtwire, Deloitte, and React News

6.3 International securitisation issuance (2010-2024H1, % GDP)



Source: AFME from multiple sources. US volumes exclude Agency issuance. Australia volumes include ABS and RMBS. European volumes include placed issuance only. This is a flow measure and quantifies new issuance in a given year as a proportion of GDP. Securitisation issuance in 2024 estimated via the annualisation of 2024H1 issued volumes. Latest GDP data is as of 2023FY, with calculations for 2024 using 2023 GDP as an estimate

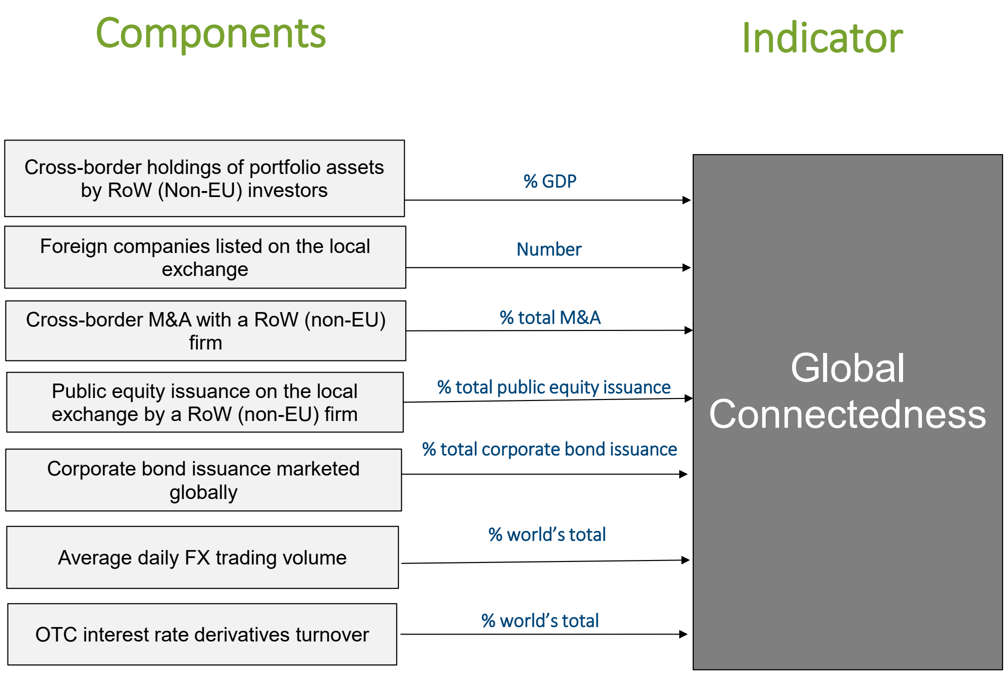
7. Cross-border Finance Indicator

The Cross-border finance Indicator seeks to quantify the integration of capital markets activities with the rest of the world (RoW).

The indicator considers different aspects of international capital markets by estimating a composite indicator aggregating the following features: (i) cross-border holdings of portfolio assets, (ii) number of foreign companies listed on the local exchanges; (iii) cross-border M&A transactions; (iv) cross-border public equity raising; (v) corporate bond issuance marketed globally; and (vi) participation in intermediating foreign exchange and derivatives trading.

Each component is quantified with the appropriate metrics as shown on Charts 8.1:

7.1 Capital markets Global Integration Indicator



Source: *AFME*

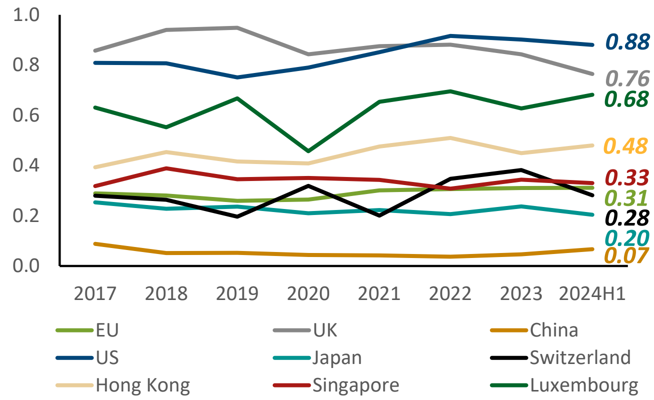
Global interconnectedness in numbers

We observed a decline in the global openness indicator for the UK. According to our indicators, the UK is no longer the most globally opened jurisdiction being surpassed by the US. This was driven by two factors:

- **Global corporates continue to reduce presence on UK exchanges:** Continued decline in the number of foreign listed companies on the LSE. 606 in 2010, 317 in 2023, 285 in 2024. Over the same period, foreign listings on US exchanges almost doubled from 778 in 2010 to 1383 in 2024. The declining trend is of concern as it contributes further to the narrowing of the equity base in the UK.

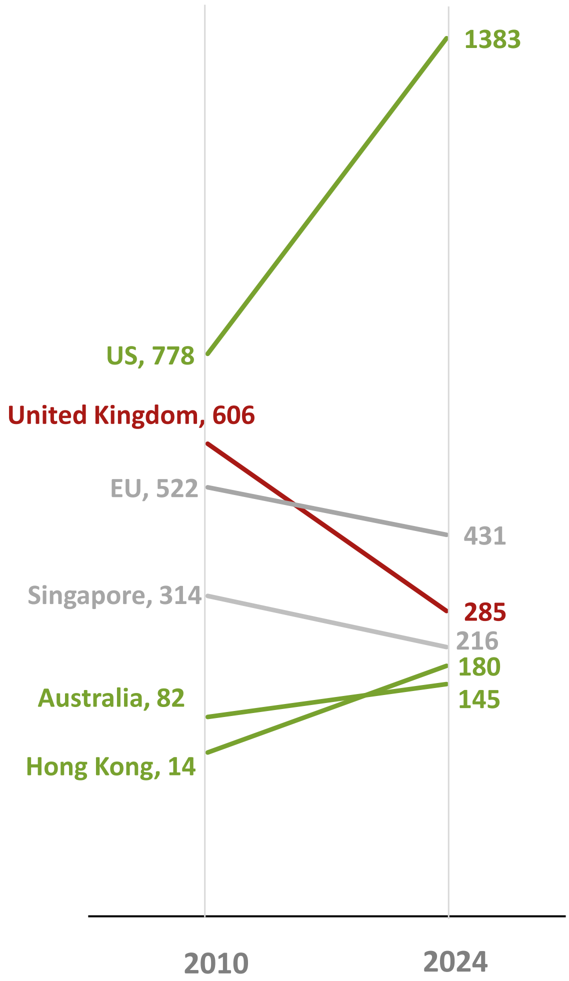
- **FX global footprint:** the UK has historically led the global market of FX spot and derivatives trading. However, since 2019, the UK's global footprint in the FX market has declined from 43% of the world's total in 2019 to 36% in 2024 (according AFME estimates based on semi-annual FX surveys from the main central banks and with CLS data**).**

7.2 Global Integration Indicator [0: Min, 1: Max]

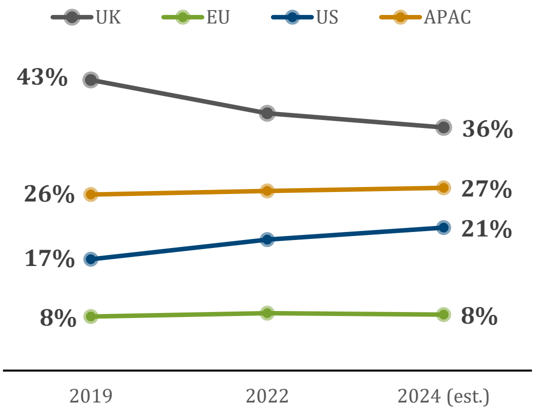


Source: *AFME from multiple sources*

7.3 Number of foreign listed companies on exchanges of selected jurisdictions



7.4 Global FX trading by region (% of total)



Source: *AFME from multiple sources*

Source: *AFME Research.*

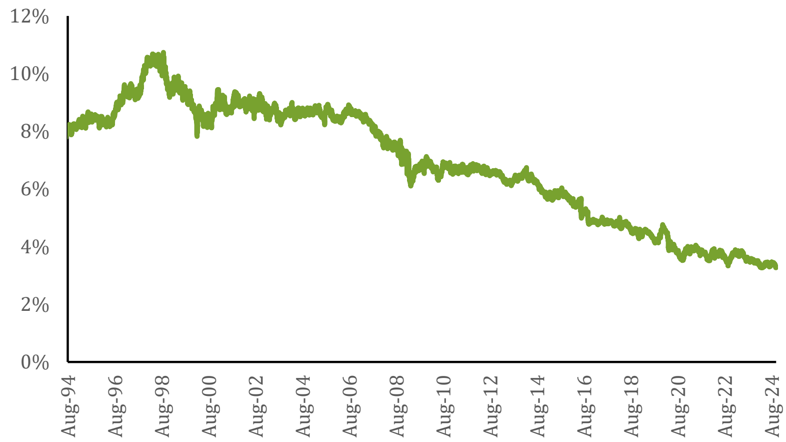
Despite the reduction in the Global Integration Indicator, the UK remains the most globally interconnected European capital market, driven by its large participation intermediating FX and derivative products with counterparties across the world.

8. Global Equity Footprint

The global equity footprint is a simple ratio of market capitalisation of listed shares relative to the world's total market capitalisation.

The purpose of the indicator is to keep track the degree of competitiveness and global relevance of the various primary and secondary equity markets.

8.1 Market capitalisation of UK listed shares as % of world's total



Source: *Eikon*

The UK equity market has continued its consistent decline over the last two decades across the world's equity markets. According to recent data, the UK represented only 3.4% of the world's market capitalisation in 2024, a decline from 10% in 2000.

The US remains the global leader in terms of market capitalisation, accounting for 54% of the world's equity market capitalisation in mid-2024. China has demonstrated rapid growth, increasing its share from 0.3% in 2000 to 10% in 2024. In contrast, the EU has experienced a decline in market share, dropping from 18% in 2000 to 13% in 2024.

8.2 Market capitalisation of listed shares by geographic region (% world's total)

	1990	1994	2024
United States	30	35	54
Japan	35	32	6
United Kingdom	10	9	3.4
EU	20	17	13
China & Hong Kong	1	2	10
India	0.3	1	4
RoW	3.7	4	9.6

Source: *Eikon, WFE*

UK market capitalisation as a percentage of the world's total has marginally declined over the last 12 months, from 3.5% in 2023 to 3.4% in 2024. This continues a downward trend from 4.6% in 2019 (pre-COVID). The global dominance of the US is evident, with its market capitalisation as a percentage of the world's total rising from 51% in 2023 to 54% in 2024.

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/ About AFME

The Association for Financial Markets in Europe (AFME) is the voice of all Europe's wholesale financial markets, providing expertise across a broad range of regulatory and capital markets issues.

We represent the leading global and European banks and other significant capital market players.

We advocate for deep and integrated European capital markets which serve the needs of companies and investors, supporting economic growth and benefiting society.

We aim to act as a bridge between market participants and policy makers across Europe, drawing on our strong and long-standing relationships, our technical knowledge and fact-based work.

Focus
on a wide range of market, business and prudential issues

Expertise
deep policy and technical skills

Strong relationships
with European and global policymakers

Breadth
broad global and European membership

Pan-European
organisation and perspective

Global reach
via the Global Financial Markets Association (GFMA)

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