

Scotland analysis: financial services and banking

Calculating the size of the Scottish banking sector relative to Scottish GDP

The Treasury's paper *Scotland analysis: financial services and banking* outlines that:

- Banking sector assets for the whole UK at present are around **492 per cent** of GDP.
- The Scottish banking sector, by comparison, would be extremely large in the event of independence. It currently stands at around **1254 per cent** of Scotland's GDP.

Data on total assets of the Scottish financial sector was provided to the Treasury by the Financial Services Authority (FSA), which was the regulator of all UK financial services firms up until 1 April 2013, when it was replaced by the Prudential Regulation Authority (PRA) and Financial Conduct Authority (FCA).

As the paper sets out, the analysis proceeds on the basis that firms whose headquarters or principal place of business are in Scotland are to be considered 'Scottish' firms. Further information about where individual firms are located is available from the financial services register, which is available from www.fca.org.uk/register/

When considering groups, legal entities are treated on an individual basis, rather than the whole group being classified as either Scottish or 'rest of the UK'. For example within RBS group, Royal Bank of Scotland PLC is treated as a Scottish firm, but National Westminster Bank PLC is treated as a 'rest of the UK' firm: although it is part of RBS group, it is separately authorised and headquartered in London.

The regulator is not able to provide data for publication about the size of assets held by individual firms, as there are restrictions on the sharing of firm-specific regulatory data. However, they are able to provide aggregated numbers for 'Scottish' banks and building societies and 'rest of the UK' banks and building societies. This data is available on the Scotland analysis website.

The figure for 'Scottish' banking sector assets refers to 11 banks and two building societies with their registered office or principal place of business in Scotland. These are:

1. Adam & Company Plc
2. Airdrie Savings Bank
3. Alliance Trust Savings Limited
4. Bank of Scotland Plc
5. Century Building Society
6. Clydesdale Bank Plc

7. Dunfermline Building Society (in building society special administration)
8. Lloyds TSB Scotland Plc
9. Sainsbury's Bank Plc
10. Scottish Building Society
11. Scottish Widows Bank Plc
12. Tesco Personal Finance Plc
13. The Royal Bank of Scotland Plc

Factors that are not included in the figure are:

- assets of the non-bank firms in the group;
- assets of firms with their headquarters or principle place of business in the UK but outside Scotland; and
- assets of foreign subsidiaries.

Significant firms or brands that are not included in the "Scottish banking assets" figure are:

From RBS group:

- National Westminster Bank Plc
- Ulster Bank Ltd
- Citizens Bank (RBS Citizens, N.A.)
- Charter One (RBS Citizens, N.A.)
- Isle of Man Bank
- Coutts & Company
- Green Flag Ltd (UK Insurance Limited)
- Direct Line Group (UK Insurance Limited)
- Privilege (UK Insurance Limited)
- NIG (UK Insurance Limited)
- Lombard North Central Plc

From Lloyds Banking Group:

- Lloyds TSB Bank plc
- Scottish Widows Plc
- Scottish Widows Investment Partnership Limited
- Black Horse Limited
- Lex Autolease Ltd
- LDC (Managers) Limited
- The Agricultural Mortgage Corporation PLC
- St Andrew's Life Assurance Plc
- St Andrew's Insurance Plc
- Capital Finance Australia Limited