



**University of
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FACULTY OF BUSINESS, ECONOMICS AND
INFORMATICS

Department of Banking and Finance

Master Thesis

Brexit and its impact on the financial sector in the UK

Supervision

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Abstract

This thesis addresses the consequences of the Brexit referendum for the economy and specifically on the financial sector in the UK. It shows that Brexit discussion had a serious impact on the economy of the country, from different aspects. In particular, the financial sector is exposed to high risks related to the loss of the EU passport, which allows UK-based companies to provide their financial services to European clients. The uncertainties related to Brexit lead many of them to relocate within the Single Market, and the weaker leadership of London as a financial centre left room to New York to dominate and to Frankfurt and other European financial places to emerge worldwide. Lastly, the results of the event study methodology applied to UK financial companies listed on the FTSE All Share have revealed that this sector realised high negative abnormal returns and analysis of its different segments indicates Banking, Insurance and Real Estate as primary losers.