DECEMBER 2017

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FINANCIAL SERVICES FIRMS END 2017 ON A STABLE FOOTING

Sentiment in financial services deteriorated in the quarter to December, rounding off two years of flat or falling optimism. Growth in overall business volumes slowed for a second consecutive quarter, and with costs rising briskly, growth in profits remained fairly moderate. However, this subdued picture was not pervasive across the sector, with finance houses, life insurers and investment managers reporting rising optimism amid robust demand conditions. Looking ahead, demand and profitability in the financial services sector as a whole are expected to strengthen a little in the quarter to March. However, uncertainty over the strength of demand has increased to its highest in two years. Against this backdrop, firms became more cautious over hiring during the latter half of 2017, with headcount declining slightly in the quarter to December and expected to remain stable next quarter. Investment intentions remain mixed.

Conditions remain buoyant in parts of the industry

Although growth in overall business volumes slowed in the quarter to December, conditions varied across the sector. Volumes were unchanged in banking, following two quarterly increases. Building societies reported that volumes rebounded, after falling in the previous quarter. Meanwhile, providers of specialist finance, life and general insurance, and investment management continued to report robust growth. And while the overall level of business across financial services was seen as fairly typical, finance houses, life insurers and investment management firms reported that the level of business remained well above normal. Looking ahead, overall business volumes are expected to pick up a little next quarter, with a similarly mixed picture across sectors.

Costs pressures continue to build

Financial services firms reported a modest rise in incomes in the quarter to December, though a stronger rise is expected next quarter. Total operating costs increased at a rapid pace for a second successive quarter, and average costs were stable despite rising volumes. Profitability improved, but at a modest pace. Expectations for future increases in both total and average costs were their strongest for two-and -a-half years, driven by banks and investment managers in particular.

Against this backdrop, firms have become more cautious over hiring and investment. Having dipped in the quarter to December, headcount is expected to remain flat next quarter. Growth in marketing expenditure is expected to accelerate and investment in IT is tipped to rise at a rapid pace. However, firms plan to cut back in other areas of capital spending. Efficiency improvements remain the most important driver of investment, though the share of firms looking to expand capacity also rose. The main brake on investment spending remains inadequate net returns, with citations well above average and rising to the highest since 2015.

Three-quarters of firms saw the level of demand as a brake on business expansion in the year ahead, the highest share in over two years. Alongside this, a similar number saw statutory legislation and regulation as a constraint to business growth.



Meanwhile, the importance of developing new products and services has diminished, with growth strategies more focussed on acquiring new customers, aided by a focus on sales and distribution.

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Optimism fell, with business volumes flat and expected to remain stable next quarter.

PAGE 9 BUILDING SOCIETIES

Sentiment deteriorated. Business volumes rebounded, but are expected to remain stable.

PAGE 11 FINANCE HOUSES

Volumes increased at a steady pace, with the level of business seen as comfortably above normal.

PAGE 14 LIFE INSURANCE

Volumes and profits rose briskly, but growth is expected to slow on both fronts next quarter.

PAGE 17 GENERAL INSURANCE

Optimism fell despite a solid increase in volumes, with a further rise in activity expected next quarter.

PAGE 19 INSURANCE BROKERS

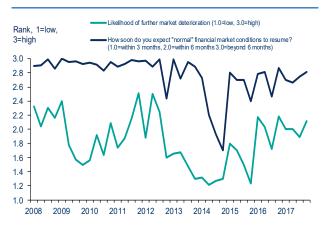
Optimism dipped as volumes fell for the first time in five years, with little change expected.

PAGE 22 INVESTMENT MANAGEMENT

Volumes continue to grow at a robust pace, but for a third quarter running expectations remain subdued.

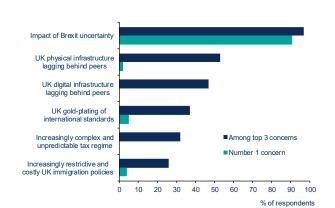
SUPPLEMENTARY QUESTIONS

Perceptions of financial market conditions

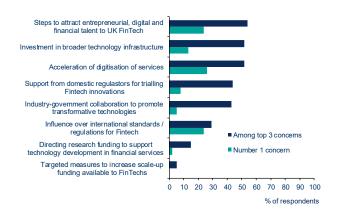


Concerns over a deterioration in financial market conditions ticked up towards the end of 2017. While just 17% of financial services firms assigned a low likelihood to a worsening in financial market conditions over the next six months, 29% thought there was a high likelihood, up from 6% in the previous quarter. A large majority of firms (86%) believe that "normal" financial market conditions will only resume beyond six months.





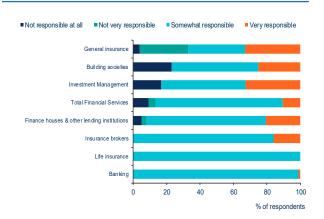
2018 brings several challenges for the financial services sector. Most striking is Brexit, with virtually all firms viewing the impact of Brexit uncertainty as the most serious threat to the UK's position as a leading global financial centre. Companies are also concerned about other areas that threaten the UK's global competitiveness, with half citing the perception that the quality of the UK's physical and digital infrastructure lagged behind other advanced economies, and around a third pointing to an increasingly complex tax regime and the gold-plating of international standards as a risk to the UK's global standing.



Actions needed to protect innovation & FinTech

Financial services firms see the need for a broad range of actions to ensure that the UK remains a leading FinTech and innovation centre. Among the chief concerns are the need to attract talent, accelerate the digitalisation of services and ensure sufficient investment in technology infrastructure. Firms also see an important role for regulators and government collaboration. Accessing talent was a particular concern investment managers, general insurance and finance houses. Meanwhile, banks are preoccupied with promoting the digitalisation of services and influencing global standards.

Firms' responsibility for improving financial literacy



A majority of firms in all sectors of the financial services industry see themselves as bearing some responsibility for improving the financial literacy of their customers, with 84% of all firms seeing themselves as being either somewhat or very responsible. However, opinion was more polarised in some sectors—general insurance, building societies and investment management—where some firms believed they had relatively little or no responsibility. Overall, financial services firms believed that government has an important role to play (55%), alongside professional or sector bodies (35%), as well as customers themselves (18%).

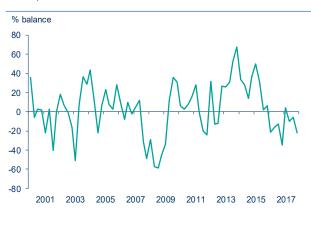
OVERALL FINANCIAL SERVICES

Survey number 113, December 2017

Conducted between 14th November and 11th December 2017

* All figures are percentage balances of respondents except questions 9-13 where figures are percentages of firms responding

Q1 Optimism vs three months earlier

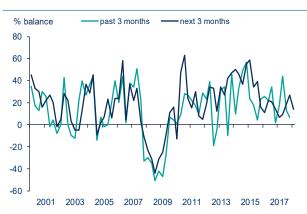


Q1 Latest -22 Previous -6 Mean +5

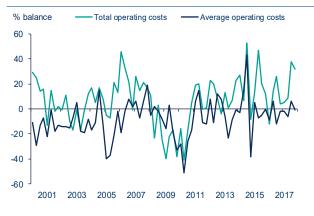
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Q3a Trend in volume of business



	Q3a: Past	Q3a: Next
Latest	+7	+14
Previous	+13	+27
Mean	+14	+20



	Q5g: Past	Q5g: Next		Q5c: Past	Q5d: Past
Latest	+15	+19	Latest	+32	-1
Previous	+13	+42	Previous	+38	+6
Mean	+13	+14	Mean	+7	-10

Value and volume of business

			2017			
		Dec	Mar	Jun	Sep	Dec
1 Are you more or less optimistic about TH IN YOUR SECTOR?	E OVERALL BUSINESS SITUATION	-35	+4	-10	-6	-22
2 Excluding seasonal variations, do you co	nsider that in volume terms:					
a) Your present level of business (above/bel	ow normal) is:	-4	0	+6	+4	+5
b) Your present level of business with overse	eas customers (above/below normal) is:	-6	-15	-16	-4	-6
3 Excluding seasonal variations, what are	the trends in:					
a) Volume of business	- past 3 months	+2	+18	+44	+13	+7
	- next 3 months	+7	+9	+19	+27	+14
b) Value** of fee, commission or premium	- past 3 months	-9	+17	+39	0	+7
íncome	- next 3 months	-3	+6	+9	+9	+17
c) Value** of net interest, investment or	- past 3 months	-1	+6	+17	+14	+10
trading income ** in sterling	- next 3 months	-18	+8	+2	+8	+18

			_	2017		_	_
4 WI	hat is the trend in your 'volume of busir	ess' with regard to the following	Dec	Mar	Jun	Sep	Dec
	tegories of customer:						
a)	Industrial & commercial companies	- past 3 months	+21	+25	+38	+18	+21
		- next 3 months	+38	+29	+22	+13	+20
b)	Financial institutions	- past 3 months	+11	-3	+3	+21	+6
	Privata individuala	- next 3 months	+9	+2	0	+21	+8
c)	Private individuals	- past 3 months - next 3 months	-4 +18	+12 +27	+26 +26	-2 +8	-16 -13
d)	Overseas customers (UK-based	- past 3 months	+10	+27	-13	+5	-13
۵,	operations)	- next 3 months	+6	+10	0	0	-15
Charges,	costs and profitability						
5 Ex	cluding seasonal variations, what are t	he trends for:					
a)	Average spreads	- past 3 months	-45	-11	-20	-30	-29
b)	Auerogo commissions/foos/ promiumo	- next 3 months	-4	-10	-5	-13 0	-23 -6
D)	Average commissions/fees/ premiums paid	- past 3 months - next 3 months	-6 -15	+4 +8	-13 -4	+15	-0 -4
c)	Total operating costs (excluding cost of	- past 3 months	+4	+5	+9	+38	+32
,	funds)	- next 3 months	-11	+8	+14	+19	+50
d)	Average operating costs per transaction	- past 3 months	-2	-2	-6	+6	-1
-)		- next 3 months	-27	-10	+4	-1	+21
e)	Value of non-performing loans	- past 3 months - next 3 months	-20 -22	-16 -6	-18 -15	-17 -2	+3 +1
	of which:			č		_	
	Retail	- past 3 months	-23	-14	-18	-15	+1
	Cormorato	- next 3 months	-22	-6 7	-15	-2	+1
	Corporate	- past 3 months - next 3 months	-21 -20	-7 +4	-17 -13	-3 -1	-2 -4
g)	Overall profitability of business	- past 3 months	-20	+33	+35	+13	+15
37		- next 3 months	+37	+12	+26	+42	+19
Employm	ent and training						
	cluding seasonal variations, what are t						
a)	Numbers employed	- past 3 months - next 3 months	+7	+11	+29	-1	-5
b)	Training expenditure	- past 3 months	+20 +8	+25 +27	+25 +32	+11 +24	0 +42
D)	maining expenditure	- next 3 months	+31	+27	+32	+24	+42
c)	Staff costs as a proportion of total costs	- past 3 months	+8	+8	-10	+13	-5
,		- next 3 months	-10	+2	+3	-6	-18
6 1 WI	hat has been the trend with regard to y	our staff turnovor:					
0.1 991	nat has been the trend with regard to y	- past 3 months	+12	+26	+21	+8	+12
		- next 3 months	+21	+13	+14	+25	+3
Marketin	g expenditure						
	you expect to authorise more or less		+14	+11	+3	+31	+40
	XT 12 MONTHS than you did in the PAS	ST 12 MONTHS					10
Capital e	xpenditure						
	you expect to authorise more or less o						
	DNTHS than you authorised in the PAST Land and buildings	12 MONTHS on:	-5	-4	-28	+8	-50
,	Vehicles, plant & machinery		-2	-11	-16	-1	-28
,	Information technology		+58	+46	+61	+68	+61
	hat are the main reasons for any expec						
	THORISATION over the NEXT 12 MONT	HS*	07			0.5	10
	provide new services		37 78	55 73	55 80	65 80	40 80
	increase efficiency/speed reach new customers		78 54	73 41	80 43	80 41	80 30
	reacn new customers r replacement		54 46	41	43 58	38	30 45
	expand capacity		56	61	59	46	61
	atutory legislation and regulation		70	68	61	70	36
	her		1	1	5	2	1
10 WI ov	hat factors are likely to limit (wholly or er the NEXT 12 MONTHS*	partly) your capital authorisations					
	dequate net return on proposed investment		43	52	49	56	71
Sh	ortage of finance		13	27	7	13	7
Co	st of finance		7	17	2	10	3
	certainty about demand/business prospect		46	49	49	58	45
	ortage of labour including managerial & sup	pervisor staff	28	37	43	30 5	30 5
Ot	her		25	14	5	5	5

			2017			
		Dec	Mar	Jun	Sep	De
What factors are likely to limit your al	bility to increase your level of business				•	
over the NEXT 12 MONTHS*						
Level of demand	- Total	54	67	62	52	75
	- Overseas	19	11	27	22	10
Staff turnover	- Total	3	5	6	6	4
	- Overseas	1	1	1	1	1
Availability of professional staff	- Total	30	29	26	41	23
	- Overseas	5	6	7	29	11
Availability of clerical staff	- Total	5	9	4	6	5
rivaliability of oferfour stall	- Overseas	0	2	0	0	2
Adequacy of systems capacity	- Total	35	36	39	36	13
raddady of cyclome capacity	- Overseas	1	1	27	22	2
Ability to raise funds	- Total	7	9	22	13	2
Ability to faise funds	- Overseas	1	1	1	13	1
of which:	- Overseas		1	'	'	'
Ability to raise capital	- Total	5	9	20	12	8
Ability to failed ouplital	- Overseas	1	1	1	1	3
Availability of wholesale funds	- Total	2	3	3	7	2
Availability of wholesale lutius	- Total - Overseas	2	3 1	3 0	1	2
Competition	- Overseas - Total	י 79	56	46	59	2 59
Competition						
	- Overseas	16	15	16	34	13
Statutory legislation and regulation	- Total	62	68	46	70	72
	- Overseas	6	7	9	38	10
Other	- Total	7	4	2	1	3
	- Overseas	2	0	1	0	1
What do you expect to spend on regu	latory compliance in the NEXT 12	- 1	50			
MONTHS?		+54	+53	+60	+89	+4
Where do you see your competition of	coming from in the next 12 months?					
Where do you see your competition of Your sector of financial services	oming from in the next 12 months?	99	95	98	98	96
, , , , , , , , , , , , , , , , , , ,	coming from in the next 12 months?	99 31	95 39	98 54	98 39	
Your sector of financial services	-					34
Your sector of financial services Other sectors of financial services	-	31	39	54	39	34 18
Your sector of financial services Other sectors of financial services Companies currently positioned outsi	-	31 16	39 37	54 34	39 11	34 18 47
Other sectors of financial services Companies currently positioned outsi New entrants	-	31 16 71	39 37 50	54 34 49	39 11 53	34 18 47
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Your sector of financial services Other sectors of financial services Companies currently positioned outsi New entrants Other th Where do you think your growth will Cross sales to new customers Cross sales to new customers Acquisition of domestic customers Acquisition of domestic customers Acquisition of international customers New products No growth expected Relative to the past 12 months, how in elements will be to your organisation months? Organic growth activities: Acquiring new customers Cross-selling to existing customers Retaining existing customers Retaining new products/services Inorganic growth activities: Engaging in M&A transactions Forming strategic partnerships/alliand Market focus for growth: Increasing market share in domestic Increasing market share in internation Investment in enablers to growth:	de of financial services come from over the next 3 months? s mportant do you think the following 's growth strategy over the next 12	31 16 71 3 21 26 91 18 62 1 +78 +29 +50 +47 +2 +34 +59 +12	39 37 50 5 27 56 69 16 53 5 * 5 * 5 * 5 * 5 * 5 * 5 * 5 * 5 *	54 34 49 0 43 62 69 14 40 3 +59 +52 +55 +55 +55 +15 +26 +41 0	39 11 53 0 63 55 66 25 31 2 +49 +35 +45 +47 +15 +10 +54 +32	344 18 47 2 46 37 60 16 32 10 +6 +4 +4 +3 +1 +1 +5 +3 +5 +8
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Your sector of financial services Other sectors of financial services Companies currently positioned outsi New entrants Other th Where do you think your growth will of Cross sales to new customers Cross sales to new customers Acquisition of domestic customers Acquisition of domestic customers Acquisition of international customers New products No growth expected Relative to the past 12 months, how in elements will be to your organisation months? Organic growth activities: Acquiring new customers Cross-selling to existing customers Retaining existing customers Retaining existing customers Retaining existing customers Launching new products/services Inorganic growth activities: Engaging in M&A transactions Forming strategic partnerships/alliand Market focus for growth: Increasing market share in domestic Increasing market share in internation Investment in enablers to growth: Brand and advertising Sales force and distribution channels	de of financial services come from over the next 3 months? s mportant do you think the following 's growth strategy over the next 12 ces markets hal markets	31 16 71 3 21 26 91 18 62 1 +78 +29 +50 +47 +2 +34 +59 +12 +10 +69	39 37 50 5 7 66 99 16 53 5 * 5 * 5 * 5 * 5 * 5 * 5 * 5 * 5 *	54 34 49 0	39 11 53 0 63 55 66 25 31 2 +49 +35 +45 +47 +15 +10 +54 +32 +37 +49	344 18 47 2 46 37 60 16 32 10 +6 +4 +4 +3 +1 +5 +3 +5 +8 +1 +4 +4
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Your sector of financial services Other sectors of financial services Companies currently positioned outsi New entrants Other th Where do you think your growth will Cross sales to new customers Cross sales to existing customers Acquisition of domestic customers Acquisition of international customers New products No growth expected Relative to the past 12 months, how in elements will be to your organisation months? Organic growth activities: Acquiring new customers Cross-selling to existing customers Retaining existing customers Launching new products/services Inorganic growth activities: Engaging in M&A transactions Forming strategic partnerships/alliand Market focus for growth: Increasing market share in domestic Increasing market share in internation Investment in enablers to growth: Brand and advertising Sales force and distribution channels CRM/marketing capabilities (e.g. price	de of financial services come from over the next 3 months? s mportant do you think the following 's growth strategy over the next 12 ces markets hal markets hal markets ing,	31 16 71 3 21 26 91 18 62 1 +78 +29 +50 +47 +2 +34 +59 +12 +10 +69	39 37 50 5 7 66 99 16 53 5 * 5 * 5 * 5 * 5 * 5 * 5 * 5 * 5 *	54 34 49 0	39 11 53 0 63 55 66 25 31 2 +49 +35 +45 +47 +15 +10 +54 +32 +37 +49	96 34 18 47 2 46 37 60 16 32 10 +63 +44 +33 +44 +13 +55 +33 +55 +8 +14 +43 +12 +8 +14 +43 +44 +43 +44 +43 +44 +43 +45 +46 +45 +45 +46 +46 +46 +46 +46 +46 +46 +46 +46 +46

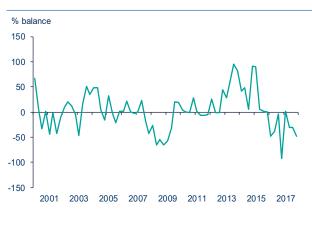
BANKING

Survey number 113, December 2017

Conducted between 14th November and 11th December 2017

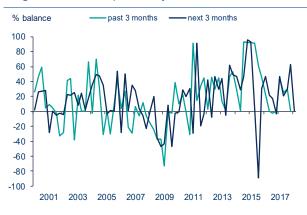
* All figures are percentage balances of respondents except questions 9-13 where figures are percentages of firms responding

Q1 Optimism vs three months earlier

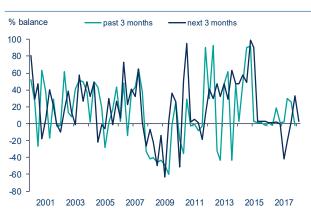


Q1 Latest -48 Previous -31 Mean +3

Q5g Trend in overall profitability



Q3a Trend in volume of business



Q3a: Past	Q3a: Next
-2	+3
+26	+33
+15	+21
	-2 +26



	Q5g: Past	Q5g: Next		Q5c: Past	Q5d: Past
Latest	+1	0	Latest	+50	+5
Previous	+30	+63	Previous	s +29	+3
Mean	+18	+19	Mean	-3	-18
Value and v	volume of busir	iess			

						r en
			2017			
		Dec	Mar	Jun	Sep	Dec
1 Are you more or less optimistic about THI SITUATION IN YOUR SECTOR?	E OVERALL BUSINESS	-92	+1	-31	-31 -31	
2 Excluding seasonal variations, do you co	nsider that in volume terms:					
a) Your present level of business (above/bel	ow normal) is:	+1	+1	-30	+2	-2
b) Your present level of business with overse	eas customers (above/below normal)	0	-25	-31	+2	-1
3 Excluding seasonal variations, what are t	he trends in:					
a) Volume of business	- past 3 months	+1	+2	+30	+26	-2
	- next 3 months	-42	-21	+2	+33	+3
b) Value** of fee, commission or premium	- past 3 months	+1	+1	+31	-3	-2
income	- next 3 months	-42	+3	0	+32	+2
_{C)} Value** of net interest, investment or	- past 3 months	-2	+24	+29	+29	-4
trading income	- next 3 months	-45	+22	+2	+31	-1
** in sterling						

- next 3 months +48 +45 +30 +4 b) Financial institutions - past 3 months -1 -24 -2 +4	
categories of customer:a) Industrial & commercial companies- past 3 months+46+44+60+3- next 3 months+48+45+30+3b) Financial institutions- past 3 months-1-24-2+3	ep Dec
a) Industrial & commercial companies - past 3 months +46 +44 +60 +3 - next 3 months +48 +45 +30 +3 b) Financial institutions - past 3 months -1 -24 -2 +3	
b) Financial institutions - past 3 months -1 -24 -2 +3	30 +45
	30 +45
- next 3 months _1 _24 _1 +4	30 -2
	30 +1
c) Private individuals - past 3 months -1 +1 +1 - - next 3 months +1 +46 +31 +	
d) Overseas customers (UK-based - past 3 months -1 -1 -30 -3	
operations) - next 3 months +1 -1 +1 -	1 -46
Charges, costs and profitability	
5 Excluding seasonal variations, what are the trends for: a) Average spreads - past 3 months -94 -23 -34 -6	61 -50
- next 3 months -3 -23 -4 -3	
b) Average commissions/fees/ premiums - past 3 months 0 +24 -30 -3	3 -3
paid - next 3 months -45 +21 -1 +3	31 -1
	29 +50
	26 +96 3 +5
	3 +50
	28 +1
- next 3 months -45 -22 -30 -	
of which:	
Retail - past 3 months -45 -23 -30 -2 - next 3 months -46 -23 -30 -	
	0 0
) +1
	30 +1
- next 3 months +47 +21 +30 +6	63 0
Employment and training 6 Excluding seasonal variations, what are the trends in:	
a) Numbers employed - past 3 months +2 +26 +2 +	1 0
- next 3 months +1 +25 +2 -	1 +3
	33 +95
b) Training expenditure - past 3 months +3 +48 +30 +3	
- next 3 months +4 +49 +33 +3	33 +50
- next 3 months +4 +49 +33 +4 c) Staff costs as a proportion of total costs - past 3 months +3 +23 -28 +	2 +2
- next 3 months +4 +49 +33 +4 c) Staff costs as a proportion of total costs - past 3 months +3 +23 -28 + - next 3 months +5 +25 -27 +	2 +2
- next 3 months - next 3 months +4 +49 +33 +4 - next 3 months +3 +23 -28 + - next 3 months +5 +25 -27 + 6.1 What has been the trend with regard to your staff turnover:	2 +2
- next 3 months +4 +49 +33 +4 c) Staff costs as a proportion of total costs - past 3 months +3 +23 -28 + - next 3 months +5 +25 -27 + 6.1 What has been the trend with regard to your staff turnover: - past 3 months +2 +47 +1 +3	2 +2 4 -41
- next 3 months +4 +49 +33 +4 c) Staff costs as a proportion of total costs - past 3 months +3 +23 -28 + - next 3 months +5 +25 -27 + 6.1 What has been the trend with regard to your staff turnover: - past 3 months +2 +47 +1 +4 - next 3 months +47 +46 +1 +46 Marketing expenditure	2 +2 4 -41 32 +2
- next 3 months +4 +49 +33 +4 c) Staff costs as a proportion of total costs - past 3 months +3 +23 -28 + - next 3 months +5 +25 -27 + 6.1 What has been the trend with regard to your staff turnover: - past 3 months +2 +47 +1 +4 - next 3 months +47 +46 +1 +4 Marketing expenditure 7 Do you expect to authorise more or less expenditure on marketing in the	2 +2 4 -41 32 +2
- next 3 months +4 +49 +33 +4 c) Staff costs as a proportion of total costs - past 3 months +3 +23 -28 + - next 3 months +5 +25 -27 + 6.1 What has been the trend with regard to your staff turnover: - past 3 months +2 +47 +1 +5 - next 3 months +47 +46 +1 +6 Marketing expenditure 7 Do you expect to authorise more or less expenditure on marketing in the -44 +1 -34 +5	2 +2 4 -41 32 +2 61 +2
- next 3 months +4 +49 +33 +4 c) Staff costs as a proportion of total costs - past 3 months +3 +23 -28 + - next 3 months +5 +25 -27 + 6.1 What has been the trend with regard to your staff turnover: - past 3 months +2 +47 +1 +4 - next 3 months +47 +46 +1 +4 Marketing expenditure 7 Do you expect to authorise more or less expenditure on marketing in the NEXT 12 MONTHS than you did in the PAST 12 MONTHS -44 +1 -34 +2 B Do you expect to authorise more or less capital expenditure in the NEXT	2 +2 4 -41 32 +2 61 +2
 - next 3 months +4 +49 +33 +4 +49 +33 +4 +49 +33 +5 +23 -28 + - next 3 months +5 +25 -27 + 6.1 What has been the trend with regard to your staff turnover: - past 3 months +2 +47 +47 +46 +1 +6 Marketing expenditure 7 Do you expect to authorise more or less expenditure on marketing in the NEXT 12 MONTHS than you did in the PAST 12 MONTHS -44 +1 -34 +2 Capital expenditure 8 Do you expect to authorise more or less capital expenditure in the NEXT 12 MONTHS than you authorised in the PAST 12 MONTHS on:	2 +2 4 -41 32 +2 51 +2 28 +47
 - next 3 months +4 +49 +33 +4 +23 -28 +4 +5 +25 -27 +4 +1 +4 <l< td=""><td>2 +2 4 -41 32 +2 51 +2 28 +47 1 -92</td></l<>	2 +2 4 -41 32 +2 51 +2 28 +47 1 -92
 - next 3 months - next 3 months +4 +49 +33 +43 +23 -28 +4 +5 +25 -27 + 6.1 What has been the trend with regard to your staff turnover: - next 3 months +5 +22 +47 +4 +47 +46 +1 +46 +1 +36 +47 +46 +1 +36 +47 +46 +47 +46 +41 +34 +41 +34 +41 +44 +41 +44 +41 +44 +44 +41 +44 +44 +41 +44 +44 +44 +44	2 +2 4 -41 32 +2 51 +2 28 +47
 - next 3 months - next 3 months + 4 + 49 + 33 + 43 + 22 + 47 + 1 + 46 + 1 + 47 + 48 + 72 + 62 + 46 + 48 + 72 + 62 + 46 	2 +2 4 -41 32 +2 51 +2 28 +47 1 -92 1 -47
 - next 3 months +4 +49 +33 +4 +23 -28 +7 +8 Do you expect to authorise more or less capital expenditure in the NEXT 12 MONTHS than you authorised in the PAST 12 MONTHS on: a) Land and buildings -46 -21 -62 +6 -46 -21 -62 +6 -1 -23 -31 +7 	2 +2 4 -41 32 +2 51 +2 28 +47 1 -92 1 -47
 next 3 months next 3 months past 3 months	2 +2 4 -41 32 +2 51 +2 28 +47 1 -92 1 -47
 next 3 months +4 +49 +33 +4 +43 +23 -28 +4 +5 +25 -27 + 6.1 What has been the trend with regard to your staff turnover: - past 3 months +4 +47 +46 +1 +4 Marketing expenditure To poul expect to authorise more or less expenditure on marketing in the NEXT 12 MONTHS than you authorised in the PAST 12 MONTHS on:	$ \begin{array}{cccccccccccccccccccccccccccccccccccc$
 - next 3 months +4 +49 +33 +3 +23 -28 + - next 3 months +3 +25 -27 + 6.1 What has been the trend with regard to your staff turnover: - past 3 months +5 +25 -27 + 6.1 What has been the trend with regard to your staff turnover: - past 3 months +2 +47 +46 +1 +46 +1 +46 +1 -34 +2 -44 +1 -34 +2 -21 -34 +4 -34 +4 -44 +1 -34 +1 -34 +1 -23 -31 +46	$ \begin{array}{cccccccccccccccccccccccccccccccccccc$
- next 3 months +4 +49 +33 +4 c) Staff costs as a proportion of total costs - past 3 months +3 +23 -28 + - next 3 months +5 +25 -27 + 6.1 What has been the trend with regard to your staff turnover: -	$ \begin{array}{cccccccccccccccccccccccccccccccccccc$
 next 3 months next 3 months t4 t49 t33 t3 t23 t43 t23 t28 next 3 months t3 t23 t22 t47 t1 t25 t47 t1 t47 t46 t41 <lit41< li=""> t41 t41 t41</lit41<>	$ \begin{array}{cccccccccccccccccccccccccccccccccccc$
 next 3 months next 3 months +4 +49 +33 +2 -28 + next 3 months +3 +23 -28 + next 3 months +5 +25 -27 + 6.1 What has been the trend with regard to your staff turnover: past 3 months +2 +47 +1 +47 +46 +1 +47 Marketing expenditure 7 Do you expect to authorise more or less expenditure on marketing in the NEXT 12 MONTHS than you ald in the PAST 12 MONTHS Add and buildings -46 -21 -62 + b) Vehicles, plant & machinery -1 -23 -31 + c) Information technology +48 +72 +62 +7 b) Vehicles, plant & machinery -1 -23 -31 +62 +62 +62 +62 +62 +62 +62 +63 70 62 64 70 90 70 96 93 70 96 93 70 96 96 75 97 	$ \begin{array}{cccccccccccccccccccccccccccccccccccc$
$\begin{array}{cccccccccccccccccccccccccccccccccccc$	$ \begin{array}{cccccccccccccccccccccccccccccccccccc$
 next 3 months next 3 months +4 +49 +33 +4 +3 +23 -28 + next 3 months +5 +25 -27 + 6.1 What has been the trend with regard to your staff turnover: - past 3 months +5 +2 +47 +1 +4 +47 +46 +1 +4 Marketing expenditure 7 Do you expect to authorise more or less expenditure on marketing in the NEXT 12 MONTHS than you did in the PAST 12 MONTHS 44 +1 -34 +2 Capital expenditure 8 Do you expect to authorise more or less capital expenditure in the NEXT 12 MONTHS than you authorised in the PAST 12 MONTHS on: a) Land and buildings -46 -21 -62 + b) Vehicles, plant & machinery -1 -23 -31 + c) Information technology +48 +72 +62 +63 -7 -7<!--</td--><td>$\begin{array}{cccccccccccccccccccccccccccccccccccc$</td>	$ \begin{array}{cccccccccccccccccccccccccccccccccccc$
- next 3 months +4 +49 +33 +43 c.) Staff costs as a proportion of total costs - past 3 months +3 +23 -26 + - next 3 months +5 +25 -27 + 6.1 What has been the trend with regard to your staff turnover: - - - - past 3 months +2 +47 +1 +4 6.1 What has been the trend with regard to your staff turnover: - - - - next 3 months +2 +47 +1 +4 6.1 What has been the trend with regard to your staff turnover: - - - - next 3 months +47 +46 +1 +4 Marketing expenditure - - - next 3 months -2 +47 +1 +3 +2 7 Do you expect to authorise more or less capital wonthHS -	$ \begin{array}{cccccccccccccccccccccccccccccccccccc$
- next 3 months +4 +49 +33 +4 c) Staff costs as a proportion of total costs - past 3 months +3 +23 -28 + - next 3 months +5 +25 -27 + 6.1 What has been the trend with regard to your staff turnover: -	$ \begin{array}{cccccccccccccccccccccccccccccccccccc$
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- next 3 months +4 +49 +33 +43 c.) Staff costs as a proportion of total costs - past 3 months +3 +23 -28 + - next 3 months +5 +25 -27 + 6.1 What has been the trend with regard to your staff turnover: - - - - - next 3 months +1 +47 +41 +46 +1 +47 +46 +1 +46 +1 +46 +1 +47 +46 +1 +47 +46 +1 -34 +7 Capital expenditure - - next 3 months +44 +1 -34 +7 -1 -23 +41 +46 +1 +46 +1 -34 +7 -24 +46 +1 -34 +7 -24 +46 +21 -62 + + +10 NDTHS than you authorised in the PAST 12 MONTHS on: - - - -1 -23 -31 + + - +48 +72 +62 +44 +1 -34 - - - - - - - <td< td=""><td>$\begin{array}{cccccccccccccccccccccccccccccccccccc$</td></td<>	$ \begin{array}{cccccccccccccccccccccccccccccccccccc$

ness prospects			2017			
		Dec	Mar	Jun	Sep	De
What factors are likely to limit your a	bility to increase your level of				•	
business over the NEXT 12 MONTHS*						
Level of demand	- Total	51	50	65	66	98
	- Overseas	6	5	32	36	5
Staff turnover	- Total	1	0	1	1	1
	- Overseas	1	0	0	1	1
Availability of professional staff	- Total	3	24	0	30	1
	- Overseas	1	1	0	30	. 1
Availability of clerical staff	- Total	1	0	0 0	0	0
, tranability of oforfoar orall	- Overseas	1	0	Õ	0	0
Adequacy of systems capacity	- Total	49	47	61	33	3
Adequacy of systems capacity	- Overseas		1	61	32	3
Ability to raise funds	- Total	2	4	35	2	1
Ability to faise funds	- Overseas	2	4	2	1	0
of which:	- Overseas	2	0	2	I	0
	Tatal	2	0	25	4	4
Ability to raise capital	- Total	3	2	35	1	4
	- Overseas	1	0	2	1	2
Availability of wholesale funds	- Total	2	1	1	2	1
	- Overseas	2	0	0	1	1
Competition	- Total	96	24	34	34	4
	- Overseas	3	1	2	3	2
Statutory legislation and regulation	- Total	98	74	68	99	98
	- Overseas	5	5	4	67	3
Other	- Total	1	1	1	1	1
	- Overseas	1	1	1	1	1
What do you expect to spend on regu MONTHS?	latory compliance in the NEXT 12	+51	+71	+67	+95	+
Where do you see your competition of	coming from in the next 12 months?					
Your sector of financial services		100	98	100	99	9
		•	•	63	3	3
Other sectors of financial services		2	3	05		
Other sectors of financial services Companies currently positioned outs	ide of financial services	2	3 25	62	1	
Other sectors of financial services Companies currently positioned outs New entrants	ide of financial services					2
Companies currently positioned outs New entrants Other	ide of financial services	1	25	62	1	2 40
Companies currently positioned outs New entrants	ide of financial services	1 93	25 27	62 64	1 63	2 40
Companies currently positioned outs New entrants Other		1 93	25 27	62 64	1 63	2 40
Companies currently positioned outs New entrants Other th Where do you think your growth will		1 93 0	25 27 0	62 64 0	1 63 1	2
Companies currently positioned outs New entrants Other th Where do you think your growth will Cross sales to new customers		1 93	25 27	62 64 0 63	1 63	2 4(0 5(
Companies currently positioned outs New entrants Other th Where do you think your growth will Cross sales to new customers Cross sales to existing customers		1 93 0 2 3	25 27 0 25 48	62 64 0 63 63	1 63 1 94 64	2 4(0 5(5
Companies currently positioned outs New entrants Other th Where do you think your growth will Cross sales to new customers Cross sales to existing customers Acquisition of domestic customers	come from over the next 3 months?	1 93 0 2 3 96	25 27 0 25 48 50	62 64 0 63 63 67	1 63 1 94 64 37	2 4(0 5(5 5)
Companies currently positioned outs New entrants Other th Where do you think your growth will Cross sales to new customers Cross sales to existing customers Acquisition of domestic customers Acquisition of international customer	come from over the next 3 months?	1 93 0 2 3 96 3	25 27 0 25 48 50 2	62 64 0 63 63 63 67 3	1 63 1 94 64 37 4	2 44 5 5 5 5 5
Companies currently positioned outs New entrants Other th Where do you think your growth will Cross sales to new customers Cross sales to existing customers Acquisition of domestic customers Acquisition of international customer New products	come from over the next 3 months?	1 93 0 2 3 96 3 92	25 27 0 25 48 50 2 70	62 64 0 63 63 63 67 3 31	1 63 1 94 64 37 4 1	2 44 5 5 5 5 5 1
Companies currently positioned outs New entrants Other th Where do you think your growth will Cross sales to new customers Cross sales to existing customers Acquisition of domestic customers Acquisition of international customer	come from over the next 3 months?	1 93 0 2 3 96 3	25 27 0 25 48 50 2	62 64 0 63 63 63 67 3	1 63 1 94 64 37 4	2 44 5 5 5 5 5 1
Companies currently positioned outs New entrants Other th Where do you think your growth will Cross sales to new customers Cross sales to existing customers Acquisition of domestic customers Acquisition of international customer New products No growth expected	come from over the next 3 months? S mportant do you think the following	1 93 0 2 3 96 3 92	25 27 0 25 48 50 2 70	62 64 0 63 63 63 67 3 31	1 63 1 94 64 37 4 1	2 44 5 5 5 5 5 1
Companies currently positioned outs New entrants Other th Where do you think your growth will Cross sales to new customers Cross sales to existing customers Acquisition of domestic customers Acquisition of international customer New products No growth expected Relative to the past 12 months, how i elements will be to your organisation months?	come from over the next 3 months? S mportant do you think the following	1 93 0 2 3 96 3 92	25 27 0 25 48 50 2 70	62 64 0 63 63 63 67 3 31	1 63 1 94 64 37 4 1	2 44 5 5 5 5 5 1
Companies currently positioned outs New entrants Other th Where do you think your growth will Cross sales to new customers Cross sales to existing customers Acquisition of domestic customers Acquisition of international customer New products No growth expected Relative to the past 12 months, how i elements will be to your organisation months? Organic growth activities	come from over the next 3 months? S mportant do you think the following	1 93 0 2 3 96 3 92 1	25 27 0 25 48 50 2 70 2	62 64 0 63 63 67 3 31 1	1 63 1 94 64 37 4 1 2	2 40 50 55 52 51 1
Companies currently positioned outs New entrants Other th Where do you think your growth will Cross sales to new customers Cross sales to existing customers Acquisition of domestic customers Acquisition of international customer New products No growth expected Relative to the past 12 months, how i elements will be to your organisation months? Organic growth activities Acquiring new customers	come from over the next 3 months? S mportant do you think the following	1 93 0 2 3 96 3 92 1 +97	25 27 0 25 48 50 2 70 2 70 2 +75	62 64 0 63 63 67 3 31 1 +64	1 63 1 94 64 37 4 1 2 +35	2 44 5 5 5 5 1 1 1
Companies currently positioned outs New entrants Other th Where do you think your growth will Cross sales to new customers Cross sales to existing customers Acquisition of domestic customers Acquisition of international customer New products No growth expected Relative to the past 12 months, how i elements will be to your organisation months? Organic growth activities Acquiring new customers Cross-selling to existing customers	come from over the next 3 months? S mportant do you think the following	1 93 0 2 3 96 3 92 1 +97 +1	25 27 0 25 48 50 2 70 2 *75 +75 +47	62 64 0 63 63 67 3 31 1 +64 +64	1 63 1 94 64 37 4 1 2 +35 +32	2 44 5 5 5 5 1 1 1 +9 +4
Companies currently positioned outs New entrants Other th Where do you think your growth will Cross sales to new customers Cross sales to existing customers Acquisition of domestic customers Acquisition of international customer New products No growth expected Relative to the past 12 months, how i elements will be to your organisation months? Organic growth activities Acquiring new customers Cross-selling to existing customers Retaining existing customers	come from over the next 3 months? S mportant do you think the following	1 93 0 2 3 96 3 92 1 +97 +1 +49	25 27 0 25 48 50 2 70 2 70 2 +75 +47 +48	62 64 0 63 63 67 3 31 1 +64 +63 +65	1 63 1 94 64 37 4 1 2 +35 +32 +62	2 44 5 5 5 5 5 1 1 1 1 +9 +4 +4
Companies currently positioned outs New entrants Other th Where do you think your growth will Cross sales to new customers Cross sales to existing customers Acquisition of domestic customers Acquisition of international customer New products No growth expected Relative to the past 12 months, how i elements will be to your organisation months? Organic growth activities Acquiring new customers Cross-selling to existing customers Retaining existing customers Launching new products/services	come from over the next 3 months? S mportant do you think the following	1 93 0 2 3 96 3 92 1 +97 +1	25 27 0 25 48 50 2 70 2 *75 +75 +47	62 64 0 63 63 67 3 31 1 +64 +64	1 63 1 94 64 37 4 1 2 +35 +32	2 44 5 5 5 5 5 1 1 1 1 +9 +4 +4
Companies currently positioned outs New entrants Other th Where do you think your growth will Cross sales to new customers Cross sales to existing customers Acquisition of domestic customers Acquisition of international customer New products No growth expected Relative to the past 12 months, how i elements will be to your organisation months? Organic growth activities Acquiring new customers Cross-selling to existing customers Retaining existing customers Launching new products/services Inorganic growth activities	come from over the next 3 months? S mportant do you think the following	1 93 0 2 3 96 3 92 1 +97 +1 +49 +46	25 27 0 25 48 50 2 70 2 70 2 +75 +47 +48 +90	62 64 0 63 63 67 3 31 1 1 +64 +63 +65 +59	1 63 1 94 64 37 4 1 2 +35 +32 +62 +58	2 46 0 55 52 5 1 1 1 +9 +4 +4 -4
Companies currently positioned outs New entrants Other th Where do you think your growth will Cross sales to new customers Cross sales to existing customers Acquisition of domestic customers Acquisition of international customer New products No growth expected Relative to the past 12 months, how i elements will be to your organisation months? Organic growth activities Acquiring new customers Cross-selling to existing customers Retaining existing customers Launching new products/services	come from over the next 3 months? S mportant do you think the following	1 93 0 2 3 96 3 92 1 +97 +1 +49 +46 -1	25 27 0 25 48 50 2 70 2 70 2 +75 +47 +48 +90 +45	62 64 0 63 63 67 3 31 1 1 +64 +63 +65 +59 +30	1 63 1 94 64 37 4 1 2 +35 +32 +62 +58 +30	22 44 5 5 5 5 5 1 1 1 1 1 +9 +4 +4 -2
Companies currently positioned outs New entrants Other th Where do you think your growth will Cross sales to new customers Cross sales to existing customers Acquisition of domestic customers Acquisition of international customer New products No growth expected Relative to the past 12 months, how i elements will be to your organisation months? Organic growth activities Acquiring new customers Cross-selling to existing customers Retaining existing customers Launching new products/services Inorganic growth activities	come from over the next 3 months? S mportant do you think the following 's growth strategy over the next 12	1 93 0 2 3 96 3 92 1 +97 +1 +49 +46	25 27 0 25 48 50 2 70 2 70 2 +75 +47 +48 +90	62 64 0 63 63 67 3 31 1 1 +64 +63 +65 +59	1 63 1 94 64 37 4 1 2 +35 +32 +62 +58	22 44 5 5 5 5 5 1 1 1 1 1 +9 +4 +4 -2
Companies currently positioned outs New entrants Other th Where do you think your growth will Cross sales to new customers Cross sales to existing customers Acquisition of domestic customers Acquisition of international customer New products No growth expected Relative to the past 12 months, how i elements will be to your organisation months? Organic growth activities Acquiring new customers Cross-selling to existing customers Retaining existing customers Launching new products/services Inorganic growth activities Engaging in M&A transactions	come from over the next 3 months? S mportant do you think the following 's growth strategy over the next 12	1 93 0 2 3 96 3 92 1 +97 +1 +49 +46 -1	25 27 0 25 48 50 2 70 2 70 2 +75 +47 +48 +90 +45	62 64 0 63 63 67 3 31 1 1 +64 +63 +65 +59 +30	1 63 1 94 64 37 4 1 2 +35 +32 +62 +58 +30	22 44 5 5 5 5 5 1 1 1 1 1 +9 +4 +4 -2
Companies currently positioned outs New entrants Other th Where do you think your growth will Cross sales to new customers Cross sales to existing customers Acquisition of domestic customers Acquisition of international customer New products No growth expected Relative to the past 12 months, how i elements will be to your organisation months? Organic growth activities Acquiring new customers Cross-selling to existing customers Retaining existing customers Launching new products/services Inorganic growth activities Engaging in M&A transactions Forming strategic partnerships/allian	come from over the next 3 months? S mportant do you think the following 's growth strategy over the next 12	1 93 0 2 3 96 3 92 1 +97 +1 +49 +46 -1	25 27 0 25 48 50 2 70 2 70 2 +75 +47 +48 +90 +45	62 64 0 63 63 67 3 31 1 1 +64 +63 +65 +59 +30	1 63 1 94 64 37 4 1 2 +35 +32 +62 +58 +30	22 44 55 55 55 1 1 1 +9 +4 +4 -4 -4 -4
Companies currently positioned outs New entrants Other th Where do you think your growth will Cross sales to new customers Cross sales to existing customers Acquisition of domestic customers Acquisition of international customer New products No growth expected Relative to the past 12 months, how i elements will be to your organisation months? Organic growth activities Acquiring new customers Cross-selling to existing customers Retaining existing customers Launching new products/services Inorganic growth activities Engaging in M&A transactions Forming strategic partnerships/allian Market focus for growth Increasing market share in domestic	come from over the next 3 months? s mportant do you think the following 's growth strategy over the next 12	1 93 0 2 3 96 3 92 1 +97 +1 +49 +46 -1 +45	25 27 0 25 48 50 2 70 2 70 2 +75 +47 +48 +90 +45 +23	62 64 0 63 63 67 3 31 1 1 +64 +63 +65 +59 +30 +30 +31	1 63 1 94 64 37 4 1 2 +35 +32 +62 +58 +30 0 +64	22 44 55 55 55 1 1 1 1 +9 +4 +4 -4 -4 +4 +4 +4 +4 +4 +4 +4 +4 +4 +4 +4 +4 +4
Companies currently positioned outs New entrants Other th Where do you think your growth will Cross sales to new customers Cross sales to existing customers Acquisition of domestic customers Acquisition of international customer New products No growth expected Relative to the past 12 months, how i elements will be to your organisation months? Organic growth activities Acquiring new customers Cross-selling to existing customers Retaining existing customers Launching new products/services Inorganic growth activities Engaging in M&A transactions Forming strategic partnerships/allian Market focus for growth Increasing market share in domestic Increasing market share in internatio	come from over the next 3 months? s mportant do you think the following 's growth strategy over the next 12	1 93 0 2 3 96 3 92 1 +97 +1 +49 +46 -1 +45 +49	25 27 0 25 48 50 2 70 2 70 2 *75 +47 +48 +90 +45 +23 +48	62 64 0 63 63 67 3 31 1 1 +64 +63 +65 +59 +30 +30	1 63 1 94 64 37 4 1 2 +35 +32 +62 +58 +30 0	22 44 55 55 55 1 1 1 1 +9 +4 +4 -4 -4 +4 +4 +4 +4 +4 +4 +4 +4 +4 +4 +4 +4 +4
Companies currently positioned outs New entrants Other th Where do you think your growth will Cross sales to new customers Cross sales to existing customers Acquisition of domestic customers Acquisition of international customer New products No growth expected Relative to the past 12 months, how i elements will be to your organisation months? Organic growth activities Acquiring new customers Cross-selling to existing customers Retaining existing customers Retaining existing customers Launching new products/services Inorganic growth activities Engaging in M&A transactions Forming strategic partnerships/allian Market focus for growth Increasing market share in domestic Increasing market share in internatio	come from over the next 3 months? s mportant do you think the following 's growth strategy over the next 12	1 93 0 2 3 96 3 92 1 +97 +1 +49 +46 -1 +45 +49	25 27 0 25 48 50 2 70 2 70 2 *75 +47 +48 +90 +45 +23 +48	62 64 0 63 63 67 3 31 1 1 +64 +63 +65 +59 +30 +30 +31 -28	1 63 1 94 64 37 4 1 2 +35 +32 +62 +58 +30 0 +64	2 44 55 55 55 1 1 1 + \$ + 4 + 4 + 4 + 4 + 4 + 4 + 4 + 5 ; 5 ; 5 ; 5 ; 5 ; 5 ; 5 ; 5 ; 5 ; 5
Companies currently positioned outs New entrants Other th Where do you think your growth will Cross sales to new customers Cross sales to existing customers Acquisition of domestic customers Acquisition of international customer New products No growth expected Relative to the past 12 months, how i elements will be to your organisation months? Organic growth activities Acquiring new customers Cross-selling to existing customers Retaining existing customers Retaining new products/services Inorganic growth activities Engaging in M&A transactions Forming strategic partnerships/allian Market focus for growth Increasing market share in domestic Increasing market share in internatio Investment in enablers to growth Brand and advertising	come from over the next 3 months? S mportant do you think the following 's growth strategy over the next 12	1 93 0 2 3 96 3 92 1 +97 +1 +49 +46 -1 +45 +49 +2 -42	25 27 0 25 48 50 2 70 2 70 2 70 2 70 2 70 2 70 2 70 2	62 64 0 63 63 67 3 31 1 1 +64 +63 +65 +59 +30 +30 +30 +31 -28 -26	1 63 1 94 64 37 4 1 2 +35 +32 +62 +58 +30 0 +64 +30 +1	2 46 0 50 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5
Companies currently positioned outs New entrants Other th Where do you think your growth will Cross sales to new customers Cross sales to existing customers Acquisition of domestic customers Acquisition of international customer New products No growth expected Relative to the past 12 months, how i elements will be to your organisation months? Organic growth activities Acquiring new customers Cross-selling to existing customers Retaining existing customers Launching new products/services Inorganic growth activities Engaging in M&A transactions Forming strategic partnerships/allian Market focus for growth Increasing market share in domestic Increasing market share in internatio Investment in enablers to growth Brand and advertising Sales force and distribution channels	come from over the next 3 months?	1 93 0 2 3 96 3 92 1 +97 +1 +49 +46 -1 +45 +49 +2 -42 +93	25 27 0 25 48 50 2 70 2 70 2 70 2 70 2 70 2 70 2 70 2	62 64 0 63 63 67 3 31 1 1 +64 +63 +65 +59 +30 +30 +30 +31 -28 -26 +29	1 63 1 94 64 37 4 1 2 +35 +32 +62 +58 +30 0 +64 +30 +1 +30	2 4(0 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5
Companies currently positioned outs New entrants Other th Where do you think your growth will Cross sales to new customers Cross sales to existing customers Acquisition of domestic customers Acquisition of international customer New products No growth expected Relative to the past 12 months, how i elements will be to your organisation months? Organic growth activities Acquiring new customers Cross-selling to existing customers Retaining existing customers Retaining existing customers Launching new products/services Inorganic growth activities Engaging in M&A transactions Forming strategic partnerships/allian Market focus for growth Increasing market share in domestic Increasing market share in internatio Investment in enablers to growth Brand and advertising Sales force and distribution channels CRM/marketing capabilities (e.g. prior	come from over the next 3 months?	1 93 0 2 3 96 3 92 1 +97 +1 +49 +46 -1 +45 +49 +2 -42	25 27 0 25 48 50 2 70 2 70 2 70 2 70 2 70 2 70 2 70 2	62 64 0 63 63 67 3 31 1 1 +64 +63 +65 +59 +30 +30 +30 +31 -28 -26	1 63 1 94 64 37 4 1 2 +35 +32 +62 +58 +30 0 +64 +30 +1	2 4(0 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5
Companies currently positioned outs New entrants Other th Where do you think your growth will Cross sales to new customers Cross sales to existing customers Acquisition of domestic customers Acquisition of international customer New products No growth expected Relative to the past 12 months, how i elements will be to your organisation months? Organic growth activities Acquiring new customers Cross-selling to existing customers Retaining existing customers Retaining existing customers Launching new products/services Inorganic growth activities Engaging in M&A transactions Forming strategic partnerships/allian Market focus for growth Increasing market share in domestic Increasing market share in internatio Investment in enablers to growth Brand and advertising Sales force and distribution channels CRM/marketing capabilities (e.g. prio	come from over the next 3 months?	1 93 0 2 3 96 3 92 1 +97 +1 +49 +46 -1 +45 +49 +2 -42 +93	25 27 0 25 48 50 2 70 2 70 2 70 2 70 2 70 2 70 2 70 2	62 64 0 63 63 67 3 31 1 1 +64 +63 +65 +59 +30 +30 +30 +31 -28 -26 +29	1 63 1 94 64 37 4 1 2 +35 +32 +62 +58 +30 0 +64 +30 +1 +30	2 46 0 50 5 52 5 2 1
Companies currently positioned outs New entrants Other th Where do you think your growth will Cross sales to new customers Cross sales to existing customers Acquisition of domestic customers Acquisition of international customer New products No growth expected Relative to the past 12 months, how i elements will be to your organisation months? Organic growth activities Acquiring new customers Cross-selling to existing customers Retaining existing customers Retaining existing customers Launching new products/services Inorganic growth activities Engaging in M&A transactions Forming strategic partnerships/allian Market focus for growth Increasing market share in domestic Increasing market share in internatio Investment in enablers to growth Brand and advertising Sales force and distribution channels CRM/marketing capabilities (e.g. prior	come from over the next 3 months?	1 93 0 2 3 96 3 92 1 +97 +1 +49 +46 -1 +45 +49 +2 -42 +93	25 27 0 25 48 50 2 70 2 70 2 70 2 70 2 70 2 70 2 70 2	62 64 0 63 63 67 3 31 1 1 +64 +63 +65 +59 +30 +30 +30 +31 -28 -26 +29	1 63 1 94 64 37 4 1 2 +35 +32 +62 +58 +30 0 +64 +30 +1 +30	2 46 0 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5

BUILDING SOCIETIES

Value and volu	ime of business						
				2017			
			Dec	Mar	Jun	Sep	Dec
	u more or less optimistic about THE TON IN YOUR SECTOR?	OVERALL BUSINESS	0	+39	-3	-32	-50
	ing seasonal variations, do you con		0	100	140	40	. 5
,	r present level of business (above/belo r present level of business with overse	,	0 -18	+39 0	+12 0	-16 0	+5 0
,	ing seasonal variations, what are th	,	-10	0	0	0	0
	ume of business	- past 3 months	+35	+77	-3	-31	+50
u) von		- next 3 months	+1	+2	-18	-15	-3
b) Valı	ue** of fee, commission or premium	- past 3 months	-36	-2	+30	-32	-16
inco	, , , , , , , , , , , , , , , , , , , ,	- next 3 months	+1	-23	+16	-15	-3
c) Valı	ue** of net interest, investment or	- past 3 months	+17	-18	-16	-15	-45
	ing income	- next 3 months	0	-18	-32	-2	-23
	n sterling			-			-
	s the trend in your 'volume of busin	ess' with regard to the following					
	ries of customer:						
0	ustrial & commercial companies	- past 3 months	0	-2	-2	0	0
,		- next 3 months	0	-2	-2	0	0
b) Fina	ancial institutions	- past 3 months	0	0	-2	0	0
,		- next 3 months	0	0	-2	0	0
c) Priv	ate individuals	- past 3 months	+38	+59	+16	-16	+50
		- next 3 months	+4	+5	-16	-17	-3
,	rseas customers (UK-based	- past 3 months	0	0	0	+2	0
	rations)	- next 3 months	0	0	0	-2	0
	s and profitability						
	ing seasonal variations, what are th				10		
a) Ave	rage spreads	- past 3 months	-20	-33	-46	-60	-48
b) Avo	rage commissions/fees/ premiums	- next 3 months - past 3 months	-39 -36	-17 -16	-16 0	-19 -15	-30 +2
paic		- next 3 months	-30 -1	+2	+16	+2	+2
	al operating costs (excluding cost of	- past 3 months	+38	+59	+21	+34	+9
func		- next 3 months	+5	+41	+19	+35	+4
	rage operating costs per transaction	- past 3 months	+3 0	-14	+19 +5	+35	+4
d) Ave	rage operating costs per transaction	- next 3 months	+1	-14 -16	+3	+37	+4
e) Valı	ue of non-performing loans	- past 3 months	-57	-79	-67	-93	-45
e, van		- next 3 months	-38	-22	-47	-28	0
	of which:						
	Retail	- past 3 months	-75	-79	-82	-80	-50
		- next 3 months	-38	-22	-49	-33	0
	Corporate	- past 3 months	-38	-75	-47	-61	-63
		- next 3 months	-18	-18	-16	-13	-45
g) Ove	rall profitability of business	- past 3 months	+36	+21	+16	-45	-23
		- next 3 months	-21	+5	0	-12	-25
Employment a	-						
	ing seasonal variations, what are th						
a) Nur	nbers employed	- past 3 months	+3	+59	-29	-9	-48
		- next 3 months	-18	+37	+1	-13	+4
b) Trai	ning expenditure	- past 3 months	+56	+41	+19	+19	+6
	ff agenta on a proportion of total agent	- next 3 months	+40 +2	+39 +43	+17	+24	+6 +6
c) Sta	ff costs as a proportion of total costs	- past 3 months - next 3 months	+2 +3	+43 +37	+3 +17	-13 -13	+0 +9
			15	131	. 17	-15	13
6.1 What h	as been the trend with regard to yo	our staff turnover:					
		- past 3 months	-18	-37	+1	-13	+50
		- next 3 months	0	-18	0	+15	-19

			2017			
		Dec	Mar	Jun	Sep	Dec
7 Do you expect to authorise more or lo	ess expenditure on marketing in the	107	. 57	. 0		120
NEXT 12 MONTHS than you did in the	PAST 12 MONTHS	+37	+57	+2	+2	+30
tal expenditure						
Do you expect to authorise more or lo 12 MONTHS than you authorised in th						
a) Land and buildings		-18	+71	-30	-43	+21
b) Vehicles, plant & machinery		-18	+36	-32	-15	-7
c) Information technology		+99	+64	+16	+9	+5
What are the main reasons for any ex						
AUTHORISATION over the NEXT 12 M	-					
To provide new services		43	64	35	35	48
To increase efficiency/speed		61	62	65	80	100
To reach new customers		42	43	53	35	70
For replacement		58	77	79	68	45
To expand capacity		60	75	65	65	45
Statutory legislation and regulation		97	77	67	93	70
Other		21	18	18	19	27
) What factors are likely to limit (wholl	y or partly) your capital authorisations					
over the NEXT 12 MONTHS*		~~	10	10	10	
Inadequate net return on proposed invest	ment	26	43	49		48
Shortage of finance		21 2	2	0		0 0
Cost of finance	inacta	2 44	2 43	0 35		0 52
Uncertainty about demand/business pros Shortage of labour including managerial &		44 58	43 59	35 63		52 45
Other		18	18	16		45 45
iness prospects		10	10	10	00	10
1 What factors are likely to limit your a	bility to increase your level of					
business over the NEXT 12 MONTHS*						
Level of demand	- Total	98	79	68	83	77
	- Overseas	0	0	0	0	0
Staff turnover	- Total	0	2	0	0	0
	- Overseas	0	0	0		0
Availability of professional staff	- Total	1	2	0		0
	- Overseas	0	0	0	+2 -43 -15 +9 35 80 35 68 65 93 19 48 0 0 50 50 50 30	0
Availability of clerical staff	- Total	0	0	0		0
A deguady of evotome conscitu	- Overseas	0 26	0 23	0 18	-	0 23
Adequacy of systems capacity	- Total	20 0	23 0	0		23 0
Ability to raise funds	- Overseas - Total	1	0	0	-	0
Ability to faise fullus				0		0
	- Overseas	0	0			
of which:	- Overseas	0	0	0	0	0
of which: Ability to raise capital		0				0
of which: Ability to raise capital	- Total		0 2 0	0	30	
Ability to raise capital		1	2	0	30 0	0
	- Total - Overseas	1 0	2 0	0 0	30 0 17	0 0
Ability to raise capital	- Total - Overseas - Total	1 0 0	2 0 0	0 0 0	30 0 17 0	0 0 0
Ability to raise capital Availability of wholesale funds	- Total - Overseas - Total - Overseas	1 0 0 0	2 0 0 0	0 0 0 0	30 0 17 0 100	0 0 0 0
Ability to raise capital Availability of wholesale funds	- Total - Overseas - Total - Overseas - Total	1 0 0 96 0 75	2 0 0 98 0 78	0 0 0 98 0 67	30 0 17 0 100 0 65	0 0 0 0 100
Ability to raise capital Availability of wholesale funds Competition Statutory legislation and regulation	- Total - Overseas - Total - Overseas - Total - Overseas - Total - Overseas	1 0 0 96 0 75 0	2 0 0 98 0 78 0	0 0 98 0 67 0	30 0 17 0 100 0 65 0	0 0 0 100 0 75 0
Ability to raise capital Availability of wholesale funds Competition	- Total - Overseas - Total - Overseas - Total - Overseas - Total - Overseas - Total - Overseas - Total	1 0 96 0 75 0 18	2 0 0 98 0 78 0 18	0 0 98 0 67 0 16	30 0 17 0 100 0 65 0 15	0 0 0 100 0 75 0 23
Ability to raise capital Availability of wholesale funds Competition Statutory legislation and regulation	- Total - Overseas - Total - Overseas - Total - Overseas - Total - Overseas	1 0 0 96 0 75 0	2 0 0 98 0 78 0	0 0 98 0 67 0	30 0 17 0 100 0 65 0 15	0 0 0 100 0 75 0
Ability to raise capital Availability of wholesale funds Competition Statutory legislation and regulation Other 1 What do you expect to spend on regu	- Total - Overseas - Total - Overseas - Total - Overseas - Total - Overseas - Total - Overseas - Total - Overseas	1 0 96 0 75 0 18	2 0 0 98 0 78 0 18	0 0 98 0 67 0 16	30 0 17 0 100 0 65 0 15	0 0 0 100 0 75 0 23
Ability to raise capital Availability of wholesale funds Competition Statutory legislation and regulation Other	- Total - Overseas - Total - Overseas - Total - Overseas - Total - Overseas - Total - Overseas - Total - Overseas	1 0 0 96 0 75 0 18 0	2 0 0 98 0 78 0 18 0	0 0 0 98 0 67 0 16 0	30 0 17 0 100 0 65 0 15 0	0 0 0 100 0 75 0 23 0
Ability to raise capital Availability of wholesale funds Competition Statutory legislation and regulation Other 1 What do you expect to spend on regu MONTHS? 2 Where do you see your competition of	- Total - Overseas - Total - Overseas - Total - Overseas - Total - Overseas - Total - Overseas - Total - Overseas - Total - Overseas	1 0 0 96 0 75 0 18 0	2 0 0 98 0 78 0 18 0	0 0 0 98 0 67 0 16 0	30 0 17 0 100 0 65 0 15 0 +70	0 0 0 100 0 75 0 23 0
Ability to raise capital Availability of wholesale funds Competition Statutory legislation and regulation Other 1 What do you expect to spend on regu MONTHS? 2 Where do you see your competition of Your sector of financial services	- Total - Overseas - Total - Overseas - Total - Overseas - Total - Overseas - Total - Overseas - Total - Overseas - Total - Overseas	1 0 96 0 75 0 18 0 +61	2 0 0 98 0 78 0 18 0 +41	0 0 98 0 67 0 16 0 +49	30 0 17 0 100 0 65 0 15 0 +70	0 0 0 100 0 75 0 23 0 +30
Ability to raise capital Availability of wholesale funds Competition Statutory legislation and regulation Other 1 What do you expect to spend on regu MONTHS? 2 Where do you see your competition of Your sector of financial services Other sectors of financial services	- Total - Overseas - Oversea	1 0 96 0 75 0 18 0 +61	2 0 98 0 78 0 18 0 +41 82 59	0 0 98 0 67 0 16 0 +49 84 53	30 0 17 0 100 0 65 0 15 0 +70	0 0 0 100 0 75 0 23 0 +30 +30
Ability to raise capital Availability of wholesale funds Competition Statutory legislation and regulation Other 1 What do you expect to spend on regu MONTHS? 2 Where do you see your competition of Your sector of financial services	- Total - Overseas - Oversea	1 0 96 0 75 0 18 0 +61	2 0 0 98 0 78 0 18 0 +41	0 0 98 0 67 0 16 0 +49	30 0 17 0 100 0 65 0 15 0 +70	0 0 0 100 0 75 0 23 0 +30

pwth		2017			
	Dec	Mar	Jun	Sep	Dec
3 Where do you think your growth will come from over the next 3 months?	04	-	00	00	00
Cross sales to new customers	21 39	5 41	33 33	33 35	23 23
Cross sales to existing customers Acquisition of domestic customers	39 79	41 95	33 81	35 100	23 70
Acquisition of international customers	0	95 0	0	0	0
New products	60	43	33	35	52
No growth expected	2	43	2	0	2
⁴ Relative to the past 12 months, how important do you think the following elements will be to your organisation's growth strategy over the next 12 months?					
Organic growth activities					
Acquiring new customers	+23	+43	+35	+50	+30
Cross-selling to existing customers	+21	+19	+33	+30	+18
Retaining existing customers	+82	+61	+33	+35	+25
Launching new products/services	+27	+27	+2	+35	+7
Inorganic growth activities					
Engaging in M&A transactions	-18	-18	-32	-15	+23
Forming strategic partnerships/alliances	-18	0	+16	+17	+23
Market focus for growth					
Increasing market share in domestic markets	+79	+59	+33	+37	+25
Increasing market share in international markets	0	0	0	0	0
Investment in enablers to growth					
Brand and advertising	+21	+39	+18	+20	+70
Sales force and distribution channels	+62	+64	+35	+55	+55
CRM/marketing capabilities (e.g. pricing,	+58	+59	+32	+50	+48
segmentation, profitability analysis)					
Performance measurement processes/tools	+40	+21	+2	+20	+25
IT systems and applications	+64	+45	+37	+52	+52

FINANCE HOUSES

Survey number 113, December 2017

Conducted between 14th November and 11th December 2017

* All figures are percentage balances of respondents except questions 9-13 where figures are percentages of firms responding

Value and volume of business						
			2017			
		Dec	Mar	Jun	Sep	Dec
1 Are you more or less optimistic about TH SITUATION IN YOUR SECTOR?	E OVERALL BUSINESS	-21	-45	+20	+57	+55
2 Excluding seasonal variations, do you co	nsider that in volume terms:					
a) Your present level of business (above/below normal) is:		-1	+54	+19	+56	+63
b) Your present level of business with overs		-20	-49	-33	-50	-57
3 Excluding seasonal variations, what are						
a) Volume of business	- past 3 months	-46	-3	+14	+19	+21
	- next 3 months	+9	+58	+35	+26	+20
b) Value** of fee, commission or premium	- past 3 months	-40	+3	-27	-1	+66
income	- next 3 months	-36	+58	+29	+9	+69
c) Value** of net interest, investment or	- past 3 months	-6	+7	+2	+2	+11
trading income	- next 3 months	-1	+7	+27	+9	+11
** in sterling					-	
4 What is the trend in your 'volume of busi	ness' with regard to the following					
categories of customer:	iess whitreguld to the following					
a) Industrial & commercial companies	- past 3 months	-30	0	-12	+15	+63
	- next 3 months	+17	+59	+42	+55	+6
b) Financial institutions	- past 3 months	0	+5	+6	+6	+8
	- next 3 months	-3	+8	+6	+9	+5
c) Private individuals	- past 3 months	-16	+3	-7	+6	+5
	- next 3 months	+29	+61	+24	+11	+65
d) Overseas customers (UK-based	- past 3 months	-27	+59	-27	+4	-54
operations)	- next 3 months	-20	+62	-24	0	+54
opolationo/		20	. 52	27	0	.04

rges, costs and profitability						
			2017			
		Dec	Mar	Jun	Sep	Dec
5 Excluding seasonal variations, what a						
a) Average spreads	- past 3 months	+27	+3	-13	-7	+1
	- next 3 months	0	-51	+9	+4	+65
b) Average commissions/fees/ premiums	s - past 3 months	-3	-1	-9	-5	+8
paid	- next 3 months	-9	+2	-9	+2	+11
c) Total operating costs (excluding cost	of - past 3 months	+44	+12	-18	+13	+15
funds)	- next 3 months	+23	-39	0	+65	-38
d) Average operating costs per transacti	on - past 3 months	+34	+64	-27	+11	-38
a) · · · · · · · · · · · · · · · · · · ·	- next 3 months	+13	-49	-3	+6	-35
e) Value of non-performing loans		+51	-54	-33	-7	+5
e) Value of non-performing loans	- past 3 months - next 3 months	-3	+44	-3	-/	-49
of which:	- Hext 5 Honths	-3	T44	-3	0	-49
Retail	- past 3 months	+24	-54	-27	-4	+10
i tetan	- next 3 months	-3	+44	-3	0	-44
Corporate	- past 3 months	+27	-58	-36	0	-5
Ouporato	- next 3 months	-27	-50 +51	-30	+2	-55
g) Overall profitability of business	- past 3 months	+7	-56	-3 -28	+2	-55 +14
	- next 3 months	+34	-30 +60	+63	+66	+74
				. 00	. 00	+
bloyment and training	ro the trends in:					
6 Excluding seasonal variations, what a		+ 20	+ 20	+ AE	+ 16	104
a) Numbers employed	- past 3 months	+20	+20	+45	+16	+24
	- next 3 months	+19	+75	+36	+18	+20
b) Training expenditure	- past 3 months	+13	+28	+65	+14	+15
	- next 3 months	-8	+78	+35	+14	-35
c) Staff costs as a proportion of total cost		+47	+75	+9	+17	-29
	- next 3 months	+19	-46	+22	+13	-33
1 What has been the trend with regard	to your staff turnover:					
1 What has been the trend with regard	to your staff turnover: - past 3 months	+44	+62	+40	-47	+60
1 What has been the trend with regard	-	+44 +43	+62 +62	+40 +27	-47 +57	+60 +63
	- past 3 months					
keting expenditure	- past 3 months - next 3 months	+43	+62	+27	+57	+63
keting expenditure	- past 3 months - next 3 months ss expenditure on marketing in the					
keting expenditure 7 Do you expect to authorise more or le NEXT 12 MONTHS than you did in the	- past 3 months - next 3 months ss expenditure on marketing in the	+43	+62	+27	+57	+63
keting expenditure 7 Do you expect to authorise more or le NEXT 12 MONTHS than you did in the ital expenditure	 past 3 months next 3 months ss expenditure on marketing in the PAST 12 MONTHS 	+43	+62	+27	+57	+63
keting expenditure 7 Do you expect to authorise more or le NEXT 12 MONTHS than you did in the ital expenditure 8 Do you expect to authorise more or le	 past 3 months next 3 months ss expenditure on marketing in the PAST 12 MONTHS ss capital expenditure in the NEXT 	+43	+62	+27	+57	+63
keting expenditure 7 Do you expect to authorise more or le NEXT 12 MONTHS than you did in the ital expenditure 8 Do you expect to authorise more or le 12 MONTHS than you authorised in the	 past 3 months next 3 months ss expenditure on marketing in the PAST 12 MONTHS ss capital expenditure in the NEXT 	+43 +51	+62 -41	+27 -43	+57 -40	+63 +74
 keting expenditure 7 Do you expect to authorise more or le NEXT 12 MONTHS than you did in the ital expenditure 8 Do you expect to authorise more or le 12 MONTHS than you authorised in the a) Land and buildings 	 past 3 months next 3 months ss expenditure on marketing in the PAST 12 MONTHS ss capital expenditure in the NEXT 	+43 +51 +26	+62 -41 +6	+27 -43 +18	+57 -40 0	+63 +74 +9
 keting expenditure 7 Do you expect to authorise more or le NEXT 12 MONTHS than you did in the ital expenditure 8 Do you expect to authorise more or le 12 MONTHS than you authorised in the a) Land and buildings b) Vehicles, plant & machinery 	 past 3 months next 3 months ss expenditure on marketing in the PAST 12 MONTHS ss capital expenditure in the NEXT 	+43 +51 +26 +39	+62 -41 +6 0	+27 -43 +18 -15	+57 -40 0 -4	+63 +74 +9 +1
 keting expenditure 7 Do you expect to authorise more or le NEXT 12 MONTHS than you did in the ital expenditure 8 Do you expect to authorise more or le 12 MONTHS than you authorised in the a) Land and buildings b) Vehicles, plant & machinery c) Information technology 	 past 3 months next 3 months ss expenditure on marketing in the PAST 12 MONTHS ss capital expenditure in the NEXT PAST 12 MONTHS on: 	+43 +51 +26	+62 -41 +6	+27 -43 +18	+57 -40 0	+63 +74 +9
 keting expenditure 7 Do you expect to authorise more or le NEXT 12 MONTHS than you did in the ital expenditure 8 Do you expect to authorise more or le 12 MONTHS than you authorised in the a) Land and buildings b) Vehicles, plant & machinery c) Information technology 9 What are the main reasons for any expected and and expendence of the second se	 - past 3 months - next 3 months ss expenditure on marketing in the PAST 12 MONTHS ss capital expenditure in the NEXT PAST 12 MONTHS on: pected CAPITAL EXPENDITURE 	+43 +51 +26 +39	+62 -41 +6 0	+27 -43 +18 -15	+57 -40 0 -4	+63 +74 +9 +1
 keting expenditure 7 Do you expect to authorise more or le NEXT 12 MONTHS than you did in the ital expenditure 8 Do you expect to authorise more or le 12 MONTHS than you authorised in the a) Land and buildings b) Vehicles, plant & machinery c) Information technology 9 What are the main reasons for any ex AUTHORISATION over the NEXT 12 MONTHS 	 - past 3 months - next 3 months ss expenditure on marketing in the PAST 12 MONTHS ss capital expenditure in the NEXT PAST 12 MONTHS on: pected CAPITAL EXPENDITURE 	+43 +51 +26 +39 +31	+62 -41 +6 0 -41	+27 -43 +18 -15 +68	+57 -40 0 -4 +66	+63 +74 +9 +1 +75
 keting expenditure 7 Do you expect to authorise more or le NEXT 12 MONTHS than you did in the ital expenditure 8 Do you expect to authorise more or le 12 MONTHS than you authorised in the a) Land and buildings b) Vehicles, plant & machinery c) Information technology 9 What are the main reasons for any ex AUTHORISATION over the NEXT 12 MONTHS To provide new services 	 - past 3 months - next 3 months ss expenditure on marketing in the PAST 12 MONTHS ss capital expenditure in the NEXT PAST 12 MONTHS on: pected CAPITAL EXPENDITURE 	+43 +51 +26 +39 +31 76	+62 -41 +6 0 -41 71	+27 -43 +18 -15 +68 49	+57 -40 0 -4 +66 72	+63 +74 +9 +1 +75 85
 keting expenditure 7 Do you expect to authorise more or le NEXT 12 MONTHS than you did in the ital expenditure 8 Do you expect to authorise more or le 12 MONTHS than you authorised in the a) Land and buildings b) Vehicles, plant & machinery c) Information technology 9 What are the main reasons for any ex AUTHORISATION over the NEXT 12 MO To provide new services To increase efficiency/speed 	 - past 3 months - next 3 months ss expenditure on marketing in the PAST 12 MONTHS ss capital expenditure in the NEXT PAST 12 MONTHS on: pected CAPITAL EXPENDITURE 	+43 +51 +26 +39 +31 76 86	+62 -41 +6 0 -41 71 81	+27 -43 +18 -15 +68 49 87	+57 -40 0 -4 +66 72 84	+63 +74 +9 +1 +75 85 76
 keting expenditure 7 Do you expect to authorise more or le NEXT 12 MONTHS than you did in the ital expenditure 8 Do you expect to authorise more or le 12 MONTHS than you authorised in the a) Land and buildings b) Vehicles, plant & machinery c) Information technology 9 What are the main reasons for any ex AUTHORISATION over the NEXT 12 MO To provide new services 	 - past 3 months - next 3 months ss expenditure on marketing in the PAST 12 MONTHS ss capital expenditure in the NEXT PAST 12 MONTHS on: pected CAPITAL EXPENDITURE 	+43 +51 +26 +39 +31 76	+62 -41 +6 0 -41 71	+27 -43 +18 -15 +68 49	+57 -40 0 -4 +66 72	+63 +74 +9 +1 +75 85
 keting expenditure 7 Do you expect to authorise more or le NEXT 12 MONTHS than you did in the ital expenditure 8 Do you expect to authorise more or le 12 MONTHS than you authorised in the a) Land and buildings b) Vehicles, plant & machinery c) Information technology 9 What are the main reasons for any ex AUTHORISATION over the NEXT 12 MO To provide new services To increase efficiency/speed 	 - past 3 months - next 3 months ss expenditure on marketing in the PAST 12 MONTHS ss capital expenditure in the NEXT PAST 12 MONTHS on: pected CAPITAL EXPENDITURE 	+43 +51 +26 +39 +31 76 86	+62 -41 +6 0 -41 71 81	+27 -43 +18 -15 +68 49 87	+57 -40 0 -4 +66 72 84	+63 +74 +9 +1 +75 85 76
 keting expenditure 7 Do you expect to authorise more or le NEXT 12 MONTHS than you did in the ital expenditure 8 Do you expect to authorise more or le 12 MONTHS than you authorised in the a) Land and buildings b) Vehicles, plant & machinery c) Information technology 9 What are the main reasons for any ex AUTHORISATION over the NEXT 12 MO To provide new services To increase efficiency/speed To reach new customers 	 - past 3 months - next 3 months ss expenditure on marketing in the PAST 12 MONTHS ss capital expenditure in the NEXT PAST 12 MONTHS on: pected CAPITAL EXPENDITURE 	+43 +51 +26 +39 +31 76 86 93	+62 -41 +6 0 -41 71 81 75	+27 -43 +18 -15 +68 49 87 78	+57 -40 0 -4 +66 72 84 76	+63 +74 +9 +1 +75 85 76 83
 keting expenditure 7 Do you expect to authorise more or le NEXT 12 MONTHS than you did in the ital expenditure 8 Do you expect to authorise more or le 12 MONTHS than you authorised in the a) Land and buildings b) Vehicles, plant & machinery c) Information technology 9 What are the main reasons for any ex AUTHORISATION over the NEXT 12 MO To provide new services To increase efficiency/speed To reach new customers For replacement 	 - past 3 months - next 3 months ss expenditure on marketing in the PAST 12 MONTHS ss capital expenditure in the NEXT PAST 12 MONTHS on: pected CAPITAL EXPENDITURE 	+43 +51 +26 +39 +31 76 86 93 47	+62 -41 +6 0 -41 71 81 75 71 16 77	+27 -43 +18 -15 +68 49 87 78 45 42 36	+57 -40 0 -4 +66 72 84 76 78 9 70	+63 +74 +9 +1 +75 85 76 83 68
 keting expenditure 7 Do you expect to authorise more or le NEXT 12 MONTHS than you did in the ital expenditure 8 Do you expect to authorise more or le 12 MONTHS than you authorised in the a) Land and buildings b) Vehicles, plant & machinery c) Information technology 9 What are the main reasons for any ex AUTHORISATION over the NEXT 12 MO To provide new services To increase efficiency/speed To reach new customers For replacement To expand capacity 	 - past 3 months - next 3 months ss expenditure on marketing in the PAST 12 MONTHS ss capital expenditure in the NEXT PAST 12 MONTHS on: pected CAPITAL EXPENDITURE 	+43 +51 +26 +39 +31 76 86 93 47 26	+62 -41 +6 0 -41 71 81 75 71 16	+27 -43 +18 -15 +68 49 87 78 45 42	+57 -40 0 -4 +66 72 84 76 78 9	+63 +74 +9 +1 +75 85 76 83 68 20
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 keting expenditure 7 Do you expect to authorise more or le NEXT 12 MONTHS than you did in the sital expenditure 8 Do you expect to authorise more or le 12 MONTHS than you authorised in the a) Land and buildings b) Vehicles, plant & machinery c) Information technology 9 What are the main reasons for any ex AUTHORISATION over the NEXT 12 MO To provide new services To increase efficiency/speed To reach new customers For replacement To expand capacity Statutory legislation and regulation Other 0 What factors are likely to limit (wholly over the NEXT 12 MONTHS* 	 - past 3 months - next 3 months - next 3 months ss expenditure on marketing in the PAST 12 MONTHS ss capital expenditure in the NEXT PAST 12 MONTHS on: pected CAPITAL EXPENDITURE DNTHS* 	+43 +51 +26 +39 +31 76 86 93 47 26 48	+62 -41 +6 0 -41 71 81 75 71 16 77	+27 -43 +18 -15 +68 49 87 78 45 42 36	+57 -40 0 -4 +66 72 84 76 78 9 70	+63 +74 +9 +1 +75 85 76 83 68 20 72
 keting expenditure 7 Do you expect to authorise more or le NEXT 12 MONTHS than you did in the sital expenditure 8 Do you expect to authorise more or le 12 MONTHS than you authorised in the a) Land and buildings b) Vehicles, plant & machinery c) Information technology 9 What are the main reasons for any ex AUTHORISATION over the NEXT 12 MO To provide new services To increase efficiency/speed To reach new customers For replacement To expand capacity Statutory legislation and regulation Other 0 What factors are likely to limit (wholly over the NEXT 12 MONTHS* Inadequate net return on proposed investr 	 - past 3 months - next 3 months - next 3 months ss expenditure on marketing in the PAST 12 MONTHS ss capital expenditure in the NEXT PAST 12 MONTHS on: pected CAPITAL EXPENDITURE DNTHS* 	+43 +51 +26 +39 +31 76 86 93 47 26 48 0 43	+62 -41 +6 0 -41 71 81 75 71 16 77 0 67	+27 -43 +18 -15 +68 49 87 78 45 42 36 0 70	+57 -40 0 -4 +66 72 84 76 78 9 70 2 79	+63 +74 +9 +1 +75 85 76 83 68 20 72 0 63
 keting expenditure 7 Do you expect to authorise more or le NEXT 12 MONTHS than you did in the sital expenditure 8 Do you expect to authorise more or le 12 MONTHS than you authorised in the a) Land and buildings b) Vehicles, plant & machinery c) Information technology 9 What are the main reasons for any ex AUTHORISATION over the NEXT 12 MO To provide new services To increase efficiency/speed To reach new customers For replacement To expand capacity Statutory legislation and regulation Other 0 What factors are likely to limit (wholly over the NEXT 12 MONTHS* Inadequate net return on proposed investr 	 - past 3 months - next 3 months - next 3 months ss expenditure on marketing in the PAST 12 MONTHS ss capital expenditure in the NEXT PAST 12 MONTHS on: pected CAPITAL EXPENDITURE DNTHS* 	+43 +51 +26 +39 +31 76 86 93 47 26 48 0 43 14	+62 -41 +6 0 -41 71 81 75 71 16 77 0 67 13	+27 -43 +18 -15 +68 49 87 78 45 42 36 0 70 48	+57 -40 0 -4 +66 72 84 76 78 9 70 2 79 11	+63 +74 +9 +1 +75 85 76 83 88 20 72 0 63 9
 keting expenditure 7 Do you expect to authorise more or le NEXT 12 MONTHS than you did in the sital expenditure 8 Do you expect to authorise more or le 12 MONTHS than you authorised in the a) Land and buildings b) Vehicles, plant & machinery c) Information technology 9 What are the main reasons for any ex AUTHORISATION over the NEXT 12 MO To provide new services To increase efficiency/speed To reach new customers For replacement To expand capacity Statutory legislation and regulation Other 0 What factors are likely to limit (wholly over the NEXT 12 MONTHS* Inadequate net return on proposed investr Shortage of finance Cost of finance 	 - past 3 months - next 3 months - next 3 months ss expenditure on marketing in the PAST 12 MONTHS ss capital expenditure in the NEXT e PAST 12 MONTHS on: pected CAPITAL EXPENDITURE DNTHS* 	+43 +51 +26 +39 +31 76 86 93 47 26 48 0 43 14 10	+62 -41 +6 0 -41 71 81 75 71 16 77 0 67 13 8	+27 -43 +18 -15 +68 49 87 78 45 42 36 0 70 48 9	+57 -40 0 -4 +66 72 84 76 78 9 70 2 79 11 5	+63 +74 +9 +1 +75 85 76 83 88 20 72 0 63 9 3
 keting expenditure 7 Do you expect to authorise more or le NEXT 12 MONTHS than you did in the sital expenditure 8 Do you expect to authorise more or le 12 MONTHS than you authorised in the a) Land and buildings b) Vehicles, plant & machinery c) Information technology 9 What are the main reasons for any ex AUTHORISATION over the NEXT 12 MO To provide new services To increase efficiency/speed To reach new customers For replacement To expand capacity Statutory legislation and regulation Other 0 What factors are likely to limit (wholly over the NEXT 12 MONTHS* Inadequate net return on proposed investr Shortage of finance Cost of finance Uncertainty about demand/business pros 	 - past 3 months - next 3 months - next 3 months ss expenditure on marketing in the PAST 12 MONTHS ss capital expenditure in the NEXT PAST 12 MONTHS on: pected CAPITAL EXPENDITURE DNTHS* 	+43 +51 +26 +39 +31 76 86 93 47 26 48 0 43 14 10 53	+62 -41 +6 0 -41 71 81 75 71 16 77 0 67 13 8 72	+27 -43 +18 -15 +68 49 87 78 45 42 36 0 70 48 9 49	+57 -40 0 -4 +66 72 84 76 78 9 70 2 79 11 5 76	+63 +74 +9 +1 +75 85 76 83 88 20 72 0 63 9 3 71
 keting expenditure 7 Do you expect to authorise more or le NEXT 12 MONTHS than you did in the sital expenditure 8 Do you expect to authorise more or le 12 MONTHS than you authorised in the a) Land and buildings b) Vehicles, plant & machinery c) Information technology 9 What are the main reasons for any ex AUTHORISATION over the NEXT 12 MO To provide new services To increase efficiency/speed To reach new customers For replacement To expand capacity Statutory legislation and regulation Other 0 What factors are likely to limit (wholly over the NEXT 12 MONTHS* Inadequate net return on proposed investr Shortage of finance Cost of finance 	 - past 3 months - next 3 months - next 3 months ss expenditure on marketing in the PAST 12 MONTHS ss capital expenditure in the NEXT PAST 12 MONTHS on: pected CAPITAL EXPENDITURE DNTHS* 	+43 +51 +26 +39 +31 76 86 93 47 26 48 0 43 14 10	+62 -41 +6 0 -41 71 81 75 71 16 77 0 67 13 8	+27 -43 +18 -15 +68 49 87 78 45 42 36 0 70 48 9	+57 -40 0 -4 +66 72 84 76 78 9 70 2 79 11 5	+63 +74 +9 +1 +75 85 76 83 88 20 72 0 63 9 3

Business prospects						
			2017			
		Dec	Mar	Jun	Sep	Dec
¹¹ What factors are likely to limit your abi business over the NEXT 12 MONTHS*	lity to increase your level of					
Level of demand	- Total	53	90	85	83	83
	- Overseas	0	8	9	5	0
Staff turnover	- Total	0	0	9	9	6
	- Overseas	0	0	6	0	0
Availability of professional staff	- Total	37	54	36	63	57
	- Overseas	7	0	9	0	0
Availability of clerical staff	- Total - Overseas	27 0	54 0	42 9	58 0	57 0
Adequacy of systems capacity	- Overseas - Total	30	61	9 63	0 64	65
Adequacy of systems capacity	- Overseas	0	0	6	04	0
Ability to raise funds	- Total	47	14	51	17	12
	- Overseas	0	0	6	0	0
of which:						
Ability to raise capital	- Total	40	18	23	12	20
	- Overseas	0	0	6	0	0
Availability of wholesale funds	- Total	13	3	45	11	19
	- Overseas	0	0	6	0	0
Competition	- Total	56	79	60	78	79
	- Overseas	0	0	9	2	0
Statutory legislation and regulation	- Total	70 0	84 3	73 9	80 2	68 0
Other	- Overseas - Total	0	0	9	2 5	0
Other	- Overseas	0	0	0	2	0
	01010000	Ū	0	0	2	0
11.1 What do you expect to spend on regula MONTHS?	atory compliance in the NEXT 12	+24	+76	+43	+76	+76
12 Where do you see your competition co Your sector of financial services Other sectors of financial services Companies currently positioned outsid New entrants	-	100 47 37 70	97 66 59 79	97 54 42 51	88 78 74 87	100 66 57 63
Growth						
13 Where do you think your growth will c	ome from over the next 3 months?					
Cross sales to new customers		16	3	39	7	19
Cross sales to existing customers		14	16	42	22	14
Acquisition of domestic customers		90	79	87	85	85
Acquisition of international customers		7	5	3	2	5
New products		76	69	76	70	72
No growth expected		0	13	3	4	3
¹⁴ Relative to the past 12 months, how im elements will be to your organisation's months?	portant do you think the following growth strategy over the next 12					
Organic growth activities						
Acquiring new customers		+70	+87	+54	+76	+77
Cross-selling to existing customers		+9	+20	+2	+19	+22
Retaining existing customers Launching new products/services		+40 +44	+92 0	+42 +39	+70 +9	+70 +19
Inorganic growth activities		+44	0	+39	79	+19
Engaging in M&A transactions		-13	-7	-14	-3	-6
Forming strategic partnerships/alliance	es	+40	+67	+39	+53	+67
Market focus for growth						
Increasing market share in domestic n	narkets	+50	+84	+49	+83	+79
Increasing market share in internationa		0	+1	0	-2	0
Investment in enablers to growth						
Brand and advertising		+77	+69	+29	+63	+66
Sales force and distribution channels		+36	+18	+31	+14	+21
CRM/marketing capabilities (e.g. pricir segmentation, profitability analysis)	ng,	+1	+7	-12	+7	+17
Performance measurement processes	/tools	+6	+12	+16	+5	0
IT systems and applications		+66	+77	+68	+65	+79

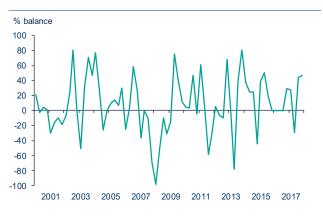
LIFE INSURANCE

Survey number 113, December 2017

Conducted between 14th November and 11th December 2017

* All figures are percentage balances of respondents except questions 9-13 where figures are percentages of firms responding

Q1 Optimism vs three months earlier

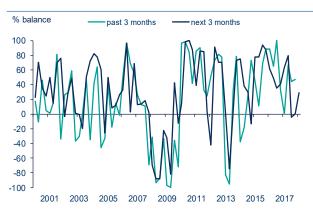


Q1 Latest +47 Previous +44 Mean +6

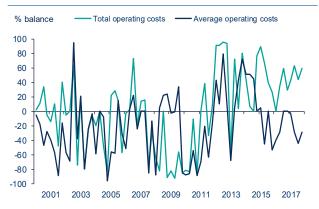
Q5g Trend in overall profitability



Q3a Trend in volume of business



	Q3a: Past	Q3a: Next
Latest	+47	+29
Previous	+44	0
Mean	+17	+31



	Q5g: Past	Q5g: Next			Q5c: Past	Q5d: Past
Latest	+71	+12	Late	st	+59	-29
Previous	+44	0	Prev	/ious	+44	-44
Mean	+13	+18	Mea	in	-2	-18
Value and	olumo of huoin					

alue and volume of business						
		Dec	2017 Mar	Jun	Sep	Dec
1 Are you more or less optimistic about THE SITUATION IN YOUR SECTOR?	E OVERALL BUSINESS	+29	+27	-29	+44	+47
2 Excluding seasonal variations, do you co	nsider that in volume terms:					
a) Your present level of business (above/below normal) is:		+29	+27	+29	+44	+59
b) Your present level of business with overseas customers (above/below normal)		-29	0	0	0	0
3 Excluding seasonal variations, what are t	he trends in:					
a) Volume of business	- past 3 months	+33	0	+67	+44	+47
	- next 3 months	+63	+80	-4	0	+29
b) Value^{**} of fee, commission or premium	- past 3 months	+4	+27	+37	+44	+59
income	- next 3 months	+33	0	-63	-44	+29
c) Value** of net interest, investment or	- past 3 months	-25	-27	+4	+44	+59
trading income	- next 3 months	+4	+27	0	-44	+59
d) Value** of new business	- past 3 months	+33	0	+92	+44	+59
,	- next 3 months	+63	+53	0	0	0
** in sterling						

				2017			
			Dec	Mar	Jun	Sep	Dec
	nat is the trend in your 'volume of busin	ess' with regard to the following					
	tegories of customer: Industrial & commercial companies	- past 3 months	+59	+27	+29	+44	0
ч)		- next 3 months	+29	+27	-29	-44	0
b)	Financial institutions	- past 3 months	+59	+27	0	+44	+29
,		- next 3 months	+59	+80	-29	+44	+29
c)	Private individuals	- past 3 months	+33	+27	+63	+44	+59
		- next 3 months	+63	+80	+29	+44	+29
d)	Overseas customers (UK-based	- past 3 months	0	+27	0	+44	+29
	operations)	- next 3 months	0	+27	0	0	0
- · ·	costs and profitability cluding seasonal variations, what are t	ha tranda far:					
	Average spreads	- past 3 months	-59	-27	-29	0	-29
a)	Average spicaus	- next 3 months	0	0	-29	0	-59
b)	Average commissions/fees/ premiums	- past 3 months	-59	-53	+4	0	0
,	paid	- next 3 months	0	-27	-29	0	-29
c)	Total operating costs (excluding cost of	- past 3 months	+29	+42	+63	+44	+59
- /	funds)	- next 3 months	+29	+42	+59	+44	+71
d)	Average operating costs per transaction	- past 3 months	0	-2	-29	-44	-29
,		- next 3 months	-59	-28	0	-44	-18
f)	Value of surrendered contracts	- past 3 months	+37	0	+29	0	0
		- next 3 months	+4	+27	+29	0	0
g)	Overall profitability of business	- past 3 months	+33	+53	+63	+44	+71
		- next 3 months	+59	+53	0	0	+12
Employm	nent and training						
	cluding seasonal variations, what are t						
a)	Numbers employed	- past 3 months	+33	+26	+62	+87	+41
		- next 3 months	0	+26	0	+44	+11
b)	Training expenditure	- past 3 months	+33	0	+33	+44	+41
	Staff costs as a proportion of total costs	- next 3 months	+29 +4	+26 -26	+29 +4	+50 +87	+41 +11
c)	Staff costs as a proportion of total costs	- past 3 months - next 3 months	-29	-20	+4 0	+44	-18
			-29	-20	0	744	-10
6.1 Wł	nat has been the trend with regard to ye			. 50	. 50		
		- past 3 months - next 3 months	+62 +33	+53 +53	+58 +29	+44 -44	+11 0
		- Hext 5 Holitins	+33	+55	+29	-44	0
	g expenditure	vponditure on marketing in the					
	you expect to authorise more or less e XT 12 MONTHS than you did in the PAS		+37	0	+29	+38	+71
	xpenditure						
		anital expanditure in the NEVT					
	you expect to authorise more or less c MONTHS than you authorised in the PA						
	Land and buildings		0	+27	+59	+82	-59
,	Vehicles, plant & machinery		0	-27	0	-6	-29
	Information technology		+67	+91	+96	+88	+41
9 Wł	nat are the main reasons for any expec	ted CAPITAL EXPENDITURE					
	THORISATION over the NEXT 12 MONT	HS*					
	provide new services		63	62	63 67	88	71
	increase efficiency/speed reach new customers		92	73	67	94 0	100 29
	replacement		63 67	62 64	63 63	50	29 41
	expand capacity		63	62	67	50	88
	atutory legislation and regulation		67	47	12	6	59
Oth			0	0	29	0	0
	nat factors are likely to limit (wholly or er the NEXT 12 MONTHS*	partly) your capital authorisations					
	dequate net return on proposed investment		8	47	37	6	12
	ortage of finance		° 0	36	0	6 44	29
	st of finance		29	36	0	44	0
	certainty about demand/business prospect	S	8	73	33	12	12
	ortage of labour including managerial & sup		92	62	59	44	59
Oth	ner		33	27	29	0	29

Business prospects						
			0047			
		Dec	2017 Mar	Jun	Sep	Dec
¹¹ What factors are likely to limit your al	pility to increase your level of					
business over the NEXT 12 MONTHS*						
Level of demand	- Total	67	100	67	50	71
01 11	- Overseas	29	27	29	44	29
Staff turnover	- Total - Overseas	0	9 0	29 0	0	0
Availability of professional staff	- Total	33	62	29	44	29
	- Overseas	0	0	0	0	0
Availability of clerical staff	- Total	0	9	0	0	0
	- Overseas	0	0	0	0	0
Adequacy of systems capacity	- Total	29	36	59	44	59
Ability to roise funde	- Overseas - Total	0 0	0 36	0 29	0 44	0 0
Ability to raise funds	- Total - Overseas	0	30 0	29 0	44 0	0
of which:	- 01013643	0	0	0	0	0
Ability to raise capital	- Total	0	36	29	44	29
	- Overseas	0	0	0	0	0
Availability of wholesale funds	- Total	0	0	0	0	0
0	- Overseas	0	0	0	0	0
Competition	- Total	96	62	67	44	71
Statutory legislation and regulation	- Overseas - Total	29 37	27 73	29 4	44 50	29 41
Statutory registration and regulation	- Overseas	0	27	4	0	0
Other	- Total	0	11	0	0	0
	- Overseas	0	0	0	0	0
11.1 What do you expect to spend on regu	latory compliance in the NEXT 12	+4	+36	+8	+94	+29
MONTHS?						
12 Where do you see your competition c	aming from in the payt 12 months?					
Your sector of financial services	oning nom in the next 12 months?	100	100	100	100	88
Other sectors of financial services		67	38	67	12	100
Companies currently positioned outsi	de of financial services	4	27	8	6	29
New entrants		63	27	8	6	41
Other		0	27	0	0	0
Growth						
13 Where do you think your growth will	come from over the next 3 months?					
Cross sales to new customers		33	47	63	50	88
Cross sales to existing customers Acquisition of domestic customers		67 96	73 91	67 63	50 94	100 100
Acquisition of international customers		90 29	27	29	94 44	29
New products		29	53	4	44	88
No growth expected		0	0	4	6	0
¹⁴ Relative to the past 12 months, how ir	mostant do you think the following					
elements will be to your organisation						
months?	s growth stategy over the next 12					
Organic growth activities						
Acquiring new customers		+63	+47	+63	+50	+59
Cross-selling to existing customers		+67	+38	+67	+50	+71
Retaining existing customers Launching new products/services		+37 +33	+38 -27	+63 +59	+6 +44	0 +59
Inorganic growth activities		100	-21	109	144	100
Engaging in M&A transactions		+4	-53	+4	+6	+41
Forming strategic partnerships/alliand	ces	+92	+80	+63	+50	+41
Market focus for growth		. 00		. 50		0
Increasing market share in domestic Increasing market share in internatior		+88 +29	+36 +27	+59 +29	+44 +44	0 +29
Investment in enablers to growth	ia nanoto	129	121	123		- 23
Brand and advertising		+33	+36	+29	+44	+29
Sales force and distribution channels		+67	+53	+59	+44	+88
CRM/marketing capabilities (e.g. pric	ing,	+92	+80	+88	+88	+100
segmentation, profitability analysis)						
Performance measurement processe	s/tools	+29	+27	-29	0	+29
IT systems and applications		+92	+53	+63	+44	+29

GENERAL INSURANCE

Survey number 113, December 2017

Conducted between 14th November and 11th December 2017

* All figures are percentage balances of respondents except questions 9-13 where figures are percentages of firms responding

ue and volume of business			2017			
		Dec	Mar	Jun	Sep	Dec
I Are you more or less optimistic about TH	E OVERALL BUSINESS		-		0	
SITUATION IN YOUR SECTOR?		-20	-2	+3	0	-22
2 Excluding seasonal variations, do you co	nsider that in volume terms:					
a) Your present level of business (above/bel		-2	-3	+34	+5	+2
b) Your present level of business with overse	eas customers (above/below normal)	0	0	0	0	-27
B Excluding seasonal variations, what are t	the trends in:					
a) Volume of business	- past 3 months	+20	+9	+66	+7	+31
	- next 3 months	+25	+34	+93	+85	+62
b) Value** of fee, commission or premium	- past 3 months	+2	+13	+66	+6	+29
income	- next 3 months	+3	+13	+64	+7	+58
c) Value** of net interest, investment or	- past 3 months	+24	+3	+34	0	+2
trading income	- next 3 months	-4	+4	+5	0	+55
** in sterling						
4 What is the trend in your 'volume of busin categories of customer:	ness' with regard to the following					
a) Industrial & commercial companies	- past 3 months	+21	+31	+32	+3	+2
,	- next 3 months	+23	+30	+34	+3	+4
b) Financial institutions	- past 3 months	0	+4	+5	+3	0
	- next 3 months	0	+1	+5	+3	0
c) Private individuals	- past 3 months	-19	-19	+39	+3	+4
,	- next 3 months	-19	-22	+39	+3	+2
d) Overseas customers (UK-based	- past 3 months	+40	+27	0	0	0
operations)	- next 3 months	+40	+27	0	+2	0
rges, costs and profitability						
5 Excluding seasonal variations, what are t	the trends for:					
a) Average spreads	- past 3 months	0	0	0	0	-27
	- next 3 months	0	0	0	0	-25
b) Average commissions/fees/ premiums	- past 3 months	+21	+3	+8	+4	+4
paid	- next 3 months	+23	+2	+8	+4	+6
c) Total operating costs (excluding cost of	- past 3 months	+9	+13	+10	+88	+29
funds)	- next 3 months	-11	+38	+61	+96	+31
d) Average operating costs per transaction	- past 3 months	-15	+9	+5	+9	0
	- next 3 months	-15	+6	+5	+8	+2
g) Overall profitability of business	- past 3 months	-4	+3	+31	-4	-2
	- next 3 months	+5	+4	+37	+2	+60
What has been the trend with regard to the	he value of insurance claims:					
	- past 12 months	+25	+62	+5	+86	+64
	- next 12 months	+25	+35	+32	+6	+8
ployment and training	the trends in:					
Excluding seasonal variations, what are t		±11	10	+56	±77	. 5
a) Numbers employed	- past 3 months	+11	+9	+56	+77	+5
L) Training expenditure	- next 3 months	+7	+7	+56	+84	+37
b) Training expenditure	- past 3 months	+28	+28	+26	+89	+8
	- next 3 months	+27	+31	+29	+84	+7
c) Staff costs as a proportion of total costs	- past 3 months	-13	+10	+29	+83	+8
	- next 3 months	-15	-17	+8	+7	-16
1 What has been the trend with regard to y	our staff turnover:					
······································						
	- past 3 months	+43	+22	+29	+87	+6

larketing expenditure						
			2017			
		Dec	Mar	Jun	Sep	Dec
7 Do you expect to authorise more or le NEXT 12 MONTHS than you did in the		+48	+31	+37	+86	+8
pital expenditure						
8 Do you expect to authorise more or le						
12 MONTHS than you authorised in th	e PAST 12 MONTHS on:				•	
a) Land and buildings		-4	-3 -7	0 -2	-3 -1	-29
b) Vehicles, plant & machineryc) Information technology		-2 +53	-7 +6	-2 +66	-1 +93	-25 +41
9 What are the main reasons for any ex		+00	+0	+00	+95	741
AUTHORISATION over the NEXT 12 M						
To provide new services		48	37	68	90	67
To increase efficiency/speed		75	72	45	18	43
To reach new customers For replacement		73 32	68 38	71 39	90 11	37 35
To expand capacity		67	90	59 61	87	35
Statutory legislation and regulation		46	61	37	6	6
Other		0	0	3	3	0
What factors are likely to limit (wholly over the NEXT 12 MONTHS*	y or partly) your capital authorisations					
Inadequate net return on proposed invest	ment	85	87	39	86	61
Shortage of finance		41	53	5	2	2
Cost of finance		2	3	2	2	2
Uncertainty about demand/business pros	pects	26	35	39	90	61
Shortage of labour including managerial 8	& supervisor staff	25	3	34	8	35
Other		2	2	0	0	2
isiness prospects						
¹¹ What factors are likely to limit your a business over the NEXT 12 MONTHS*	bility to increase your level of					
Level of demand	- Total	59	43	13	18	39
	- Overseas	7	2	5	8	4
Staff turnover	- Total	0	4	0	4	0
	- Overseas	0	2	0	2	0
Availability of professional staff	- Total	43	31	58	83	61
Availability of processional stail	- Overseas	20	28	27	82	29
Availability of clerical staff	- Total	2	2	0	2	4
Availability of ciclical stall	- Overseas	0	2	0	2	0
Adequacy of systems capacity	- Total	40	28	2	4	4
Adequacy of systems capacity	- Overseas	40 0	20	2	2	2
Ability to raise funds	- Total	0	0	2	0	0
Ability to raise funds	- Overseas	0	0	2	0	0
of which:	01010000	Ũ	Ũ	-	Ũ	0
Ability to raise capital	- Total	0	0	0	2	0
	- Overseas	0	0	0	2	0
Availability of wholesale funds	- Total	0	0	0	2	0
	- Overseas	0	0	0 0	2	0
Competition	- Total	98	97	42	89	70
Competition	- Overseas	45	56	32	84	31
Statutory legislation and regulation	- Total	23	34	13	4	10
	- Overseas	20	2	7	4	2
Other	- Total	20	3	0	4 0	0
	- Overseas	0	0	0	0	0
.1 What do you expect to spend on regu MONTHS?	latory compliance in the NEXT 12	+53	+38	+64	+88	+94
2 Where do you see your competition of	coming from in the next 12 months?					
Your sector of financial services	.	100	96	98	100	100
Other sectors of financial services		81	83	61	82	35
Companies currently positioned outs	de of financial services	41	32	5	2	31
New entrants		86	90	66	85	34
Other		20	2	0	0	2
Other		20	2	0	0	2

Growth					
		2017			
	Dec	Mar	Jun	Sep	Dec
13 Where do you think your growth will come from over the next 3 months?					
Cross sales to new customers	33	13	8	11	8
Cross sales to existing customers	37	41	66	10	39
Acquisition of domestic customers	97	91	71	94	34
Acquisition of international customers	65	56	29	85	27
New products	48	32	93	82	58
No growth expected	0	0	0	0	27
¹⁴ Relative to the past 12 months, how important do you think the following					
elements will be to your organisation's growth strategy over the next 12					
months?					
Organic growth activities					
Acquiring new customers	+56	+66	+68	+90	+34
Cross-selling to existing customers	+33	+13	+58	+10	+41
Retaining existing customers	+33	+10	+34	+11	+18
Launching new products/services	+25	+29	+68	+84	+29
Inorganic growth activities					
Engaging in M&A transactions	+16	+2	+21	+2	-4
Forming strategic partnerships/alliances	+25	+6	-27	+6	-2
Market focus for growth					
Increasing market share in domestic markets	+50	+63	+93	+86	+34
Increasing market share in international markets	+45	+28	+29	+81	0
Investment in enablers to growth					
Brand and advertising	+31	+31	+58	+82	+33
Sales force and distribution channels	+25	+60	+61	+86	+59
CRM/marketing capabilities (e.g. pricing,	+49	+28	+13	+5	+8
segmentation, profitability analysis)					
Performance measurement processes/tools	+9	0	+7	+5	+31
IT systems and applications	+69	+60	+89	+86	+37
n oyotomo ana appiloationo					

INSURANCE BROKERS

Survey number 113, December 2017

Conducted between 14th November and 11th December 2017

* All figures are percentage balances of respondents except questions 9-13 where figures are percentages of firms responding

lue and volume of business						
			2017			
		Dec	Mar	Jun	Sep	Dec
1 Are you more or less optimistic about TH SITUATION IN YOUR SECTOR?	E OVERALL BUSINESS	+40	+26	+37	-2	-8
2 Excluding seasonal variations, do you co	nsider that in volume terms:					
a) Your present level of business (above/bel	ow normal) is:	+27	-5	0	-5	-5
b) Your present level of business with overse	eas customers (above/below normal)	0	0	-27	0	-26
3 Excluding seasonal variations, what are	the trends in:					
a) Volume of business	- past 3 months	+30	+9	+13	+1	-25
	- next 3 months	-18	+6	+7	+11	+3
b) Value** of fee, commission or premium	- past 3 months	+24	-29	-22	+20	-16
income	- next 3 months	+13	-18	-13	+5	+15
c) Value** of net interest, investment or	- past 3 months	0	-14	+3	+2	+17
trading income	- next 3 months	0	-14	+3	+2	0
** in sterling						
4 What is the trend in your 'volume of busin	ness' with regard to the following					
categories of customer:						
a) Industrial & commercial companies	- past 3 months	+6	+13	+23	+3	+7
,	- next 3 months	+7	+18	+15	+16	+11
b) Financial institutions	- past 3 months	+54	+27	+22	-2	+29
	- next 3 months	+27	+27	+27	-2	+29
c) Private individuals	- past 3 months	+13	-8	+3	-2	-8
	- next 3 months	+6	-1	-3	+11	0
d) Overseas customers (UK-based	- past 3 months	+3	+3	0	0	-26
operations)	- next 3 months	+3	+3	0	0	-26

ges, co				2017			
			Dec	Mar	Jun	Sep	Dec
Exclu	ding seasonal variations, what are th	he trends for:					
a) Av	verage spreads	- past 3 months	0	+4	0	+2	0
,		- next 3 months	0	+4	0	+2	+26
b) Av	verage commissions/fees/ premiums	- past 3 months	-37	-35	-24	0	-15
'	aid	- next 3 months	+6	-34	-17	+6	+14
	otal operating costs (excluding cost of	- past 3 months	+53	-6	+42	-43	+6
	nds)	- next 3 months	+40	+38	+47	-46	+9
	verage operating costs per transaction	- past 3 months	+13	-9	+47	-45	-19
d) Av	verage operating costs per transaction	- next 3 months	+40	+15	+43	- 4 3 -54	+9
	mall maftability of business						
g) O	verall profitability of business	- past 3 months	+30	+29	+52	+70	+62
		- next 3 months	+34	+23	+53	+61	+26
-	and training						
	ding seasonal variations, what are the			00	. 00	50	-
a) N	umbers employed	- past 3 months	+14	-28	+29	-53	-5
		- next 3 months	+23	-31	+39	+15	-1
b) Tr	aining expenditure	- past 3 months	-3	+3	+13	+2	+8
		- next 3 months	+40	+3	+39	+7	+39
c) St	taff costs as a proportion of total costs	- past 3 months	+27	-23	+11	-54	-13
		- next 3 months	+20	-31	+24	+14	+26
What	has been the trend with regard to yo		10		00	-	
		- past 3 months	+19	+14	+20	-50	-8
			-		. 7	0	-8
Do yo	openditure ou expect to authorise more or less e 12 MONTHS than you did in the PAS		-7 +10	-38 0	+7 +5	0+14	-0
Do yo NEXT		xpenditure on marketing in the					
Do yo NEXT	ou expect to authorise more or less e 12 MONTHS than you did in the PAS nditure	xpenditure on marketing in the T 12 MONTHS					
Do yo NEXT al expe Do yo	ou expect to authorise more or less e 12 MONTHS than you did in the PAS	xpenditure on marketing in the T 12 MONTHS apital expenditure in the NEXT					
Do yo NEXT al expe Do yo 12 MC	ou expect to authorise more or less e 12 MONTHS than you did in the PAS Inditure Su expect to authorise more or less c DNTHS than you authorised in the PA	xpenditure on marketing in the T 12 MONTHS apital expenditure in the NEXT					
Do yo NEXT al expe Do yo 12 MC a) La	ou expect to authorise more or less e 12 MONTHS than you did in the PAS natiture ou expect to authorise more or less c DNTHS than you authorised in the PA and and buildings	xpenditure on marketing in the T 12 MONTHS apital expenditure in the NEXT	+10	0	+5 -32	+14 -4	+4 -25
Do yo NEXT al expe Do yo 12 MC a) La b) Vo	bu expect to authorise more or less e 12 MONTHS than you did in the PAS inditure bu expect to authorise more or less c DNTHS than you authorised in the PA and and buildings ehicles, plant & machinery	xpenditure on marketing in the T 12 MONTHS apital expenditure in the NEXT	+10 -27 -31	0 +4 -3	+5 -32 -3	+14 -4 0	+4 -25 +3
Do yo NEXT al expe Do yo 12 MC a) La b) Vo	ou expect to authorise more or less e 12 MONTHS than you did in the PAS natiture ou expect to authorise more or less c DNTHS than you authorised in the PA and and buildings	xpenditure on marketing in the T 12 MONTHS apital expenditure in the NEXT	+10	0	+5 -32	+14 -4	+4 -25
Do yo NEXT al expe Do yo 12 MC a) La b) Vo c) In	bu expect to authorise more or less e 12 MONTHS than you did in the PAS inditure bu expect to authorise more or less c DNTHS than you authorised in the PA and and buildings ehicles, plant & machinery formation technology	xpenditure on marketing in the ST 12 MONTHS apital expenditure in the NEXT IST 12 MONTHS on:	+10 -27 -31	0 +4 -3	+5 -32 -3	+14 -4 0	+4 -25 +3
Do yo NEXT al expe Do yo 12 MC a) La b) Va c) In What	bu expect to authorise more or less e 12 MONTHS than you did in the PAS inditure bu expect to authorise more or less c DNTHS than you authorised in the PA and and buildings ehicles, plant & machinery	xpenditure on marketing in the ST 12 MONTHS apital expenditure in the NEXT ST 12 MONTHS on: ted CAPITAL EXPENDITURE	+10 -27 -31	0 +4 -3	+5 -32 -3	+14 -4 0	+4 -25 +3
Do yo NEXT al expe Do yo 12 MC a) La b) Va c) In What AUTH	ou expect to authorise more or less e 12 MONTHS than you did in the PAS natiture ou expect to authorise more or less c DNTHS than you authorised in the PA and and buildings ehicles, plant & machinery formation technology are the main reasons for any expect IORISATION over the NEXT 12 MONTH	xpenditure on marketing in the ST 12 MONTHS apital expenditure in the NEXT ST 12 MONTHS on: ted CAPITAL EXPENDITURE	+10 -27 -31	0 +4 -3	+5 -32 -3	+14 -4 0	+4 -25 +3
Do yo NEXT Do yo 12 MC a) La b) Va c) In What AUTH To pro	ou expect to authorise more or less e 12 MONTHS than you did in the PAS natiture ou expect to authorise more or less c DNTHS than you authorised in the PA and and buildings ehicles, plant & machinery formation technology are the main reasons for any expect IORISATION over the NEXT 12 MONTH ovide new services	xpenditure on marketing in the ST 12 MONTHS apital expenditure in the NEXT ST 12 MONTHS on: ted CAPITAL EXPENDITURE	+10 -27 -31 +19	0 +4 -3 +25	+5 -32 -3 +34	+14 -4 0 +13	+4 -25 +3 -4
Do yo NEXT al expe Do yo 12 MC a) La b) Vo c) In What AUTH To pro To inc	ou expect to authorise more or less e 12 MONTHS than you did in the PAS inditure ou expect to authorise more or less c DNTHS than you authorised in the PA and and buildings ehicles, plant & machinery formation technology are the main reasons for any expect IORISATION over the NEXT 12 MONTH ovide new services irease efficiency/speed	xpenditure on marketing in the ST 12 MONTHS apital expenditure in the NEXT ST 12 MONTHS on: ted CAPITAL EXPENDITURE	+10 -27 -31 +19 71 66	0 +4 -3 +25 52 59	+5 -32 -3 +34 74 95	+14 -4 0 +13 73 93	+4 -25 +3 -4 74 79
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ness prospects			2017			
		Dec	Mar	Jun	Sep	De
What factors are likely to limit your a	bility to increase your level of	200	mai	oun	CCP	50
business over the NEXT 12 MONTHS*						
Level of demand	- Total	90	93	48	34	52
	- Overseas	58	37	32	2	3
Staff turnover	- Total	10	7	13	16	9
	- Overseas	7	4	5	2	3
Availability of professional staff	- Total	53	14	42	82	1
	- Overseas	31	4	27	57	3
Availability of clerical staff	- Total	16	11	7	14	6
	- Overseas	3	4	0	2	3
Adequacy of systems capacity	- Total	16	38	42	20	1
	- Overseas	3	4	27	2	3
Ability to raise funds	- Total	7	4	0	11	8
	- Overseas	3	4	0	2	3
of which:						
Ability to raise capital	- Total	3	4	0	5	3
	- Overseas	3	4	0	2	3
Availability of wholesale funds	- Total	3	4	0	5	3
	- Overseas	3	4	0	2	3
Competition	- Total	69	66	63	93	74
	- Overseas	34	37	32	57	34
Statutory legislation and regulation	- Total	36	52	82	29	5
	- Overseas	3	7	54	5	3
Other	- Total	27	3	7	0	5
	- Overseas	27	3	0	0	5
MONTHS? Where do you see your competition o	aming from in the post 42 months?	+47	+52	+26	+88	+2
	coming from in the next 12 months?					
Your sector of financial services	coming from in the next 12 months?	100	63	92	95	
Your sector of financial services Other sectors of financial services	-	23	14	7	84	6
Your sector of financial services Other sectors of financial services Companies currently positioned outs	-	23 60	14 46	7 37	84 25	6 4:
Your sector of financial services Other sectors of financial services Companies currently positioned outs New entrants	-	23 60 53	14 46 49	7 37 39	84 25 18	60 43 52
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Your sector of financial services Other sectors of financial services Companies currently positioned outs New entrants Other	ide of financial services	23 60 53	14 46 49	7 37 39	84 25 18	60 43 52
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Your sector of financial services Other sectors of financial services Companies currently positioned outs New entrants Other th Where do you think your growth will Cross sales to new customers	ide of financial services	23 60 53 0 87	14 46 49 0 90	7 37 39 0 85	84 25 18 5 86	6(4: 5: 3 7(8:
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Your sector of financial services Other sectors of financial services Companies currently positioned outs New entrants Other Where do you think your growth will Cross sales to new customers Cross sales to new customers Acquisition of domestic customers Acquisition of international customer New products No growth expected Relative to the past 12 months, how i elements will be to your organisation months? Organic growth activities Acquiring new customers Cross-selling to existing customers Retaining existing customers Retaining new products/services Inorganic growth activities Engaging in M&A transactions Forming strategic partnerships/allian Market focus for growth Increasing market share in domestic Increasing market share in internatio Investment in enablers to growth Brand and advertising Sales force and distribution channels CRM/marketing capabilities (e.g. prior	ide of financial services come from over the next 3 months? s mportant do you think the following 's growth strategy over the next 12 ces markets nal markets nal markets	23 60 53 0 87 90 53 31 74 7 * 60 +47 +50 +37 +3 +10 +43 +18 +3 +47	14 46 49 0 87 75 58 68 3 *59 +72 +56 +26 +26 +7 +3 +41 +27 +7 +17	7 37 39 0 85 89 72 59 77 3 * 60 +43 +50 +34 -5 +19 +40 +22 +11 +8	84 25 18 5 86 84 84 84 57 68 5 +25 +14 +27 +2 -50 -59 +11 0 +6 +20	$\begin{array}{c} 66\\ 43\\ 52\\ 3\end{array}$ $76\\ 89\\ 80\\ 60\\ 60\\ 29\\ +6\\ +4\\ +4\\ +1\\ +5\\ +4\\ +2\\ +2\\ +6\\ +1\end{array}$

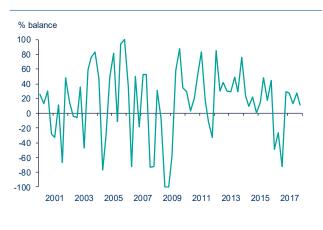
INVESTMENT MANAGEMENT

Survey number 113, December 2017

Conducted between 14th November and 11th December 2017

* All figures are percentage balances of respondents except questions 9-13 where figures are percentages of firms responding

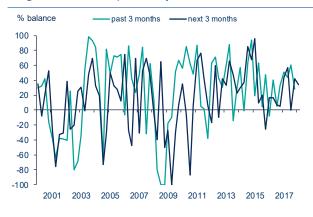
Q1 Optimism vs three months earlier



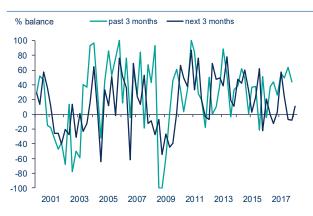
	Q1
Latest	+11
Previous	+28
Mean	+17

Q5g Trend in overall profitability

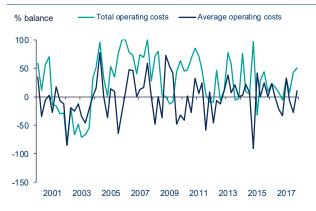
alue and volume of business



Q3a Trend in volume of business



Q3a: Past	Q3a: Next
+44	+11
+64	-8
+26	+17
	+64



	Q5g: Past	Q5g: Next	Q5c: Past Q5d: Past
Latest	+28	+34	Latest +51 +11
Previous	+61	+42	Previous +43 -28
Mean	+23	+15	Mean +25 -3

			2017			
		Dec	Mar	Jun	Sep	Dec
1 Are you more or less optimistic about TH SITUATION IN YOUR SECTOR?	E OVERALL BUSINESS	+29	+28	+13	+28	+11
2 Excluding seasonal variations, do you co	nsider that in volume terms:					
a) Your present level of business (above/bel	ow normal) is:	+3	+40	+43	+51	+28
b) Your present level of business with overse	eas customers (above/below normal)	-8	-3	+7	+4	0
3 Excluding seasonal variations, what are	the trends in:					
a) Volume of business	- past 3 months	+26	+56	+49	+64	+44
	- next 3 months	+57	+24	-7	-8	+11
 b) Value^{**} of fee, commission or premium 	- past 3 months	+5	+40	+44	+45	+39
income	- next 3 months	+27	+15	+7	-4	+23
c) Value** of net interest, investment or	- past 3 months	-27	+26	0	-25	+28
trading income	- next 3 months	-3	-13	+7	-1	+28
** in sterling						

				2017			
			Dec	Mar	Jun	Sep	Dec
	nat is the trend in your 'volume of busin tegories of customer:	ess' with regard to the following					
a)	Industrial & commercial companies	- past 3 months	+30	+25	0	-4	+11
		- next 3 months	+34	+28	0	+25	-17
b)	Financial institutions	- past 3 months	+43	+53	+25	+49	+56
		- next 3 months	+33	+49	+18	+45	+45
c)	Private individuals	- past 3 months	+27	+39	+38	+19	0
(ام	Oversees customers (LIK based	- next 3 months	+40 +5	+32 +33	+6 +13	+28 +10	-17 0
d)	Overseas customers (UK-based operations)	- past 3 months - next 3 months	+3	+33	+13	0	0
arges,	costs and profitability			100	10	0	0
	cluding seasonal variations, what are th	he trends for:					
a)	Average spreads	- past 3 months	-29	+25	-7	-26	0
		- next 3 months	-22	+25	0	0	+39
b)	Average commissions/fees/ premiums	- past 3 months	-12	+26	-7	+15	-17
	paid	- next 3 months	-3 -6	+36 +33	-25 +7	+22 +43	-22 +51
c)	Total operating costs (excluding cost of funds)	- past 3 months - next 3 months	-0 +8	+33	+7 +26	+43	+31
d)	Average operating costs per transaction	- past 3 months	-33	+33	-7	-28	+39
u)	Werage operating costs per transaction	- next 3 months	-32	+25	+7	-28	+23
e)	Value of non-performing loans	- past 3 months	0	+28	-7	-3	+11
0)	Value of hori performing found	- next 3 months	0	+25	0	0	0
	of which:						
	Retail	- past 3 months	-3	+28	0	0	0
		- next 3 months	0	+28	0	0	0
	Corporate	- past 3 months	-3	+28	-7	-3	+11
		- next 3 months	0	+25	0	0	0
g)	Overall profitability of business	- past 3 months	+33	+51	+44	+61	+28
		- next 3 months	+44	+57	0	+42	+34
	ent and training	ha tranda in:					
	cluding seasonal variations, what are the Numbers employed		+33	+31	+48	+25	+15
a)	Numbers employed	- past 3 months - next 3 months	+33	+31	+40	+23	-8
b)	Training expenditure	- past 3 months	+38	+28	+32	+39	+16
5)	inali ing okponalitaro	- next 3 months	+33	+18	+5	+32	+16
c)	Staff costs as a proportion of total costs	- past 3 months	+14	-11	+21	+18	+35
,		- next 3 months	+1	-11	+5	+18	+12
1 W	nat has been the trend with regard to yo	our staff turnover:					
		- past 3 months	+5	+10	+47	+21	-4
		- next 3 months	-15	-3	+21	-18	+14
rketing	g expenditure						
	you expect to authorise more or less e XT 12 MONTHS than you did in the PAS		+52	+38	+25	+69	+11
	xpenditure						
	you expect to authorise more or less c						
	MONTHS than you authorised in the PA Land and buildings	AST 12 MONTHS on:	+46	+18	-5	+64	+11
	Vehicles, plant & machinery		+40	+18	-5 +6	+39	- 11
	Information technology		+71	+54	+75	+86	+44
	nat are the main reasons for any expect THORISATION over the NEXT 12 MONT						
	provide new services		51	74	67	82	72
	increase efficiency/speed		73	92	100	92	55
	reach new customers		57	61	31	71	49
	r replacement		48	60	38	61	28
	expand capacity		66	68	49	71	23
Sta	atutory legislation and regulation		69	75	62	82	83
Oth	ner		0	4	7	10	0
	nat factors are likely to limit (wholly or	partly) your capital authorisations					
	er the NEXT 12 MONTHS* dequate net return on proposed investment		60	75	43	82	66
	ortage of finance		40	75 35	43 18	o∠ 61	11
	st of finance		28	35	18	58	11
Un	certainty about demand/business prospect		63	61	69	76	39
	ortage of labour including managerial & sup	pervisor staff	43	52	56	65	67
Oth	ner		9	0	18	32	0

Business prospects						
			2017			
		Dec	Mar	Jun	Sep	Dec
11 What factors are likely to limit your a	bility to increase your level of					
business over the NEXT 12 MONTHS*	Total	70	00	74	00	64
Level of demand	- Total - Overseas	76 13	82 22	74 31	89 17	61 23
Staff turnover	- Total	31	42	18	51	45
	- Overseas	0	6	0	0	11
Availability of professional staff	- Total - Overseas	39 0	39 10	49 25	55 4	34 34
Availability of clerical staff	- Total	35	50	18	23	23
·	- Overseas	0	14	0	0	23
Adequacy of systems capacity	- Total	34	42	25	51	11
Ability to raise funds	- Overseas - Total	0 40	6 35	7 18	0 58	11 11
	- Overseas	0	14	0	6	11
of which:						
Ability to raise capital	- Total	15	35 6	18 0	58 6	39 23
Availability of corporate loans	- Overseas - Total	0 0	6 35	0 18	6 51	23 11
	- Overseas	0	14	0	0	11
Competition	- Total	46	53	80	86	72
Statutory legislation and regulation	- Overseas - Total	9 66	11 79	26 38	24 86	23 84
Statutory registration and regulation	- Overseas	14	21	7	18	34
Other	- Total	18	14	7	0	17
	- Overseas	18	0	7	0	0
11.1 What do you expect to spend on regu MONTHS?12 Where do you see your competition of		+89	+81	+87	+68	+89
Your sector of financial services		100	89	93	95	89
Other sectors of financial services Companies currently positioned outs	ide of financial services	50 37	64 51	31 43	69 42	11 28
New entrants		52	60	49	76	49
Other		0	28	0	0	17
13 Where do you think your growth will	come from over the payt 2 months?					
Cross sales to new customers	come from over the next 3 months?	73	63	31	50	38
Cross sales to existing customers		69	80	51	85	77
Acquisition of domestic customers		75	61	49	71	62
Acquisition of international customer	5	13	15	13	14	23
New products		54	67	56	55	33
No growth expected		5	20	7	4	17
14 Relative to the past 12 months, how in elements will be to your organisation months?						
Organic growth activities Acquiring new customers		+65	+55	+25	+71	+33
Cross-selling to existing customers		+56	+58	+23	+52	+33
Retaining existing customers		+40	+61	+38	+25	+39
Launching new products/services		+56	+38	+56	+51	+56
Inorganic growth activities		. 10				00
Engaging in M&A transactions Forming strategic partnerships/allian	265	+18 +26	+11 +15	+5 +18	+29 -13	-23 +5
Market focus for growth		+20	+15	+10	-13	+5
Increasing market share in domestic		+39	+41	+43	+49	+11
Increasing market share in internation	nal markets	+4	-27	+25	+7	+23
Investment in enablers to growth		+40	+47	+20	+71	-5
Brand and advertising Sales force and distribution channels		+40 +39	+47 +38	+20 +56	+71+42	-ə +28
CRM/marketing capabilities (e.g. pric		+17	+27	+7	+27	+23
segmentation, profitability analysis)		.,		·		
Performance measurement processe	s/tools	+1	+5	+25	+20	-28
IT systems and applications		+26	+52	+74	+27	+23

FURTHER INFORMATION

Economic intelligence

The CBI economic intelligence team takes advantage of the CBI's diverse contacts with British business to build up an accurate assessment of the latest developments in the UK and international economy. Widely acknowledged for their professional standards, the teams' work is vital since government statistics, where available, are often slow to be published and are subject to revision. Apart from the quarterly UK economic outlook and International business outlook, the teams publish the unique CBI business surveys, covering manufacturing, distribution, consumer, business & professional services, financial services and SMEs. All results are carefully scrutinised and discussed by business people and economists before publication.

Publications and services

TITLE	CBI ME	MBERS	NON-MEMBERS		
Subscription		Annual issue	Single subscription	Annual issue	Single subscription
CBI biannual international economic outlook	(2 issues)	FREE	FREE		
CBI biannual UK economic outlook	(2 issues)	FREE	FREE		
CBI industrial trends survey full results book	(4 issues)	£285	£75	£495	£130
CBI industrial trends survey (monthly & quarterly combined) full results book	(12 issues)	£435	£45	£695	£65
CBI industrial trends survey	(4 issues)	£235	£60	£395	£100
CBI/PricewaterhouseCoopers financial services survey	(4 issues)	£210	£60	£360	£95
CBI distributive trades survey	(12 issues)	£385	£30	£460	£45
CBI service sector survey	(4 issues)	£210	£60	£360	£95

Subscriptions and further information

To subscribe to any of these publications, or to receive more detailed data from this survey please contact:

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Sample sizes and weights

Survey 113, December 2017	Number of respondents	Sample weight
Banking	12	0.40
Building societies	7	0.05
Finance Houses	13	0.05
Life insurance	4	0.11
General insurance	13	0.16
Insurance brokers	15	0.05
Investment management	8	0.05
Securities trading; stockbroking	5	0.08
Private equity (ex venture capital)	4	0.00
Other financial institutions	11	0.05
Total	92	1.00

Participation

If you wish to take part in a survey – or for more information on any CBI surveys – please contact:

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Sectors covered, by Standard Industrial Classification

Financial service activities:

SIC 64.19/1, 64.19/2, 64.2, 64.3 64.91, 64.92

Insurance, pension funding & other:

SIC 65.11, 65.12, 65.3, 66

Insurance, excluding social security

SIC 82



ADVISING FINANCIAL SERVICES ORGANISATIONS

PwC LLP is proud to support the financial services industry through our involvement with the CBI/PwC Financial Services Survey. No other survey so comprehensively and immediately identifies the current perceptions held by the industry and its plans for investment, human resources, marketing and other strategic developments.

PwC firms provide industry-focused assurance, tax and advisory services to enhance value for their clients. More than 169,000 people in 158 countries in firms across the PwC network share their thinking, experience and solutions to develop fresh perspectives and practical advice. See www.pwc.com for more information.

PWC CONTACT DETAILS

For further information about this Survey, please contact Jon Acquarone on (020) 7804 6951 or David Jetuah on (020) 7212 1812. For comment about a particular industry or issue, please contact one of the following people on (020) 7583 5000.

UK Financial Services: Investment Management: **Building Societies:**

Andrew Kail **Elizabeth Stone** Nick Elliott

Insurance: Banking: Financial Regulation: George Stylianides

Jim Bichard Isabelle Jenkins

THE CBI/PWC FINANCIAL SERVICES SURVEY

This survey was launched in December 1989 and draws on the CBI's considerable expertise in survey analysis. It is one of the CBI's regular business trends surveys, standing together with the long established Industrial Trends Survey, the more recent Distributive Trades Survey and the survey of Consumer, Business and Professional Services launched in 1998.

The survey covers a broad range of financial services activities, including banks, finance houses, securities traders, fund managers and the insurance industry. It offers a unique and up-to-date insight into the recent trends and future prospects for these industries.

Modelled on the CBI's Industrial Trends Survey, the survey is based on a qualitative rather than quantitative approach. Firms are asked a number of questions, covering: the trend for the past three months in the value and volume of business, charges, costs, profits, employment and training; the expected trend in these indicators over the next three months; factors likely to limit the ability to expand business over the year ahead; whether firms have become more or less optimistic about the situation in their sector; whether they regard the level of business as above or below 'normal'; investment intentions over the coming year; the reasons for such planned expenditure; and the likely constraints on it.

The survey responses are weighted according to the size of the company and the importance of its activity within the industry. Responses are treated in absolute confidence, with replies being made anonymously where desired.

The survey results are reported in a similar way to other CBI surveys and often use the 'balance' statistic - the difference between the percentage of respondents replying 'more', 'above normal' or 'up' minus the percentage replying 'less', 'below normal', or 'down'. The 'balance' provides a simplified method of interpreting the results and over a period of time the trend in the balance gives a good indication of the trend in the economic indicator.

Disclaimer

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