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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On financial market conditions; risks to the UK's global competitiveness and role as an innovation & FinTech hub; and responsibility for financial literacy.

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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

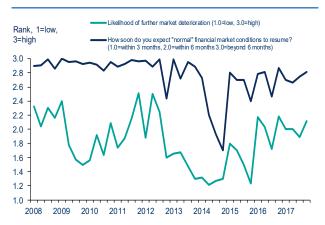
Optimism dipped as volumes fell for the first time in five years, with little change expected.

PAGE 22 INVESTMENT MANAGEMENT

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

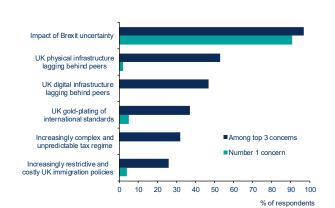
SUPPLEMENTARY QUESTIONS

Perceptions of financial market conditions

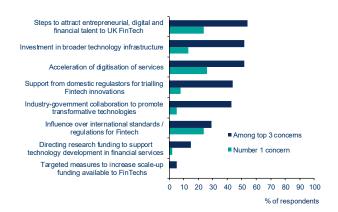


Concerns over a deterioration in financial market conditions ticked up towards the end of 2017. While just 17% of financial services firms assigned a low likelihood to a worsening in financial market conditions over the next six months, 29% thought there was a high likelihood, up from 6% in the previous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





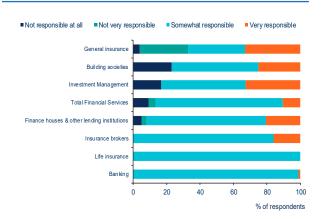
2018 brings several challenges for the financial services sector. Most striking is Brexit, with virtually all firms viewing the impact of Brexit uncertainty as the most serious threat to the UK's position as a leading global financial centre. Companies are also concerned about other areas that threaten 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%).

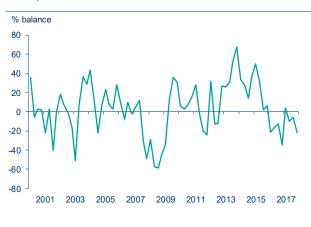
OVERALL FINANCIAL SERVICES

Survey number 113, December 2017

Conducted between 14th November and 11th December 2017

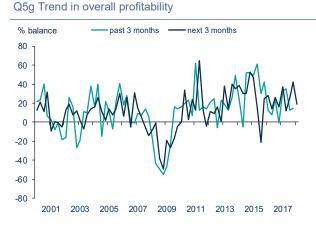
* All figures are percentage balances of respondents except questions 9-13 where figures are percentages of firms responding

Q1 Optimism vs three months earlier

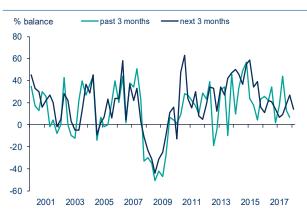


Q1 Latest -22 Previous -6 Mean +5

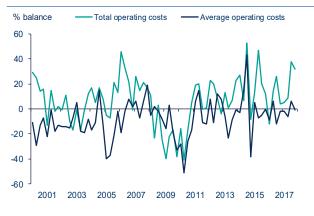
OF a Trand in averall profite



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 |
| Your sector of financial services Other sectors of financial services Companies currently positioned outsi New entrants Other | de of financial services | 31 16 71 | 39 37 50 | 54 34 49 | 39 11 53 | 34 18 47 |
| 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 | de of financial services | 31 16 71 3 | 39 37 50 5 | 54 34 49 0 | 39 11 53 0 | 34 18 47 2 |
| 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 | de of financial services | 31 16 71 3 21 | 39 37 50 5 | 54 34 49 0 43 | 39 11 53 0 63 | 34 18 47 2 46 |
| 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 | de of financial services | 31 16 71 3 21 26 | 39 37 50 5 27 56 | 54 34 49 0 43 62 | 39 11 53 0 63 55 | 34 18 47 2 46 37 |
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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 | ide of financial services come from over the next 3 months? | 31 16 71 3 21 26 91 18 62 1 +78 | 39 37 50 5 27 56 69 16 53 5 +50 | 54 34 49 0 43 62 69 14 40 3 +59 | 39 11 53 0 63 55 66 25 31 2 +49 | 34 18 47 2 46 37 60 16 32 10 +6 |
| 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 | ide of financial services come from over the next 3 months? | 31 16 71 3 21 26 91 18 62 1 +78 +29 | 39 37 50 5 27 56 69 16 53 5 +50 +34 | 54 34 49 0 43 62 69 14 40 3 *59 *52 | 39 11 53 0 63 55 66 25 31 2 +49 +35 | 34 18 47 2 46 37 60 16 32 10 +6 +6 +4 |
| 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 | ide of financial services come from over the next 3 months? | 31 16 71 3 21 26 91 18 62 1 +78 +29 +50 | 39 37 50 5 27 56 69 16 53 5 +50 +34 +48 | 54 34 49 0 43 62 69 14 40 3 *59 +59 +52 +58 | 39 11 53 0 63 55 66 25 31 2 +49 +35 +45 | 34 18 47 2 46 37 60 16 32 10 +6 +6 +4 +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 | 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 1 +78 +29 +50 +47 +2 | 39 37 50 5 27 56 69 16 53 5 +50 +34 +48 +50 +12 | 54 34 49 0 43 62 69 14 40 3 *59 +52 +52 +58 +55 +15 | 39 11 53 0 63 55 66 25 31 2 +49 +35 +45 +47 +45 +47 +15 | 344 18 47 2 46 37 600 16 322 100 +66 +44 +44 +33 +11 +5 |
| 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 | 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 | 39 37 50 5 27 56 69 16 53 5 +50 +34 +48 +50 | 54 34 49 0 43 62 69 14 40 3 *59 +52 +58 +55 | 39 11 53 0 63 55 66 25 31 2 +49 +35 +45 +47 | 344 18 47 2 46 37 600 16 322 100 +66 +44 +44 +33 +11 +5 |
| 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 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: | 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 1 +78 +29 +50 +47 +47 +2 +34 | 39 37 50 5 27 56 69 16 53 5 * 5 * 5 * 5 * 5 * 5 * 5 * 5 * * 5 * * 5 * * 5 * * 5 * * 5 * * 5 * * 5 * 5 * * 5 * 5 * 5 * * 5 * * 5 * * 5 * * 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 | 39 11 53 0 63 55 66 25 31 2 +49 +35 +45 +47 +15 +10 | 344 18 47 2 46 37 60 16 32 10 +6 +44 +3 +11 +5 +3 |
| 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 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 | 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 1 +78 +29 +50 +47 +47 +2 +34 +59 | 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 +55 +15 +26 +41 | 39 11 53 0 63 55 66 25 31 2 +49 +35 +45 +47 +15 +10 +54 | 344 18 47 2 46 37 60 16 32 10 +6 +4 +4 +3 +1 +5 +3 +5 |
| 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 existing customers Acquisition of domestic customers Acquisition of international 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 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 | 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 1 +78 +29 +50 +47 +47 +2 +34 | 39 37 50 5 27 56 69 16 53 5 * 5 * 5 * 5 * 5 * 5 * 5 * 5 * * 5 * * 5 * * 5 * * 5 * * 5 * * 5 * * 5 * 5 * * 5 * 5 * 5 * * 5 * * 5 * * 5 * * 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 | 39 11 53 0 63 55 66 25 31 2 +49 +35 +45 +47 +15 +10 | 344 18 47 2 46 37 60 16 32 10 +6 +4 +4 +3 +1 +5 +3 +5 |
| 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 |
| 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 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: Brand and advertising | 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 | 39 37 50 5 7 66 99 16 53 5 * 5 * 5 * 5 * 5 * 5 * 5 * 5 * 5 * | 54 34 49 0 43 62 69 14 40 3 *59 +52 +58 *55 *15 +26 *41 0 +14 | 39 11 53 0 63 55 66 25 31 2 +49 +35 +45 +47 +15 +10 +54 +32 +37 | 34 18 47 2 46 37 60 16 32 10 +6 +4 +4 +3 +1 +5 +3 +5 +8 +1 |
| 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 |
| 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 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 | 31 16 71 3 21 26 91 18 62 1 +78 +29 +50 +47 +2 +34 +59 +12 +10 | 39 37 50 5 7 66 99 16 53 5 * 5 * 5 * 5 * 5 * 5 * 5 * 5 * 5 * | 54 34 49 0 43 62 69 14 40 3 *59 +52 +58 *55 *15 +26 *41 0 +14 | 39 11 53 0 63 55 66 25 31 2 +49 +35 +45 +47 +15 +10 +54 +32 +37 | 34 18 47 2 46 37 60 16 32 10 $+66$ $+44$ $+33$ $+13$ $+55$ $+33$ $+55$ $+88$ $+14$ $+44$ |
| 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 | 34 18 47 2 46 37 60 16 32 10 $+66$ $+44$ $+33$ $+13$ $+55$ $+33$ $+55$ $+88$ $+14$ $+44$ |
| 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 |

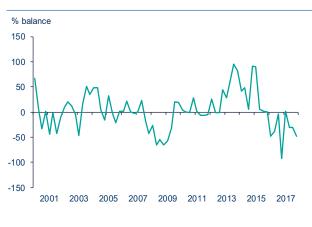
BANKING

Survey number 113, December 2017

Conducted between 14th November and 11th December 2017

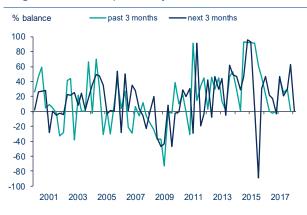
* All figures are percentage balances of respondents except questions 9-13 where figures are percentages of firms responding

Q1 Optimism vs three months earlier

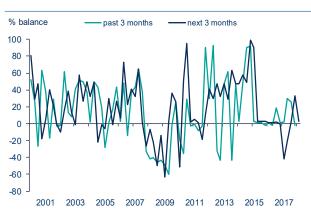


Q1 Latest -48 Previous -31 Mean +3

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$ |
| - 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: - - - - past 3 months +2 +47 +1 +4 6.1 What has been the trend with regard to your staff turnover: - - past 3 months +2 +47 +1 +4 Marketing expenditure - - - past 3 months +47 +46 +1 +4 Marketing expenditure - | $ \begin{array}{cccccccccccccccccccccccccccccccccccc$ |
| - 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 |
| keting expenditure 7 Do you expect to authorise more or let NEXT 12 MONTHS than you did in the ital expenditure 8 Do you expect to authorise more or let 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 | - past 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: | +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* | - 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 |
| | | | | | | |

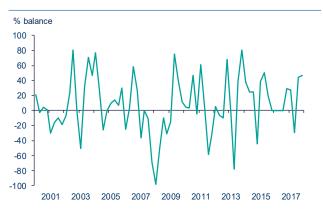
LIFE INSURANCE

Survey number 113, December 2017

Conducted between 14th November and 11th December 2017

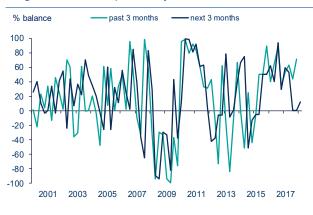
* All figures are percentage balances of respondents except questions 9-13 where figures are percentages of firms responding

Q1 Optimism vs three months earlier

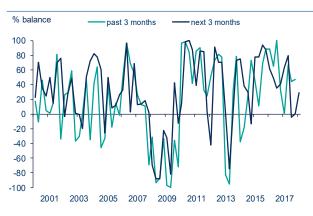


Q1 Latest +47 Previous +44 Mean +6

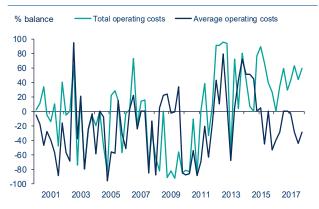
Q5g Trend in overall profitability



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 |
| Do yo NEXT al expe Do yo 12 MC a) La b) Va c) In What AUTH To pro To inc To rea | 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 ach new customers | 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 53 | 0 +4 -3 +25 52 59 80 | +5 -32 -3 +34 74 95 52 | +14 -4 0 +13 73 93 16 | +4 -25 +3 -4 74 79 77 |
| Do yo NEXT al expe Do yo 12 MC a) La b) Va c) In What AUTH To pro To ince To rea For re | A spect 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 are the main reasons for any expect IORISATION over the NEXT 12 MONTH wide new services irease efficiency/speed ach new customers placement | 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 53 42 | 0 +4 -3 +25 52 59 80 35 | +5 -32 -3 +34 74 95 52 65 | +14 -4 0 +13 73 93 16 41 | +4 -25 +3 -4 74 79 77 57 |
| Do yo NEXT al expe Do yo 12 MC a) La b) Va c) In What AUTH To pro To inc To inc To rea For re To exp | A spect 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 are the main reasons for any expect IORISATION over the NEXT 12 MONTH wide new services irease efficiency/speed ach new customers placement pand capacity | 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 53 42 47 | 0 +4 -3 +25 52 59 80 35 38 | +5 -32 -3 +34 74 95 52 65 79 | +14 -4 0 +13 73 93 16 41 84 | +4 -25 +3 -4 74 79 77 57 22 |
| Do yo NEXT al expe Do yo 12 MC a) La b) V(c) In' What AUTH To pro To inc To inc To rea For re To exp Statut | And and buildings ehicles, plant & machinery formation technology are the main reasons for any expect IORISATION over the NEXT 12 MONTH and new services rease efficiency/speed ach new customers placement pand capacity cory legislation and regulation | 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 53 42 47 50 | 0 +4 -3 +25 52 59 80 35 38 42 | +5 -32 -3 +34 74 95 52 65 79 47 | +14 -4 0 +13 73 93 16 41 84 84 | +4 -25 +3 -4 74 79 77 57 22 23 |
| Do yo NEXT al expe Do yo 12 MC a) La b) V(c) In' What AUTH To pro To inc To inc To rea For re To exp Statut | And and buildings ehicles, plant & machinery formation technology are the main reasons for any expect IORISATION over the NEXT 12 MONTH and new services rease efficiency/speed ach new customers placement pand capacity cory legislation and regulation | 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 53 42 47 | 0 +4 -3 +25 52 59 80 35 38 | +5 -32 -3 +34 74 95 52 65 79 | +14 -4 0 +13 73 93 16 41 84 | +4 -25 +3 -4 74 79 77 57 22 |
| Do yo NEXT al expe Do yo 12 MC a) La b) Vo c) In' What AUTH To pro To inc To inc To rea For re To exp Statut Other | And and buildings ehicles, plant & machinery formation technology are the main reasons for any expect IORISATION over the NEXT 12 MONTH boide new services rease efficiency/speed ach new customers placement pand capacity cory legislation and regulation | xpenditure on marketing in the ST 12 MONTHS apital expenditure in the NEXT AST 12 MONTHS on: ted CAPITAL EXPENDITURE HS* | +10 -27 -31 +19 71 66 53 42 47 50 | 0 +4 -3 +25 52 59 80 35 38 42 | +5 -32 -3 +34 74 95 52 65 79 47 | +14 -4 0 +13 73 93 16 41 84 84 | +4 -25 +3 -4 74 79 77 57 22 23 |
| Do yo NEXT al expe Do yo 12 MC a) La b) V(c) In' What AUTH To pro To inc To rea For re To exp Statut Other What | A pu 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 are the main reasons for any expect IORISATION over the NEXT 12 MONTH boide new services irease efficiency/speed ach new customers placement pand capacity iory legislation and regulation factors are likely to limit (wholly or placement | xpenditure on marketing in the ST 12 MONTHS apital expenditure in the NEXT AST 12 MONTHS on: ted CAPITAL EXPENDITURE HS* | +10 -27 -31 +19 71 66 53 42 47 50 | 0 +4 -3 +25 52 59 80 35 38 42 | +5 -32 -3 +34 74 95 52 65 79 47 | +14 -4 0 +13 73 93 16 41 84 84 | +4 -25 +3 -4 74 79 77 57 22 23 |
| Do yo NEXT al expe Do you 12 MC a) La b) Vo c) In What AUTH To pro To inc To inc To rea For re To exp Statut Other What over 1 | A pu 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 are the main reasons for any expect IORISATION over the NEXT 12 MONTH by de new services irease efficiency/speed the new customers placement pand capacity iory legislation and regulation factors are likely to limit (wholly or p the NEXT 12 MONTHS* | xpenditure on marketing in the ST 12 MONTHS apital expenditure in the NEXT (ST 12 MONTHS on: ted CAPITAL EXPENDITURE HS* | +10 -27 -31 +19 71 66 53 42 47 50 0 | 0 +4 -3 +25 52 59 80 35 38 42 0 | +5 -32 -3 +34 74 95 52 65 79 47 0 | +14 -4 0 +13 73 93 16 41 84 84 5 | +4 -25 +3 -4 74 79 77 57 22 23 3 |
| Do yo NEXT al expe al | A spect to authorise more or less e 12 MONTHS than you did in the PAS inditure but 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 wide new services prease efficiency/speed ach new customers placement pand capacity cory legislation and regulation factors are likely to limit (wholly or p the NEXT 12 MONTHS* quate net return on proposed investment | xpenditure on marketing in the ST 12 MONTHS apital expenditure in the NEXT (ST 12 MONTHS on: ted CAPITAL EXPENDITURE HS* | +10 -27 -31 +19 71 66 53 42 47 50 0 | 0 +4 -3 +25 52 59 80 35 38 42 0 | +5 -32 -3 +34 74 95 52 65 79 47 0 | +14 -4 0 +13 73 93 16 41 84 84 5 | +4 -25 +3 -4 74 79 77 57 22 23 3 |
| Do yo NEXT al expe Do yoo 12 MC a) La b) V(c) In What AUTH To pro To inc To inc To rea For re To exp Statut Other What over 1 Inadec Shorta | A spect to authorise more or less e 12 MONTHS than you did in the PAS inditure but 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 irrease efficiency/speed ach new customers placement pand capacity tory legislation and regulation factors are likely to limit (wholly or p the NEXT 12 MONTHS* quate net return on proposed investment age of finance | xpenditure on marketing in the ST 12 MONTHS apital expenditure in the NEXT (ST 12 MONTHS on: ted CAPITAL EXPENDITURE HS* | +10 -27 -31 +19 71 66 53 42 47 50 0 0 50 31 | 0 +4 -3 +25 52 59 80 35 38 42 0 41 38 | +5 -32 -3 +34 74 95 52 65 79 47 0 89 34 | +14 -4 0 +13 73 93 16 41 84 84 5 81 59 | +4 -25 +3 -4 74 79 77 57 22 23 3 3 73 32 |
| Do yo NEXT al expe Do yo 12 MC a) La b) V(c) In What AUTH To pro To inc To inc To rea For re To exi Statut Other Inadec Shorta Cost o | A spect to authorise more or less e 12 MONTHS than you did in the PAS inditure but 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 wide new services irease efficiency/speed ach new customers placement pand capacity tory legislation and regulation factors are likely to limit (wholly or p the NEXT 12 MONTHS* quate net return on proposed investment age of finance | xpenditure on marketing in the ST 12 MONTHS apital expenditure in the NEXT (ST 12 MONTHS on: ted CAPITAL EXPENDITURE HS* | +10 -27 -31 +19 71 66 53 42 47 50 0 50 31 3 | 0 +4 -3 +25 52 59 80 35 38 42 0 41 38 4 | +5 -32 -3 +34 74 95 52 65 79 47 0 69 34 8 | +14 -4 0 +13 73 93 16 41 84 84 5 81 59 5 | +4 -25 +3 -4 74 79 77 57 22 23 3 3 73 32 3 |
| Do yo NEXT al expe Do yoo 12 MC a) La b) V(a c) In What AUTH To proc To rea For re To exil Statut Other What Inadec Shorta Cost of Uncer | A spect to authorise more or less e 12 MONTHS than you did in the PAS inditure but 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 wide new services irease efficiency/speed ach new customers placement pand capacity iory legislation and regulation factors are likely to limit (wholly or p the NEXT 12 MONTHS* quate net return on proposed investment age of finance tainty about demand/business prospects | xpenditure on marketing in the ST 12 MONTHS apital expenditure in the NEXT (ST 12 MONTHS on: ted CAPITAL EXPENDITURE HS* | +10 -27 -31 +19 71 66 53 42 47 50 0 50 31 3 66 | 0 +4 -3 +25 52 59 80 35 38 42 0 41 38 4 83 | +5 -32 -3 +34 74 95 52 65 79 47 0 69 34 8 58 | +14 -4 0 +13 73 93 16 41 84 84 5 81 59 5 27 | +4 -25 +3 -4 74 79 77 57 22 23 3 77 3 22 3 3 22 3 54 |
| Do yo NEXT al expe al | A spect to authorise more or less e 12 MONTHS than you did in the PAS inditure but 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 wide new services irease efficiency/speed ach new customers placement pand capacity tory legislation and regulation factors are likely to limit (wholly or p the NEXT 12 MONTHS* quate net return on proposed investment age of finance | xpenditure on marketing in the ST 12 MONTHS apital expenditure in the NEXT (ST 12 MONTHS on: ted CAPITAL EXPENDITURE HS* | +10 -27 -31 +19 71 66 53 42 47 50 0 50 31 3 | 0 +4 -3 +25 52 59 80 35 38 42 0 41 38 4 | +5 -32 -3 +34 74 95 52 65 79 47 0 69 34 8 | +14 -4 0 +13 73 93 16 41 84 84 5 81 59 5 | +4 -25 +3 -4 74 79 77 57 22 23 3 3 73 32 3 |

| 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 |
| Your sector of financial services Other sectors of financial services Companies currently positioned outs New entrants Other | - | 23 60 | 14 46 | 7 37 | 84 25 | 60 43 52 |
| 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 |
| 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 | ide of financial services | 23 60 53 0 | 14 46 49 0 | 7 37 39 0 | 84 25 18 5 | 60 43 52 3 |
| 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 |
| 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 Cross sales to existing customers | ide of financial services | 23 60 53 0 87 90 | 14 46 49 0 90 87 | 7 37 39 0 85 89 | 84 25 18 5 86 84 | 6 4 5 3 7 7 8 |
| 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: |
| 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 Cross sales to existing customers | ide of financial services | 23 60 53 0 87 90 53 31 | 14 46 49 0 90 87 75 58 | 7 37 39 0 85 89 72 59 | 84 25 18 5 86 84 84 84 57 | 60 41 52 3 70 89 80 60 |
| 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 Cross sales to existing customers Acquisition of domestic customers | ide of financial services | 23 60 53 0 87 90 53 | 14 46 49 0 90 87 75 | 7 37 39 0 85 89 72 | 84 25 18 5 86 84 84 | 60 41 52 3 70 89 80 60 |
| 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 Cross sales to existing customers Acquisition of domestic customers Acquisition of international customer | ide of financial services | 23 60 53 0 87 90 53 31 | 14 46 49 0 90 87 75 58 | 7 37 39 0 85 89 72 59 | 84 25 18 5 86 84 84 84 57 | 6 4 5 3 7 8 8 8 6 6 |
| 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 existing customers Acquisition of domestic customers Acquisition of international customer New products No growth expected | ide of financial services come from over the next 3 months? s | 23 60 53 0 87 90 53 31 74 | 14 46 49 0 90 87 75 58 68 | 7 37 39 0 85 89 72 59 77 | 84 25 18 5 86 84 84 57 68 | 60 4: 5: 3 70 89 80 60 60 |
| 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 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 organisatior months? | ide of financial services come from over the next 3 months? s | 23 60 53 0 87 90 53 31 74 | 14 46 49 0 90 87 75 58 68 | 7 37 39 0 85 89 72 59 77 | 84 25 18 5 86 84 84 57 68 | 61 4: 5: 3 71 8: 8: 61 61 2: |
| 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 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 | ide of financial services come from over the next 3 months? s | 23 60 53 0 87 90 53 31 74 7 | 14 46 49 0 87 75 58 68 3 | 7 37 39 0 85 89 72 59 77 3 | 84 25 18 5 86 84 84 84 57 68 5 | 66 43 52 3 76 89 80 60 60 29 +6 |
| 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 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 | ide of financial services come from over the next 3 months? s | 23 60 53 0 87 90 53 31 74 7 +60 | 14 46 49 0 90 87 75 58 68 3 3 | 7 37 39 0 85 89 72 59 77 3 *60 | 84 25 18 5 86 84 84 84 57 68 5 5 | 66 4: 5: 3 3 7/ 8: 8 8 8 6 6 6 2: +6 +4 |
| 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 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 | ide of financial services come from over the next 3 months? s | 23 60 53 0 87 90 53 31 74 7 +60 +47 | 14 46 49 0 87 75 58 68 3 +59 +72 | 7 37 39 0 85 89 72 59 77 3 *60 +43 | 84 25 18 5 86 84 84 84 57 68 5 +25 +14 | 66 4: 5: 3 3 7/ 8: 8 8 8 8 6 6 6 2: +€ +4 +4 |
| 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 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 | ide of financial services come from over the next 3 months? s | 23 60 53 0 87 90 53 31 74 7 *60 +47 +50 | 14 46 49 0 87 75 58 68 3 *59 +59 +72 +56 | 7 37 39 0 85 89 72 59 77 3 *60 +43 +50 | 84 25 18 5 86 84 84 84 57 68 5 +25 +14 +27 | 66 4: 5: 3 3 7/ 8: 8 8 8 8 6 6 6 2: +€ +4 +4 |
| 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 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 | ide of financial services come from over the next 3 months? s | 23 60 53 0 87 90 53 31 74 7 *60 +47 +50 +37 | 14 46 49 0 87 75 58 68 3 *59 +72 +56 +26 | 7 37 39 0 85 89 72 59 77 3 *60 +43 +50 +34 | 84 25 18 5 86 84 84 84 57 68 5 +25 +14 +27 +2 | 666 4: 5: 3 3 7(8: 8 8 8 6 6 6 6 6 2: 9 +6 +4 +4 +4 +1 |
| 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 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 | 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 | 23 60 53 0 87 90 53 31 74 7 *60 +47 *50 +37 +3 | 14 46 49 0 87 75 58 68 3 *59 +72 +56 +26 +7 | 7 37 39 0 85 89 72 59 77 3 *60 +43 +50 +34 -5 | 84 25 18 5 86 84 84 84 57 68 5 +25 +14 +27 +2 -50 | 666 4: 5: 3 3 7(8: 8: 8: 8: 6: 6: 6: 2: 9 +6: +4: +4: +1: |
| 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 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 Launching new products/services Inorganic growth activities Engaging in M&A transactions Forming strategic partnerships/allian | 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 | 23 60 53 0 87 90 53 31 74 7 *60 +47 +50 +37 | 14 46 49 0 87 75 58 68 3 *59 +72 +56 +26 | 7 37 39 0 85 89 72 59 77 3 *60 +43 +50 +34 | 84 25 18 5 86 84 84 84 57 68 5 +25 +14 +27 +2 | 666 4: 5: 3 3 7(8: 8: 8: 8: 6: 6: 6: 2: 9 +6: +4: +4: +1: |
| 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 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 Launching new products/services Inorganic growth activities Engaging in M&A transactions Forming strategic partnerships/allian Market focus for growth | 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 | 23 60 53 0 87 90 53 31 74 7 * 60 +47 +50 +37 +3 +10 | 14 46 49 0 87 75 58 68 3 * 58 68 3 * 58 + 58 + 72 + 56 + 26 + 7 + 3 | 7 37 39 0 85 89 72 59 77 3 *60 +43 +50 +34 -5 +19 | 84 25 18 5 86 84 84 57 68 5 5 +25 +14 +27 +2 -50 -59 | 666 43 52 3 3 70 88 80 60 60 60 60 29 +6 +4 +4 +4 +1 +5 |
| 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 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 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 | 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 | 23 60 53 0 87 90 53 31 74 7 *60 +47 +50 +37 +3 +10 +43 | 14 46 49 0 87 75 58 68 3 *59 +72 +56 +26 +7 +3 +41 | 7 37 39 0 85 89 72 59 77 3 * 60 +43 +50 +34 -5 +19 +40 | 84 25 18 5 86 84 84 57 68 5 +25 +14 +27 +2 -50 -59 +11 | 666 43 52 3 3 70 88 80 60 60 60 60 60 29 9 9 9 9 9 9 9 9 9 9 9 9 9 9 9 9 9 9 |
| 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 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 | 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 | 23 60 53 0 87 90 53 31 74 7 * 60 +47 +50 +37 +3 +10 | 14 46 49 0 87 75 58 68 3 * 58 68 3 * 58 + 58 + 72 + 56 + 26 + 7 + 3 | 7 37 39 0 85 89 72 59 77 3 *60 +43 +50 +34 -5 +19 | 84 25 18 5 86 84 84 57 68 5 5 +25 +14 +27 +2 -50 -59 | 666 43 52 3 3 70 88 80 60 60 60 60 60 29 9 9 9 9 9 9 9 9 9 9 9 9 9 9 9 9 9 9 |
| 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 Cross sales to new customers Acquisition of domestic 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 | 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 | 23 60 53 0 87 90 53 31 74 7 * 60 +47 +50 +37 +3 +10 +43 +18 | 14 46 49 0 87 75 58 68 3 +59 +72 +56 +26 +26 +7 +3 +41 +27 | 7 37 39 0 85 89 72 59 77 3 * 60 +43 +50 +34 -5 +19 +40 +22 | 84 25 18 5 86 84 84 84 57 68 5 +25 +14 +27 +2 -50 -59 +11 0 | 661 42 53 3 77 88 80 60 60 60 60 60 61 29 29 +60 +44 +11 +5 +44 +12 |
| 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 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 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 | 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 53 31 74 7 * 60 +47 +50 +37 +3 +10 +43 +18 +3 | 14 46 49 0 87 75 58 68 3 *59 +72 +56 +26 +26 +7 +3 +41 +27 +7 | 7 37 39 0 85 89 72 59 77 3 +60 +43 +50 +34 -5 +19 +40 +22 +11 | 84 25 18 5 86 84 84 84 57 68 5 +25 +14 +27 +2 -50 -59 +11 0 +6 | 666 43 52 3 3 77 89 80 60 60 60 60 60 60 60 29 9 46 +4 +4 +1 +5 +4 +2 +4 +2 +6 |
| 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 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 | 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 | 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 | $\begin{array}{c} 66\\ 43\\ 52\\ 33\\ 76\\ 89\\ 80\\ 60\\ 60\\ 29\\ +6\\ +4\\ +4\\ +1\\ +5\\ +4\\ +2\\ +6\\ +1\\ \end{array}$ |
| 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 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 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 | 23 60 53 0 53 31 74 7 * 60 +47 +50 +37 +3 +10 +43 +18 +3 | 14 46 49 0 87 75 58 68 3 *59 +72 +56 +26 +26 +7 +3 +41 +27 +7 | 7 37 39 0 85 89 72 59 77 3 +60 +43 +50 +34 -5 +19 +40 +22 +11 | 84 25 18 5 86 84 84 84 57 68 5 +25 +14 +27 +2 -50 -59 +11 0 +6 | $\begin{array}{c} 66\\ 43\\ 52\\ 33\\ 76\\ 89\\ 80\\ 60\\ 60\\ 29\\ +6\\ +4\\ +4\\ +1\\ +5\\ +4\\ +2\\ +6\\ +1\\ \end{array}$ |
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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 | $\begin{array}{c} 66\\ 43\\ 52\\ 3\end{array}$ $76\\ 89\\ 80\\ 60\\ 60\\ 29\\ +6\\ +4\\ +4\\ +1\\ +5\\ +4\\ +2\\ +2\\ +6\\ +1\end{array}$ |

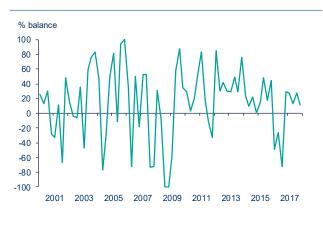
INVESTMENT MANAGEMENT

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

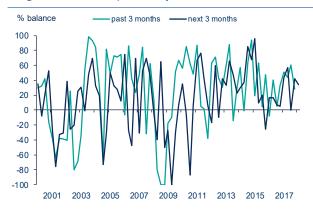
Q1 Optimism vs three months earlier



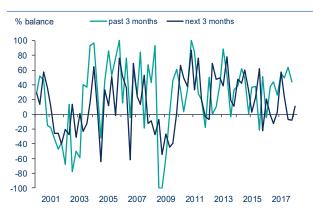
| | Q1 |
|----------|-----|
| Latest | +11 |
| Previous | +28 |
| Mean | +17 |

Q5g Trend in overall profitability

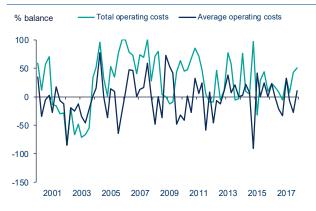
alue and volume of business



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:

Lamya Hachicho CBI 78 Cannon Street London EC4N 6HN

T: +44 (0) 207 395 8259

E: lamya.hachicho@cbi.org.uk

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:

Nicola Grimwood

CBI 78 Cannon Street London EC4N 6HN

- T: +44 (0) 207 395 8081
- E: nicola.grimwood@cbi.org.uk

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

The CBI, the UK firm of PwC LLP and each contributor to this work disclaim all responsibility and liability (including negligence) for loss occasioned to any person acting or refraining from action as a result of any material in this publication.

For further information, please contact:

Ben Jones Principal Economist, CBI T: 44 (0)20 7395 8102 E: ben.jones@cbi.org.uk

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