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SENTIMENT DETERIORATES AT FASTEST PACE SINCE FINANCIAL CRISIS

Sentiment among financial services firms deteriorated further in the quarter to March, and at the fastest pace since December 2008. Meanwhile, the present level of business was considered to be below normal, with volumes falling at the fastest pace since September 2012. Banking and investment management were particularly gloomy, with sharp falls in sentiment alongside flat or falling volumes. Although employment also fell sharply overall, this was driven exclusively by the banking sector. But more positively, profits registered the strongest growth in a year amidst a fall in operating costs.

Looking ahead, business volumes are expected to continue falling. But, with costs also set to decline further, profits growth is tipped to strengthen and overall employment is expected to return to growth. Investment intentions for the year ahead remain robust for IT and marketing, although spending on intangible assets is set to be cut back. The provision of new services was the dominant investment motive, followed closely by replacement and legislation/regulation.

Banking and investment management more downcast than other sub-sectors

The majority of sectors saw a deterioration in sentiment in the quarter to March, with the decline particularly marked among banks and building societies. Meanwhile, sentiment was stable in general insurance and insurance broking.

Overall business volumes fell in the three months to March, for the second quarter running. The headline balance concealed a marked divergence among sectors, with rising volumes in general insurance and insurance broking in contrast with the three lending sub-sectors who reported flat or more modest growth. Meanwhile, life insurance and investment management saw sharp falls in volumes, with the latter marking the steepest fall in activity since the financial crisis. Overall business volumes are set to fall at a faster pace next quarter, with expectations the weakest since 2008. However, this was purely driven by the banking sector, with all other sectors reporting either flat or positive expectations.

Total costs fell sharply last quarter, at the fastest pace since September 2010. This allowed profits in the financial services sector to recover in the three months to March. The sub-sector breakdown varied somewhat: insurance and banking cited profits growth while all other sub-sectors reported falling profitability. Overall profitability is set to strengthen further in the quarter to June, driven primarily by the banking sector.

IT and marketing investment spending plans remain robust

Investment intentions for marketing and IT over the year ahead improved in the quarter to March, with spending expected to be raised at robust rates. Meanwhile, financial services firms expect to cut back on spending on land & buildings and vehicles, plant & machinery to a greater extent than in the previous quarter. Providing new services and replacement were the main drivers of investment, alongside statutory legislation and regulation. Inadequate net return was the factor most likely to limit investment—a record high. Meanwhile, regulation is seen as the most important constraint on business expansion in the year ahead.

Firms see acquiring new customers, cross-selling, forming strategic partnerships and increasing domestic market share as increasingly important for improving growth strategies. CRM/marketing capabilities and IT are also seen as key factors for growth.

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Optimism rose slightly. Volumes expanded at a faster pace, but growth is expected to slow next quarter.

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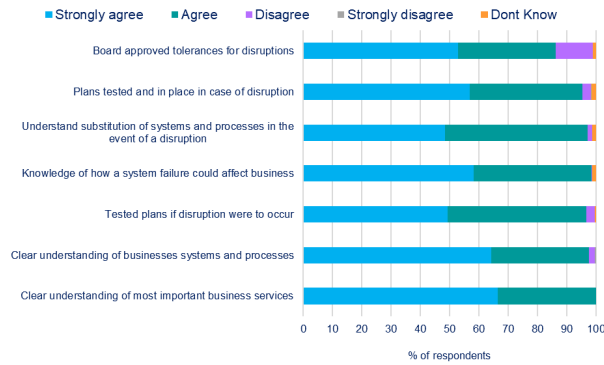
Optimism deteriorated for the third quarter running. Business volumes fell sharply, but are set to stabilise.

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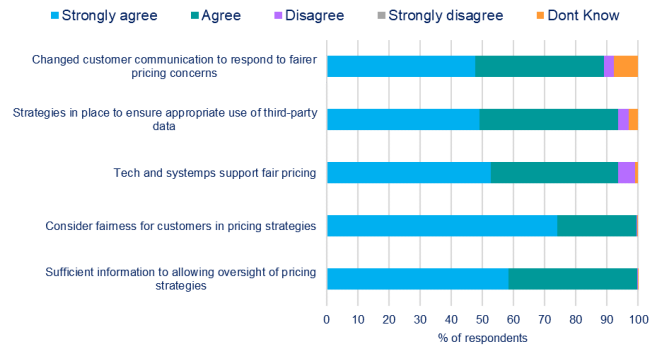
SUPPLEMENTARY QUESTIONS

Firms' act to strengthen operational resilience



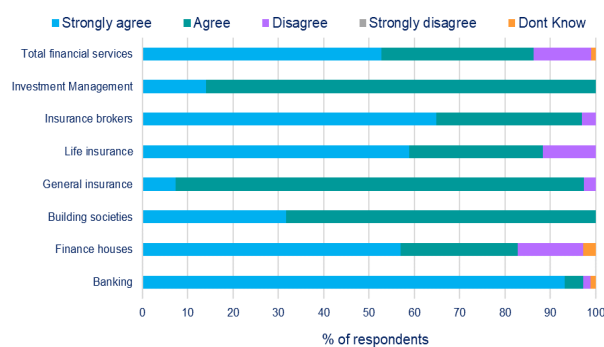
The majority of financial services believe that their firms have carried out a number of actions to strengthen operational resilience. 100% of businesses either strongly agree or agree that their firms have a clear understanding of the most important business services. Following on from this, a majority believed that their businesses have a comprehensive understanding of the businesses systems and processes that support the most important business services. Banks agreed most strongly with these two statements. Meanwhile, the largest proportion of firms disagreed with the statement that boards have approved tolerances for disruptions to important business services and assets (sector breakdown below).

Firms' approach to fair pricing following recent FCA paper



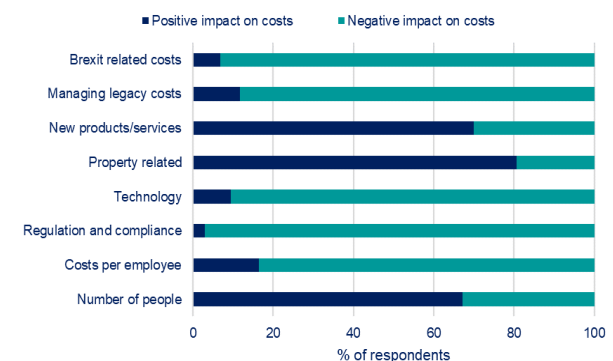
The greatest proportion of firms believe that fairness for customers is a significant consideration in pricing strategies, with the majority of firms strongly agreeing with this statement (74%). Meanwhile, all financial services firms either strongly agree or agree that the board and management have sufficient information to allow oversight of pricing strategies. Businesses were slightly more uncertain about whether their firm has made changes to the way they communicate with customers to respond to fairer pricing concerns.

Sector views of board approved tolerances to disruption



The banking sector was the most confident that their boards have approved tolerances for disruptions to important business services and assets, with 93% citing that they strongly agree. Overall, the majority of respondents agreed to the statement that the board had approved tolerances, but a small proportion of insurance sectors and finance houses stated that they disagreed.

Main influences and drivers on FS firms' average costs



Financial services firms cited that regulation and compliance had the most positive impact on costs. This was relatively consistent across sub-sectors, with 90% or more citing that regulation and compliance had a positive impact. The result for insurance broking was slightly lower at 83%. Brexit-related costs were cited as having the second most positive impact on costs. Meanwhile, property related costs had the most negative impact on costs with new products & services and the number of people close behind.

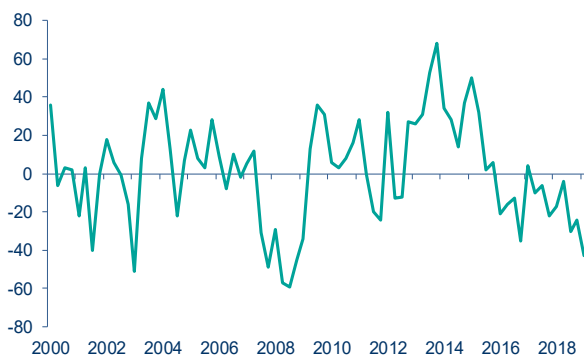
OVERALL FINANCIAL SERVICES

Survey number 118, March 2019

Conducted between 14th February to 7th March 2019

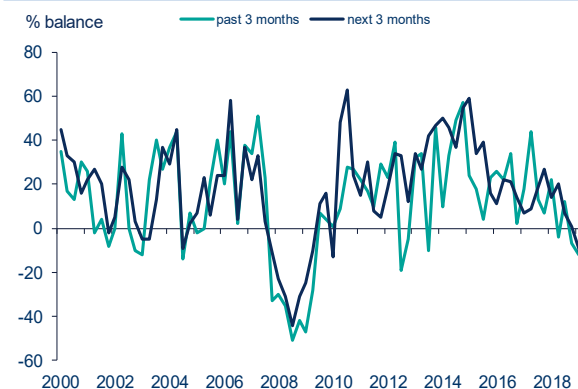
* All figures are percentage balances of respondents except questions 9-13 where figures are percentages of firms responding

Q1 Optimism vs three months earlier



	Q1
Latest	-43
Previous	-24
Mean	+3

Q3a Trend in volume of business



	Q3a: Past	Q3a: Next
Latest	-12	-30
Previous	-7	-9
Mean	+13	+19

Value and volume of business

	2018				2019
	Mar	Jun	Sep	Dec	Mar
1 Are you more or less optimistic about THE OVERALL BUSINESS SITUATION IN YOUR SECTOR?	-17	-4	-30	-24	-43
2 Excluding seasonal variations, do you consider that in volume terms:					
a) Your present level of business (above/below normal) is:	+5	-1	-4	0	-17
b) Your present level of business with overseas customers (above/below normal) is:	+6	-6	+3	-15	0
3 Excluding seasonal variations, what are the trends in:					
a) Volume of business					
- past 3 months	+22	-4	+12	-7	-12
- next 3 months	+20	+7	+1	-9	-30
b) Value** of fee, commission or premium income					
- past 3 months	+3	-4	+1	-17	-9
- next 3 months	+6	+12	-13	-10	+14
c) Value** of net interest, investment or trading income					
- past 3 months	+5	-3	-13	-1	-6
- next 3 months	+2	-8	+5	+1	-5

Charges, costs and profitability

4 Excluding seasonal variations, what are the trends for:					
a) Average spreads					
- past 3 months	+6	-12	+4	+8	+35
- next 3 months	+11	-9	+1	-10	-2
b) Average commissions/fees/ premiums paid					
- past 3 months	0	-8	-1	-13	+9
- next 3 months	+5	-3	0	-1	+4
c) Total operating costs (excluding cost of funds)					
- past 3 months	+27	+4	+17	+10	-14
- next 3 months	+32	+2	+16	+23	-26
d) Average operating costs per transaction					
- past 3 months	+17	-4	+21	+6	+11
- next 3 months	+12	-10	+15	+15	+1
e) Value of non-performing loans					
- past 3 months	-5	+9	-11	-1	-37
- next 3 months	-2	+9	-6	+2	-36
g) Overall profitability of business					
- past 3 months	+33	+4	-1	+4	+21
- next 3 months	+20	+11	+16	-14	+33

Employment and training

5 Excluding seasonal variations, what are the trends in:					
a) Numbers employed					
- past 3 months	+9	+24	+3	+5	-21
- next 3 months	+24	+15	0	+21	+17
b) Training expenditure					
- past 3 months	+39	+25	+16	+4	+48
- next 3 months	+51	+17	+7	+17	+53

Marketing expenditure					
	Mar	Jun	Sep	Dec	Mar
6 Do you expect to authorise more or less expenditure on marketing in the NEXT 12 MONTHS than you did in the PAST 12 MONTHS	+31	+20	+31	+31	+51
Capital expenditure					
7 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	-28	+5	-18	-2	-10
b) Vehicles, plant & machinery	-17	-9	-15	-2	-7
c) Information technology	+37	+70	+49	+65	+69
8 What are the main reasons for any expected CAPITAL EXPENDITURE AUTHORISATION over the NEXT 12 MONTHS*					
To provide new services	50	72	63	39	74
To increase efficiency/speed	56	66	75	70	43
To reach new customers	43	28	44	26	31
For replacement	37	41	68	41	70
To expand capacity	25	34	57	33	21
Statutory legislation and regulation	52	61	66	48	68
Other	2	6	18	0	2
9 What factors are likely to limit (wholly or partly) your capital authorisations over the NEXT 12 MONTHS*					
Inadequate net return on proposed investment	48	27	55	61	78
Shortage of finance	9	14	12	20	11
Cost of finance	9	9	9	5	10
Uncertainty about demand/business prospects	51	41	60	45	39
Shortage of labour including managerial & supervisor staff	25	40	26	14	26
Other	15	9	8	2	3
Business prospects					
10 What factors are likely to limit your ability to increase your level of business over the NEXT 12 MONTHS*					
Level of demand - Total	64	42	58	41	75
Staff turnover - Total	3	7	13	6	2
Availability of professional staff - Total	27	24	48	18	21
Availability of clerical staff - Total	6	10	15	7	3
Adequacy of systems capacity - Total	32	32	39	25	13
Ability to raise funds - Total	2	9	12	4	1
of which:					
Ability to raise capital - Total	3	12	14	5	8
Availability of wholesale funds - Total	4	21	11	3	6
Competition - Total	60	38	44	39	31
Statutory legislation and regulation - Total	43	60	52	49	69
Other - Total	14	7	16	5	7
10.1 What do you expect to spend on regulatory compliance in the NEXT 12 MONTHS?	+65	+49	+55	+37	+69
Growth					
11 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	+55	+58	+52	+61	+66
Cross-selling to existing customers	+46	+49	+43	+47	+59
Launching new products/services	+24	+24	+41	+40	+24
Inorganic growth activities:					
Engaging in M&A transactions	-12	+9	-6	+26	0
Forming strategic partnerships/alliances	+40	+46	+25	+38	+53
Market focus for growth:					
Increasing market share in domestic markets	+50	+49	+40	+46	+55
Increasing market share in international markets	+1	+4	+21	-1	+11
Investment in enablers to growth:					
Brand and advertising	+30	+1	+34	+21	+17
Sales force and distribution channels	+24	+31	+32	+46	+23
CRM/marketing capabilities (e.g. pricing, segmentation, profitability analysis)	+22	+33	+28	+42	+60
IT systems and applications	+80	+61	+62	+59	+63

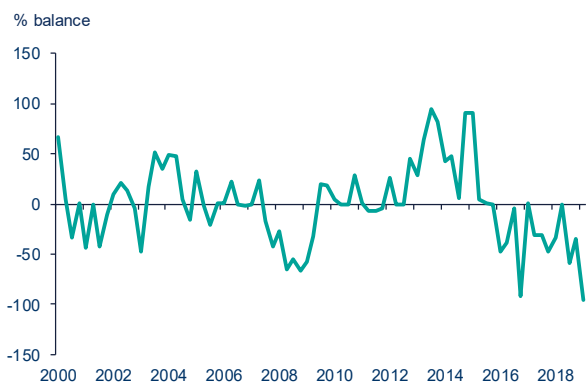
BANKING

Survey number 118, March 2019

Conducted between 14th February to 7th March 2019

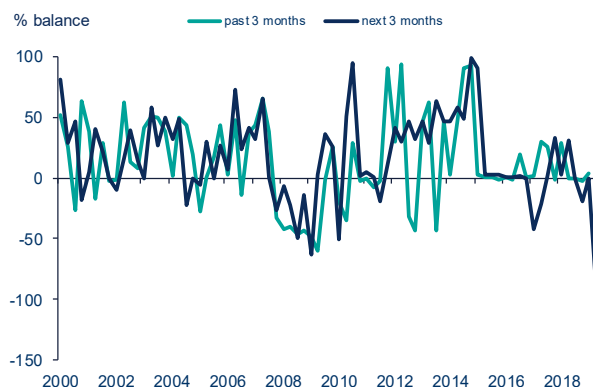
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Q1 Optimism vs three months earlier



	Q1
Latest	-95
Previous	-35
Mean	+1

Q3a Trend in volume of business



	Q3a: Past	Q3a: Next
Latest	+4	-92
Previous	-3	-1
Mean	+14	+19

Value and volume of business

	2018				2019
	Mar	Jun	Sep	Dec	Mar
1 Are you more or less optimistic about THE OVERALL BUSINESS SITUATION IN YOUR SECTOR?	-34	0	-59	-35	-95
2 Excluding seasonal variations, do you consider that in volume terms:					
a) Your present level of business (above/below normal) is:	0	0	-19	+27	-1
b) Your present level of business with overseas customers (above/below normal) is:	-1	-31	-2	-5	-4
3 Excluding seasonal variations, what are the trends in:					
a) Volume of business					
- past 3 months	+29	0	0	-3	+4
- next 3 months	+31	0	-19	-1	-92
b) Value** of fee, commission or premium income					
- past 3 months	-2	-1	-1	-30	+1
- next 3 months	-2	+1	-38	0	-1
c) Value** of net interest, investment or trading income					
- past 3 months	-7	-1	-18	-1	+2
- next 3 months	-4	-30	+1	0	+1

** in sterling

Charges, costs and profitability

4 Excluding seasonal variations, what are the trends for:					
a) Average spreads					
- past 3 months	+27	-32	+17	+26	+91
- next 3 months	+27	-1	-1	-32	-1
b) Average commissions/fees/ premiums paid					
- past 3 months	-5	-2	-3	-33	0
- next 3 months	-3	-1	-2	0	-3
c) Total operating costs (excluding cost of funds)					
- past 3 months	+6	+3	+3	+2	-87
- next 3 months	+35	+3	+4	+36	-87
d) Average operating costs per transaction					
- past 3 months	+36	+1	+36	+1	+4
- next 3 months	+34	+3	+38	+34	+2
e) Value of non-performing loans					
- past 3 months	+1	+28	-18	0	-91
- next 3 months	0	+28	-19	0	-91
g) Overall profitability of business					
- past 3 months	+59	+2	0	+29	+92
- next 3 months	+32	-1	+18	0	+91

Employment and training

5 Excluding seasonal variations, what are the trends in:					
a) Numbers employed					
- past 3 months	+3	+31	-16	-2	-90
- next 3 months	+35	+1	-18	+29	+2
b) Training expenditure					
- past 3 months	+64	+33	+20	+2	+90
- next 3 months	+66	+3	+2	+30	+92

Marketing expenditure					
	Mar	Jun	Sep	Dec	Mar
6 Do you expect to authorise more or less expenditure on marketing in the NEXT 12 MONTHS than you did in the PAST 12 MONTHS	-1	+2	+20	+31	+93
Capital expenditure					
7 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	-63	-2	-55	0	+1
b) Vehicles, plant & machinery	-33	-33	-37	0	+1
c) Information technology	+1	+64	+59	+68	+98
8 What are the main reasons for any expected CAPITAL EXPENDITURE AUTHORISATION over the NEXT 12 MONTHS*					
To provide new services	33	96	76	33	93
To increase efficiency/speed	36	65	78	64	4
To reach new customers	31	2	39	0	2
For replacement	5	37	62	38	98
To expand capacity	4	33	75	31	3
Statutory legislation and regulation	69	99	79	37	96
Other	0	2	38	0	0
9 What factors are likely to limit (wholly or partly) your capital authorisations over the NEXT 12 MONTHS*					
Inadequate net return on proposed investment	36	3	42	64	95
Shortage of finance	1	1	3	1	4
Cost of finance	3	3	2	1	3
Uncertainty about demand/business prospects	36	36	42	35	5
Shortage of labour including managerial & supervisor staff	4	33	4	3	4
Other	30	2	2	3	1
Business prospects					
10 What factors are likely to limit your ability to increase your level of business over the NEXT 12 MONTHS*					
Level of demand - Total	66	36	61	37	97
Staff turnover - Total	1	2	20	0	1
Availability of professional staff - Total	3	0	39	1	2
Availability of clerical staff - Total	1	0	19	0	0
Adequacy of systems capacity - Total	34	31	58	3	2
Ability to raise funds - Total	1	2	19	0	1
of which:					
Ability to raise capital - Total	2	3	22	3	3
Availability of wholesale funds - Total	6	32	20	0	1
Competition - Total	38	31	40	33	3
Statutory legislation and regulation - Total	39	97	60	67	94
Other - Total	30	1	20	2	2
10.1 What do you expect to spend on regulatory compliance in the NEXT 12 MONTHS?	+35	+35	+61	+5	+97
Growth					
11 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	+66	+65	+42	+62	+96
Cross-selling to existing customers	+62	+62	+22	+64	+94
Launching new products/services	-3	+32	+58	+28	0
Inorganic growth activities					
Engaging in M&A transactions	-31	+29	0	+30	0
Forming strategic partnerships/alliances	+63	+60	+19	+30	+91
Market focus for growth					
Increasing market share in domestic markets	+65	+32	+41	+62	+91
Increasing market share in international markets	-28	+2	+20	0	+1
Investment in enablers to growth					
Brand and advertising	+4	-30	+2	0	+1
Sales force and distribution channels	+4	+31	+20	+61	+3
CRM/marketing capabilities (e.g. pricing, segmentation, profitability analysis)	+3	+30	+20	+33	+91
IT systems and applications	+96	+63	+78	+64	+94

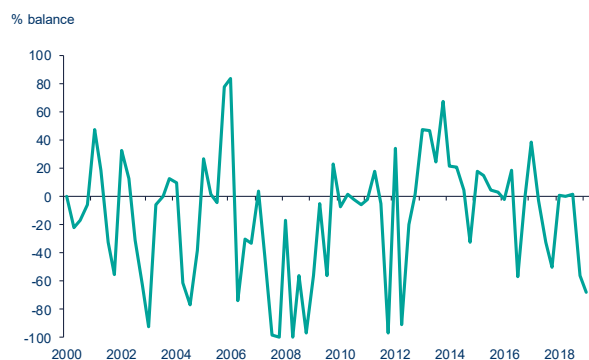
BUILDING SOCIETIES

Survey number 118, March 2019

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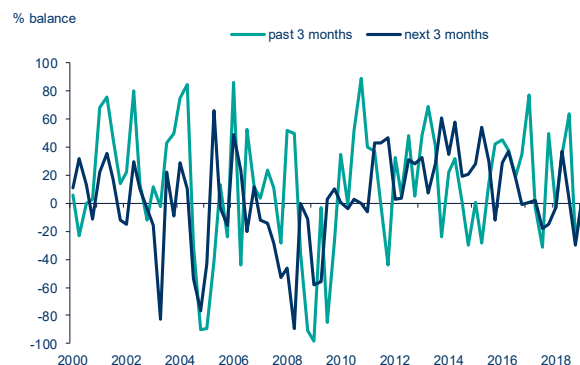
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Q1 Optimism vs three months earlier



	Q1
Latest	-68
Previous	-56
Mean	-7

Q3a Trend in volume of business



	Q3a: Past	Q3a: Next
Latest	+5	0
Previous	-26	+5
Mean	+10	+8

Value and volume of business

	2018 Mar	Jun	Sep	Dec	2019 Mar
1 Are you more or less optimistic about THE OVERALL BUSINESS SITUATION IN YOUR SECTOR?	+1	0	+2	-56	-68
2 Excluding seasonal variations, do you consider that in volume terms:					
a) Your present level of business (above/below normal) is:	-36	+5	+3	+5	0
b) Your present level of business with overseas customers (above/below normal) is:	0	0	0	0	0
3 Excluding seasonal variations, what are the trends in:					
a) Volume of business					
- past 3 months	-3	+35	+64	-26	+5
- next 3 months	+37	+2	-30	+5	0
b) Value** of fee, commission or premium income					
- past 3 months	-34	-2	+5	+5	0
- next 3 months	+6	-5	0	+5	0
c) Value** of net interest, investment or trading income					
- past 3 months	+1	-32	-30	+30	0
- next 3 months	+1	-30	+3	0	0

Charges, costs and profitability

4 Excluding seasonal variations, what are the trends for:					
a) Average spreads					
- past 3 months	-65	-2	-30	-61	-68
- next 3 months	-5	-37	-33	-35	-32
b) Average commissions/fees/ premiums paid					
- past 3 months	-29	0	0	0	0
- next 3 months	+1	+28	0	0	0
c) Total operating costs (excluding cost of funds)					
- past 3 months	+37	+7	+3	+65	+32
- next 3 months	+1	+9	+38	+4	+32
d) Average operating costs per transaction					
- past 3 months	+32	+7	+3	+5	0
- next 3 months	+1	+9	+8	+4	0
e) Value of non-performing loans					
- past 3 months	-95	-61	-32	-5	+32
- next 3 months	-32	-61	-32	0	0
g) Overall profitability of business					
- past 3 months	-3	0	-29	0	-32
- next 3 months	+1	-5	-31	-4	0

Employment and training

5 Excluding seasonal variations, what are the trends in:					
a) Numbers employed					
- past 3 months	+1	-26	+33	+35	+32
- next 3 months	+34	0	+1	+39	0
b) Training expenditure					
- past 3 months	+34	+6	+4	+4	0
- next 3 months	+34	+6	+3	+9	0

Marketing expenditure					
	Mar	Jun	Sep	Dec	Mar
6 Do you expect to authorise more or less expenditure on marketing in the NEXT 12 MONTHS than you did in the PAST 12 MONTHS	+34	+67	+67	+65	0
Capital expenditure					
7 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	+34	+35	+2	+56	+58
b) Vehicles, plant & machinery	+29	0	-2	-5	0
c) Information technology	+3	+37	+33	+65	+63
8 What are the main reasons for any expected CAPITAL EXPENDITURE AUTHORISATION over the NEXT 12 MONTHS*					
To provide new services	39	37	32	65	37
To increase efficiency/speed	99	95	97	65	95
To reach new customers	63	68	67	39	68
For replacement	62	61	67	91	68
To expand capacity	92	65	92	65	63
Statutory legislation and regulation	94	32	32	4	32
Other	32	30	30	0	32
9 What factors are likely to limit (wholly or partly) your capital authorisations over the NEXT 12 MONTHS*					
Inadequate net return on proposed investment	37	63	61	91	63
Shortage of finance	0	0	4	30	32
Cost of finance	3	0	0	0	0
Uncertainty about demand/business prospects	68	32	67	35	32
Shortage of labour including managerial & supervisor staff	62	35	30	35	32
Other	30	30	30	0	32
Business prospects					
10 What factors are likely to limit your ability to increase your level of business over the NEXT 12 MONTHS*					
Level of demand - Total	100	68	65	35	68
Staff turnover - Total	0	0	0	0	0
Availability of professional staff - Total	0	2	35	35	32
Availability of clerical staff - Total	0	0	0	0	0
Adequacy of systems capacity - Total	33	30	32	5	32
Ability to raise funds - Total	0	0	4	30	0
of which:					
Ability to raise capital - Total	0	0	0	0	0
Availability of wholesale funds - Total	0	0	0	0	0
Competition - Total	99	96	92	96	95
Statutory legislation and regulation - Total	99	33	61	61	32
Other - Total	30	30	30	0	37
10.1 What do you expect to spend on regulatory compliance in the NEXT 12 MONTHS?	+32	-24	-23	+9	0
Growth					
11 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	+8	+39	+36	+70	0
Cross-selling to existing customers	0	+32	+32	+30	+32
Launching new products/services	+34	+7	+6	+70	+37
Inorganic growth activities					
Engaging in M&A transactions	0	0	0	0	+5
Forming strategic partnerships/alliances	+26	+30	+32	+30	+37
Market focus for growth					
Increasing market share in domestic markets	+34	+9	+2	+5	-32
Increasing market share in international markets	0	0	0	-30	0
Investment in enablers to growth					
Brand and advertising	+64	+37	+92	+65	+95
Sales force and distribution channels	+34	+9	+6	+9	+32
CRM/marketing capabilities (e.g. pricing, segmentation, profitability analysis)	+64	+65	+32	+30	+32
IT systems and applications	+64	+98	+64	+35	+63

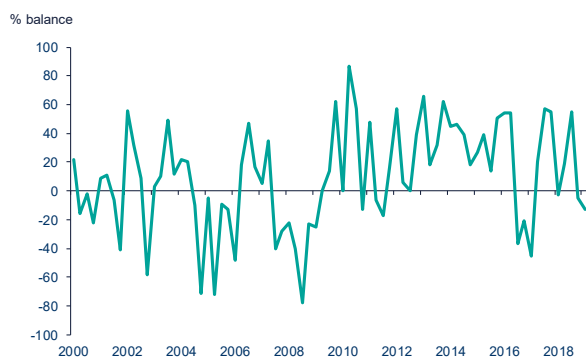
FINANCE HOUSES

Survey number 118, March 2019

Conducted between 14th February to 7th March 2019

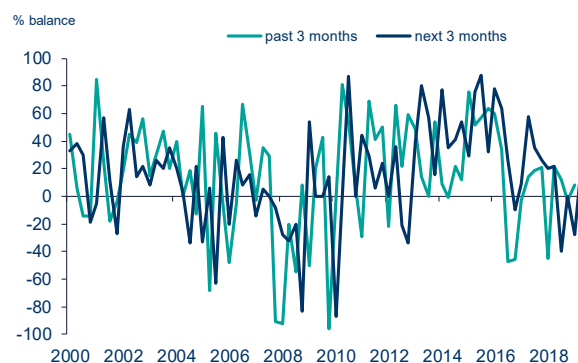
* All figures are percentage balances of respondents except questions 9-13 where figures are percentages of firms responding

Q1 Optimism vs three months earlier



	Q1
Latest	-13
Previous	-5
Mean	+8

Q3a Trend in volume of business



	Q3a: Past	Q3a: Next
Latest	+8	+20
Previous	-3	-28
Mean	+13	+14

Value and volume of business

	2018				2019
	Mar	Jun	Sep	Dec	Mar
1 Are you more or less optimistic about THE OVERALL BUSINESS SITUATION IN YOUR SECTOR?	-3	+19	+55	-5	-13
2 Excluding seasonal variations, do you consider that in volume terms:					
a) Your present level of business (above/below normal) is:	+51	+3	+64	-31	+56
b) Your present level of business with overseas customers (above/below normal) is:	+50	+54	+57	-28	+53
3 Excluding seasonal variations, what are the trends in:					
a) Volume of business					
- past 3 months	-45	+22	+12	-3	+8
- next 3 months	+22	-40	0	-28	+20
b) Value** of fee, commission or premium income					
- past 3 months	-45	+11	-45	+3	+55
- next 3 months	+66	+5	-45	+22	+65
c) Value** of net interest, investment or trading income					
- past 3 months	-9	+11	+10	+8	-3
- next 3 months	+17	+3	+6	+10	0

** in sterling

Charges, costs and profitability

4 Excluding seasonal variations, what are the trends for:					
a) Average spreads					
- past 3 months	+9	0	-7	-4	-6
- next 3 months	+8	-3	+46	-1	-6
b) Average commissions/fees/ premiums paid					
- past 3 months	+8	-3	0	+7	0
- next 3 months	-1	0	0	+10	+3
c) Total operating costs (excluding cost of funds)					
- past 3 months	+30	-33	+6	+13	+26
- next 3 months	+25	+74	-49	+10	+12
d) Average operating costs per transaction					
- past 3 months	+29	+23	+12	+21	+15
- next 3 months	+8	-50	-54	+21	+12
e) Value of non-performing loans					
- past 3 months	-40	-51	-45	-19	-39
- next 3 months	+8	-3	+57	+38	+15
g) Overall profitability of business					
- past 3 months	+50	+3	+2	+28	-50
- next 3 months	+5	+11	+54	+6	+9

Employment and training

5 Excluding seasonal variations, what are the trends in:					
a) Numbers employed					
- past 3 months	+17	+12	+24	+3	+22
- next 3 months	+13	+15	+20	0	-31
b) Training expenditure					
- past 3 months	+17	+69	+65	+4	+9
- next 3 months	+65	+16	+8	-21	+62

Marketing expenditure					
	Mar	Jun	Sep	Dec	Mar
6 Do you expect to authorise more or less expenditure on marketing in the NEXT 12 MONTHS than you did in the PAST 12 MONTHS	+58	+70	+65	+32	+62
Capital expenditure					
7 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	-4	+2	+7	-12	+3
b) Vehicles, plant & machinery	+8	+5	0	-5	-4
c) Information technology	+74	+76	+77	+60	+66
8 What are the main reasons for any expected CAPITAL EXPENDITURE AUTHORISATION over the NEXT 12 MONTHS*					
To provide new services	83	74	79	68	77
To increase efficiency/speed	95	80	88	73	81
To reach new customers	79	77	81	84	83
For replacement	75	70	76	50	77
To expand capacity	14	25	24	13	12
Statutory legislation and regulation	83	71	70	68	69
Other	5	5	3	0	0
9 What factors are likely to limit (wholly or partly) your capital authorisations over the NEXT 12 MONTHS*					
Inadequate net return on proposed investment	75	71	73	44	63
Shortage of finance	18	14	10	6	11
Cost of finance	17	11	13	4	5
Uncertainty about demand/business prospects	79	85	84	57	74
Shortage of labour including managerial & supervisor staff	67	67	72	33	66
Other	5	5	6	4	0
Business prospects					
10 What factors are likely to limit your ability to increase your level of business over the NEXT 12 MONTHS*					
Level of demand - Total	91	88	78	56	89
Staff turnover - Total	13	14	14	8	6
Availability of professional staff - Total	63	68	65	36	63
Availability of clerical staff - Total	63	65	60	30	56
Adequacy of systems capacity - Total	67	74	68	38	63
Ability to raise funds - Total	14	14	13	7	0
of which:					
Ability to raise capital - Total	22	17	9	10	14
Availability of wholesale funds - Total	21	14	9	13	66
Competition - Total	82	68	77	47	74
Statutory legislation and regulation - Total	79	70	74	40	62
Other - Total	0	11	8	4	3
10.1 What do you expect to spend on regulatory compliance in the NEXT 12 MONTHS?	+92	+70	+75	+47	+9
Growth					
11 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	+83	+86	+87	+76	+86
Cross-selling to existing customers	+29	+24	+37	+47	+16
Launching new products/services	+16	+10	+20	+41	+9
Inorganic growth activities					
Engaging in M&A transactions	-8	-6	-11	-3	+6
Forming strategic partnerships/alliances	+61	+62	+71	+41	+60
Market focus for growth					
Increasing market share in domestic markets	+70	+85	+85	+77	+77
Increasing market share in international markets	0	+5	+6	0	+5
Investment in enablers to growth					
Brand and advertising	+75	+76	+64	+43	+71
Sales force and distribution channels	+33	+26	+26	+27	+24
CRM/marketing capabilities (e.g. pricing, segmentation, profitability analysis)	+20	+20	+28	+10	+19
IT systems and applications	+74	+74	+82	+67	+68

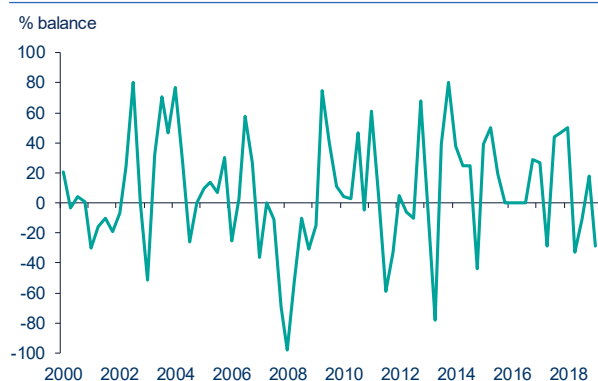
LIFE INSURANCE

Survey number 118, March 2019

Conducted between 14th February to 7th March 2019

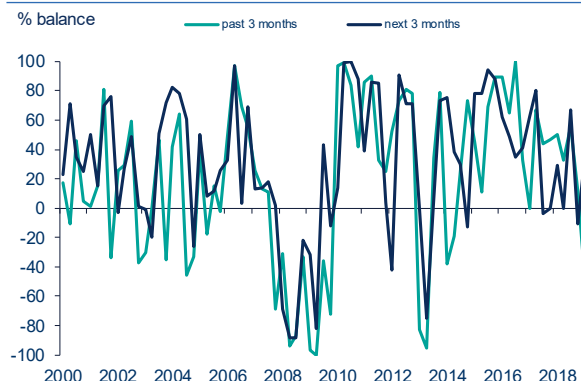
* All figures are percentage balances of respondents except questions 9-13 where figures are percentages of firms responding

Q1 Optimism vs three months earlier



	Q1
Latest	-29
Previous	+18
Mean	+6

Q3a Trend in volume of business



	Q3a: Past	Q3a: Next
Latest	-41	0
Previous	+12	+29
Mean	+17	+31

Value and volume of business

	2018 Mar	Jun	Sep	Dec	2019 Mar
1 Are you more or less optimistic about THE OVERALL BUSINESS SITUATION IN YOUR SECTOR?	+50	-33	-11	+18	-29
2 Excluding seasonal variations, do you consider that in volume terms:					
a) Your present level of business (above/below normal) is:	+50	0	+34	+12	-41
b) Your present level of business with overseas customers (above/below normal) is:	+50	+33	+11	-29	+29
3 Excluding seasonal variations, what are the trends in:					
a) Volume of business					
- past 3 months	+50	+33	+56	+12	-41
- next 3 months	0	+67	-11	+29	0
b) Value** of fee, commission or premium income					
- past 3 months	+50	-33	+22	+12	-41
- next 3 months	0	+33	-22	0	+29
c) Value** of net interest, investment or trading income					
- past 3 months	0	-33	0	-29	-12
- next 3 months	0	+67	-44	-29	0

Charges, costs and profitability

4 Excluding seasonal variations, what are the trends for:					
a) Average spreads					
- past 3 months	-50	0	-22	0	0
- next 3 months	-50	-67	0	0	0
b) Average commissions/fees/ premiums paid					
- past 3 months	+50	0	+12	+12	0
- next 3 months	+50	0	+12	0	0
c) Total operating costs (excluding cost of funds)					
- past 3 months	+50	0	+34	-18	0
- next 3 months	0	-33	+34	-18	-29
d) Average operating costs per transaction					
- past 3 months	-50	-33	0	-47	-29
- next 3 months	-50	-67	0	-47	-59
g) Overall profitability of business					
- past 3 months	+50	-33	+56	+29	+18
- next 3 months	+50	0	0	0	-12

Employment and training

5 Excluding seasonal variations, what are the trends in:					
a) Numbers employed					
- past 3 months	+50	0	+11	-18	0
- next 3 months	+50	0	-11	-18	0
b) Training expenditure					
- past 3 months	+50	-33	+11	+11	0
- next 3 months	+50	0	-11	+11	-30

Marketing expenditure					
	Mar	Jun	Sep	Dec	Mar
6 Do you expect to authorise more or less expenditure on marketing in the NEXT 12 MONTHS than you did in the PAST 12 MONTHS	+100	+33	+56	+71	+71
Capital expenditure					
7 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	0	+33	-34	0	+29
b) Vehicles, plant & machinery	0	0	0	0	0
c) Information technology	+100	+100	+12	+41	+100
8 What are the main reasons for any expected CAPITAL EXPENDITURE AUTHORISATION over the NEXT 12 MONTHS*					
To provide new services	100	100	56	100	100
To increase efficiency/speed	100	100	78	100	71
To reach new customers	50	67	56	29	59
For replacement	50	67	44	29	29
To expand capacity	50	67	34	71	71
Statutory legislation and regulation	0	33	56	41	29
Other	0	33	0	0	0
9 What factors are likely to limit (wholly or partly) your capital authorisations over the NEXT 12 MONTHS*					
Inadequate net return on proposed investment	50	67	66	59	71
Shortage of finance	50	67	44	88	59
Cost of finance	50	67	22	29	88
Uncertainty about demand/business prospects	50	67	56	29	41
Shortage of labour including managerial & supervisor staff	100	100	34	41	41
Other	0	33	44	0	0
Business prospects					
10 What factors are likely to limit your ability to increase your level of business over the NEXT 12 MONTHS*					
Level of demand - Total	100	33	22	29	41
Staff turnover - Total	0	0	0	0	0
Availability of professional staff - Total	50	67	34	41	41
Availability of clerical staff - Total	0	0	0	0	0
Adequacy of systems capacity - Total	100	67	22	41	41
Ability to raise funds - Total	0	33	0	0	0
of which:				~	
Ability to raise capital - Total	0	33	22	29	29
Availability of wholesale funds - Total	0	33	0	29	29
Competition - Total	100	33	22	41	59
Statutory legislation and regulation - Total	50	67	44	71	59
Other - Total	0	0	44	29	29
10.1 What do you expect to spend on regulatory compliance in the NEXT 12 MONTHS?	+100	+67	+56	+71	+59
Growth					
11 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	+50	+33	+12	+41	+29
Cross-selling to existing customers	+100	+100	+66	+88	+88
Launching new products/services	+100	+100	+56	+88	+71
Inorganic growth activities					
Engaging in M&A transactions	+50	+33	-22	+29	-18
Forming strategic partnerships/alliances	+100	+100	+78	+100	+88
Market focus for growth					
Increasing market share in domestic markets	0	+100	+12	+41	0
Increasing market share in international markets	0	0	+11	-29	0
Investment in enablers to growth					
Brand and advertising	+50	0	+56	+41	0
Sales force and distribution channels	+50	+33	-11	+41	+41
CRM/marketing capabilities (e.g. pricing, segmentation, profitability analysis)	+100	+67	+12	+71	+41
IT systems and applications	+50	+67	+12	+41	-18

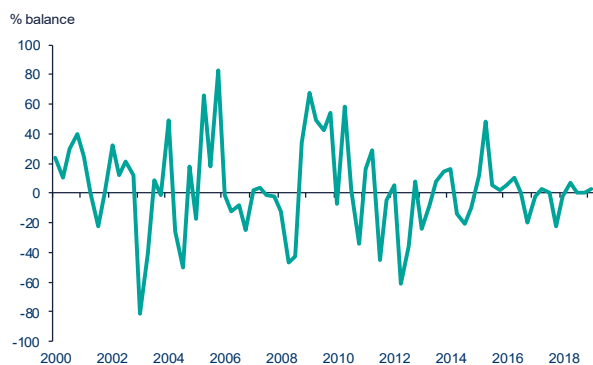
GENERAL INSURANCE

Survey number 118, March 2019

Conducted between 14th February to 7th March 2019

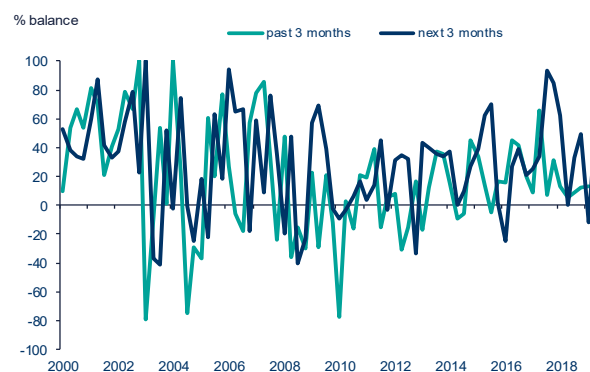
* All figures are percentage balances of respondents except questions 9-13 where figures are percentages of firms responding

Q1 Optimism vs three months earlier



	Q1
Latest	+3
Previous	0
Mean	+1

Q3a Trend in volume of business



	Q3a: Past	Q3a: Next
Latest	+13	+53
Previous	+12	-12
Mean	+11	+20

Value and volume of business

	2018 Mar	Jun	Sep	Dec	2019 Mar
1 Are you more or less optimistic about THE OVERALL BUSINESS SITUATION IN YOUR SECTOR?	-2	+7	0	0	+3
2 Excluding seasonal variations, do you consider that in volume terms:					
a) Your present level of business (above/below normal) is:	+2	+7	+5	-18	+5
b) Your present level of business with overseas customers (above/below normal) is:	0	+4	0	-50	+5
3 Excluding seasonal variations, what are the trends in:					
a) Volume of business					
- past 3 months	+13	+5	+9	+12	+13
- next 3 months	0	+33	+49	-12	+53
b) Value** of fee, commission or premium income					
- past 3 months	+10	+3	+11	+14	+15
- next 3 months	0	+32	+51	-12	+55
c) Value** of net interest, investment or trading income					
- past 3 months	0	-2	-36	-25	-38
- next 3 months	0	-5	+4	+5	-32

Charges, costs and profitability

4 Excluding seasonal variations, what are the trends for:					
a) Average spreads					
- past 3 months	0	+24	0	+2	+2
- next 3 months	0	0	+4	+29	0
b) Average commissions/fees/ premiums paid					
- past 3 months	+8	+4	+2	+9	+10
- next 3 months	+8	+4	+2	+9	+50
c) Total operating costs (excluding cost of funds)					
- past 3 months	+95	-21	+44	+4	+45
- next 3 months	+90	-20	+44	-23	+10
d) Average operating costs per transaction					
- past 3 months	+2	-23	+2	+7	+10
- next 3 months	+8	-24	+2	-23	+12
g) Overall profitability of business					
- past 3 months	+5	+24	-31	-25	+3
- next 3 months	0	+28	+7	-21	+5
4.1 What has been the trend with regard to the value of insurance claims:					
- past 12 months	+82	+88	+86	+94	+13
- next 12 months	+10	+9	+4	+11	+53

Employment and training

5 Excluding seasonal variations, what are the trends in:					
a) Numbers employed					
- past 3 months	+88	+2	+49	-16	+45
- next 3 months	+90	+4	+49	-20	+39
b) Training expenditure					
- past 3 months	+88	+30	+51	+4	+45
- next 3 months	+93	+32	+58	+5	+40

Marketing expenditure						
	Mar	Jun	Sep	Dec	Mar	
6 Do you expect to authorise more or less expenditure on marketing in the NEXT 12 MONTHS than you did in the PAST 12 MONTHS	+98	+7	+11	+4	+55	
Capital expenditure						
7 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	0	0	+5	-2	-32	
b) Vehicles, plant & machinery	-2	+29	+5	+4	+3	
c) Information technology	+85	+92	+56	+98	+93	
8 What are the main reasons for any expected CAPITAL EXPENDITURE AUTHORISATION over the NEXT 12 MONTHS*						
To provide new services	100	69	56	34	88	
To increase efficiency/speed	18	38	18	60	53	
To reach new customers	95	41	56	57	85	
For replacement	85	36	93	34	90	
To expand capacity	10	5	16	36	48	
Statutory legislation and regulation	5	8	54	55	43	
Other	0	0	2	0	0	
9 What factors are likely to limit (wholly or partly) your capital authorisations over the NEXT 12 MONTHS*						
Inadequate net return on proposed investment	92	34	58	87	85	
Shortage of finance	5	4	11	29	5	
Cost of finance	5	3	11	0	3	
Uncertainty about demand/business prospects	87	62	93	41	95	
Shortage of labour including managerial & supervisor staff	5	34	18	3	50	
Other	5	0	2	0	0	
Business prospects						
10 What factors are likely to limit your ability to increase your level of business over the NEXT 12 MONTHS*						
Level of demand	- Total	15	36	51	32	48
Staff turnover	- Total	10	28	11	30	7
Availability of professional staff	- Total	87	63	56	32	45
Availability of clerical staff	- Total	12	30	9	0	0
Adequacy of systems capacity	- Total	10	33	9	30	5
Ability to raise funds	- Total	0	27	9	0	2
of which:						
Ability to raise capital	- Total	2	28	2	3	5
Availability of wholesale funds	- Total	2	27	2	0	0
Competition	- Total	95	61	89	89	90
Statutory legislation and regulation	- Total	10	31	49	27	45
Other	- Total	5	27	0	0	3
10.1 What do you expect to spend on regulatory compliance in the NEXT 12 MONTHS?	+92	+66	+92	+89	+53	
Growth						
11 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	+87	+72	+96	+66	+98	
Cross-selling to existing customers	+18	+62	+56	+13	+18	
Launching new products/services	+88	+12	+51	+62	+55	
Inorganic growth activities						
Engaging in M&A transactions	-15	-46	-38	+5	0	
Forming strategic partnerships/alliances	-10	+30	+6	+28	-33	
Market focus for growth						
Increasing market share in domestic markets	+95	+70	+49	+64	+52	
Increasing market share in international markets	+80	+27	+42	+4	+50	
Investment in enablers to growth						
Brand and advertising	+90	+41	+52	+32	+53	
Sales force and distribution channels	+80	+66	+47	+61	+45	
CRM/marketing capabilities (e.g. pricing, segmentation, profitability analysis)	+5	+9	+9	+64	+57	
IT systems and applications	+98	+89	+94	+95	+93	

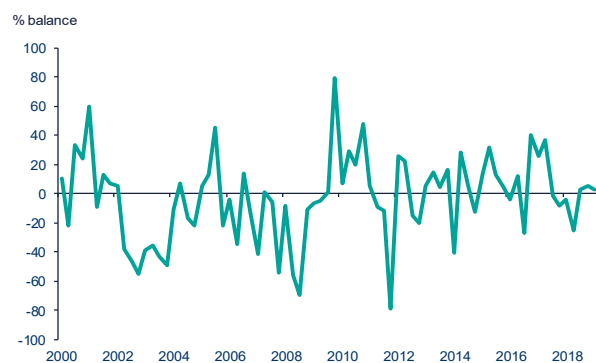
INSURANCE BROKERS

Survey number 118, March 2019

Conducted between 14th February to 7th March 2019

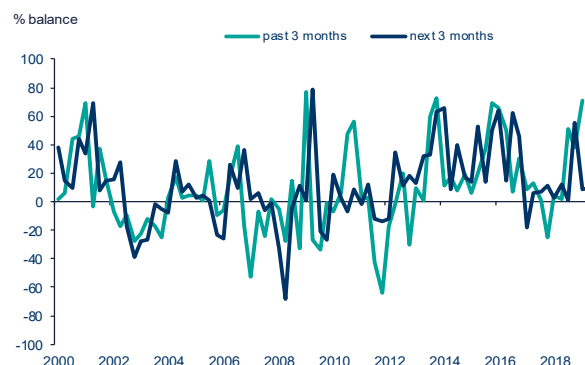
* All figures are percentage balances of respondents except questions 9-13 where figures are percentages of firms responding

Q1 Optimism vs three months earlier



	Q1
Latest	+3
Previous	+5
Mean	-1

Q3a Trend in volume of business



	Q3a: Past	Q3a: Next
Latest	+71	+10
Previous	+38	+9
Mean	+16	+18

Value and volume of business

	2018 Mar	Jun	Sep	Dec	2019 Mar
1 Are you more or less optimistic about THE OVERALL BUSINESS SITUATION IN YOUR SECTOR?	-4	-25	+3	+5	+3
2 Excluding seasonal variations, do you consider that in volume terms:					
a) Your present level of business (above/below normal) is:	-4	+2	+48	+27	+54
b) Your present level of business with overseas customers (above/below normal) is:	+4	0	+3	-3	+3
3 Excluding seasonal variations, what are the trends in:					
a) Volume of business					
- past 3 months	+4	+2	+51	+38	+71
- next 3 months	+12	+1	+55	+9	+10
b) Value** of fee, commission or premium income					
- past 3 months	-22	+6	+62	+27	+68
- next 3 months	+12	+6	+62	+9	+14
c) Value** of net interest, investment or trading income					
- past 3 months	0	-5	-3	+5	-6
- next 3 months	0	-5	+3	+2	-3

Charges, costs and profitability

4 Excluding seasonal variations, what are the trends for:					
a) Average spreads					
- past 3 months	0	-5	-3	0	0
- next 3 months	+4	+5	-3	0	0
b) Average commissions/fees/ premiums paid					
- past 3 months	-21	+7	0	+12	+51
- next 3 months	+26	+7	+10	+12	+3
c) Total operating costs (excluding cost of funds)					
- past 3 months	+38	+24	+14	+26	+74
- next 3 months	-10	+34	+17	+53	+23
d) Average operating costs per transaction					
- past 3 months	+20	+16	+10	-5	+6
- next 3 months	+20	+17	+14	+2	+9
g) Overall profitability of business					
- past 3 months	+16	+64	+51	+50	+51
- next 3 months	+51	+56	+51	+27	+3

Employment and training

5 Excluding seasonal variations, what are the trends in:					
a) Numbers employed					
- past 3 months	+4	+27	+7	+29	+42
- next 3 months	+12	+42	+14	+45	+69
b) Training expenditure					
- past 3 months	+8	+15	+10	+3	0
- next 3 months	+16	+23	+10	+17	+13

Marketing expenditure					
	Mar	Jun	Sep	Dec	Mar
6 Do you expect to authorise more or less expenditure on marketing in the NEXT 12 MONTHS than you did in the PAST 12 MONTHS	+12	+16	+3	+9	-41
Capital expenditure					
7 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	-26	-16	-3	-19	-14
b) Vehicles, plant & machinery	0	+5	-7	-3	-3
c) Information technology	+24	+31	+7	+9	-4
8 What are the main reasons for any expected CAPITAL EXPENDITURE AUTHORISATION over the NEXT 12 MONTHS*					
To provide new services	34	49	72	14	61
To increase efficiency/speed	80	65	86	86	26
To reach new customers	24	41	69	47	74
For replacement	58	55	97	66	85
To expand capacity	50	49	76	26	9
Statutory legislation and regulation	29	41	76	35	6
Other	4	5	0	0	0
9 What factors are likely to limit (wholly or partly) your capital authorisations over the NEXT 12 MONTHS*					
Inadequate net return on proposed investment	34	53	72	47	54
Shortage of finance	30	0	14	33	9
Cost of finance	4	0	7	7	6
Uncertainty about demand/business prospects	62	51	24	59	77
Shortage of labour including managerial & supervisor staff	20	3	14	21	14
Other	0	0	3	5	0
Business prospects					
10 What factors are likely to limit your ability to increase your level of business over the NEXT 12 MONTHS*					
Level of demand - Total	66	58	79	86	77
Staff turnover - Total	8	0	7	0	3
Availability of professional staff - Total	42	3	17	21	14
Availability of clerical staff - Total	8	0	7	0	3
Adequacy of systems capacity - Total	20	9	3	14	6
Ability to raise funds - Total	4	0	7	0	3
of which:					
Ability to raise capital - Total	4	0	7	0	3
Availability of wholesale funds - Total	4	0	3	0	0
Competition - Total	66	32	35	57	35
Statutory legislation and regulation - Total	62	28	35	30	17
Other - Total	0	0	7	5	10
10.1 What do you expect to spend on regulatory compliance in the NEXT 12 MONTHS?	+58	+53	+24	+60	+26
Growth					
11 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	+58	+45	+83	+52	+86
Cross-selling to existing customers	+46	+48	+62	+45	+61
Launching new products/services	+29	+24	+55	+22	+50
Inorganic growth activities					
Engaging in M&A transactions	+4	+21	+51	+53	+45
Forming strategic partnerships/alliances	+8	+30	+55	+26	+48
Market focus for growth					
Increasing market share in domestic markets	+4	+42	+65	+38	+77
Increasing market share in international markets	0	+14	+51	+22	+54
Investment in enablers to growth					
Brand and advertising	-8	+13	-10	-3	+62
Sales force and distribution channels	+30	+29	+3	+29	+54
CRM/marketing capabilities (e.g. pricing, segmentation, profitability analysis)	+13	-1	-7	+43	+57
IT systems and applications	+38	+10	+10	+10	+17

INVESTMENT MANAGEMENT

Survey number 118, March 2019

Conducted between 14th February to 7th March 2019

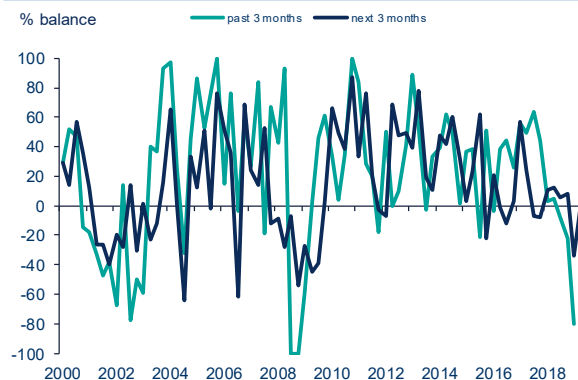
* All figures are percentage balances of respondents except questions 9-13 where figures are percentages of firms responding

Q1 Optimism vs three months earlier



	Q1
Latest	-22
Previous	-71
Mean	+15

Q3a Trend in volume of business



	Q3a: Past	Q3a: Next
Latest	-80	-2
Previous	-22	-34
Mean	+24	+16

Value and volume of business

	2018				2019
	Mar	Jun	Sep	Dec	Mar
1 Are you more or less optimistic about THE OVERALL BUSINESS SITUATION IN YOUR SECTOR?	-15	+1	-62	-71	-22
2 Excluding seasonal variations, do you consider that in volume terms:					
a) Your present level of business (above/below normal) is:	-12	+5	-17	-42	-59
b) Your present level of business with overseas customers (above/below normal) is:	-12	-1	0	-20	-27
3 Excluding seasonal variations, what are the trends in:					
a) Volume of business					
- past 3 months	+3	+5	-8	-22	-80
- next 3 months	+12	+6	+8	-34	-2
b) Value** of fee, commission or premium income					
- past 3 months	-40	+28	-54	-51	-68
- next 3 months	+43	+28	-37	-80	-6
c) Value** of net interest, investment or trading income					
- past 3 months	+28	-4	+8	-10	-10
- next 3 months	+28	-11	0	-22	-17

Charges, costs and profitability

4 Excluding seasonal variations, what are the trends for:					
a) Average spreads					
- past 3 months	0	0	+17	0	+17
- next 3 months	+30	0	+8	0	0
b) Average commissions/fees/ premiums paid					
- past 3 months	-52	-44	-17	-46	-22
- next 3 months	-12	-6	-8	-46	-27
c) Total operating costs (excluding cost of funds)					
- past 3 months	+30	+11	+70	+53	+55
- next 3 months	+30	-6	+78	+53	+32
d) Average operating costs per transaction					
- past 3 months	+30	-37	0	+53	+27
- next 3 months	+15	-17	+8	+53	+27
e) Value of non-performing loans					
- past 3 months	+15	+6	0	0	-12
- next 3 months	0	+6	0	0	0
g) Overall profitability of business					
- past 3 months	-28	+17	-49	-41	-61
- next 3 months	-12	+10	-45	-50	-5

Employment and training

5 Excluding seasonal variations, what are the trends in:					
a) Numbers employed					
- past 3 months	+25	+65	+21	+18	+9
- next 3 months	+33	+30	-24	+5	+11
b) Training expenditure					
- past 3 months	+13	+43	+7	+8	+6
- next 3 months	+13	+18	0	+8	+6

Marketing expenditure					
	Mar	Jun	Sep	Dec	Mar
6 Do you expect to authorise more or less expenditure on marketing in the NEXT 12 MONTHS than you did in the PAST 12 MONTHS	+15	+38	+8	+24	+2
Capital expenditure					
7 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	+25	-22	+17	-5	-40
b) Vehicles, plant & machinery	0	-6	0	0	0
c) Information technology	+40	+50	+37	0	+27
8 What are the main reasons for any expected CAPITAL EXPENDITURE AUTHORISATION over the NEXT 12 MONTHS*					
To provide new services	45	35	8	17	15
To increase efficiency/speed	72	83	92	53	51
To reach new customers	40	25	33	54	5
For replacement	12	27	70	21	46
To expand capacity	40	39	33	12	17
Statutory legislation and regulation	43	36	78	44	57
Other	0	6	0	0	12
9 What factors are likely to limit (wholly or partly) your capital authorisations over the NEXT 12 MONTHS*					
Inadequate net return on proposed investment	32	19	70	36	26
Shortage of finance	12	23	8	9	5
Cost of finance	12	12	8	9	0
Uncertainty about demand/business prospects	52	30	25	67	9
Shortage of labour including managerial & supervisor staff	70	34	75	17	22
Other	0	6	8	0	12
Business prospects					
10 What factors are likely to limit your ability to increase your level of business over the NEXT 12 MONTHS*					
Level of demand	57	54	75	50	14
Staff turnover	0	18	8	9	5
Availability of professional staff	28	44	25	20	12
Availability of clerical staff	0	18	8	0	0
Adequacy of systems capacity	12	24	8	33	35
Ability to raise funds	0	12	0	26	0
of which:					
Ability to raise capital	0	6	0	0	23
Availability of wholesale funds	0	6	0	0	0
Competition	70	34	17	12	32
Statutory legislation and regulation	70	42	17	17	37
Other	0	6	17	9	5
10.1 What do you expect to spend on regulatory compliance in the NEXT 12 MONTHS?	+88	+57	+20	+32	+53
Growth					
11 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	+28	+42	+17	+37	+33
Cross-selling to existing customers	+15	+3	+17	+9	+28
Launching new products/services	+10	-25	0	+17	-7
Inorganic growth activities					
Engaging in M&A transactions	-12	-2	-12	+21	-6
Forming strategic partnerships/alliances	-3	-6	+8	+14	-7
Market focus for growth					
Increasing market share in domestic markets	+15	+51	+8	+26	+57
Increasing market share in international markets	+12	-13	+8	+20	+3
Investment in enablers to growth					
Brand and advertising	0	+15	+25	+43	+4
Sales force and distribution channels	0	+13	+62	+46	+32
CRM/marketing capabilities (e.g. pricing, segmentation, profitability analysis)	+30	+41	+54	+41	+32
IT systems and applications	+55	+36	+17	+21	+10

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 bi-annual UK economic outlook and International 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 economists before publication.

Publications and services

TITLE		CBI MEMBERS		NON-MEMBERS	
		Annual issue	Single subscription	Annual issue	Single subscription
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:

Leanne Mckenna
CBI Publication Sales
Cannon Place
78 Cannon Street
London EC4N 6HN

DL: +44 (0) 113 232 1905 E: leanne.mckenna@cbi.org.uk

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

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

Sample sizes and weights

Survey 117, March 2019	Number of respondents	Sample weight
Banking	12	0.40
Building societies	4	0.05
Finance Houses	17	0.05
Life insurance	4	0.11
General insurance	10	0.16
Insurance brokers	12	0.05
Investment management	10	0.05
Securities trading; stockbroking	2	0.08
Private equity (ex venture capital)	4	0.00
Other financial institutions	9	0.05
Total	84	1.00

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 Maria Panagiotou on +44 07730 598491 or David Jetuah on +44 07841 468678. For comment about a particular industry or issue, please contact one of the following people on (020) 7583 5000.

UK Financial Services:	Andrew Kail	Insurance:	Jim Bichard
Investment Management:	Elizabeth Stone	Banking:	Isabelle Jenkins
Building Societies:	Nick Elliott	Financial Regulation:	Sarah Isted

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.

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For further information, please contact:

Charlotte Dendy
Senior Economist, CBI
T: 44 (0)20 7395 8109
E: charlotte.dendy@cbi.org.uk

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