

Sector outlooks (part one)

Economic

Growth was better than expected. The outlook for the UK economy will now be shaped by the response **post-Brexit.**



Regulatory

Expectations **continue to evolve** – **strong ethics, culture and accountability** being as important as **financial resilience.**



Retail Banking

Competitive advantage is being eroded with **new analytical capabilities** and **innovative business models** driving change. **Growth** will be focussed on the **digital customer** and **tech-enabled disruption.**



Capital Markets

The use of **high frequency, electronic and algorithmic trading practices** increases operational risk – **internal audit needs to ensure close interaction** on this and innovative technology such as blockchain.



Insurance

Insurers are responding to **new market entrants** through **digital investments**, increased outsourcing, optimising the use of specialists as well as accessing new markets



Investment Management

Cognitive technologies and automation enable the **targeting of new investor segments** with lower cost and higher customisation with tech-enabled disruption.



Planning priorities (part two)

Business leadership

Culture and governance moved to **top of regulator and stakeholder** agendas



Risk management

Are you clear on the **continued emphasis on risk management frameworks**, and the impact on **Solvency II, BCBS and cost?**



Regulatory matters

The Senior Managers and Certification Regime impacts almost every stage of the **employee lifecycle**, from recruitment, appraisals and training, to leaving the firm



Capital and liquidity

Have you understood the **impact of Solvency II on Capital Markets, Insurers and Fund Managers?** An expectations for **ICAAP and ILAAP** reviews?



Operations and IT

87% of respondents have faced a **disruptive incident** with 3rd parties in the last 2-3 years



Accounting and tax

CRS establishes obligations for **verifying account holders tax residency** and reporting information on reportable persons to HMRC

