

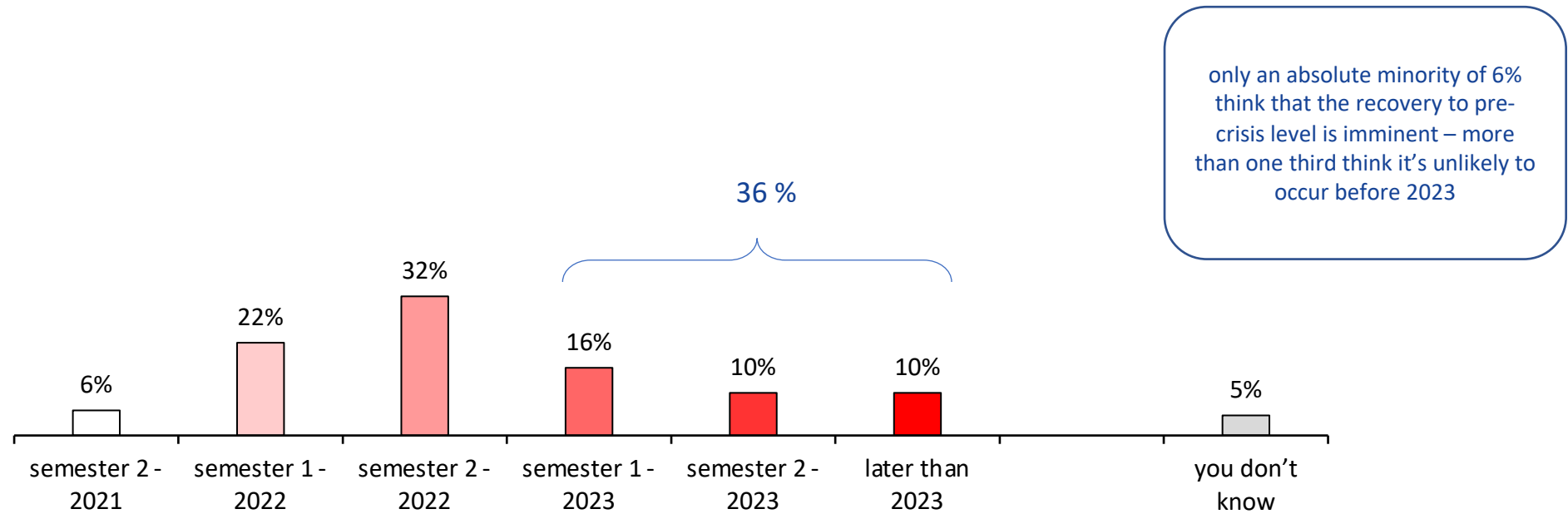
Luxembourg Financial Services Industry Survey

edition n° 3

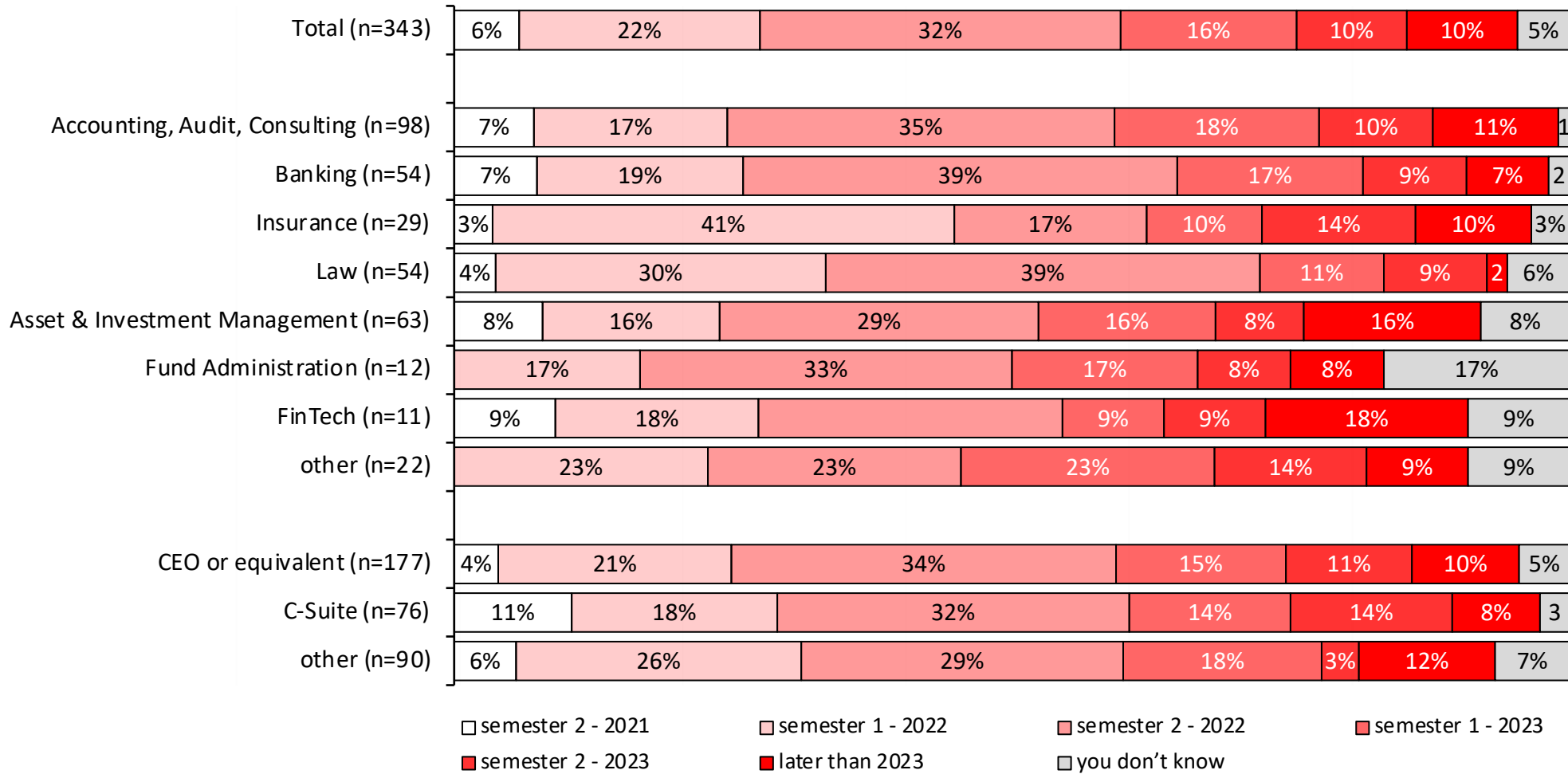
- **Luxembourg Financial Services Industry Survey**
- Twelve quantitative questions to assess how decision makers within Luxembourg’s financial services industry perceive this uncertain economic landscape and how they are adapting to it
- More **than 340 answers of leaders** of Luxembourg’s financial sector
- Answers were collected
 - by **cawi method** (computer aided web interviews)
 - from **21st to 30th April 2021**

Total sample	343	100%
Accounting, Audit, Consulting	98	29%
Banking	54	16%
Insurance	29	8%
Law	54	16%
Asset & Investment Management	63	18%
Fund Administration	12	3%
FinTech	11	3%
other	22	6%
CEO or equivalent	177	52%
C-Suite	76	22%
other	90	26%

1.) The global economy

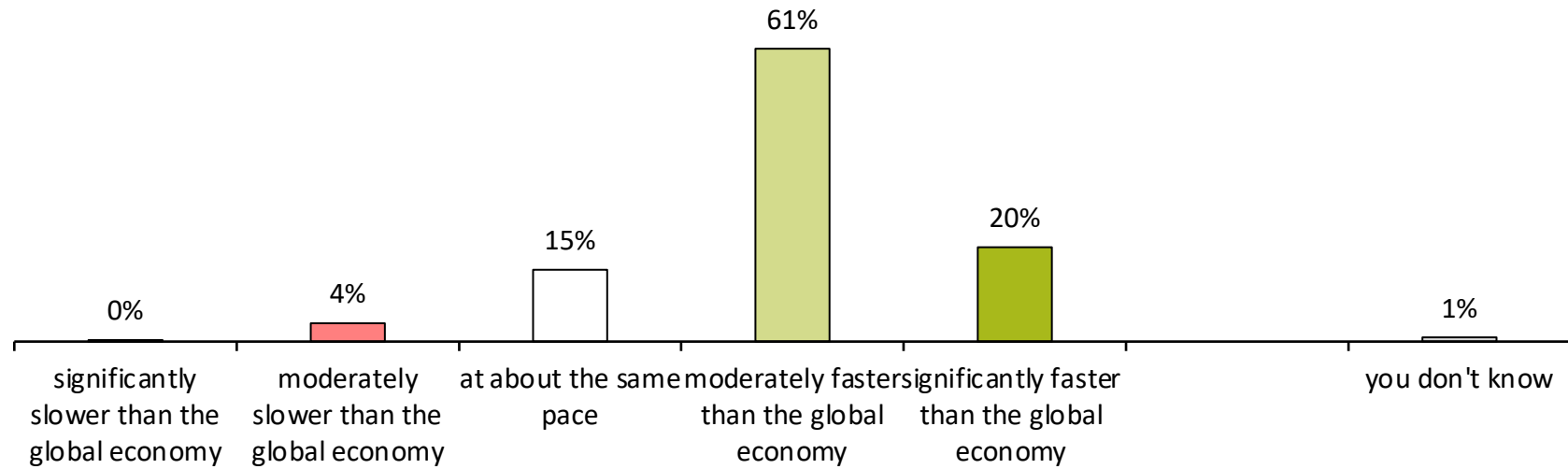


By when do you think the global economy will recover to a pre-crisis level? (n=343)



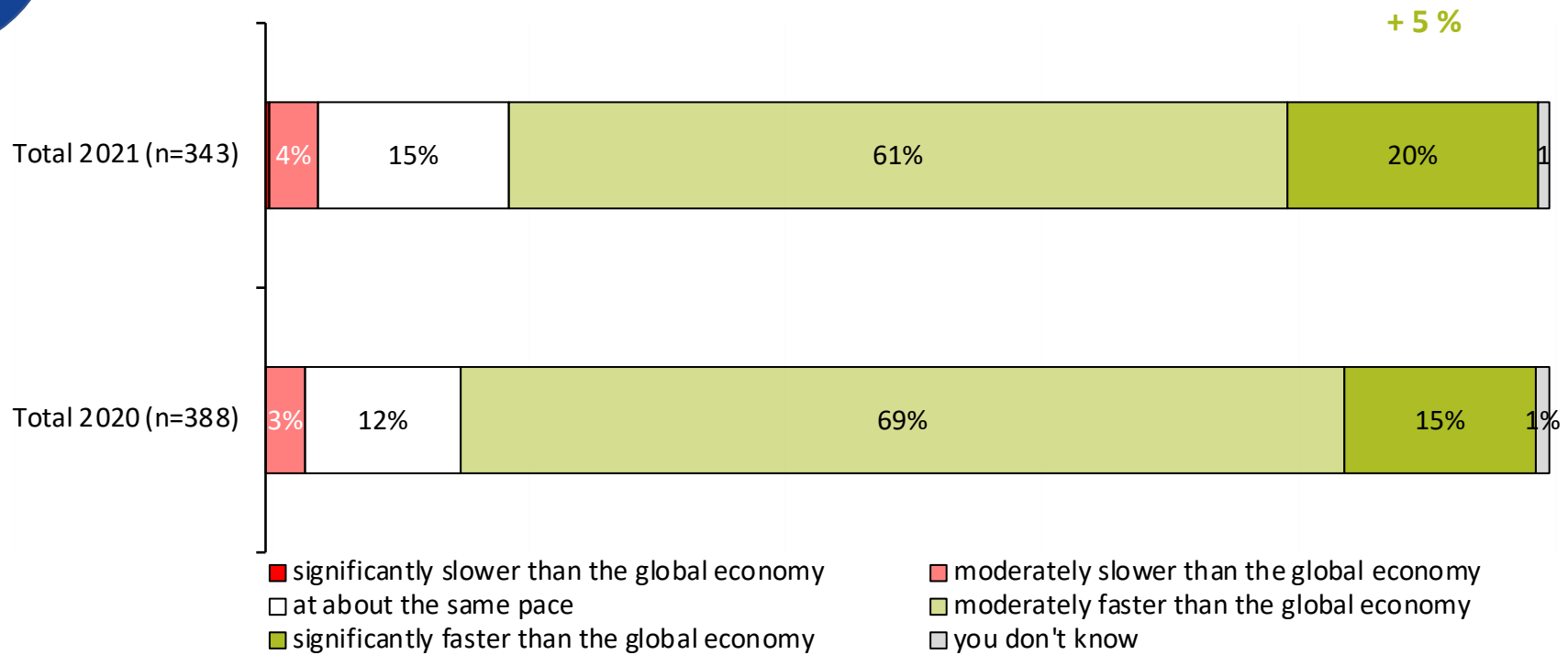
By when do you think the global economy will recover to a pre-crisis level?

2.) Luxembourg's economy



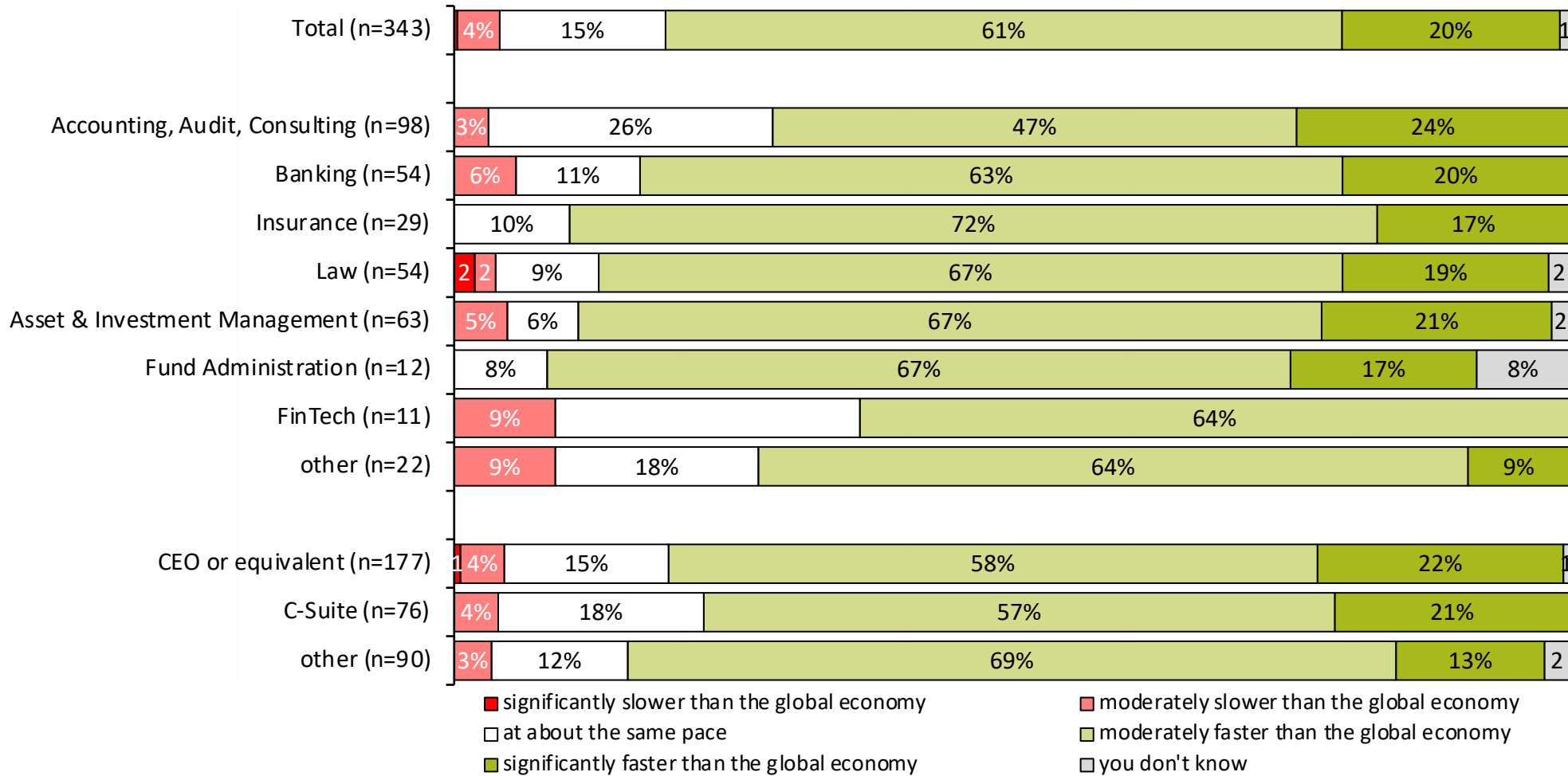
Compared to the global recovery, how quickly do you think Luxembourg's economy will recover to a pre-crisis level?
It will recover... (n=343)

comparison
October
2020



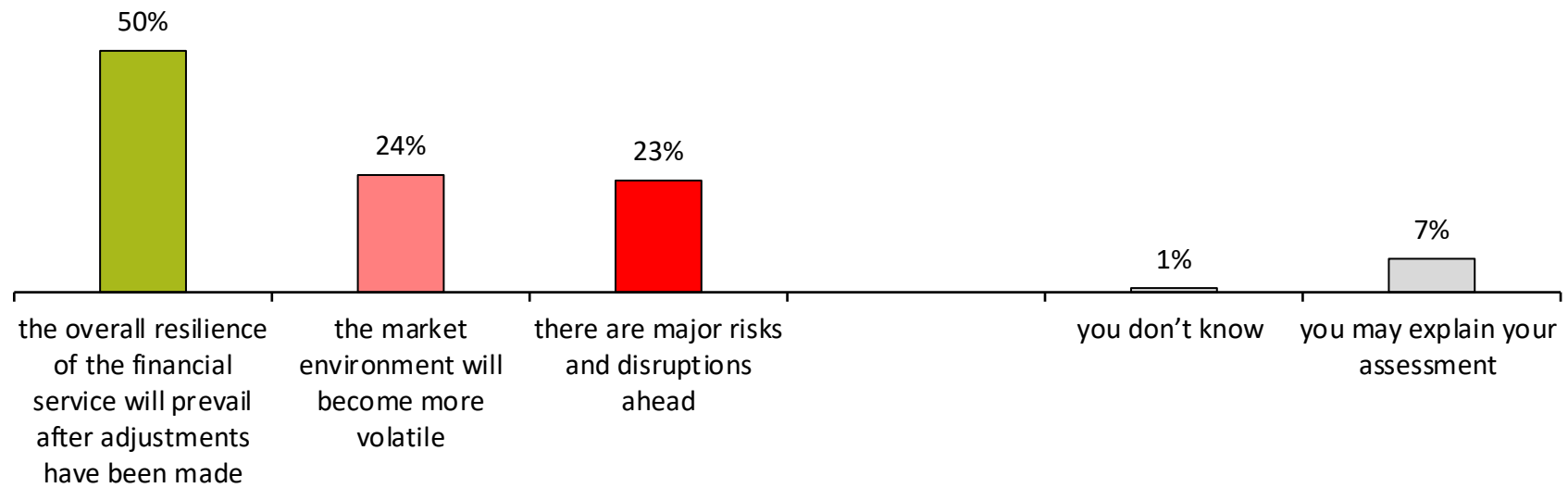
The fraction of those who believe Luxembourg's economy will recover significantly faster has increased. The recent publication of public finance figures has certainly contributed

Compared to the global recovery, how quickly do you think Luxembourg's economy will recover to a pre-crisis level?
It will recover...



Compared to the global recovery, how quickly do you think Luxembourg's economy will recover to a pre-crisis level?
It will recover...

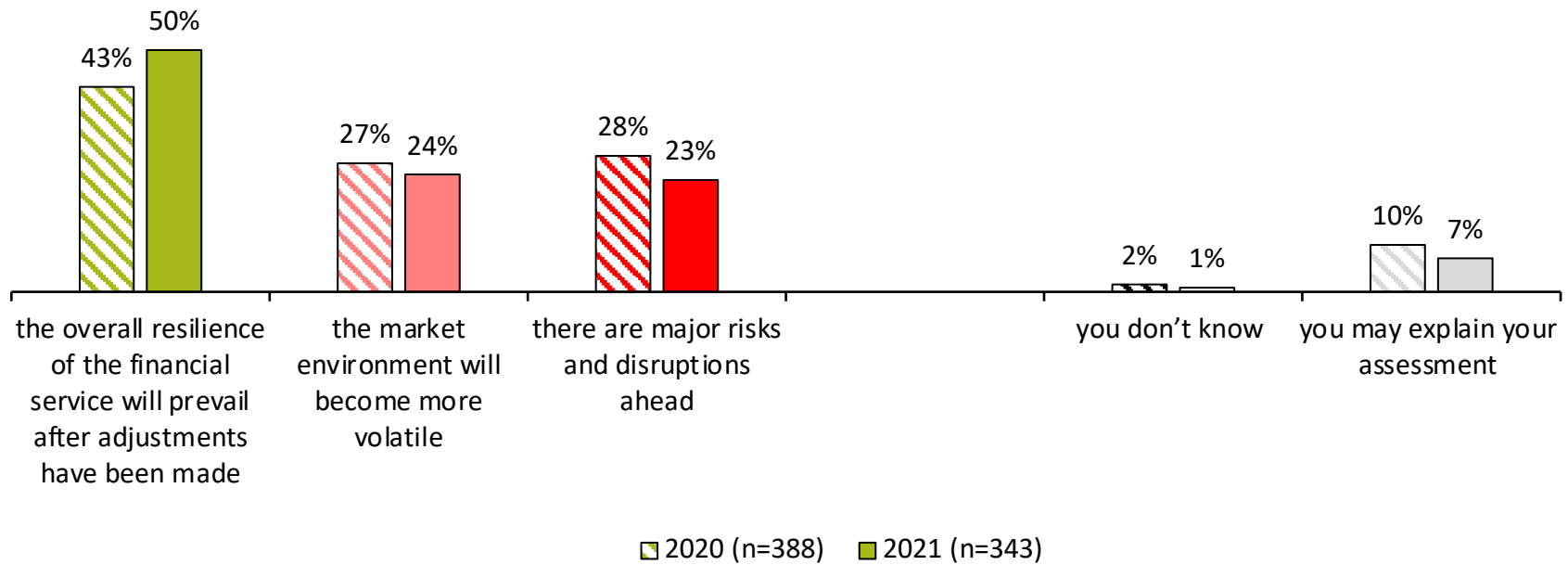
3.) The pandemic's impact on global financial services



What will the mid-term impact of the crisis be on the global financial services industry? (n=343)

comparison
October
2020

Optimism concerning the resilience of the financial industry has grown significantly

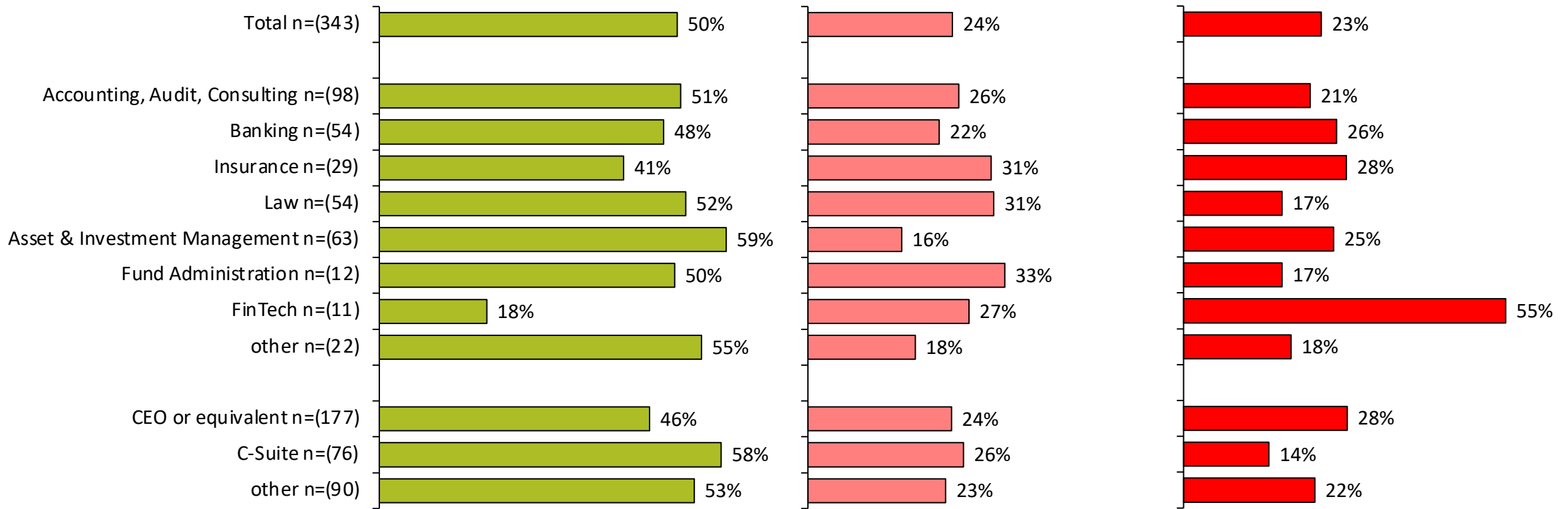


What will the mid-term impact of the crisis be on the global financial services industry?

the overall resilience of the financial service will prevail after adjustments have been made

the market environment will become more volatile

there are major risks and disruptions ahead

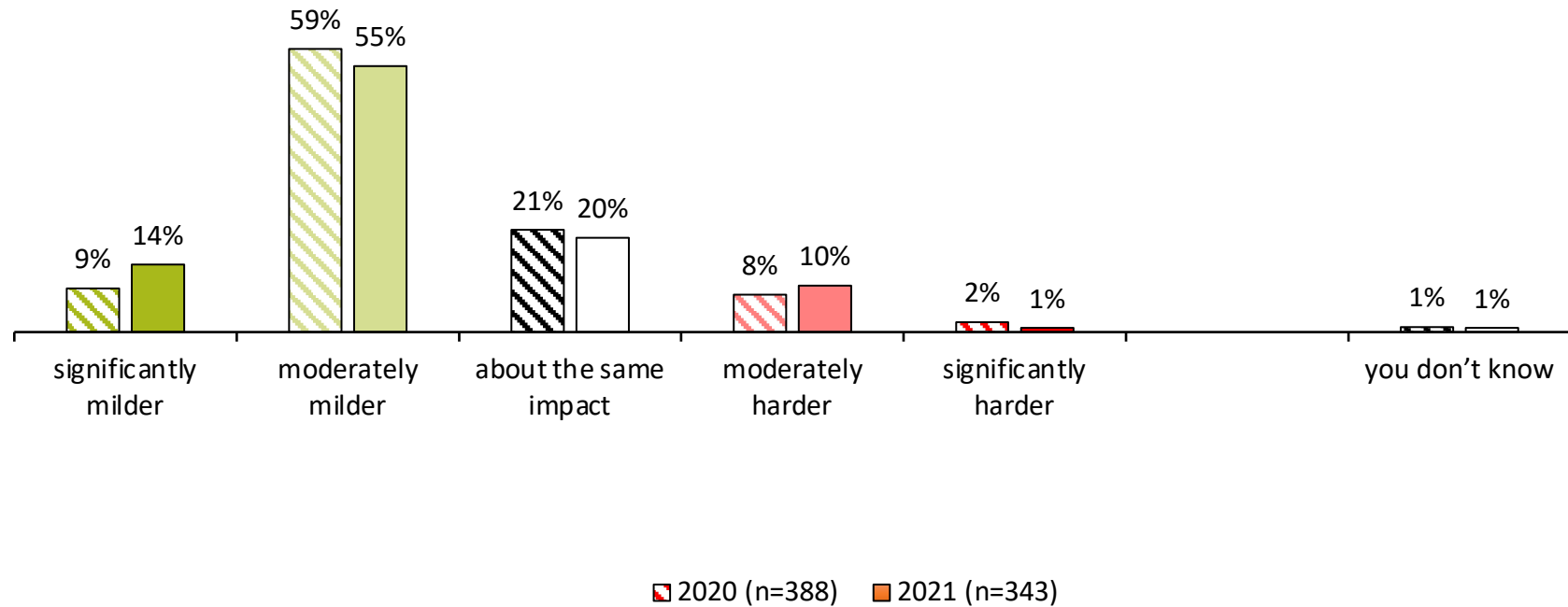


What will the mid-term impact of the crisis be on the global financial services industry?

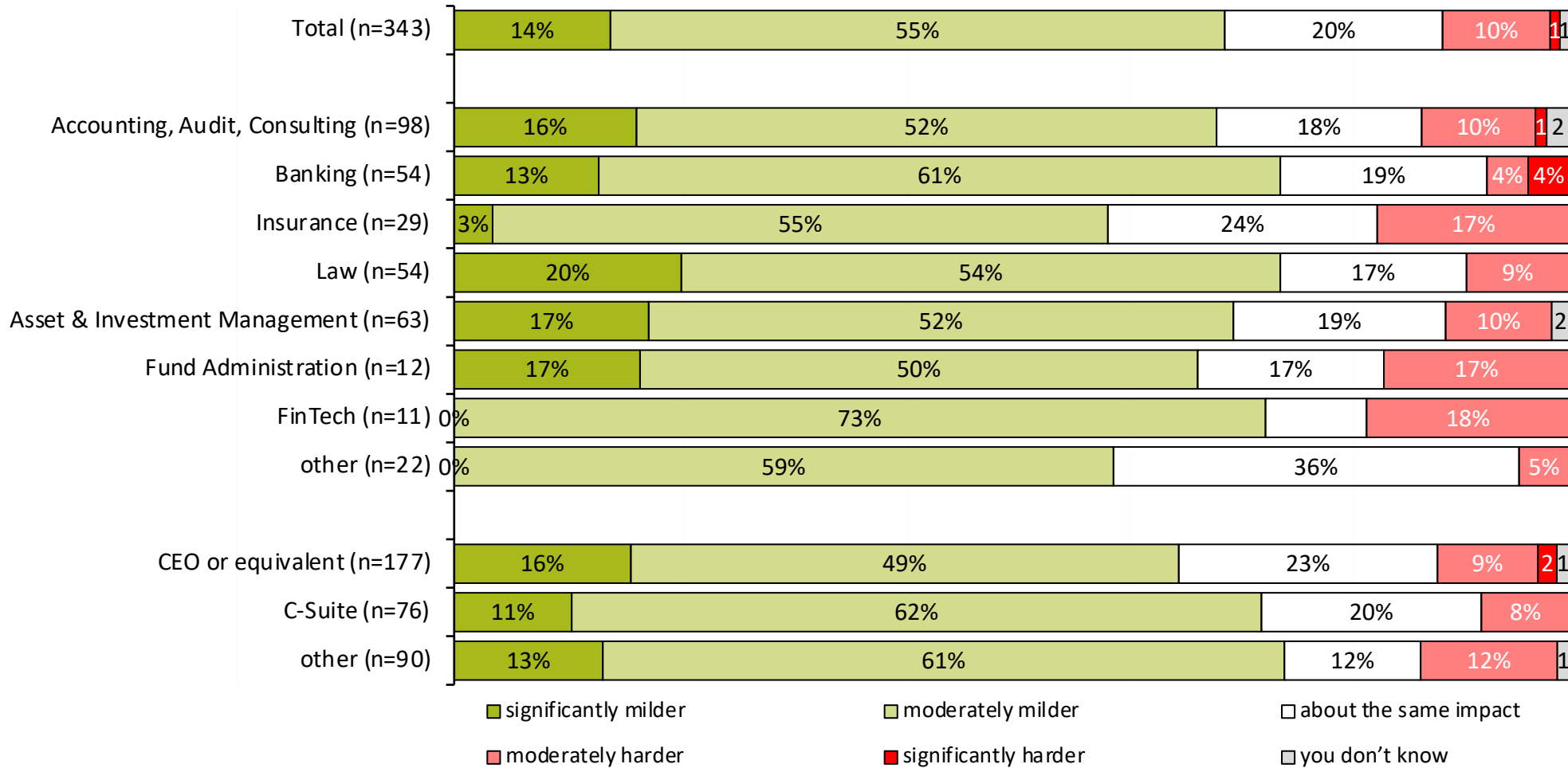
4.) The pandemic's impact on Luxembourg's financial services

comparison
October
2020

The optimistic view of a milder impact on Luxembourg's financial centre has grown slightly.

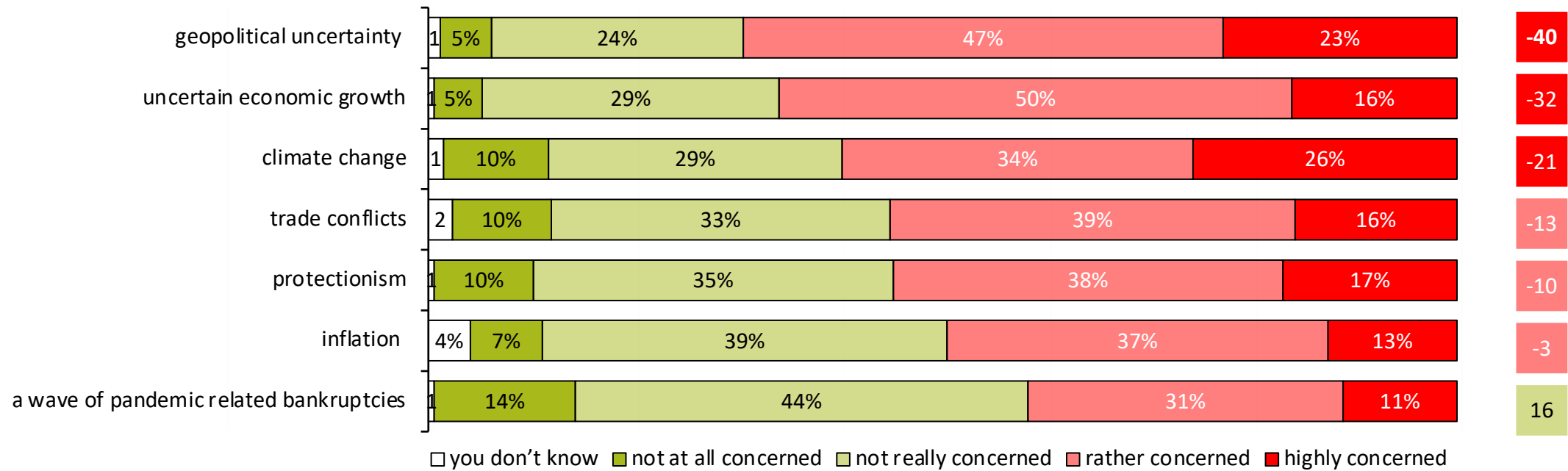


Compared to the impact on a global scale, what will the mid-term impact (12-24 months) of the crisis be on Luxembourg's financial centre?
For the Luxembourg financial centre it will be...



Compared to the impact on a global scale, what will the mid-term impact (12-24 months) of the crisis be on Luxembourg's financial centre?
For the Luxembourg financial centre it will be...

5.) Assessment of global risk

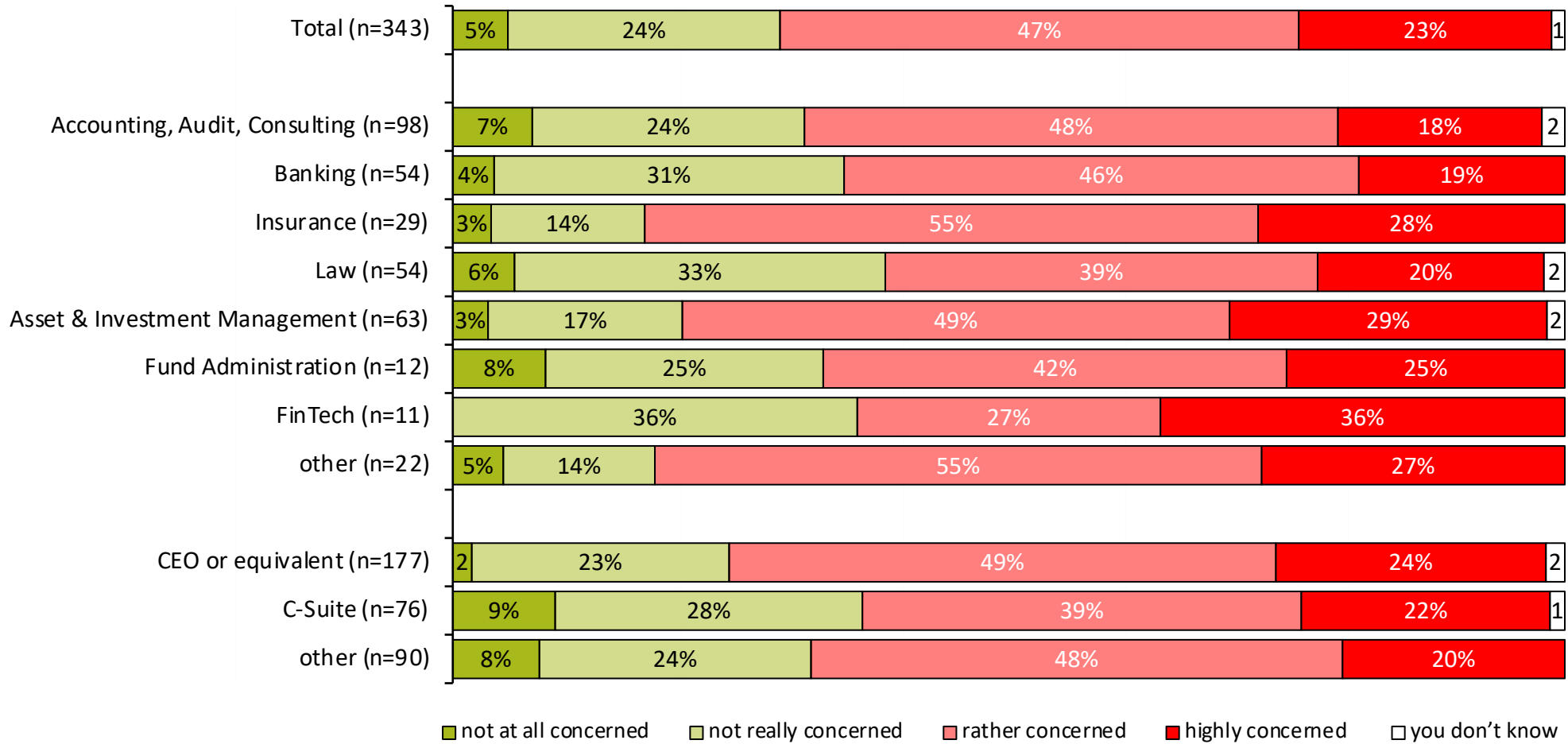


We survey a serious weight of global risks where pandemic related bankruptcies are the least pressing

How concerned are you, if at all, about your organisation's ability to deal with the following risks over the next 12-24 months? (n=343)

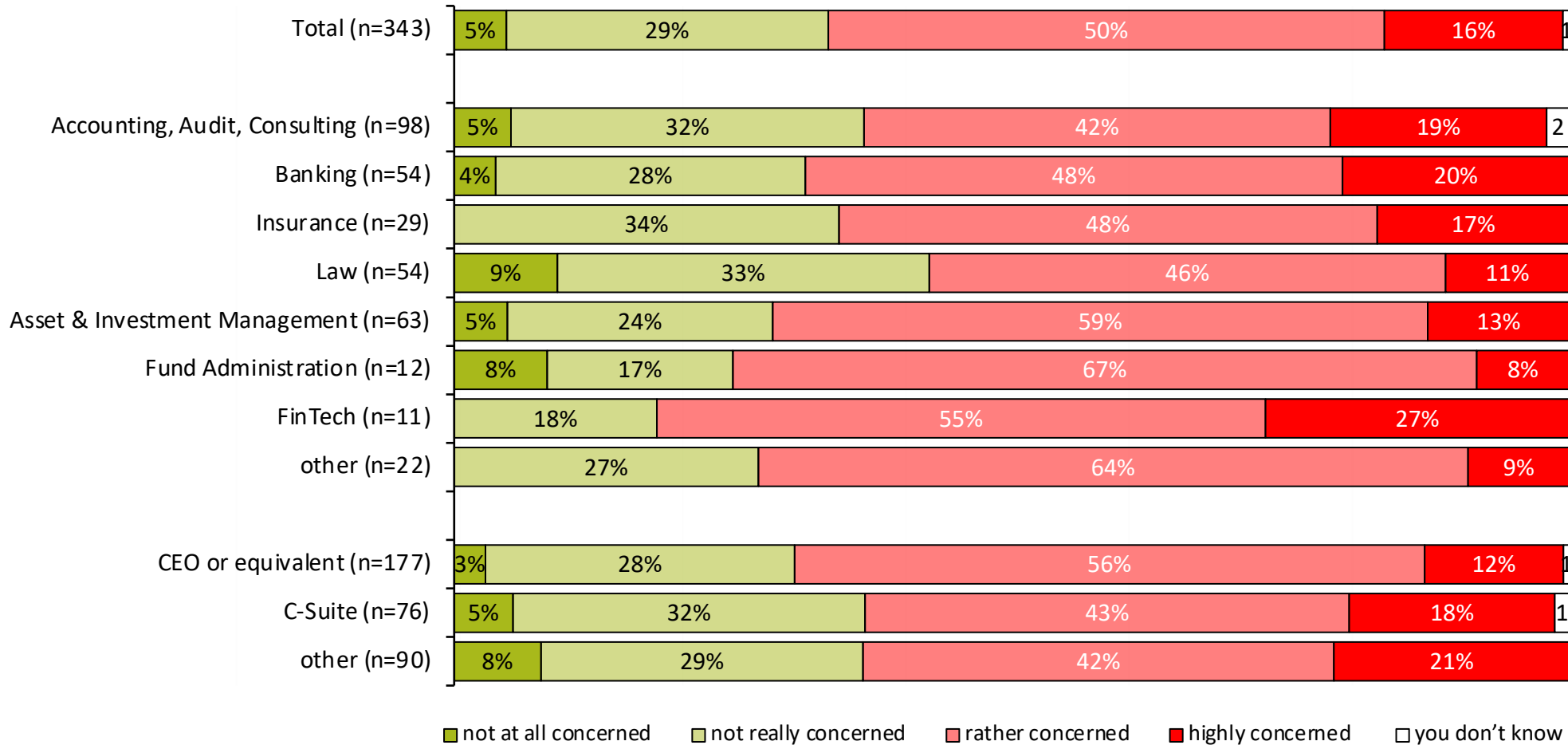
top 1
global
risk

geopolitical uncertainty



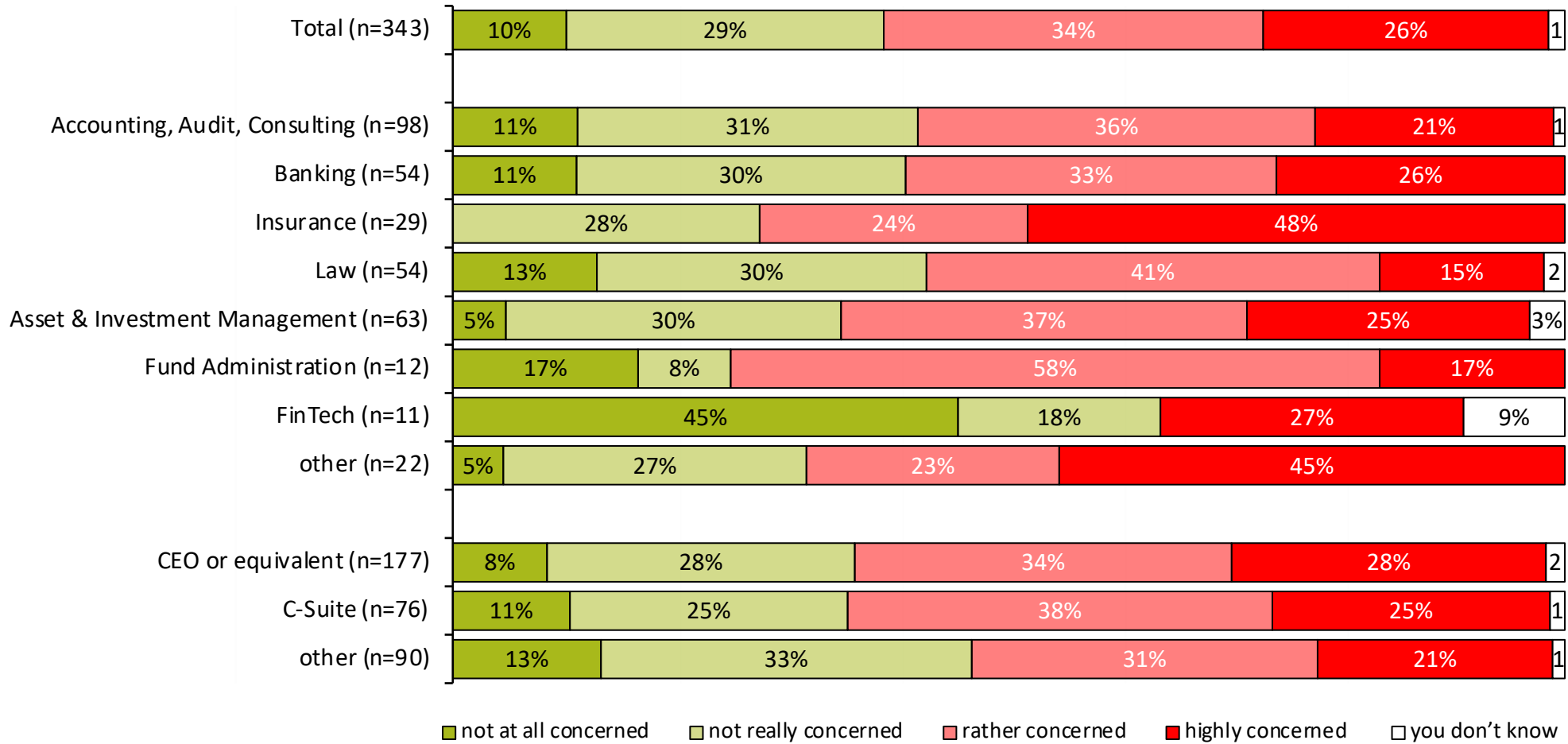
top 1
global
risk

uncertain economic growth



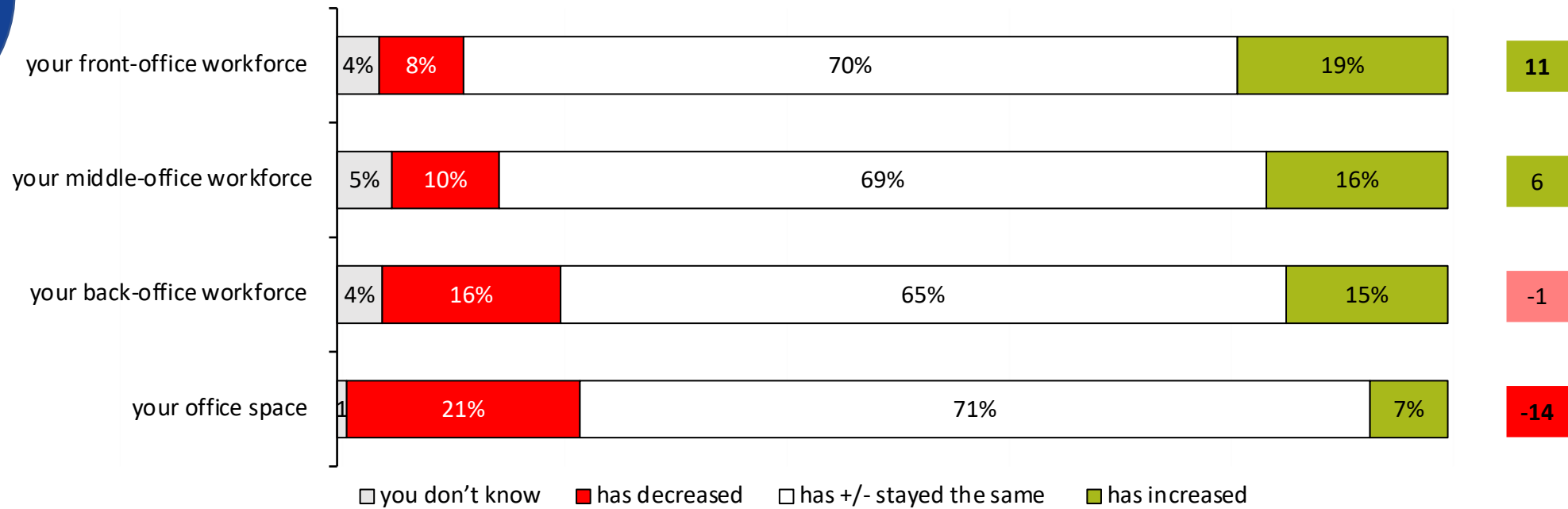
climate change

top 1
global
risk



6 & 7) Operational adjustments

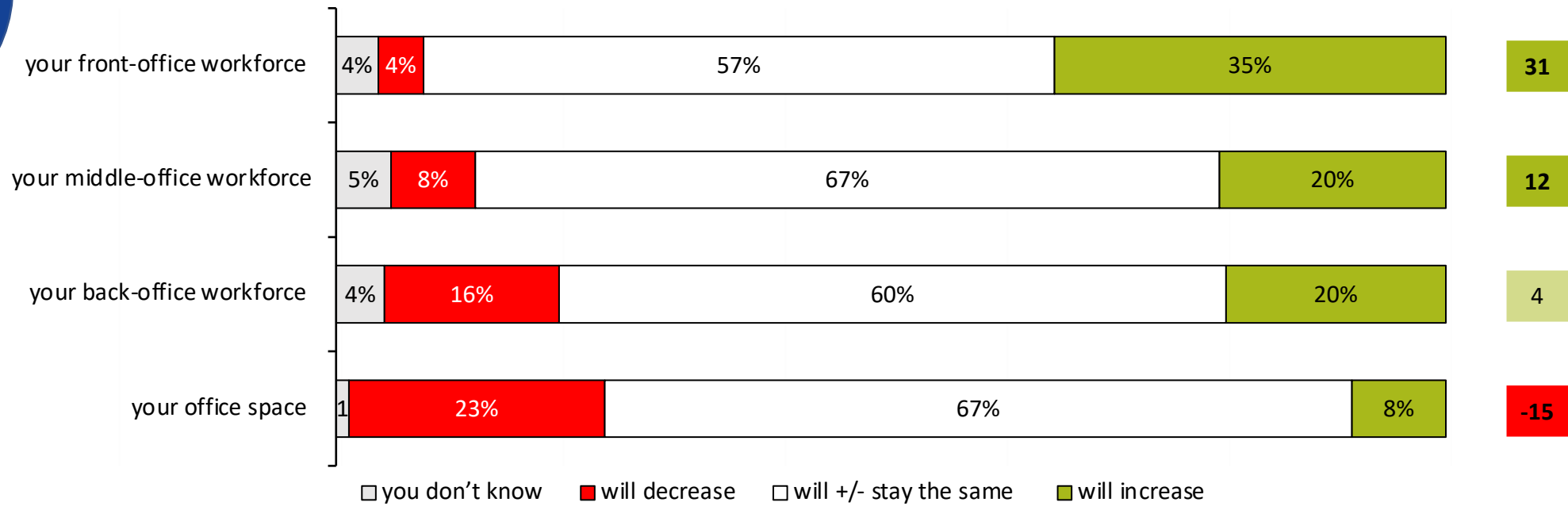
last 6 months



While front-office functions have strengthened, back-office functions seem to be under pressure.

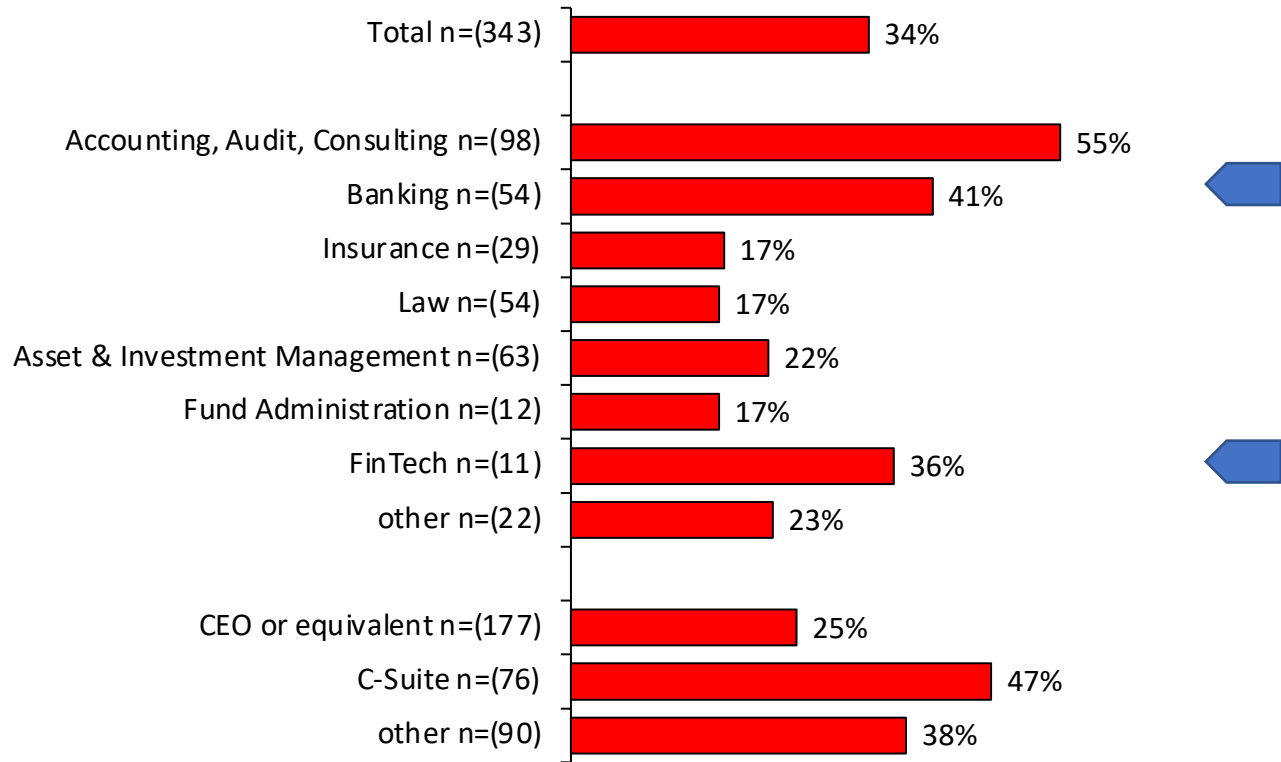
There are very strong indicators that office space is actually being reduced

next 6 months

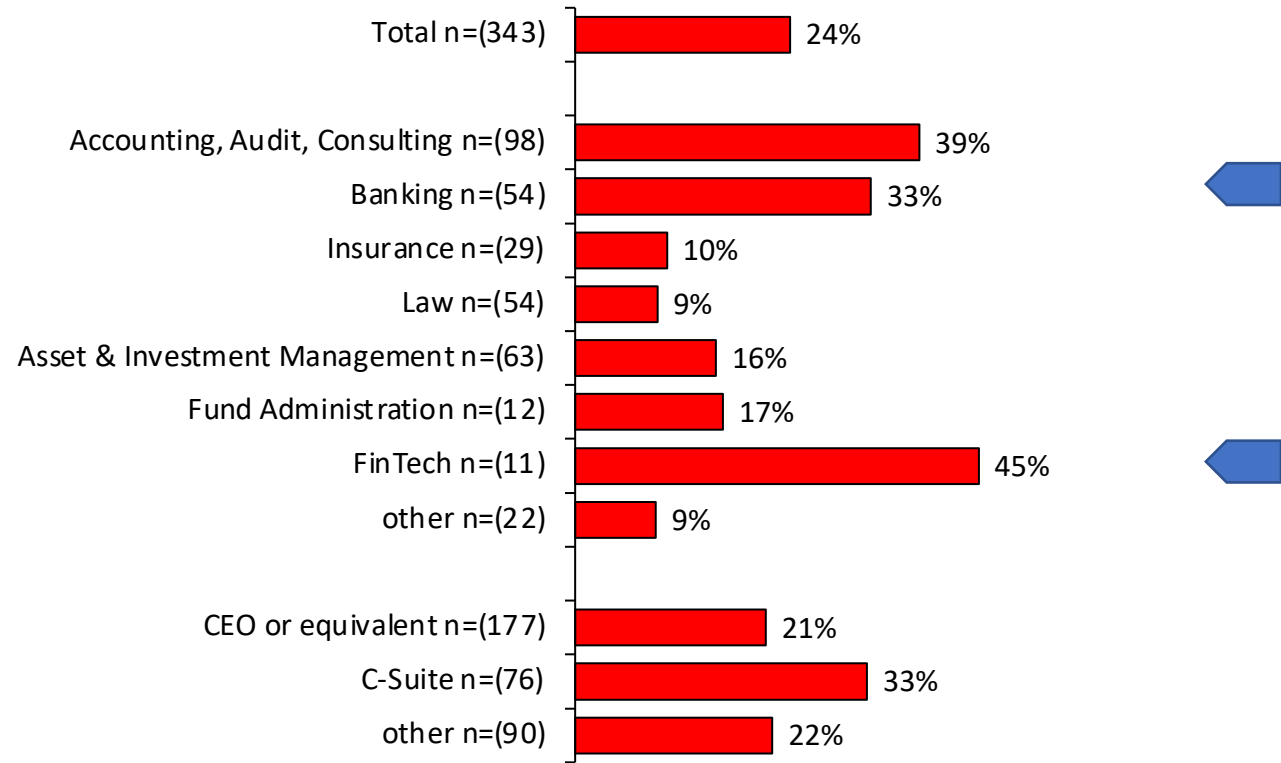


In the next 6 months, which basic evolutions will you see for your organization? (n=343)

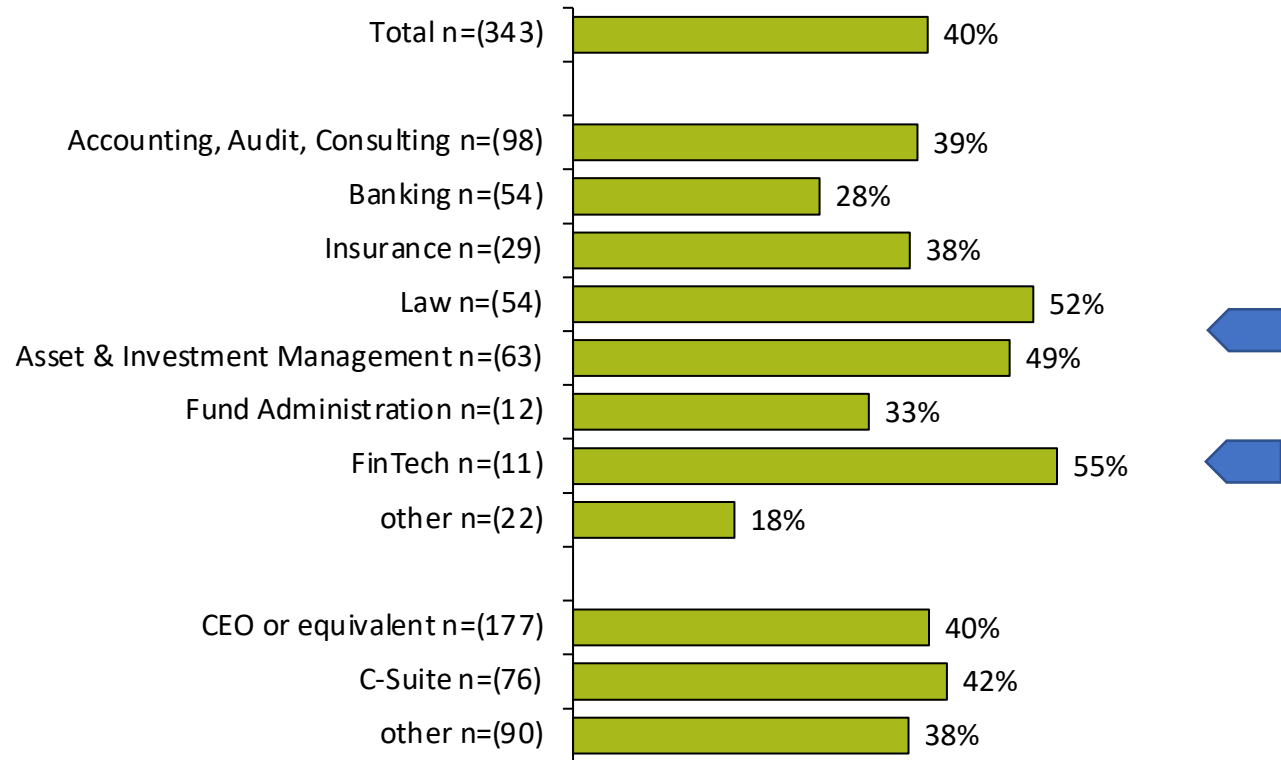
impacted by a decrease of office space (last 6 months / next six months)



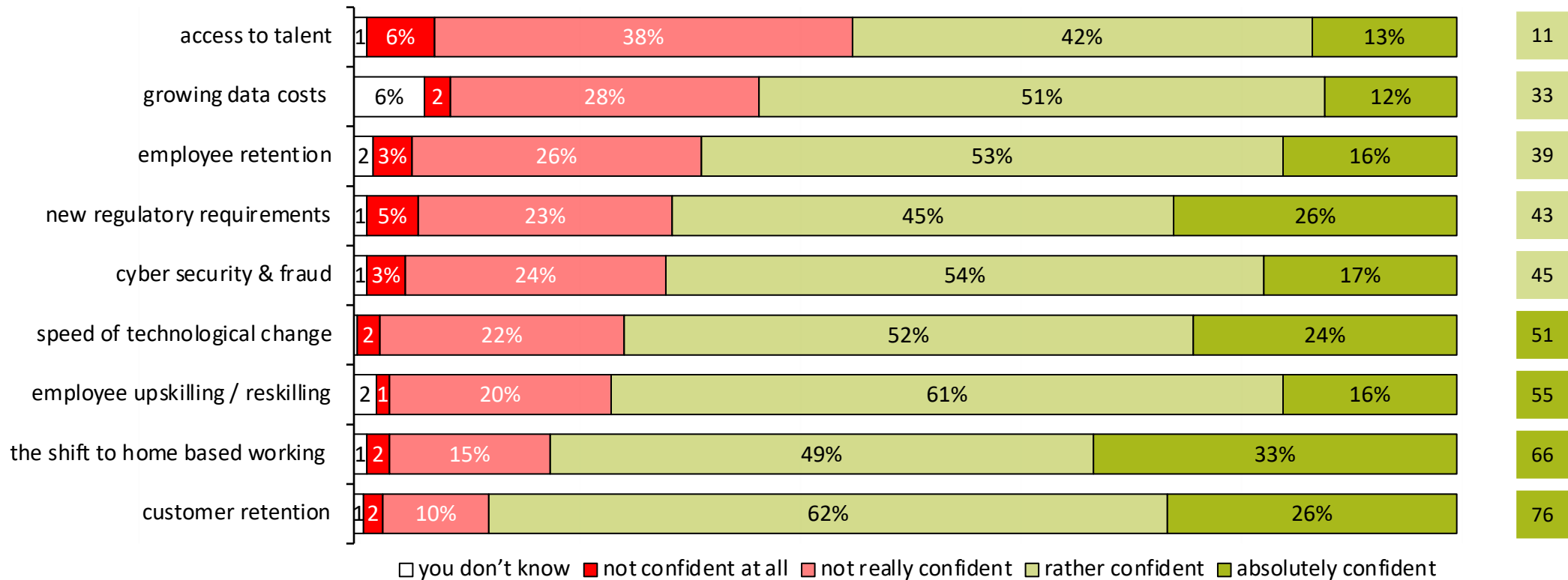
impacted by a decrease of back-office workforce (last 6 months / next six months)



impacted by an increase of front-office workforce (last 6 months / next six months)



8.) Operational challenges

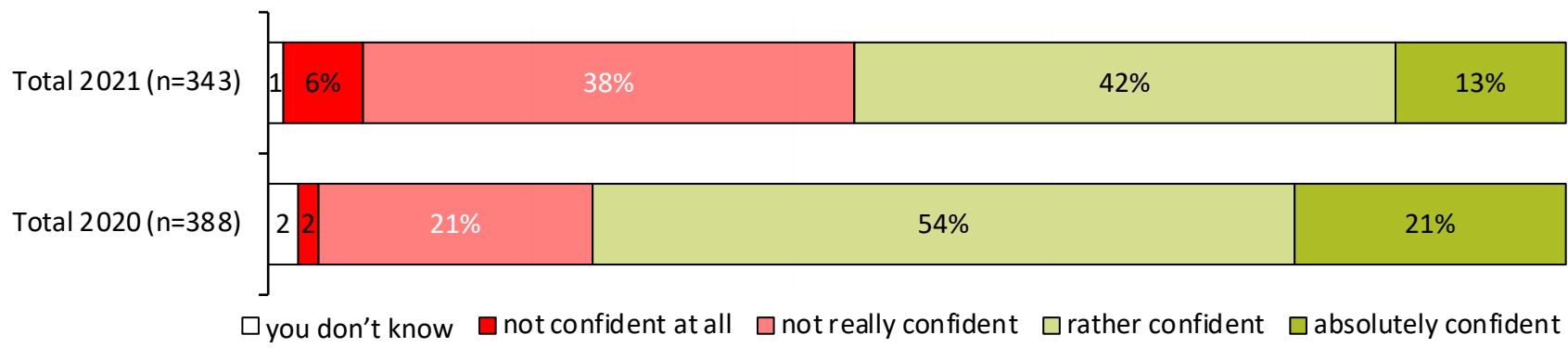


Confidence in the organisation's ability to deal with operational challenges is generally high.

How confident are you in your organisation's ability to deal with the following challenges in the next 12-24 months?
(n=343)

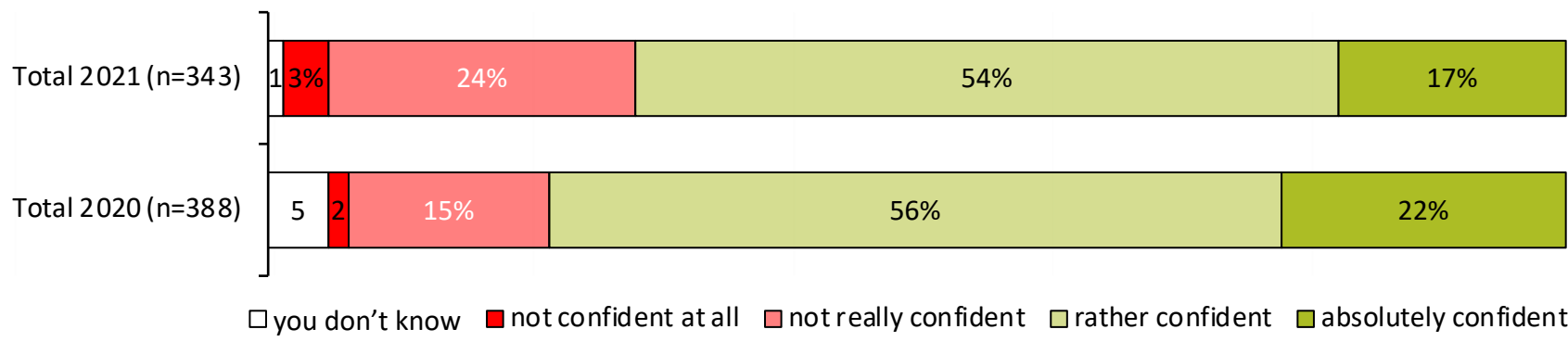
comparison
October
2020

access to talent



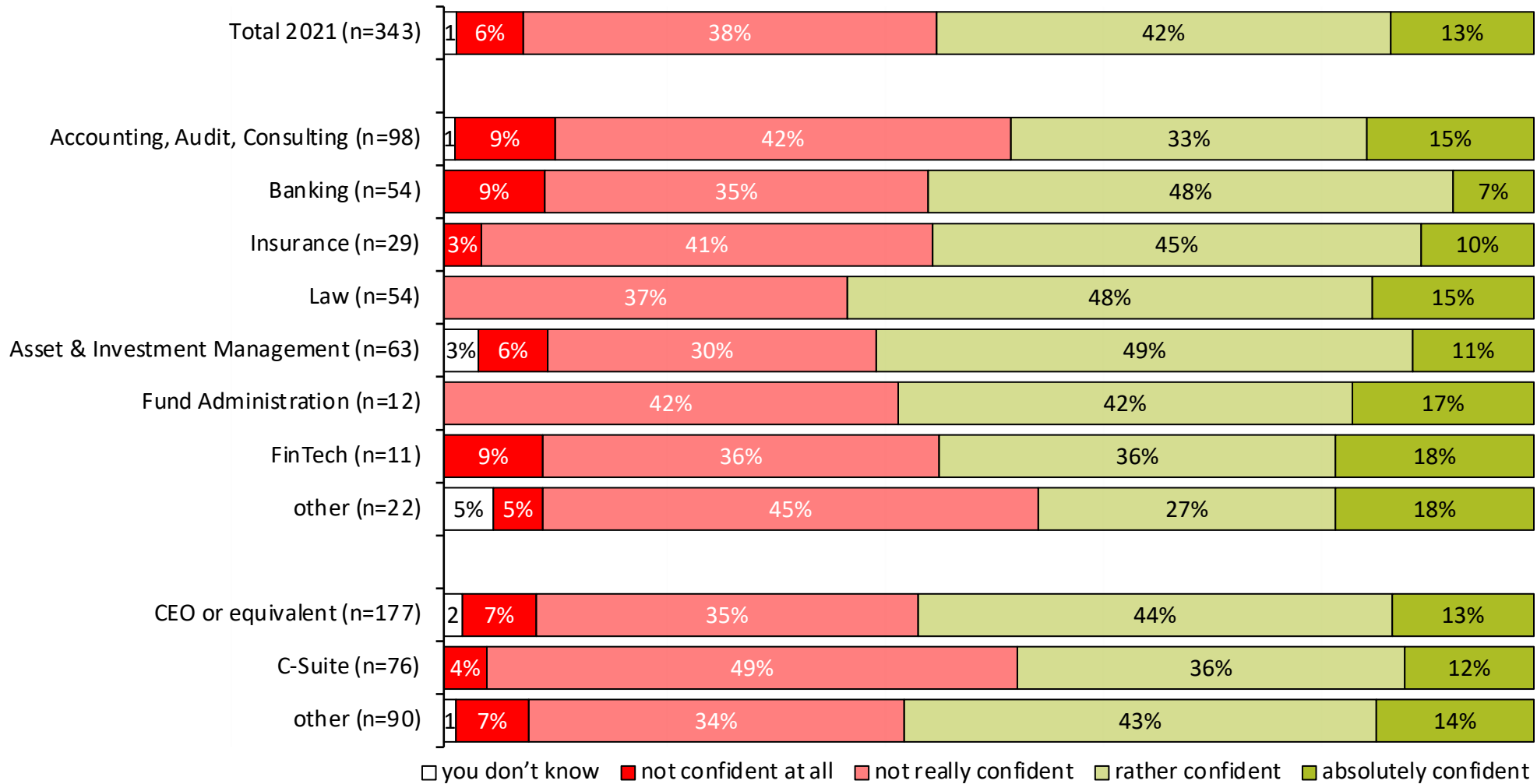
We see a strong increase in the number of companies worrying about access to talent.

cyber security & fraud



Confidence in the organisation's ability to deal with cyber security and fraud is also eroding somewhat.

access to talent

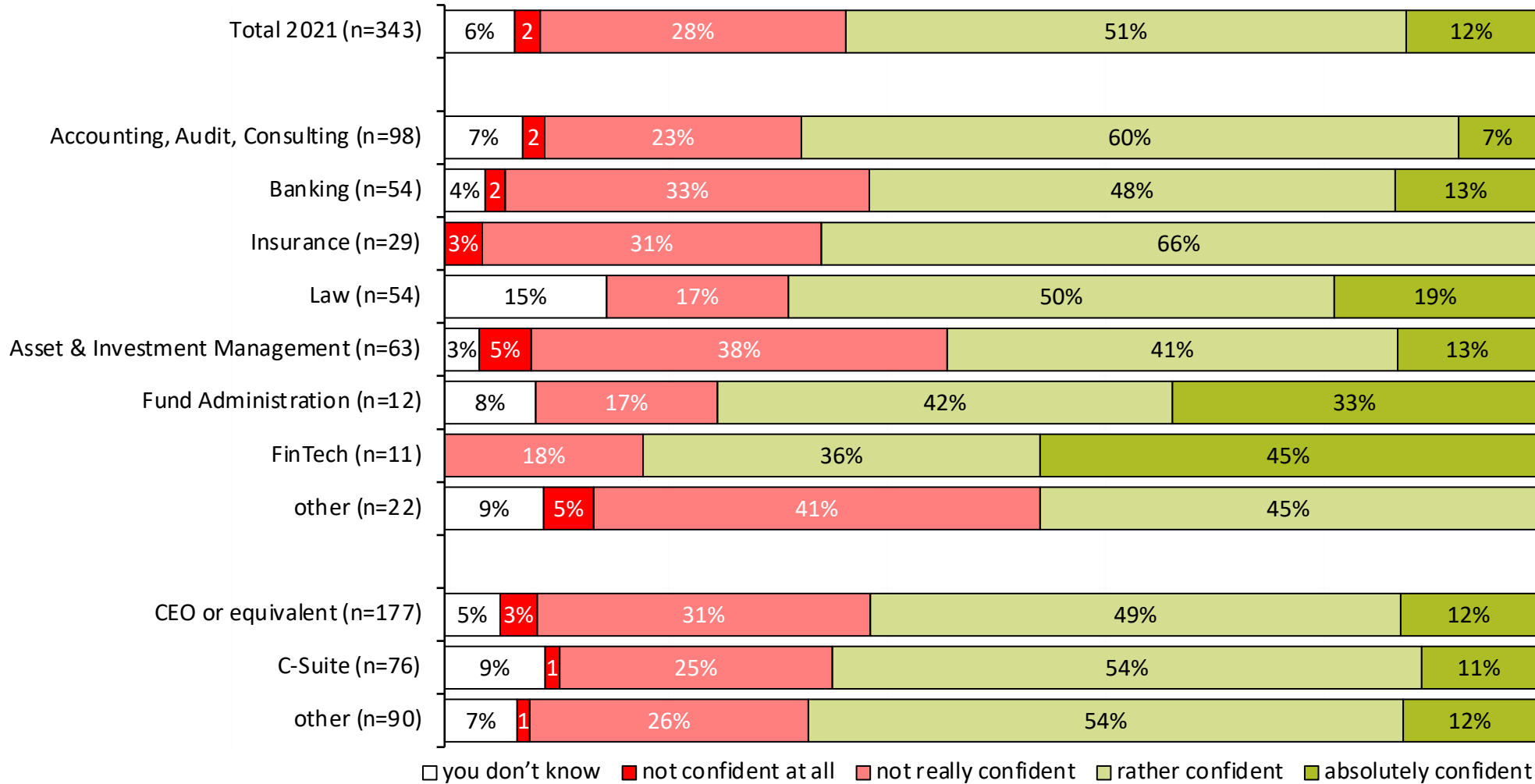


top 1. challenge

Access to talent seems to be a strong cross-sector challenge.

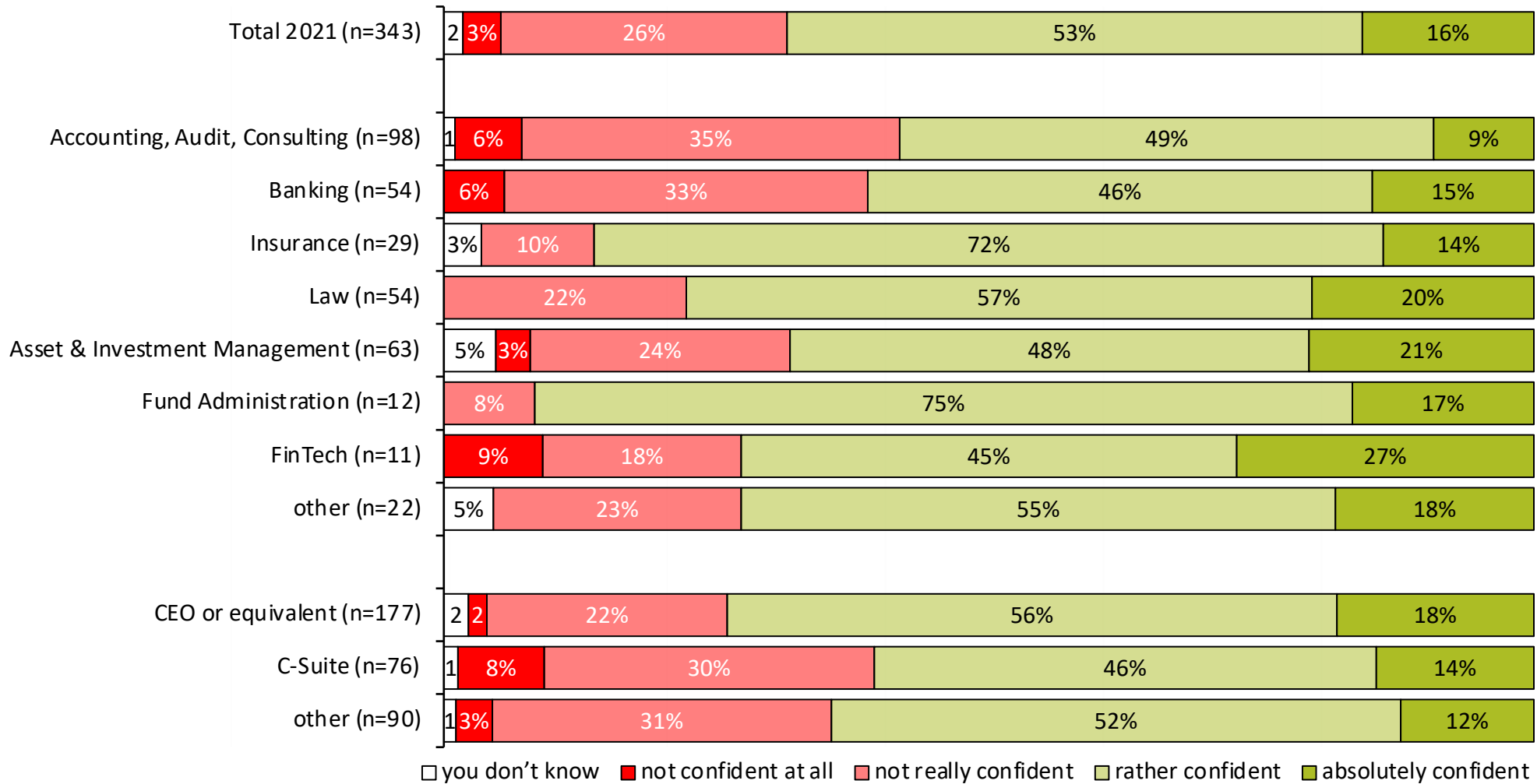
growing data costs

top 2. challenge

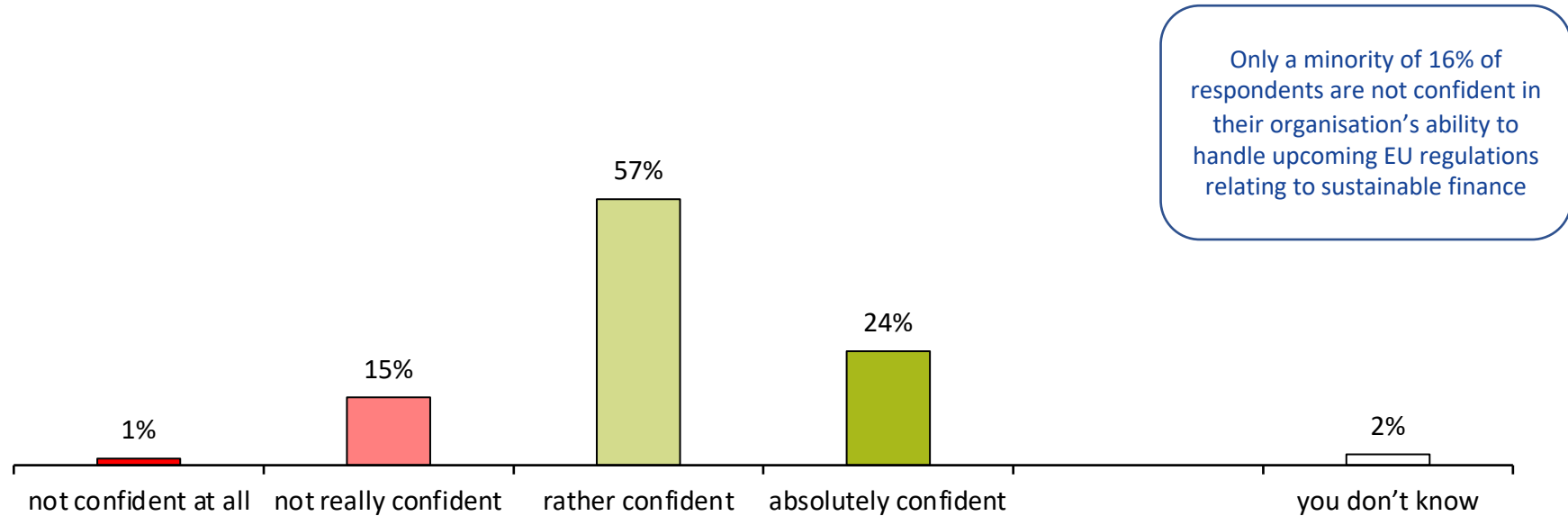


employee retention

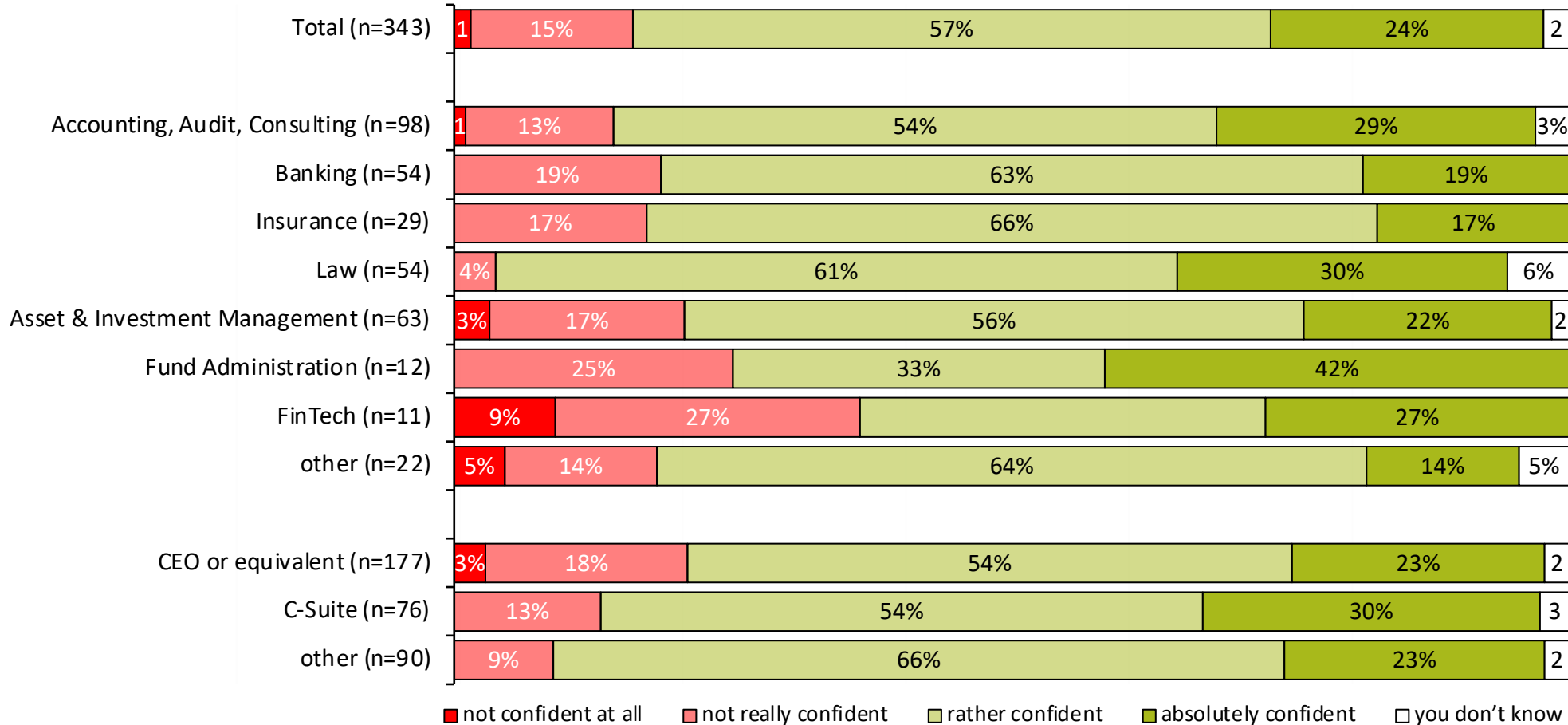
top 3.
challenge



9.) The impact of new EU regulations

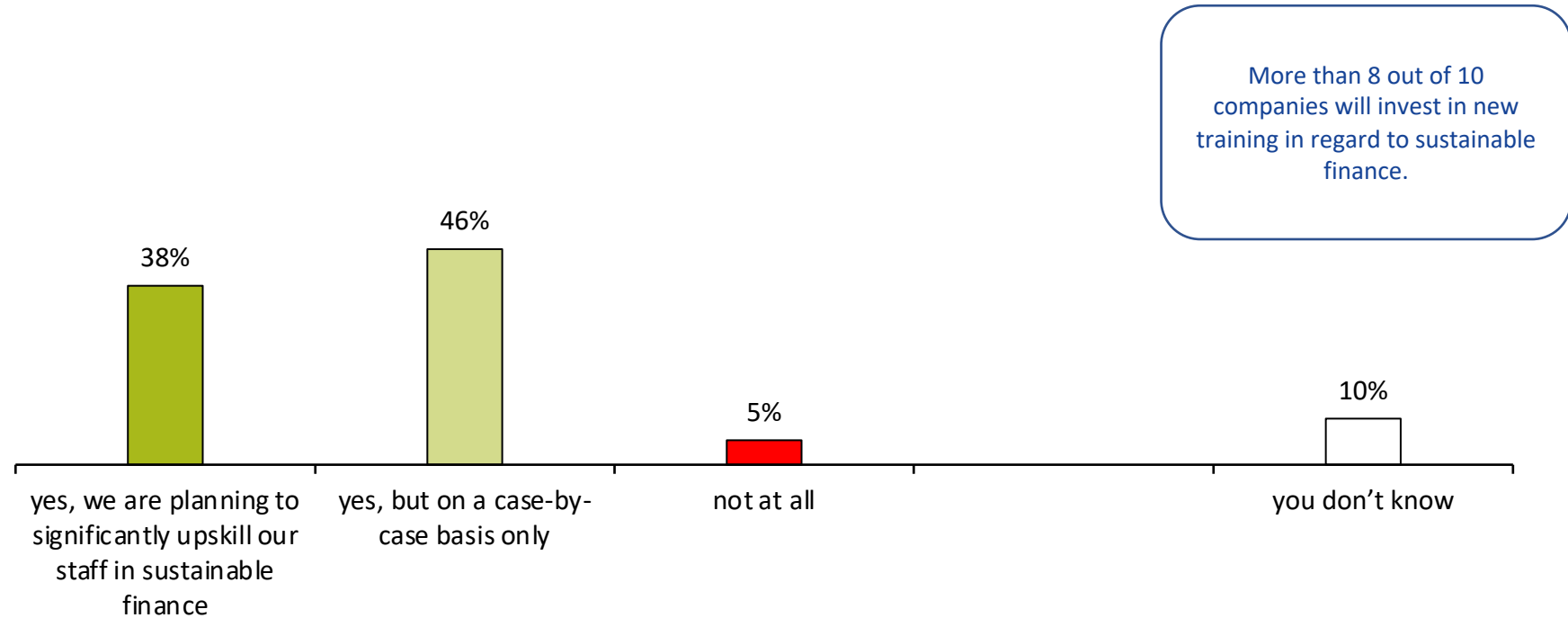


How confident are you in your organisation's ability to handle the changes that will be required by the newly set-up, and upcoming, EU regulations relating to sustainable finance over the next 2-5 years? (n=343)

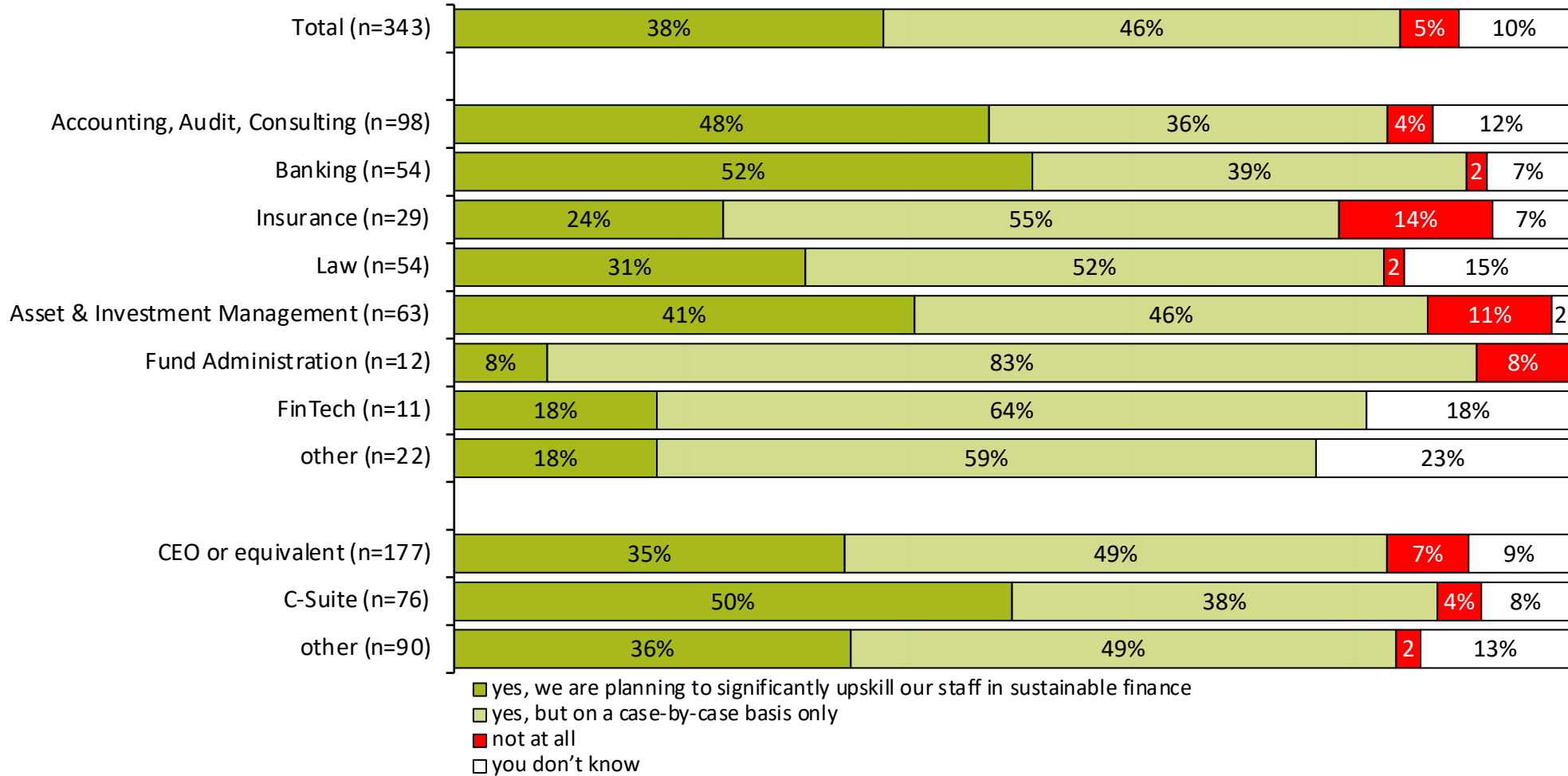


How confident are you in your organisation's ability to handle the changes that will be required by the newly set-up, and upcoming, EU regulations relating to sustainable finance over the next 2-5 years?

10.) Upskilling staff

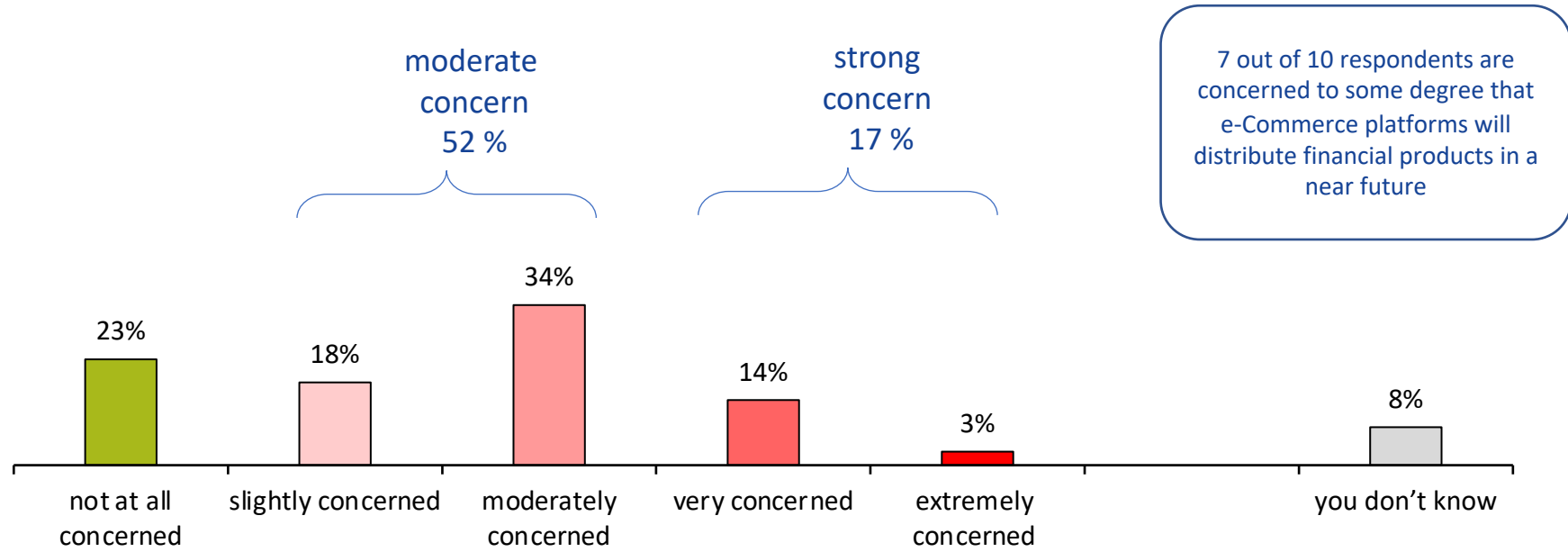


Are you planning to invest in new training for your staff relating to sustainable finance over the next 2-5 years? (n=343)

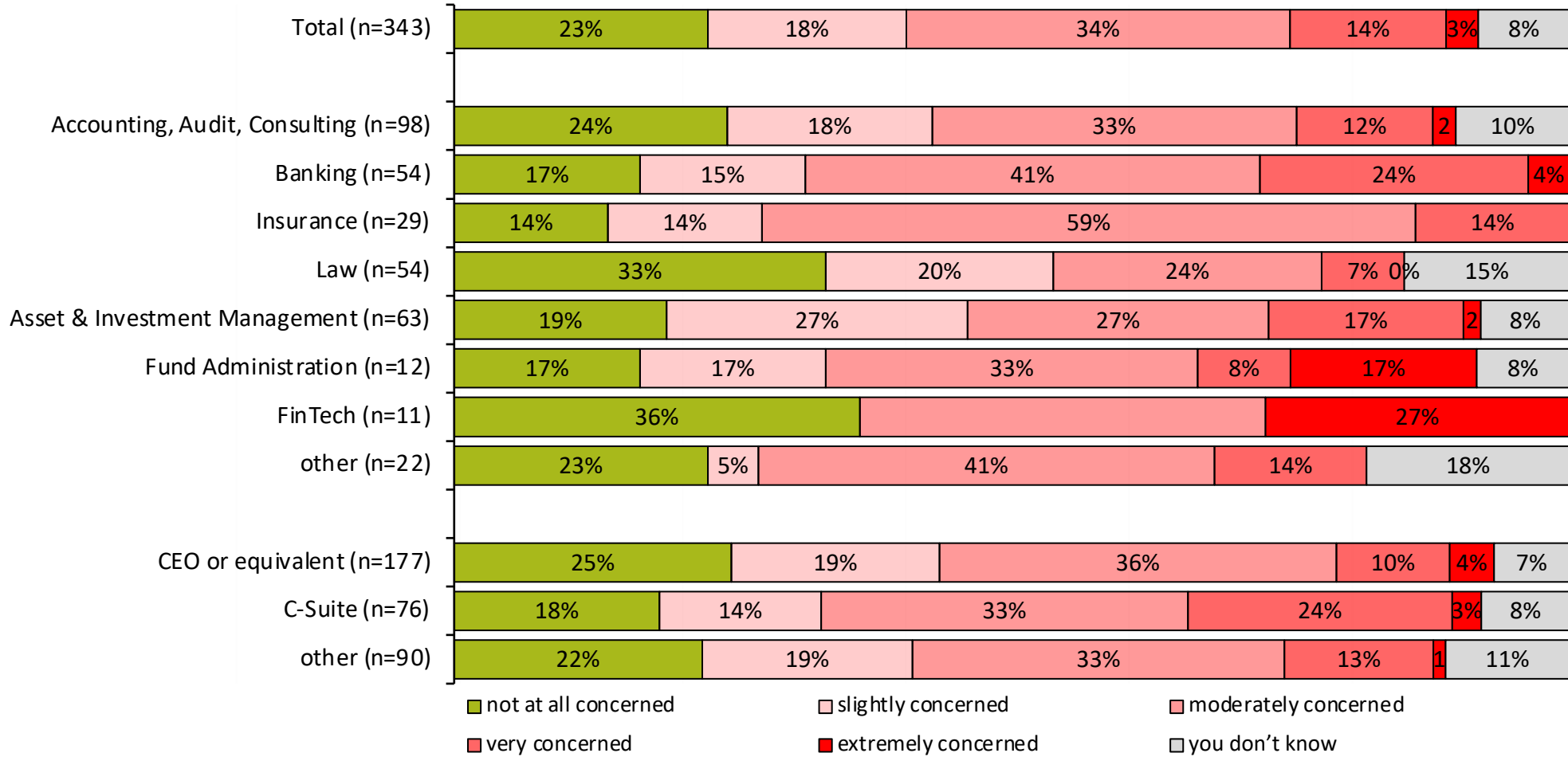


Are you planning to invest in new training for your staff relating to sustainable finance over the next 2-5 years?

11.) E-Commerce shifts towards finance

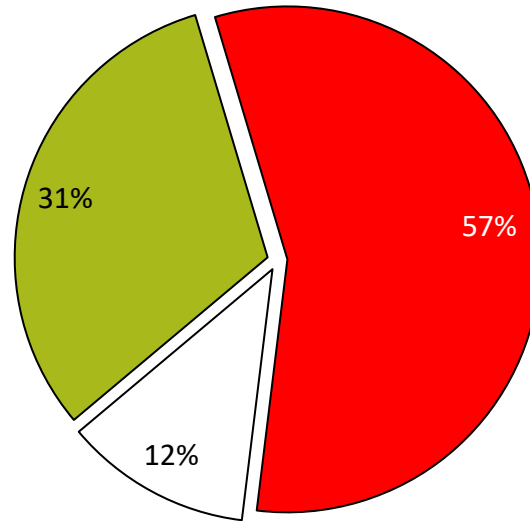


How concerned are you with a possible shift from E-Commerce platforms towards becoming distributors of financial products in the next 2-5 years? (n=343)



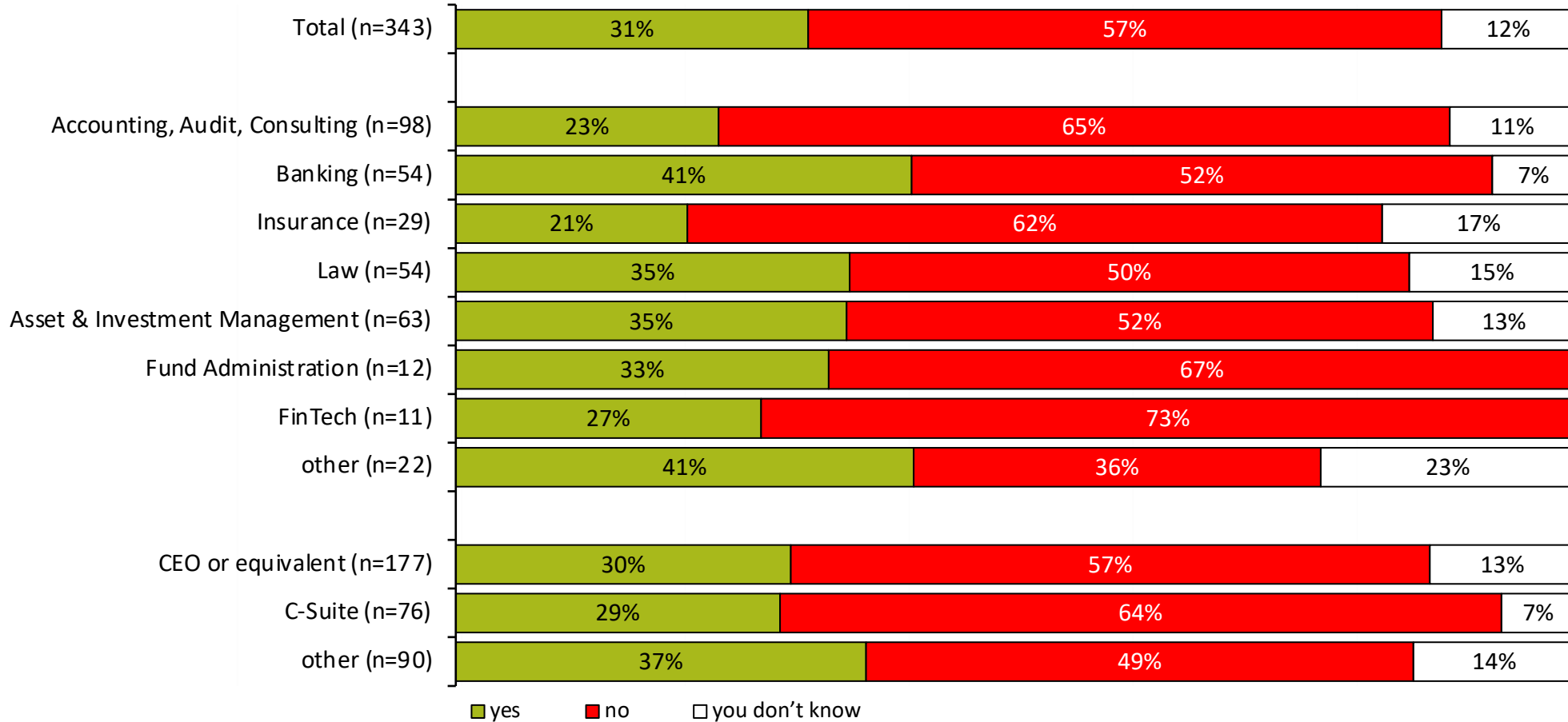
How concerned are you with a possible shift from E-Commerce platforms towards becoming distributors of financial products in the next 2-5 years?

12.) The pace of regulation



■ yes ■ no □ you don't know

A vast majority of respondents think that regulation is not keeping pace with the digitalisation of financial services.



Do you believe that regulation is keeping pace with the digitalisation of financial services?