



Business confidence is up say Owner Managers

- **More than 6 in 10 expect the economic situation to improve next year and 9 in 10 are optimistic about their business' prospects**
- **Despite concerns over Eurozone, there is optimism following the election**
- **However, hesitations about investment could hamper the UK's growth**
- **Survey of UK Owner Managed Businesses (OMBs) was conducted by Allied Irish Bank (GB)**

London – 11 September 2015:

Owner Managers are more optimistic than they were 12 months ago according to a survey by Allied Irish Bank (GB). In its second annual survey of more than 300 businesses across the UK, AIB found that more than six in ten (62%) expect the economic situation to improve in the next year, and nine in ten (90%) are optimistic about future business prospects. The survey looked at OMB's perceptions of future growth prospects, opportunities and challenges

Report highlights:

- **Businesses definitively state they are better off than they were this time last year** and fewer see themselves as worse off. One in three, or 33%, of OMBs say they are currently in a growth phase – up three percentage points from last year and 60 percent of businesses say that the best days for their businesses lie ahead.
- **Larger businesses are even more optimistic:** 81% of businesses with turnovers of £51-100m are more positive about their businesses.
- **The definitive general election result has created more certainty and concerns about deflation have abated:** A higher proportion of OMBs now see inflation as a risk (31% vs. 22% in 2014), while fewer now see government regulation as a threat, falling from 48% to 39% of respondents.
- **But all Owner Managed Businesses continue to be aware of macro-economic headwinds:** 20% rated Eurozone instability as the biggest issue facing the UK economy and one in ten said the upcoming referendum on UK membership in the EU was the biggest risk.

Commenting on the findings of the report, Gerard O'Keeffe, Head of Allied Irish Bank (GB), said:

"Owner Managers are much more confident about the future of their businesses and more optimistic about the broader economic outlook. This is great news for Britain.

"There is still cause for caution. On-going market instability in Asia will combine with concerns about the future of the Eurozone -- meaning that Owner Managers need to carefully balance the risks and rewards before making a decision about whether to invest for growth.

"But our research shows that Owner Managers are often hesitant, delaying investment until they are really sure the economy is growing strongly. This can be a drag on growth at a time when we need every part of the economy to be firing on all cylinders."

Jacqueline O'Donovan, Managing Director of O'Donovan Waste Disposal Limited, a business based in North London that employs more than 100 staff said:

"We are seeing an improving economy in our finances, as well as sensing it in the conversations that we're having with customers, colleagues and other local businesses. The definitive general election result has given us much more certainty, although we are still vigilant about the risks. We've been



closely monitoring developments in the Eurozone, and what's going on in Asia is also cause for concern. All in all as things stand we remain positive.

"Making that decision to invest is a really tough call, and can feel like a lonely process. Therefore, you need to be able to rely on the advice and support from your bank, as well as your management team and your customers."

In addition, Allied Irish Bank (GB) found that:

- **Strengthened balance sheets:** Almost half of OMBs expecting an uptick in cash reserves and there is a marked increase in those prioritising a capital raise with almost 45% seeing it as likely next year, up from 33% the year before. This positions OMBs to take forward investment, should Owner Managers decide to do so.
- **Sources of funding are more diverse:** Bank funding is still a key component of capital structures but alternative sources such as crowd-funding are also on the rise. This suggests the SME lending business is experiencing a period of disruption, and that OMBs want traditional banks to work in conjunction with newer lenders to help facilitate growth.
- **More Northern businesses are optimistic about the future:** More businesses in the North of England and Scotland are expecting to increase headcount over the next twelve months but only 16% of OMBs in Scotland feel that the Government is doing enough to support them; this compares to a national average of 42%.

- ENDS -

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NOTES TO EDITORS

About the report

The Owner Managed Business Outlook Report is based on a survey of 300 senior financial decision makers in Owner Managed Businesses in the UK. For the purposes of this report Owner Managed Businesses are defined as businesses where the owners, family members or shareholders are involved in the day-to-day decisions and activities of the entity or are directors of the company.

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About Allied Irish Bank (GB)

Allied Irish Bank (GB) is a specialist business bank serving the needs of Owner Managed Businesses. Operating from 16 locations in major business centres across Great Britain and employing over 600 staff, we offer the full range of business banking, corporate banking and international trade services.

Allied Irish Bank (GB) has been supporting businesses in Britain with true relationship driven service for over 40 years. During this time, we have grown organically with more than half of our new business coming from existing customers recommending our service to other Owner Managers.

We provide real value to each and every one of our Owner Manager customers and deliver to them the highest standard of service in banking and financial services. We are proud that Allied Irish Bank (GB) was awarded 'Best Service from a Business Bank' at Business Moneyfacts Awards in both 2014 and 2015.