

# SYSTEMIC RISK BAROMETER

## RESULTS OVERVIEW – 2016 Q1

# DTCC

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### KEY FINDINGS

#### NEARLY 1 IN 4 CALL ASIA ECONOMIC SLOWDOWN THEIR NO. 1 RISK

- Concern about an **Asia Economic Slowdown** has risen significantly over the last year, with **22%** of respondents calling it the **No. 1 systemic risk** in the Q1 2016 survey.
- Just **1%** of respondents had previously rated **Economic Slowdown Outside Europe and the U.S.** as the No. 1 systemic risk in the Q1 2015 survey.

#### CYBER RISK REMAINS THE TOP RISK OVERALL

- **25%** of respondents rated **Cyber Risk** their No. 1 risk, down from past surveys, but still topping the overall ranking.
- **Cyber Risk** was previously ranked as the **No. 1 risk** by 46% of respondents in Q1 2015.

#### OTHER RISKS

- **Geopolitical Risk** was noted as a top five risk for **39% of respondents**, while the **Impact of New Regulations** was cited by 38% of those surveyed.
- Respondents also pointed to **rising concerns about Economic Slowdowns**, in both the U.S. and Europe.
- **A U.S. Economic Slowdown** was cited as a top five risk by **37% of respondents**, up from 28% six months ago. Similarly, an **Economic Slowdown in Europe** was cited by 24% as a top five risk, compared to 17% six months earlier.

#### REGIONAL DIFFERENCES

- **62%** of **North American respondents** cite **Cyber Risk** as a top five risk vs. 38% of survey participants elsewhere. Respondents also include the impact of new regulations and liquidity as a top five concern about twice as often as their counterparts in other parts of the world.
- Inversely, **North American respondents** are significantly less concerned about the possibility of **Britain leaving the E.U.** and **the threat of Deflation**, which are listed as top five risks by 41% and 27% of respondents outside of North America.

### TOP SYSTEMIC RISKS



25%

#### CYBER RISK

RESPONDENTS CITED CYBER RISK AS THE NO.1 RISK



#### ASIA ECONOMIC SLOWDOWN

22%

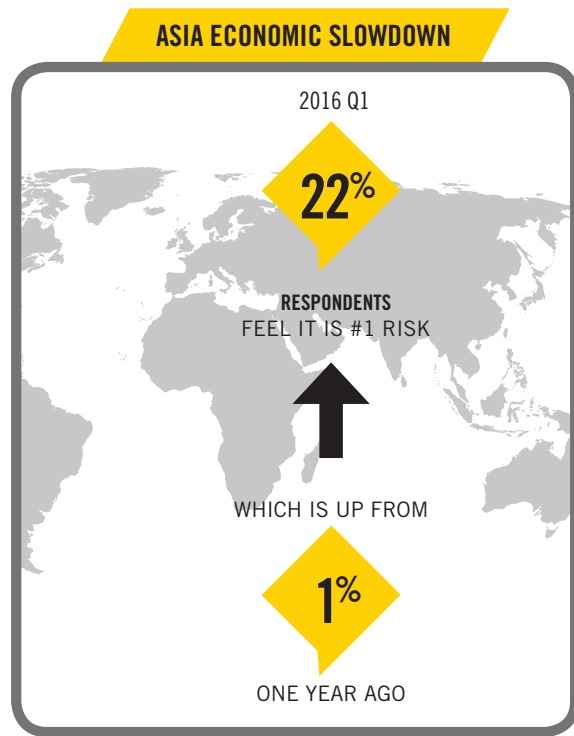
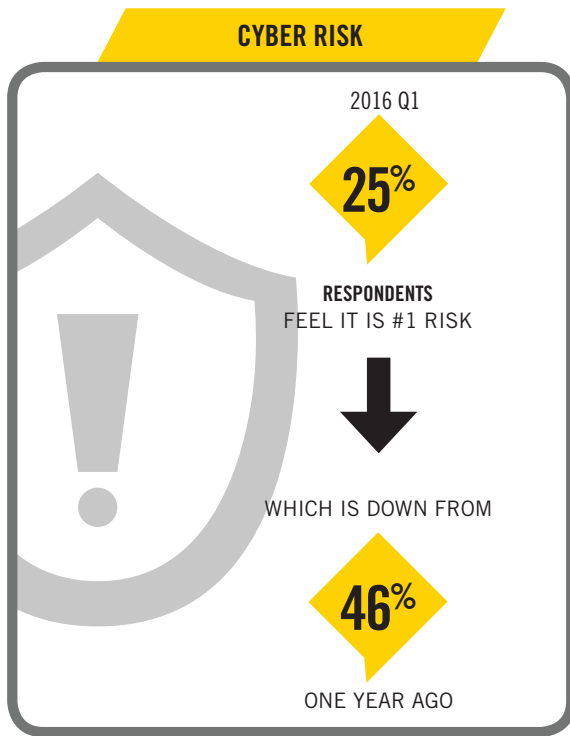
RESPONDENTS CITED ASIA ECONOMIC SLOWDOWN AS THE NO.1 RISK

# TOP SYSTEMIC RISKS ARE FOCUSED ON CYBER RISK AND THE ASIA ECONOMIC SLOWDOWN

## WHAT IS YOUR NO. 1 RISK?

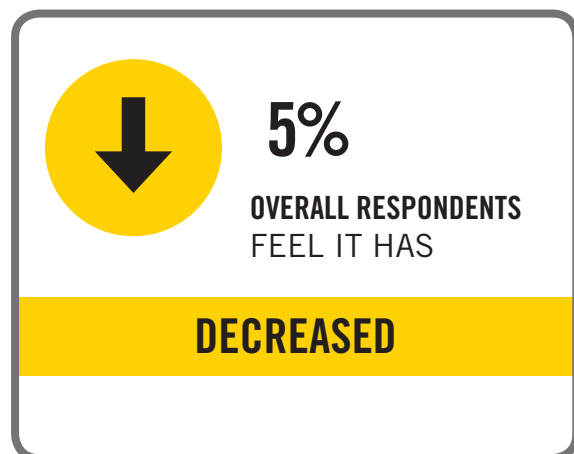
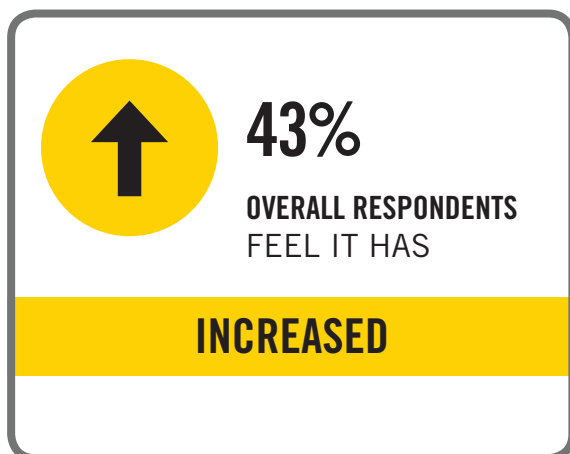
CYBER RISK REMAINS NO. 1 RISK OVERALL, ALTHOUGH NOT NEARLY TO THE SAME EXTENT AS A YEAR AGO. CONVERSELY, THE **RISK OF AN ECONOMIC SLOWDOWN IN ASIA HAS INCREASED DRAMATICALLY AND NOW RIVALS CYBER WORRIES.**

### TOP RISKS



## HOW HAS YOUR RISK OUTLOOK CHANGED?

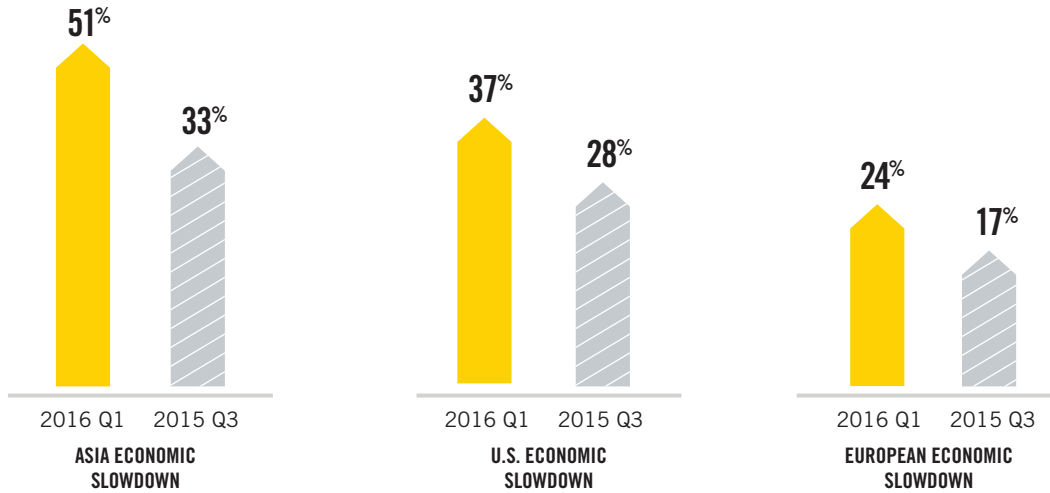
### LIKELIHOOD OF A HIGH IMPACT FINANCIAL EVENT OCCURRING OVER THE NEXT 12 MONTHS



## CONCERNS ABOUT A GLOBAL ECONOMIC SLOWDOWN ARE INCREASING

CONCERNS ABOUT A **GLOBAL ECONOMIC SLOWDOWN** HAVE INCREASED ACROSS GEOGRAPHIES OVER THE LAST SIX MONTHS

### RESPONDENTS INDICATING THE RISK OF AN ECONOMIC SLOWDOWN AMONG THEIR TOP 5 CONCERNS



## REGIONAL DIFFERENCES

COMPARED TO THE REST OF THE WORLD, NORTH AMERICAN RESPONDENTS ARE:

**MORE CONCERNED** ABOUT **CYBERSECURITY**, THE IMPACT OF **NEW REGULATIONS** AND DECREASING **LIQUIDITY**



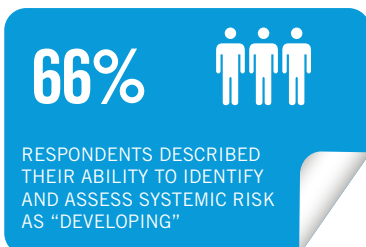
**LESS CONCERNED** ABOUT THE POSSIBILITY OF **BRITAIN LEAVING THE EU** AND THE THREAT OF **DEFLATION**



● North American Respondents ● Respondents outside of North America

## RESOURCES AND CAPABILITIES

**FINANCIAL SERVICES FIRMS HAVE CONTINUED TO ALLOCATE INVESTMENT DOLLARS AND RESOURCES TO IDENTIFYING AND ASSESSING SYSTEMIC RISKS, BUT THIS AREA STILL REMAINS A WORK IN PROGRESS**



## TOP 5 RISKS IDENTIFIED

WHEN ASKED TO IDENTIFY THE TOP 5 SYSTEMIC RISKS TO THE BROADER ECONOMY, MOST RESPONDENTS CITED CYBER RISK, ASIA ECONOMIC SLOWDOWN, AND GEOPOLITICAL RISK, IN ADDITION TO A WIDE VARIETY OF MORE SPECIFIC MACRO-ECONOMIC CONCERNS. THE RESULTS BELOW REFLECT CHANGES COMPARED TO 2015 Q3.

### RISK TO BROADER ECONOMY

