

Systemic Risk Barometer Survey

2025 RISK FORECAST

DTCC

About the survey: First launched in 2013, the DTCC Systemic Risk Barometer Survey serves as an annual pulse check to monitor existing and emerging risks that may impact the safety, resilience and stability of the global financial system. It is designed to help identify trends and foster industry-wide dialogue on potential threats to financial stability. In addition to promoting transparency, DTCC also uses these survey results to support its member outreach efforts and to benchmark its risk management initiatives versus the concerns highlighted by respondents.



GEOPOLITICAL RISKS

IDENTIFIED BY 84%
OF RESPONDENTS
AS A TOP 5 RISK

Key Findings

GEOPOLITICAL RISKS WAS CITED AS THE OVERALL TOP RISK

- 84% of respondents included this risk in their top 5, with 40% citing it as the number one risk impacting the global financial system in 2025.
- This is the third consecutive year respondents cited Geopolitical Risks as the overall top risk.

CYBER RISK ADVANCED SIGNIFICANTLY AND WAS IDENTIFIED AS THE SECOND MOST FREQUENTLY CITED OF THE TOP 5 RISKS

- Cyber Risk was cited by 69% of respondents as a top 5 risk, an increase from 50% in last year's survey.

HALF OF RESPONDENTS INCLUDED U.S. POLITICAL UNCERTAINTY AND U.S. PRESIDENTIAL ELECTION OUTCOME WITHIN THEIR TOP 5 RISKS

- This risk was cited by 48% of respondents as a top 5 risk.

INFLATION WAS THE LARGEST PERCENTAGE DECLINER FOR THIS YEAR'S SURVEY

- This risk was cited by 32% of respondents as a top 5 risk, a decrease from 55% in last year's survey.

ARTIFICIAL INTELLIGENCE (A.I.) / MACHINE LEARNING / ROBOTIC PROCESSING AUTOMATION (RPA) WAS IDENTIFIED BY 69% OF RESPONDENTS AS THE TYPE OF FINTECH POSING THE HIGHEST POTENTIAL SYSTEMIC RISK IN 2025

55% OF RESPONDENTS CONSIDER THE PROBABILITY OF A HIGH-IMPACT SYSTEMIC EVENT IN THE GLOBAL FINANCIAL SYSTEM IN 2025 TO BE HIGH OR VERY HIGH



CYBER RISK

69% OF
RESPONDENTS
RANKED CYBER RISK
AS A TOP 5 RISK



U.S. POLITICAL UNCERTAINTY AND U.S. PRESIDENTIAL ELECTION OUTCOME

IDENTIFIED BY 48% OF
RESPONDENTS AS A
TOP 5 RISK

PERSPECTIVES ON RISK

DTCC EXECUTIVES PROVIDE THEIR THOUGHTS ON THE TOP RISKS FACING THE FINANCIAL SERVICES INDUSTRY

ALI WOLPERT

DTCC Managing Director, Head of
Global Government Relations, on:

GEOPOLITICAL RISKS



“The consistent theme we heard from survey respondents was uncertainty. The evolving conflict in the Middle East and the war in Ukraine have contributed to an extremely complicated and unpredictable geopolitical environment. Throughout 2025, risk experts should be prepared for this environment to pose downstream impacts on global economies and financial market stability.”

DAN THIEKE

DTCC Managing Director, Head of the
DTCC Enterprise Resiliency Office (ERO), on:

RESILIENCE



“If a disruptive event happens in a single jurisdiction or financial market segment, it can have ripple effects across the entire global sector. Now more than ever, a focus on resilience is essential. It all starts with robust planning and ensuring you’re not only actively preventing disruptions, but you can quickly recover from a disruption, should one occur. Ultimately, we must expect the unexpected. In this dynamic and constantly evolving landscape, robust risk management and resilience planning across the industry is a critical and continuous journey.”

TIMOTHY CUDDIHY

DTCC Managing Director, Group Chief Risk Officer, on: **TOP SYSTEMIC RISKS**

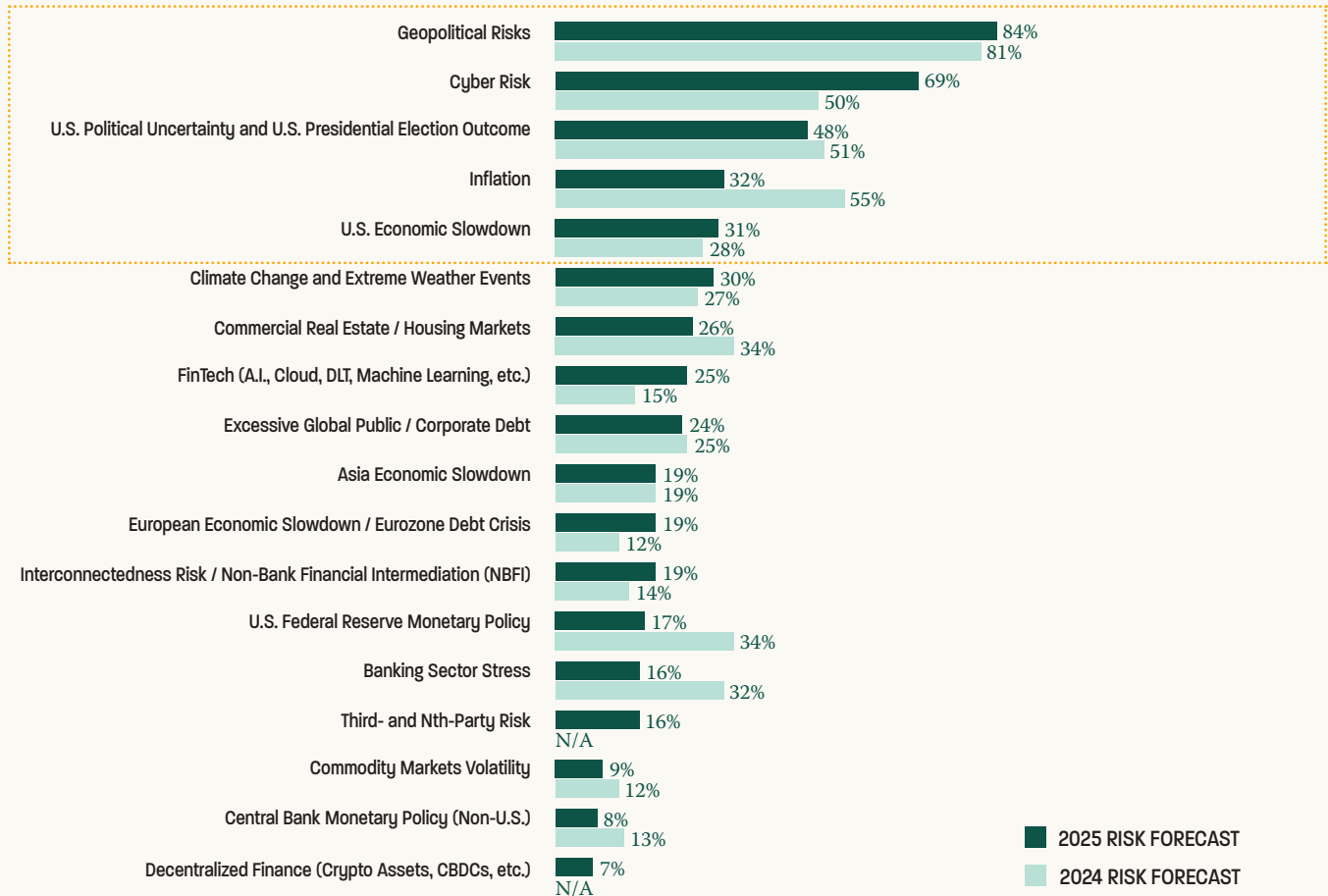


“Geopolitical risks, cybersecurity concerns, and emerging technologies like artificial intelligence have created a complex risk landscape. According to our survey, 55% of respondents believe that there is a high or very high chance of a high-impact systemic event in the global financial system in 2025. To ensure readiness, firms must continue to collaborate across the industry to remain vigilant, share information, and stay ahead of the curve by evolving and improving risk management practices and strategies.”

TOP 5 RISKS IDENTIFIED

When asked to identify the top 5 systemic risks to the global economy, most respondents cited Geopolitical Risks, Cyber Risk, U.S. Political Uncertainty and U.S. Presidential Election Outcome, Inflation, and U.S. Economic Slowdown. The graph compares results for the 2025 Risk Forecast (in green) with results for the 2024 Risk Forecast (in mint).*

RISK TO GLOBAL ECONOMY



* Third- and Nth-Party Risk was added as a new risk category in the 2025 Risk Forecast. The FinTech-related risk category was divided into the Decentralized Finance (Crypto Assets, CBDCs, etc.) and FinTech (A.I., Cloud, DLT, Machine Learning, etc.) risk categories in the 2025 Risk Forecast. This survey was conducted prior to the U.S. election.

REGIONAL DIFFERENCES

Based on the feedback received, there were noteworthy regional differences.

North American respondents are more concerned with U.S. Political Uncertainty and U.S. Presidential Election Outcome, Inflation, and U.S. Federal Reserve Monetary Policy.

U.S. POLITICAL UNCERTAINTY AND U.S. PRESIDENTIAL ELECTION OUTCOME



INFLATION



U.S. FEDERAL RESERVE MONETARY POLICY



Respondents outside of North America are more concerned with FinTech (A.I., Cloud, DLT, Machine Learning, etc.), Climate Change and Extreme Weather Events, and European Economic Slowdown / Eurozone Debt Crisis.

FINTECH (A.I., CLOUD, DLT, MACHINE LEARNING, ETC.)



CLIMATE CHANGE AND EXTREME WEATHER EVENTS



EUROPEAN ECONOMIC SLOWDOWN / EUROZONE DEBT CRISIS

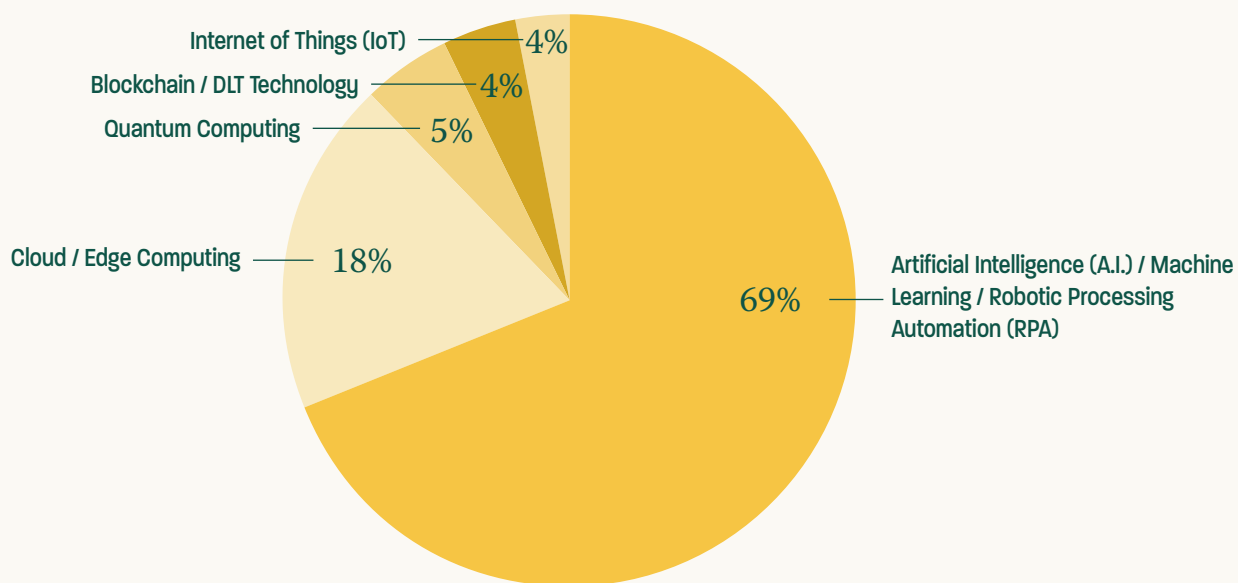


● North American Respondents

● Respondents outside of North America

TYPE OF FINTECH POSING HIGHEST POTENTIAL SYSTEMIC RISK IN 2025

When asked to identify the type of FinTech that poses the highest potential systemic risk in 2025 with respect to the global economy, most respondents cited Artificial Intelligence (A.I.) / Machine Learning / Robotic Processing Automation (RPA).



QUESTIONS ON MACROECONOMIC CONDITIONS AND EMERGING TECHNOLOGIES

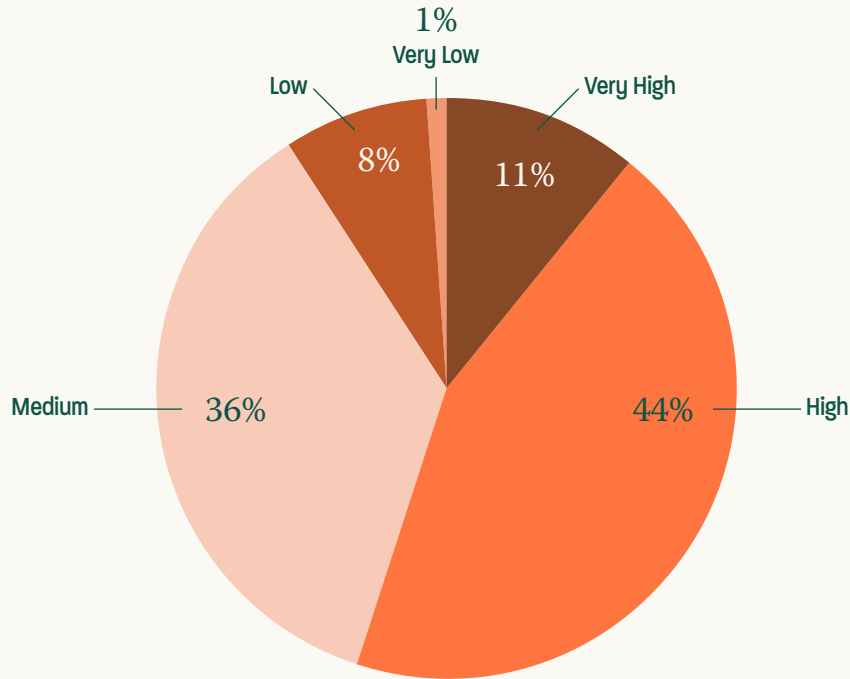
Respondents were asked whether they (dis)agree with a series of forward-looking statements related to macroeconomic conditions and emerging technologies with respect to their geographical area.

Respondents expect macroeconomic conditions to moderate and expect to encounter challenges with the implementation of emerging technologies.

STATEMENT	NORTH AMERICAN RESPONDENTS			RESPONDENTS OUTSIDE OF NORTH AMERICA		
	AGREE	DISAGREE	UNCERTAIN	AGREE	DISAGREE	UNCERTAIN
MACROECONOMIC CONDITIONS						
I expect economic growth to continue in 2025	63%	10%	27%	31%	36%	33%
I expect inflation to remain a significant economic headwind in 2025	43%	41%	16%	51%	29%	20%
I am concerned that interest rates will be kept high for too long in 2025	30%	51%	19%	29%	51%	20%
EMERGING TECHNOLOGIES						
I am concerned about a knowledge/skills gap to implement emerging technologies (such as Generative A.I. and DLT)	71%	19%	10%	76%	13%	11%
I am concerned that A.I.-assisted attacks and misinformation will outpace response capabilities	68%	13%	19%	65%	22%	13%
I am concerned about the difficulty of adopting new cybersecurity technology	64%	17%	19%	64%	18%	18%

PROBABILITY OF A HIGH-IMPACT SYSTEMIC EVENT IN 2025

When asked to identify the probability of a high-impact systemic event in the global financial system in 2025, greater than 90% of respondents cited the probability as Medium, High or Very High.



MITIGATING POTENTIAL EFFECTS OF A HIGH-IMPACT SYSTEMIC EVENT IN 2025

Most respondents who identified the probability of a high-impact systemic event in 2025 as Medium, High or Very High noted that their organization intends to mitigate any potential effects by improving internal systems/processes and/or by investing in technology/systems.

