

SYSTEMIC RISK BAROMETER

RESULTS OVERVIEW – 2014 Q3

SUMMARY

DTCC's most recent Systemic Risk Barometer survey was completed in 2014 Q3 by DTCC clients and a broad range of global stakeholders from the financial services industry.

Overall, 37% of respondents said that the probability of a high-impact event in the global financial system has increased during the past six months – up 16 points since the last survey was conducted in March 2014.

A record 84% of respondents identified cyber risk as one of their top five concerns – an increase of 25 points since March 2014.

Furthermore, 33% ranked cyber threats as the number one systemic risk to the broader economy, up from 24% in March 2014.

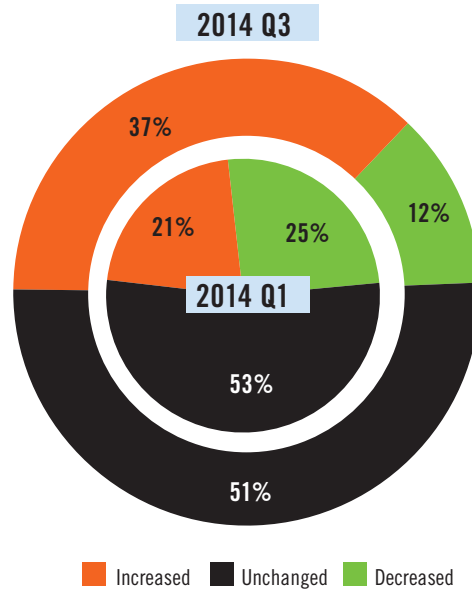
In addition to the findings on cyber risks, the survey's other key results include:

- 64% of respondents cite the **impact of new regulations** as a top five concern and 62% identified **geopolitical risk** as a top five concern.
- In line with these results, 76% of all respondents indicated they have **increased the amount of resources dedicated to identifying, monitoring and mitigating systemic risks** over the past year.
- 67% of respondents characterized their firm's ability to identify, assess and manage **emerging risks** as "Developing" and 29% "Mature."

SURVEY RESULTS

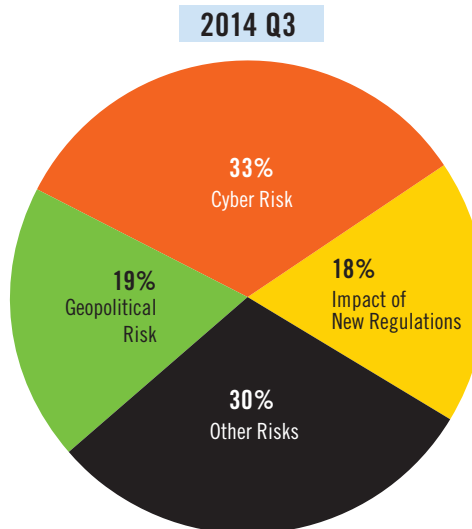
CHANGE IN PROBABILITY OF A HIGH-IMPACT EVENT

37% of respondents indicated that the probability of a high-impact event in the global financial system has increased during the past six months – up from 21% in March 2014.



NUMBER ONE RISK IDENTIFIED

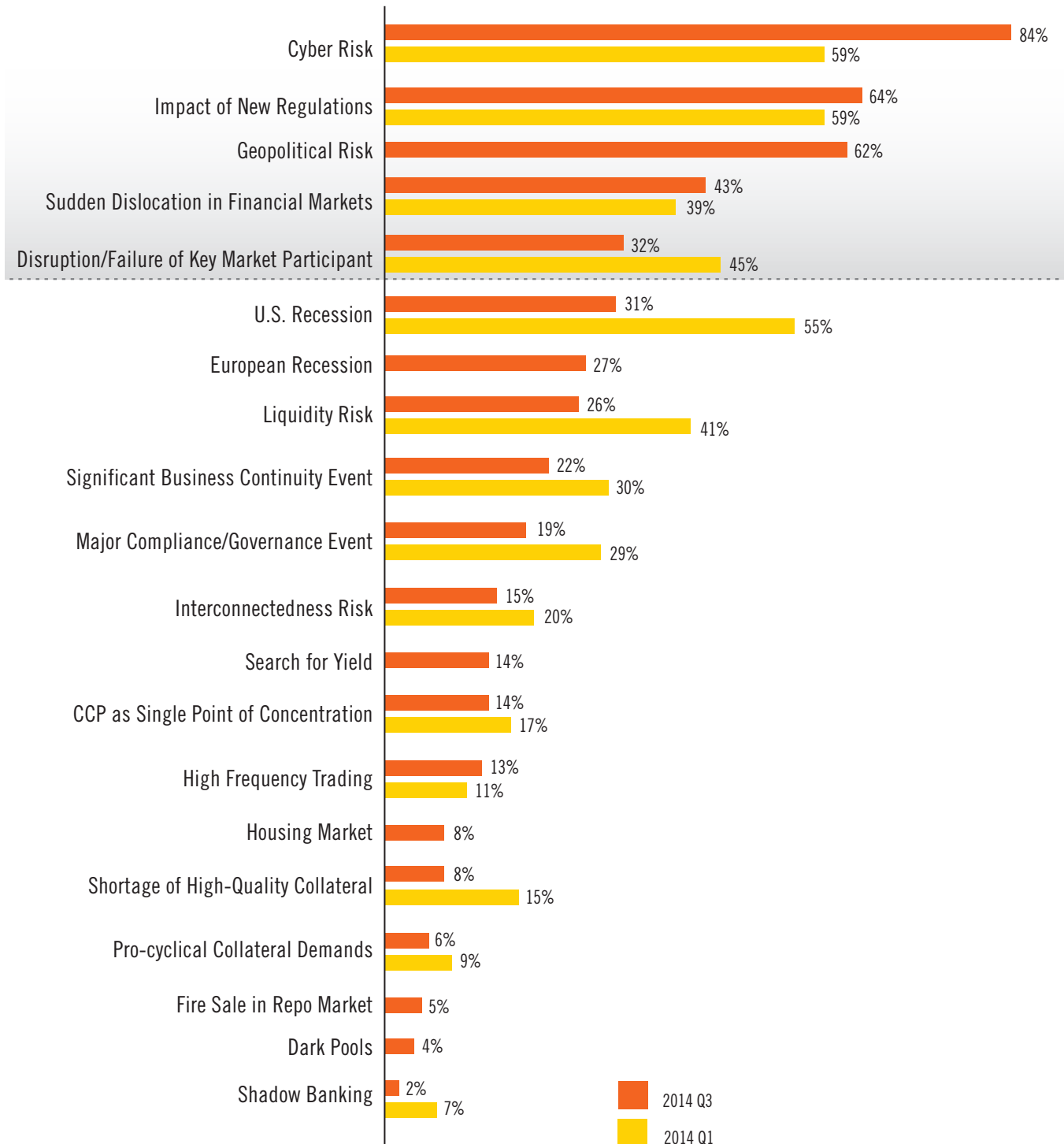
Cyber risk, geopolitical risk and the impact of new regulations were the most widely cited top concerns. A combined 70% of respondents indicated one of these risks as their number one concern.



TOP 5 RISKS IDENTIFIED

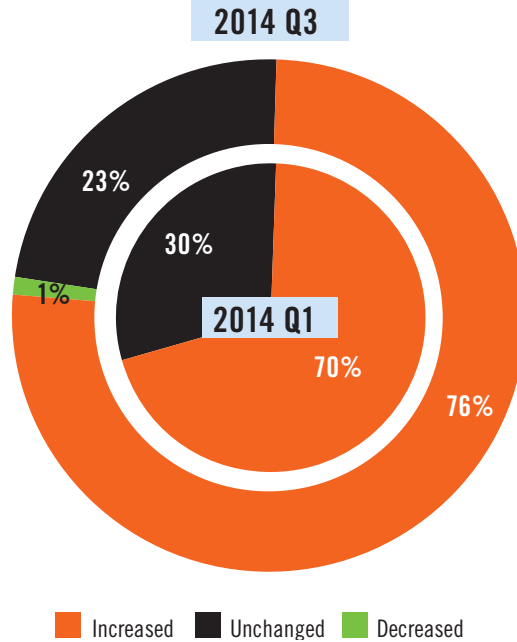
Respondents were asked to identify the top 5 systemic risks to the broader economy. The results show some significant shifts compared to March 2014, as reflected below.

RISK TO BROADER ECONOMY



SYSTEMIC RISK RESOURCES

76% of all respondents indicated they have increased the amount of resources dedicated to identifying, monitoring and mitigating systemic risks over the past year (up from 70% in March 2014).



SYSTEMIC RISK CAPABILITIES

Over two-thirds of respondents characterized their firm's capability to address systemic risks as "developing." This assessment is relatively similar to the results of the March 2014 survey.

Firms' Capability to Identify, Monitor and Mitigate Current and Emerging Systemic Risks

