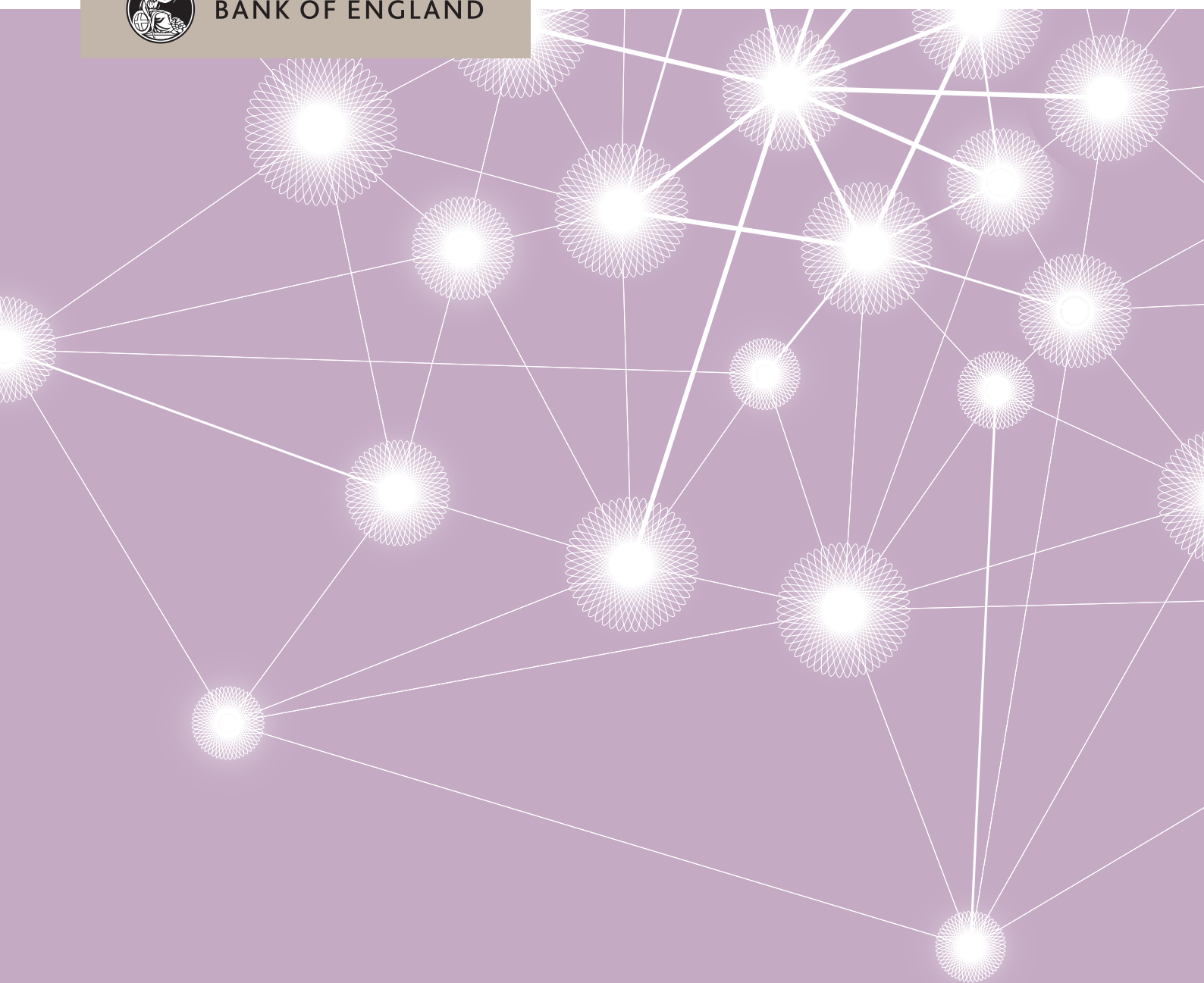


# Systemic Risk Survey

Survey results | 2016 H1



**BANK OF ENGLAND**





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## The Systemic Risk Survey

- The *Systemic Risk Survey* is conducted by the Bank of England on a biannual basis, to quantify and track market participants' views of risks to, and their confidence in, the stability of the UK financial system.
- This report presents the results of the 2016 H1 survey which was conducted between 11 April and 29 April.

## Probability of a high-impact event and confidence in the UK financial system

- The perceived probability of a high-impact event in the UK financial system over the short term has risen considerably. The perceived probability of such an event over the medium term has increased slightly. 56% (+46 percentage points since the 2015 H2 survey) of respondents now consider the probability of a high-impact event as high or very high over the next year; 37% (+6 percentage points) between one and three years ahead.
- Confidence in the stability of the UK financial system has fallen since the 2015 H2 survey. Respondents are less likely to judge themselves as very or completely confident (14%, -15 percentage points since the 2015 H2 survey) and more likely as not very confident (10%, +4 percentage points).

## Sources of risk to the UK financial system

- The two risks to the UK financial system most cited by respondents were those of an economic downturn (mentioned by 73% of respondents, +1 percentage point since 2015 H2) and UK political risk, which increased significantly (+46 percentage points to 72%). UK political risk was also identified as the number one source of risk (+61 percentage points to 65%). In the history of this survey only one other risk has ever been identified by a larger proportion of respondents as their number one source of risk.
- Around half of respondents citing an economic downturn specifically referenced a slowdown in global economic growth, rather than a UK-specific slowdown.
- Almost all respondents that mentioned UK political risk explicitly referenced the possibility of the United Kingdom leaving the European Union.
- The perceived risk of a cyber attack increased, albeit marginally, for the third consecutive survey to a new survey high (+2 percentage points to 48%). The proportion of respondents citing risk of financial market disruption/dislocation fell slightly (-7 percentage points to 37%). Perceived risks surrounding the low interest rate environment rose (+13 percentage points to 34%). Respondents perceived geopolitical risks to have fallen noticeably (-14 percentage points to 32%). The risks around regulation and taxes have increased (+9 percentage points to 28%), driven by concerns over regulation rather than taxation.

## Risks most challenging to manage as a firm

- UK political risk was most commonly cited as the risk most challenging to manage. The percentage of respondents mentioning this risk increased by 39 percentage points (14% to 53%). Only sovereign risk, in the period between 2011 and 2013, has ever been perceived as a more challenging risk to manage since this survey began in July 2008.

The *Systemic Risk Survey* is a biannual survey that asks market participants about perceived risks to, and their confidence in, the stability of the UK financial system. The survey is generally completed by executives responsible for firms risk management activities. This report presents the results of the 2016 H1 survey, which was conducted by the Bank of England in the period between 11 April and 29 April 2016. The results presented are based on responses to the survey and do not necessarily reflect the Bank of England's views on risks to the UK financial system. Seventy-one market participants took part in the survey, representing a 96% response rate. Participants ranged from hedge

funds, banks, building societies, large complex financial institutions, asset managers and insurers. Summary statistics are calculated by giving equal weight to each survey response.

This report is available on the Bank's website at [www.bankofengland.co.uk/publications/Pages/other/srs/default.aspx](http://www.bankofengland.co.uk/publications/Pages/other/srs/default.aspx). Additional background information on the survey is available in the 2009 Q3 *Quarterly Bulletin* article 'Bank of England Systemic Risk Survey' available at [www.bankofengland.co.uk/publications/Documents/quarterlybulletin/qb090305.pdf](http://www.bankofengland.co.uk/publications/Documents/quarterlybulletin/qb090305.pdf).

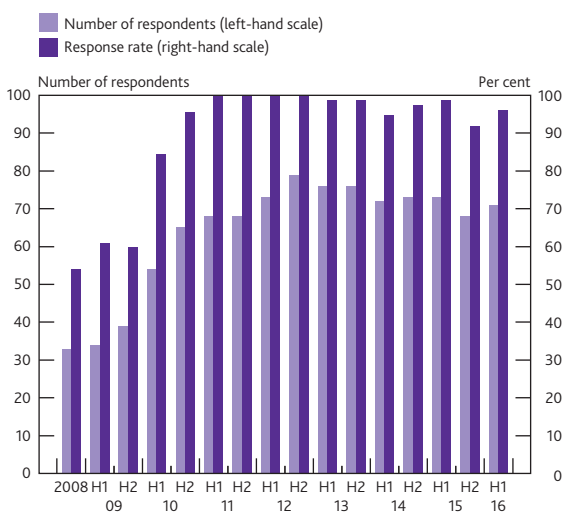
# Systemic Risk Survey

## Introduction

As part of its statutory objective to protect and enhance financial stability in the United Kingdom, the Bank works to identify risks to the stability of the UK financial system. The *Systemic Risk Survey* contributes to this activity by quantifying and tracking, on a biannual basis, market participants' perceptions of such risks.<sup>(1)</sup>

The survey is typically completed by executives responsible for risk management activities at institutions including: UK banks and building societies; large foreign banks; asset managers; hedge funds; and insurers. Seventy-one participants took part in the 2016 H1 survey between 11 and 29 April 2016, representing a 96% response rate (**Chart 1**). This report describes the results.

**Chart 1** Survey response rates<sup>(a)(b)</sup>



Sources: Bank of England *Systemic Risk Surveys* and Bank calculations.

- (a) The percentage and number of contacts that answered at least one question in the *Systemic Risk Survey*.  
 (b) Surveys from 2010 H1 were carried out by the Bank. Earlier surveys were carried out by the British Market Research Bureau (BMRB) on behalf of the Bank.

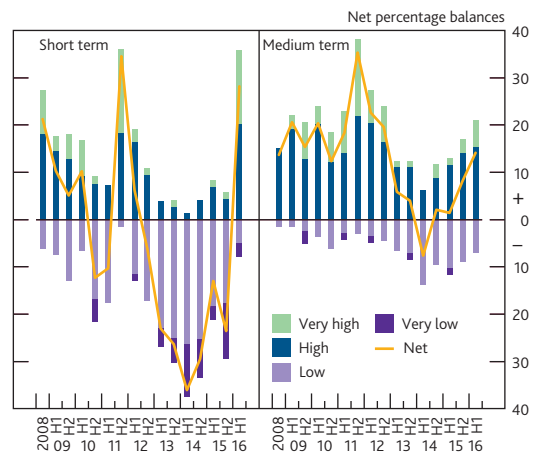
## Probability of a high-impact event

Respondents were asked for their view on the probability of a high-impact event in the UK financial system in the short and medium term, and how these probabilities had changed over the past six months.<sup>(2)</sup>

In the 2016 H1 survey, the perceived probability of a high-impact event in the UK financial system in the short term has risen considerably. The percentage of respondents judging the probability to be high or very high increased significantly

(10% to 56%). And the percentage of respondents who judge the probability of such an event materialising to be low or very low in the short term has fallen significantly (47% to 13%). The perception of a high-impact event materialising in the medium term also increased. The percentage of respondents judging the probability to be high or very high has increased (31% to 37%). And the percentage of those judging the probability to be low or very low has fallen slightly (18% to 14%). **Chart 2** reflects these responses by weighting the probabilities into one measure.

**Chart 2** Probability of a high-impact event in the UK financial system<sup>(a)</sup>



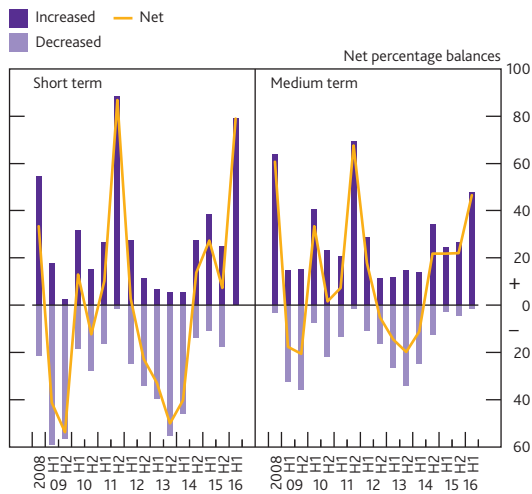
Sources: Bank of England *Systemic Risk Surveys* and Bank calculations.

- (a) Respondents were asked for the probability of a high-impact event in the UK financial system in the short and medium term. From the 2009 H2 survey onwards, short term was defined as 0–12 months and medium term as 1–3 years. The net percentage balance is calculated by weighting responses as follows: very high (1), high (0.5), medium (0), low (-0.5) and very low (-1). Bars show the contribution of each component to the net percentage balance.

These results concur with respondents' views on how the probability of a high-impact event materialising in the short and medium term has changed since the 2015 H2 survey (**Chart 3**). A large net balance indicated the probability of such an event materialising in the short term has increased (79%). And, for the first time, no respondent reported that they felt the probability of such an event materialising in the short term had fallen. A smaller, but still significant, net balance reported the probability of such an event occurring in the medium term had increased (46%).

- (1) The *Systemic Risk Survey* has been taken biannually since 2009, following a pilot survey conducted in July 2008. It was published for the first time in November 2011. The survey results complement other sources of information used by the Bank to identify system wide risks.  
 (2) Since the 2009 H2 survey, short and medium term have been specifically identified as 0–12 months and 1–3 years respectively. These terms were not explicitly defined in earlier surveys.

**Chart 3** Change over the past six months in the probability of a high-impact event in the UK financial system<sup>(a)</sup>



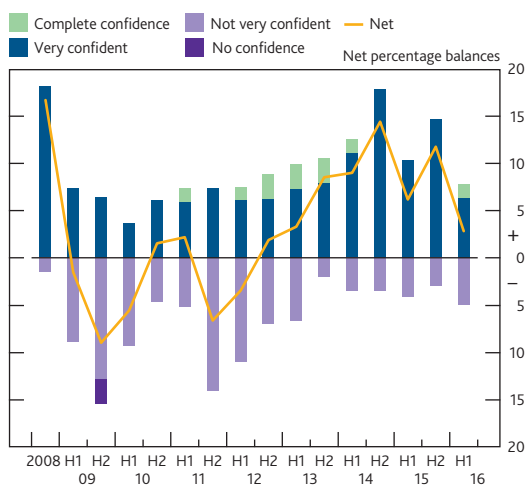
Sources: Bank of England Systemic Risk Surveys and Bank calculations.

(a) Respondents were asked how the probability of a high-impact event in the UK financial system in the short and medium term had changed over the past six months. From the 2009 H2 survey onwards, short term was defined as 0–12 months and medium term as 1–3 years. The net percentage balance is calculated as the percentage of respondents that perceived an increase, less the percentage that perceived a decrease. Bars show the contribution of each component to the net percentage balance.

### Confidence in the UK financial system

Respondents are now less confident in the stability of the UK financial system over the next three years. Respondents are much less likely to judge themselves as very confident (29% to 13%) and more likely to judge themselves as fairly confident (65% to 76%) or not very confident (6% to 10%). Chart 4 reflects these responses by weighting the probabilities into one measure. The net percentage balance is the lowest since 2012.

**Chart 4** Confidence in the stability of the UK financial system as a whole over the next three years<sup>(a)</sup>



Sources: Bank of England Systemic Risk Surveys and Bank calculations.

(a) Respondents were asked how much confidence they had in the stability of the UK financial system as a whole over the next three years. The net percentage balance is calculated by weighting responses as follows: complete confidence (1), very confident (0.5), fairly confident (0), not very confident (-0.5) and no confidence (-1). Bars show the contribution of each component to the net percentage balance.

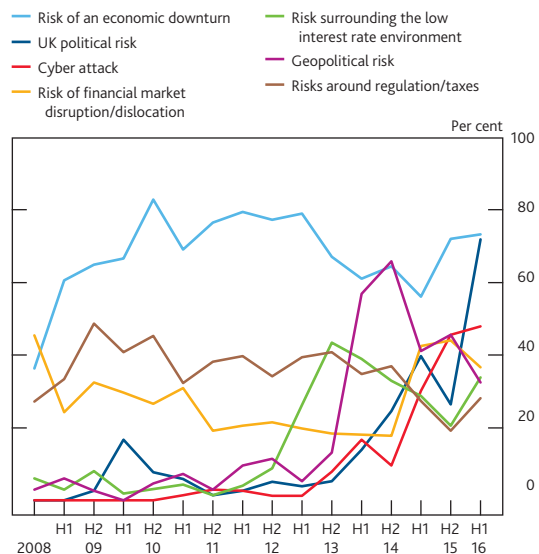
### Sources of risk to the UK financial system

Turning to specific sources of risk to the UK financial system, respondents were asked to list the five risks they thought would have the greatest impact on the UK financial system if they were to materialise. Answers were provided in free-text format, but have been grouped into the 21 categories shown in Table A2 in the data appendix to give an overview of the results.<sup>(1)</sup>

The seven risks most frequently cited in the 2016 H1 survey were (Chart 5):

- Risk of an economic downturn (cited by 73% of respondents)
- UK political risk (72%)
- Cyber attack (48%)
- Risk of financial market disruption/dislocation (37%)
- Risk surrounding the low interest rate environment (34%)
- Geopolitical risk (32%)
- Risks around regulation/taxes (28%)

**Chart 5** Sources of risk to the UK financial system<sup>(a)(b)</sup>



Sources: Bank of England Systemic Risk Surveys and Bank calculations.

(a) Respondents were asked to list the five risks they thought would have the greatest impact on the UK financial system if they were to materialise. Answers were in a free format and were coded into categories after the questionnaires had been submitted; only one category was selected for each answer. Chart figures are the percentages of respondents citing a given risk at least once, among respondents citing at least one key risk. The chart shows the top seven categories; see the data appendix for additional categories.  
 (b) Risks cited in previous surveys have been regrouped into the categories used to describe the latest data.

Five of the top seven risks in the 2016 H1 survey were also in the top seven in the 2015 H2 survey. Risks surrounding the low interest rate environment and risks around regulation/taxes entered the top seven most cited risks in 2016 H1 at the expense of sovereign risk and the risk of

(1) These summary categories are adjusted over time in order to better capture current risks; risks cited in previous surveys have been regrouped into the new categories to ensure comparability across survey rounds.

property price falls. But there were some notable changes in the per cent of respondents mentioning certain risks.

The proportion of respondents citing UK political risk increased significantly (26% to 72%). Almost all respondents that mentioned this risk referenced the possibility of the United Kingdom leaving the European Union.

The proportion of respondents that cited risks surrounding the low interest rate environment and risks around regulation/taxes increased (21% to 34% and 19% to 28% respectively). Of the latter, all respondents referred to concerns about regulation rather than taxes.

In contrast the proportion of respondents citing the risk of financial market disruption/dislocation and geopolitical risks fell (44% to 37% and 46% to 32% respectively). About half of those who cited financial market disruption/dislocation as a source of risk explicitly referred to market liquidity issues.

The proportion of respondents citing risk of an economic downturn or cyber attack was almost unchanged (72% to 73% and 46% to 48% respectively).

UK political risk was the risk most frequently cited as the number one risk (Chart 6):

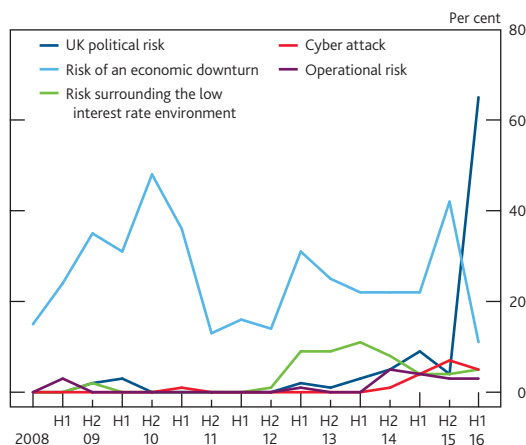
- UK political risk (65% of respondents viewed it as their number one risk)
- Risk of an economic downturn (11%)
- Risk surrounding the low interest rate environment (6%)
- Cyber attack (6%)
- Operational risk (3%)

### Risks most challenging to manage as a firm

Respondents were asked to indicate which three of the five risks they identified would be the most challenging to manage if they were to materialise. UK political risk, the risk of an economic downturn and cyber attack were the most cited responses (Chart 7):

- UK political risk (53% of respondents)
- Risk of an economic downturn (38%)
- Cyber attack (38%)
- Risk of financial market disruption/dislocation (28%)
- Risk around regulation/taxes (23%)
- Risk surrounding the low interest rate environment (15%)
- Operational risk (13%)
- Sovereign risk (13%)

**Chart 6** 'Number one' sources of risk to the UK financial system<sup>(a)(b)</sup>

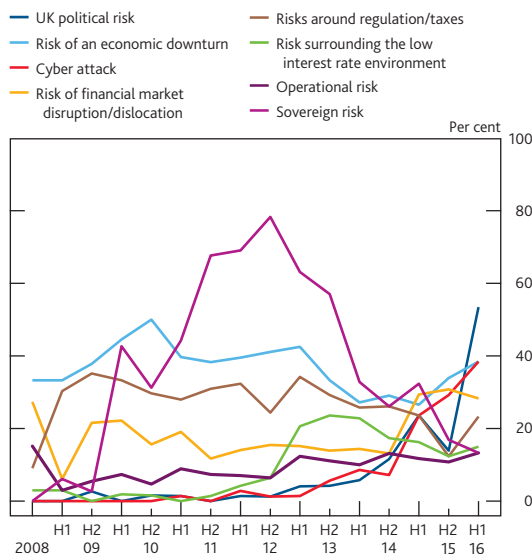


Sources: Bank of England Systemic Risk Surveys and Bank calculations.

(a) Respondents were asked to list the five risks they thought would have the greatest impact on the UK financial system if they were to materialise, in order of potential impact (ie greatest impact first). Answers were in a free format and were coded into categories after the questionnaires had been submitted; only one category was selected for each answer. Chart figures are the percentages of respondents citing a given risk as their number one key risk, among respondents citing at least one key risk. The chart shows the top five categories; see the data appendix for additional categories.

(b) Risks cited in previous surveys have been regrouped into the categories used to describe the latest data.

**Chart 7** Risks most challenging to manage as a firm<sup>(a)(b)</sup>



Sources: Bank of England Systemic Risk Surveys and Bank calculations.

(a) After respondents had listed the five risks they believed would have the greatest impact on the UK financial system if they were to materialise, they were asked which three of these risks they would find most challenging to manage as a firm. Answers were in a free format and were coded into categories after the questionnaires had been submitted; only one category was selected for each answer. Chart figures are the percentages of respondents citing a given risk at least once, among respondents citing at least one source of risk. The chart shows the top eight categories only; see the data appendix for additional categories.

(b) Risks cited in previous surveys have been regrouped into the categories used to describe the latest data.

The percentage of respondents that cited UK political risk as the most challenging risk to manage more than tripled since the previous survey. Respondents continue to perceive the risk of an economic downturn as challenging to manage. And the challenge of managing a cyber attack continues to be recognised by an increasing proportion of respondents, an upward trend that has been present for a number of surveys.

## Data appendix

The tables in this appendix, in Excel format, and the survey questionnaire are available on the Bank's website at [www.bankofengland.co.uk/publications/Pages/other/srs/default.aspx](http://www.bankofengland.co.uk/publications/Pages/other/srs/default.aspx).

**Table A1: Aggregate risks to the UK financial system<sup>(a)(b)</sup>**

	2008	2009		2010		2011		2012		2013		2014		2015		2016
		H1	H2	H1	H2	H1	H2	H1	H2	H1	H2	H1	H2	H1	H2	H1
<b>Probability of a high impact event in the UK financial system in the short term<sup>(c)</sup></b>																
Very high	9	3	2	0	18	3	1	0	1	0	0	1	1	15		
High	36	29	15	15	37	33	19	8	5	3	8	14	9	41		
Medium	42	53	45	50	43	40	46	42	38	33	33	45	43	31		
Low	12	15	34	35	3	23	34	46	50	53	51	37	35	10		
Very low	0	0	5	0	0	1	0	4	5	11	8	3	12	3		
<b>Probability of a high impact event in the UK financial system in the medium term<sup>(c)</sup></b>																
Very high	0	3	6	9	16	7	8	1	1	0	3	1	3	6		
High	30	38	25	28	44	41	33	22	22	13	18	23	28	31		
Medium	67	56	57	56	34	44	51	63	61	60	60	53	51	49		
Low	3	3	12	6	6	7	9	13	14	28	19	21	18	14		
Very low	0	0	0	1	0	1	0	0	1	0	0	1	0	0		
<b>Change in the probability over the past six months of a high-impact event in the UK financial system in the short term<sup>(d)</sup></b>																
Increased	55	18	15	26	88	27	11	7	5	6	27	38	25	79		
Unchanged	24	24	57	57	10	48	54	54	39	49	59	51	57	21		
Decreased	21	59	28	16	1	25	34	39	55	46	14	11	18	0		
<b>Change in the probability over the past six months of a high-impact event in the UK financial system in the medium term<sup>(d)</sup></b>																
Increased	64	15	23	21	69	29	11	12	14	14	34	25	26	48		
Unchanged	33	53	55	66	29	60	72	62	51	61	53	73	69	51		
Decreased	3	32	22	13	1	11	16	26	34	25	12	3	4	1		
<b>Confidence in the stability of the UK financial system as a whole over the next three years<sup>(e)</sup></b>																
Complete confidence	0	0	0	1	0	1	3	3	3	1	0	0	0	1		
Very confident	36	15	12	12	15	12	13	14	16	22	36	21	29	13		
Fairly confident	61	68	78	76	57	64	71	70	78	69	58	71	65	76		
Not very confident	3	18	9	10	28	22	14	13	4	7	7	8	6	10		
No confidence	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
<b>Change in confidence over the past six months<sup>(f)</sup></b>																
Increased			25	10	3	12	11	22	33	25	15	5	9	1		
Unchanged			65	79	35	77	81	67	62	68	75	77	79	51		
Decreased			11	10	62	11	8	11	5	7	10	18	12	48		

Sources: Bank of England Systemic Risk Surveys and Bank calculations.

(a) Entries are percentages of respondents and may not sum to 100% due to rounding.

(b) The survey has been undertaken biannually since 2009, following a pilot survey conducted in July 2008. Due to insufficient space in this table, 2009 H2 and 2010 H1 results have not been included.

(c) Respondents were asked what the probability of a high-impact event in the UK financial system was in their view, for both the short and medium term. Since the 2009 H2 survey, short and medium term have been specifically identified as 0–12 months and 1–3 years respectively. These terms were not explicitly defined in earlier surveys.

(d) Respondents were asked how the probability had changed over the past six months for the short and medium term. Since the 2009 H2 survey, short and medium term have been specifically identified as 0–12 months and 1–3 years respectively. These terms were not explicitly defined in earlier surveys.

(e) Respondents were asked how much confidence they had in the stability of the UK financial system as a whole over the next three years.

(f) Respondents were asked how their confidence had changed over the past six months. The question was asked from 2010 H1 onwards.

**Table A2: Sources of risk to the UK financial system<sup>(a)(b)(c)</sup>**

	2008	2009		2010		2011		2012		2013		2014		2015		2016
		H1	H2	H1	H2	H1	H2	H1	H2	H1	H2	H1	H2	H1	H2	H1
<b>Sources of risk to the UK financial system<sup>(d)</sup></b>																
Risk of an economic downturn	36	61	83	69	76	79	77	79	67	61	64	56	72	73		
UK political risk	0	0	8	6	1	3	5	4	5	14	25	40	26	72		
Cyber attack	0	0	0	1	3	3	1	1	8	17	10	30	46	48		
Risk of financial market disruption/dislocation	45	24	27	31	19	21	22	20	18	18	18	42	44	37		
Risk surrounding the low interest rate environment <sup>(e)</sup>	6	3	3	4	1	4	9	26	43	39	33	29	21	34		
Geopolitical risk	3	6	5	7	3	10	11	5	13	57	66	41	46	32		
Risks around regulation/taxes	27	33	45	32	38	40	34	39	41	35	37	27	19	28		
Risk of property price falls	45	24	41	31	16	21	14	25	36	40	36	23	26	25		
Sovereign risk	9	21	41	66	76	79	94	76	74	40	34	58	35	21		
Operational risk	21	18	17	13	7	10	13	22	18	14	23	21	24	18		
Risks surrounding monetary and fiscal policy	6	0	6	7	0	5	4	5	8	15	16	12	19	13		
Risk of infrastructure disruption	12	9	9	6	10	10	9	11	11	13	15	15	16	10		
Funding risk	18	33	39	43	57	45	32	17	16	14	4	11	9	8		
Household/corporate credit risk	12	36	19	25	10	14	14	18	11	19	7	11	10	7		
Risk of financial institution failure/distress	85	33	17	18	26	25	25	26	30	22	16	14	13	7		
Risk of tightening in credit conditions	15	24	13	13	12	16	16	14	8	4	8	4	6	6		
Risk of lack of confidence in ratings, valuations and disclosure	12	18	2	4	4	4	1	0	0	0	1	1	3	4		
Other	12	9	9	3	7	1	1	9	13	8	15	16	12	4		
Inflation risk	6	9	9	19	6	5	5	7	7	6	11	5	3	0		
Risks around public anger against, or distrust of, financial institutions	0	0	0	1	0	0	10	1	1	4	3	0	1	0		
Risk of loss of confidence in the authorities	3	9	6	7	10	15	11	11	9	4	3	0	0	0		
<b>Number one source of risk to the UK financial system<sup>(f)</sup></b>																
UK political risk	0	0	0	0	0	0	0	3	1	3	5	10	4	65		
Risk of an economic downturn	15	24	48	36	13	16	14	32	25	22	22	22	43	11		
Risk surrounding the low interest rate environment	0	0	0	0	0	0	1	9	9	11	8	4	4	6		
Cyber attack	0	0	0	1	0	0	0	0	0	0	1	4	7	6		
Operational risk	0	3	0	0	0	0	0	1	0	0	5	4	3	3		
Risk of financial market disruption/dislocation	12	3	3	3	4	3	0	3	1	1	4	8	13	1		
Geopolitical risk	0	3	2	4	1	1	0	0	0	13	21	11	3	1		
Risk of infrastructure disruption	0	0	2	0	1	0	1	3	1	1	0	1	0	1		
Risk of lack of confidence in ratings, valuations and disclosure	0	3	0	0	0	0	0	0	0	0	0	0	0	1		
Risk of property price falls	6	3	2	3	1	3	1	3	7	8	3	4	0	1		
Risks around regulation/taxes	3	3	5	1	1	3	3	3	8	7	4	4	3	1		
Sovereign risk	0	15	9	36	62	60	68	38	39	19	11	16	3	1		
Household/corporate credit risk	0	15	2	0	0	0	0	0	0	1	0	0	1	0		
Risk of financial institution failure/distress	55	12	5	4	1	4	3	4	3	1	3	5	4	0		
Funding risk	6	12	13	9	7	5	4	0	1	1	0	1	1	0		
Inflation risk	0	0	2	1	0	1	0	0	0	1	7	0	0	0		
Risks around public anger against, or distrust of, financial institutions	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Risk of loss of confidence in the authorities	0	3	2	0	6	1	4	1	3	0	0	0	0	0		
Other	0	0	5	0	0	0	0	0	1	1	4	4	4	0		
Risk of tightening in credit conditions	3	0	2	0	0	0	0	0	0	0	1	0	1	0		
Risks surrounding monetary and fiscal policy	0	0	2	0	0	1	1	1	0	7	0	0	3	0		
Number of respondents citing at least one source of risk	33	33	64	68	68	73	79	76	76	72	73	73	68	71		

Sources: Bank of England *Systemic Risk Surveys* and Bank calculations.

(a) Respondents were asked which five risks they believed would have the greatest impact on the UK financial system if they were to materialise, in order of potential impact (ie greatest impact first). Answers were provided in a free format and were subsequently coded into the above categories only one category was selected for each answer. Risks cited in previous surveys have been regrouped into the categories used to describe the latest data.

(b) The survey has been undertaken biannually since 2009, following a pilot survey conducted in July 2008. Due to insufficient space in this table, 2009 H2 and 2010 H1 results have not been included.

(c) Figures are expressed as nearest whole integer, so may appear inconsistent with figures shown in the text of the survey.

(d) Percentages of respondents citing each risk at least once in their top five, among those citing at least one risk.

(e) The definition of this risk includes risks associated with a snapback in low rates to more normal levels, as well as risks directly associated with low rates.

(f) Percentages of respondents citing each risk as their number one risk (ie the risk with the greatest potential impact), among those citing at least one source of risk.

**Table A3: Risks most challenging to manage as a firm<sup>(a)(b)(c)</sup>**

	2008	2009		2010		2011		2012		2013		2014		2015		2016
		H1	H2	H1	H2	H1	H2	H1	H2	H1	H2	H1	H2	H1	H2	H1
UK political risk	0	0	2	1	0	1	1	4	4	6	12	24	14	53		
Risk of an economic downturn	33	33	50	40	38	39	41	42	33	27	29	26	34	38		
Cyber attack	0	0	0	1	0	3	1	1	6	9	7	24	29	38		
Risk of financial market disruption/dislocation	27	6	16	19	12	14	15	15	14	14	13	29	31	28		
Risks around regulation/taxes	9	30	30	28	31	32	24	34	29	26	26	24	12	23		
Risk surrounding the low interest rate environment <sup>(d)</sup>	3	3	2	0	1	4	6	21	24	23	17	16	12	15		
Operational risk	15	3	5	9	7	7	6	12	11	10	13	12	11	13		
Sovereign risk	0	6	31	44	68	69	78	63	57	33	26	32	17	13		
Geopolitical risk	0	0	2	4	0	6	5	3	3	36	48	25	20	12		
Risk of infrastructure disruption	6	6	6	4	6	7	6	8	10	10	12	9	12	8		
Risk of property price falls	18	6	8	4	0	4	3	10	14	11	7	6	15	7		
Risks surrounding monetary and fiscal policy	3	0	3	1	0	4	4	3	6	9	6	7	9	7		
Risk of lack of confidence in ratings, valuations and disclosure	6	9	2	3	3	0	0	0	0	0	1	0	0	3		
Household/corporate credit risk	6	18	8	12	3	4	6	8	3	7	6	6	5	2		
Funding risk	18	15	27	25	35	23	18	7	7	11	3	6	5	2		
Risk of financial institution failure/distress	48	18	16	12	21	15	17	14	14	13	9	7	9	0		
Inflation risk	0	0	6	4	3	1	3	5	1	3	7	4	2	0		
Risks around public anger against, or distrust of, financial institutions	0	0	0	1	0	0	3	0	1	0	0	0	0	0		
Risk of loss of confidence in the authorities	0	3	3	6	7	8	8	4	7	4	1	0	0	0		
Other	6	3	6	3	3	0	1	3	6	7	12	7	11	0		
Risk of tightening in credit conditions	6	3	3	6	0	7	1	5	4	1	1	0	5	0		
Cited at least one key risk, but did not cite any risk as challenging to manage	0	3	2	0	0	3	1	4	4	3	5	7	4	15		
Number of respondents citing at least one source of risk	33	33	64	68	68	73	79	76	76	72	73	73	68	71		

Sources: Bank of England *Systemic Risk Surveys* and Bank calculations.

(a) After respondents had listed the five risks they believed would have the greatest impact on the UK financial system if they were to materialise, they were asked which three of these risks they would find most challenging to manage as a firm. Answers were provided in a free format and were subsequently coded into the above categories only one category was selected for each answer. Risks cited in previous surveys have been regrouped into the categories used to describe the latest data. Table entries are the percentages of respondents citing each risk at least once in this second question, among those citing at least one source of risk.

(b) The survey has been undertaken biannually since 2009, following a pilot survey conducted in July 2008. Due to insufficient space in this table, 2009 H2 and 2010 H1 results have not been included.

(c) Figures are expressed as nearest whole integer, so may appear inconsistent with figures shown in the text of the survey.

(d) The definition of this risk includes risks associated with a snapback in low rates to more normal levels, as well as risks directly associated with low rates.