

Bank of England

Bank of England Survey on
Systemic Risk – 2022 H2

This survey asks about perceptions of risks to the UK financial system as a whole in the period ahead. It consists of six questions organised in two short blocks. It should take no longer than ten minutes to complete. More detail on the rationale behind responses is very much welcome and can be included at the end of the survey.

1: Key sources of risk to the UK financial system

The Bank of England aims to identify market perceptions of sources of risk (emanating either from within the United Kingdom or externally) which, if they materialised in the period ahead, would cause significant loss of confidence in UK financial markets and institutions and/or disruption to the financial system. See overleaf for some examples of risk categories which could be used to answer the question below. The list is not intended to be exhaustive, but rather as a guide to the type of answers that can be provided.

1.1: Looking ahead, which risks do you believe would have the greatest impact on the UK financial system if they were to materialise? Please list those in order of potential impact (ie greatest impact first)

1	
2	
3	
4	
5	

1.2: Which of the risks above would you find most challenging to manage as a firm? (tick only three)

<input type="checkbox"/>
<input type="checkbox"/>
<input type="checkbox"/>
<input type="checkbox"/>
<input type="checkbox"/>

1.3: Which of the risks above do you think are most probable? (tick only three)

<input type="checkbox"/>
<input type="checkbox"/>
<input type="checkbox"/>
<input type="checkbox"/>
<input type="checkbox"/>

1.4: Using your answers from 1.1 please provide further explanations for your choices

2: Aggregate risks to the UK financial system

2.1: In your view, what is the probability of a high-impact event in the UK financial system in the period ahead?

	Very high	High	Medium	Low	Very low
In the short term (0–12 months)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
In the medium term (1–3 years)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

2.2: How has this probability changed over the past six months?

	Increased	Unchanged	Decreased
In the short term (0–12 months)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
In the medium term (1–3 years)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

2.3: How much confidence do you have in the stability of the UK financial system as a whole over the next three years?

Complete confidence	Very confident	Fairly confident	Not very confident	No confidence
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

2.4: How has your confidence changed over the past six months?

Increased	Unchanged	Decreased
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

2.5: Do you believe that the risks set out by the FPC in the latest FSR accurately reflect the current environment?

Yes	No
<input type="checkbox"/>	<input type="checkbox"/>

Further comments:

Please provide your role title, and indicate which of the following you consider to be your firm's primary business type (please tick only one).

Role title:

Firm's primary business type:

Bank	<input type="checkbox"/>	Building society	<input type="checkbox"/>	Hedge fund	<input type="checkbox"/>
Asset manager	<input type="checkbox"/>	Insurer/re-insurer	<input type="checkbox"/>	Pension fund	<input type="checkbox"/>
Large non-financial company	<input type="checkbox"/>	Private equity firm	<input type="checkbox"/>	Central counterparty	<input type="checkbox"/>

That is the end of the survey. But we would appreciate any further comments on:

- (i) the rationale behind your responses; and/or
- (ii) anything else to do with the content of the survey.

Examples of risks

Below are some examples of risk categories that could be used to answer **question 1.1**.

The list is not intended to be exhaustive, but rather as a guide to the type of answers that can be provided.

Deterioration in the UK economic outlook

Deterioration in the global economic outlook

Concerns over sovereign default

Geopolitical risk

Funding difficulties at banks

Falls in residential/commercial property prices

Risks surrounding the low interest rate environment

Reduction in market liquidity

Dislocation in securities markets

Loss of confidence in derivatives markets

Restriction in the supply of credit

Rising defaults in the household/corporate sector

Loss of confidence in regulation

Market infrastructure disruption

Banks' IT infrastructure disruption

Lack of confidence in prices

Lack of confidence in disclosure

Crystallisation of operational risk (eg terrorism, fraud, natural disaster and climate change)

Cyber attack

Pandemic risk

Climate risk

Risks associated with cryptocurrencies