

## Are we facing a riskier world?

Conflict, natural disasters, epidemics, banking crises, government debt, terrorism, and cybercrime increasingly make the headlines. Is this a reflection of the current abundance and speed of information and the pursuit of clickbait, or is it an accurate depiction of reality? It depends. The answer is contingent upon the risk types, their location, and their historical evolution.

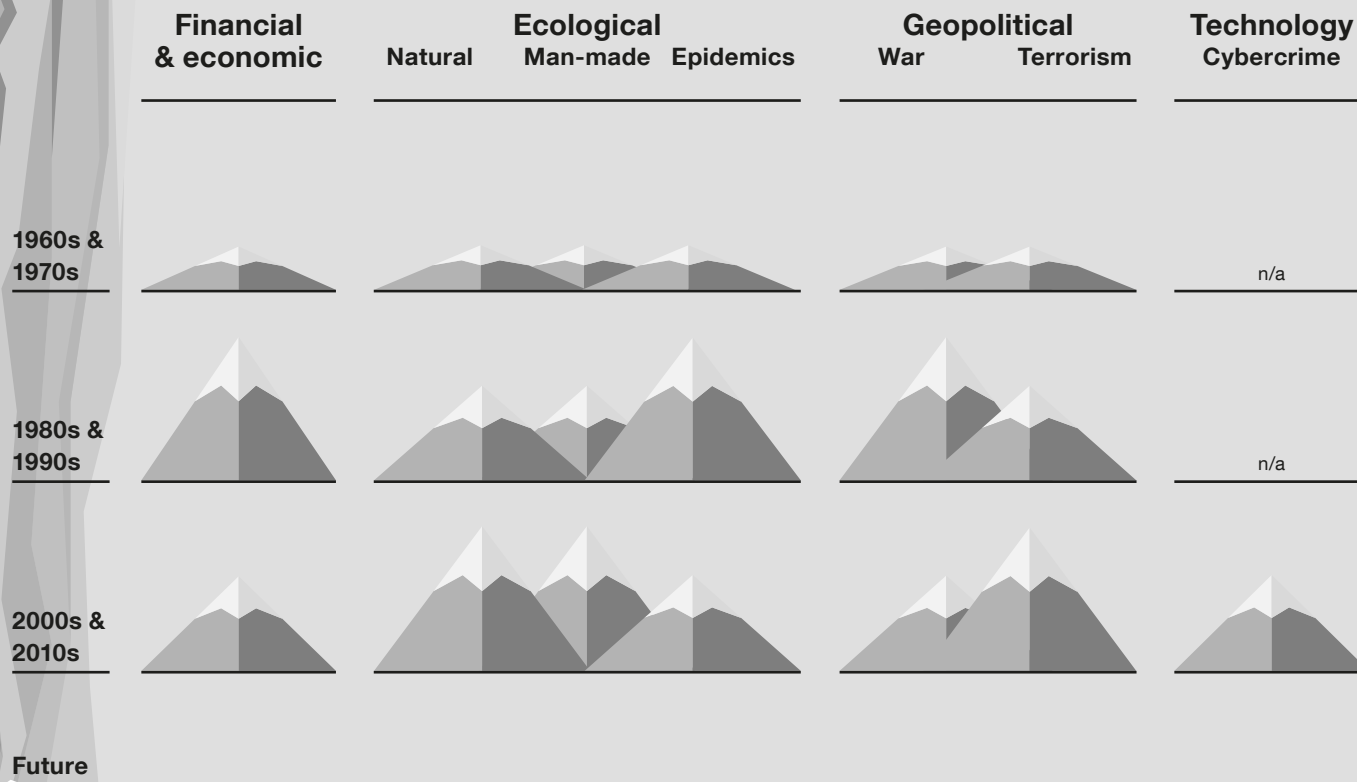
PwC has identified four global risk categories, namely financial & economic, ecological, geopolitical, and technology risks. We look at the past, present, and future. First, we shed light on the evolution of these risks and the main events that shaped them. Second, we assess whether recent risk levels are more or less elevated than historical risk levels. We conclude with the main sources of risk for the future.

To the right, the vertical progression of the magnitude of the mountains reflects the progression of risk through time. As an example, financial risks were more prominent in the 1980s and 1990s compared to the 21st century, while natural disaster risks are at an all-time high.

While these global risks affect all entities across industries and geographies, this report focuses on financial sector (FS) entities. We strongly recommend that FS entities base their strategic decision-making on a holistic approach to risk management that includes an explicit consideration of each of these four global risk categories, in addition to FS-specific risks.



# A short history of risk



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## Financial and economic risks:

Financial and economic risks were at their highest in the 1980s and 1990s, when most of the crises hit all-time highs. Within this category, we include [\*banking crises\*](#), [\*systemic crises\*](#), [\*currency crises\*](#), [\*inflation crises\*](#), [\*sovereign debt crises\*](#) and [\*domestic debt in default crises\*](#).



For a detailed view of the individual graphs, please hover over them with your mouse pointer.



## Ecological risks:

Within this category, we include *man-made disasters*, *natural disasters* and *epidemics*. Considering the varied nature of risks under this category, their historical development has been different.



For a detailed view of the individual graphs, please hover over them with your mouse pointer.



## Geopolitical risks:

Within this category we include *armed conflicts* and *terrorism*. The data highlights the dependence of geopolitical risks on geographic areas, thereby making global conclusions less meaningful.



Armed conflicts

Terrorism

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## Technology risks:

Technology risk is a broad category made up of different components, which relate to technology itself or to the way technology is deployed, architected and used. In this analysis we focus on one of the main components of technology risk, namely cyber risk and cyber criminal activity.

This is a comparatively new risk category, with a dataset that comprises less than two decades. Even so, cybercrime makes headlines as a top-of-the-agenda risk for CEOs across different industries.



For a detailed view of the individual graphs, please hover over them with your mouse pointer.



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