

The slide features a dark blue background with a faint, high-angle photograph of a modern building's facade, showing a grid of windows. The title 'Bank of England Presentation' is written in a large, white, serif font, centered on the left side. A thin red vertical line is positioned to the left of the text. The author's name 'BY ITUA ETIOBHIO' is in a smaller, white, sans-serif font at the bottom left. A thin red horizontal line is at the bottom right.

# Bank of England Presentation

BY ITUA ETIOBHIO



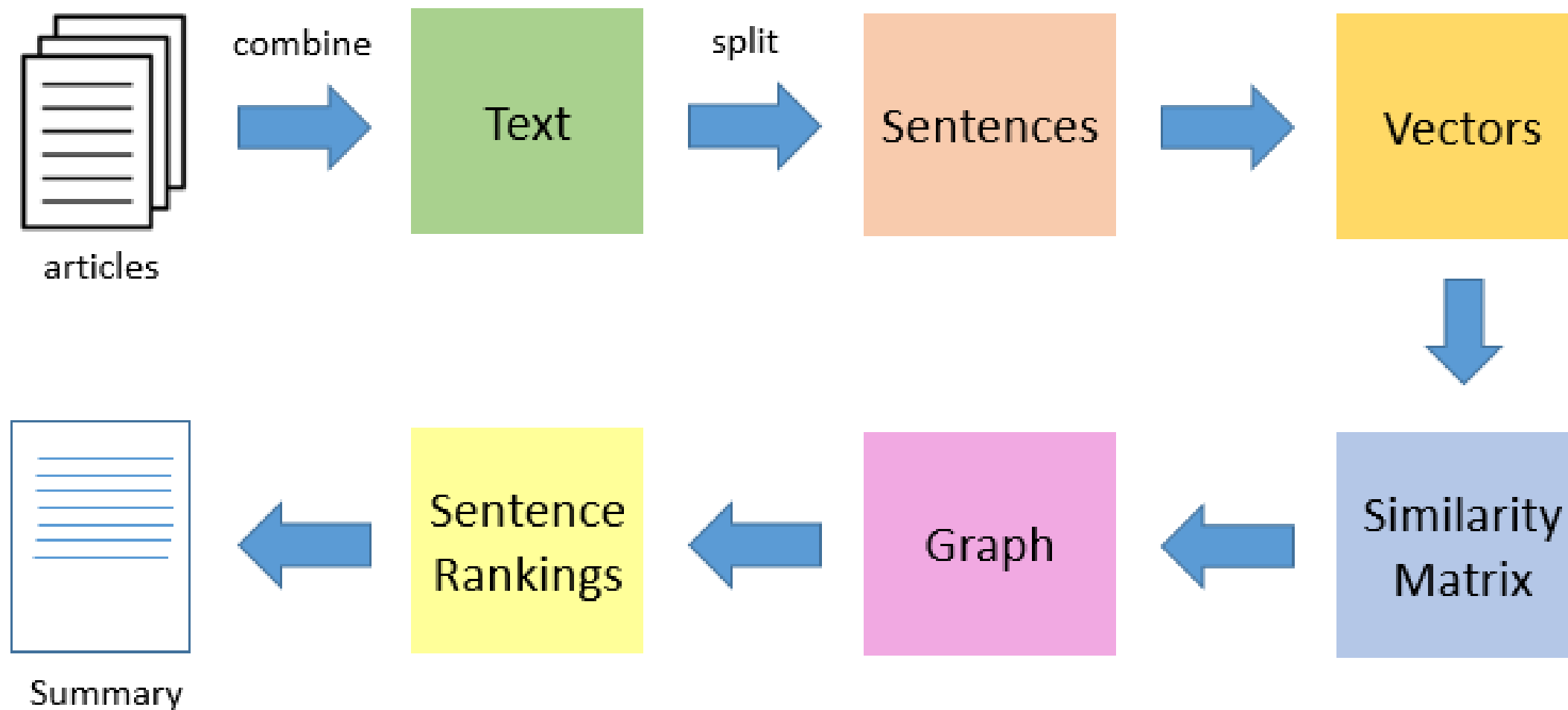
# A Brief Background

This presentation includes the summaries of Prudential Regulation Authority Annual Report 2015 - 2019.

To create these summaries I used NLP (Natural Language Processing) technique called TextRank. This method relies on extracting several parts, such as phrases and sentences, from a piece of text and stack them together to create a summary.

Therefore, identifying the right sentences for summarization is of utmost importance in an extractive method.

# TextRank Algorithm



The first step would be to concatenate all the text contained in the articles, then split the text into individual sentences

In the next step, find vector representation (word embeddings) for each and every sentence. Similarities between sentence vectors are then calculated and stored in a matrix

The similarity matrix is then converted into a graph, with sentences as vertices and similarity scores as edges, for sentence rank calculation. Finally, a certain number of top-ranked sentences form the final summary

# PRA Annual Report 2019 Summary

- The PRA, along with the rest of the Bank, has worked to make sure the core of the UK financial system is ready for Brexit, whatever form it takes.
- In parallel, to ensure resilience, we have begun setting standards for how quickly critical financial institutions must be able to restore vital services following a cyber attack.
- To improve firms' cyber defences, the largest banks at the core of the UK financial system are subject to penetration tests (known as CBEST) and we are asking them to address any deficiencies.
- This is consistent with the wider approach the PRA, the Bank, and FCA are pursuing on operational resilience, ensuring firms plan for failure, and can recover critical functions appropriately quickly
- That means innovation in the UK financial system will continue to serve the UK and global economy, underpinned by the highest standards of prudential supervision and regulation.

# PRA Annual Report 2018 Summary

- With CBEST, the Bank — working in concert with other authorities — has led the way in identifying areas where the financial sector could be vulnerable to sophisticated cyber-attacks.
- Firms must also keep on top of the risks from increased or concentrated use of third parties, and changes to business and operating models, including legacy systems.
- The 2017 stress test, for example, also examined UK banks' strategic responses to gradual but significant changes to business fundamentals, such as increasing competitive pressures from increased use of new financial technologies.
- This delivered recommendations for voluntary disclosures of material, decision useful climate related financial risks, helping firms explore how 2°C and other transition paths might impact their business models.
- These are building blocks for deference to each other's approaches when they achieve similar outcomes, and open the way to bringing wholesale financial services more fully into bilateral trade agreements, keeping the global financial system open and resilient.



# PRA Annual Report 2017 Summary

- We will help firms plan for the full range of potential scenarios around the United Kingdom's withdrawal from the European Union, so that they can take decisions at the right time in their own best interest while risks to the financial stability of the wider system are mitigated.
- The UK financial system can continue to be a partner in prosperity for the real economy at home and abroad — provided we maintain its resilience through the highest standards of supervision and regulation, and the most effective co-operation with other regulators.
- Moreover, the PRA is levelling the playing field for smaller banks and building societies using the standardised approach to credit risk rather than internal models and is reforming the process for firms who wish to move from the former to the latter.
- For example, last year we published requirements which will make it possible to resolve failing banks by ensuring that they hold sufficient equity and debt to absorb losses.
- At the same time the PRA is working with the wider Bank to encourage new and innovative financial technologies and understand their potential impact on business models.

# PRA Annual Report 2016 Summary

- Looking ahead, the coming year will see the coming into effect of the Bank of England and Financial Services Act, which will reinforce the transformation of the Bank and our strategy and place the Bank's three major policy committees on the same statutory footing.
- Following the vote on 23 June 2016 for the United Kingdom to leave the European Union, the PRA will implement the plans including continued heightened monitoring of firms and will continue to work with the wider Bank to consider the implications of this outcome on the PRA's statutory objectives.
- 2015 also saw the Bank complete its second round of concurrent stress testing, a key plank in promoting the safety and soundness of our major banks and ensuring resilience of the UK financial system.
- The stress-test results indicated that the UK banking system would have the capacity to continue to lend to the real economy under such a severe scenario and testify to the benefits of the progress UK banks have made to rebuild capital and confidence.
- Work on implementing structural reform is now well advanced with some banks already making changes to the way they are structured to meet ring-fencing requirements.

# PRA Annual Report 2015 Summary

- The One Bank plan set out an ambitious vision for an institution that could best discharge the enormous new powers and responsibilities bestowed on it following the global financial crisis, including the responsibility for prudential regulation of banks and insurers, the design and operation of macroprudential policy, and the conduct of monetary policy.
- This project combined the Bank's assessment of the main domestic risks to UK financial stability with portfolio-level assessments undertaken by PRA specialists, to deliver an assessment of the strength of our largest banks individually as well as a view of the resilience of the banking system as a whole.
- The Bank of England has made great progress towards a single, unified institution that can exploit synergies across our policy functions.
- We have harmonised our reward, compensation and terms and conditions across the Bank; implemented a new talent strategy, and put in place a new set of performance management tools; and embedded targets for diversity in our workforce.
- And we have played an integral role in setting out the policy framework supporting another policy sea-change; the structural reform of banks in the United Kingdom.





# SUMMARY

- Automatic Text Summarization can be used to provide useful summaries of documents, reports and articles
- TextRank Algorithm finds the most importance sentences in order to provide a clean and concise summary of the reports