DEUTSCHE BUNDESBANK EUROSYSTEM

FINANCIAL STABILITY REVIEW 2026

Press conference, 12 November 2026

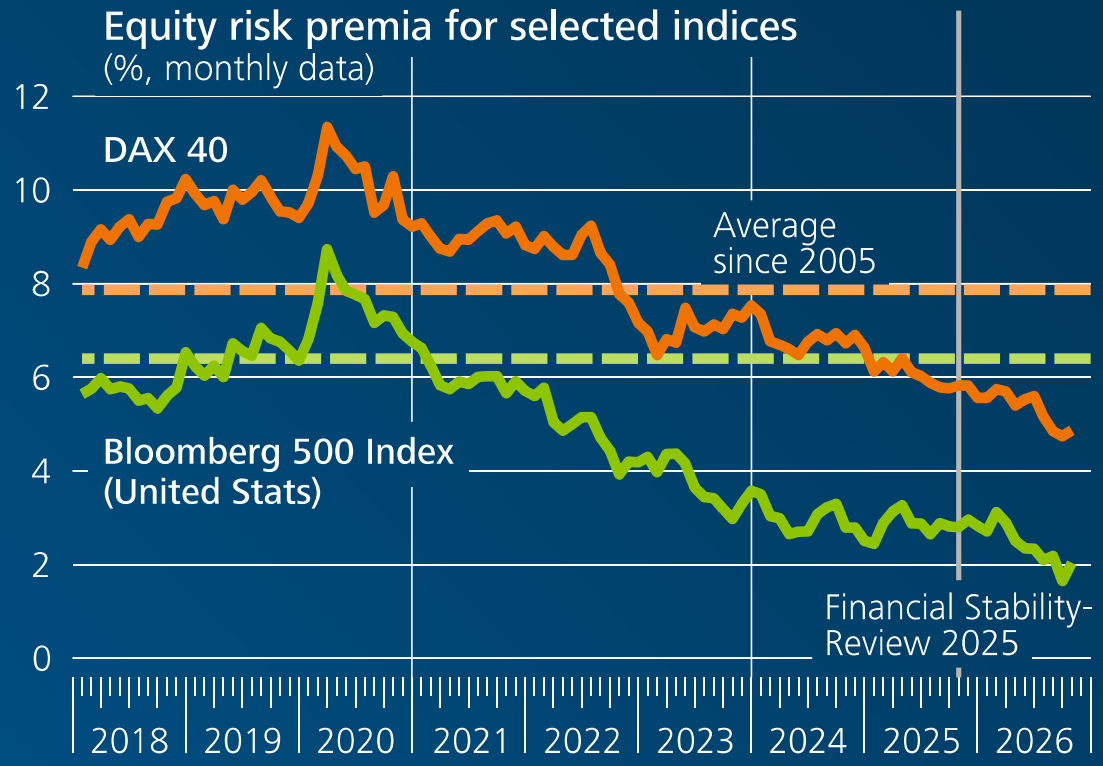
High risk appetite despite external headwinds, high uncertainty and structural weakness.

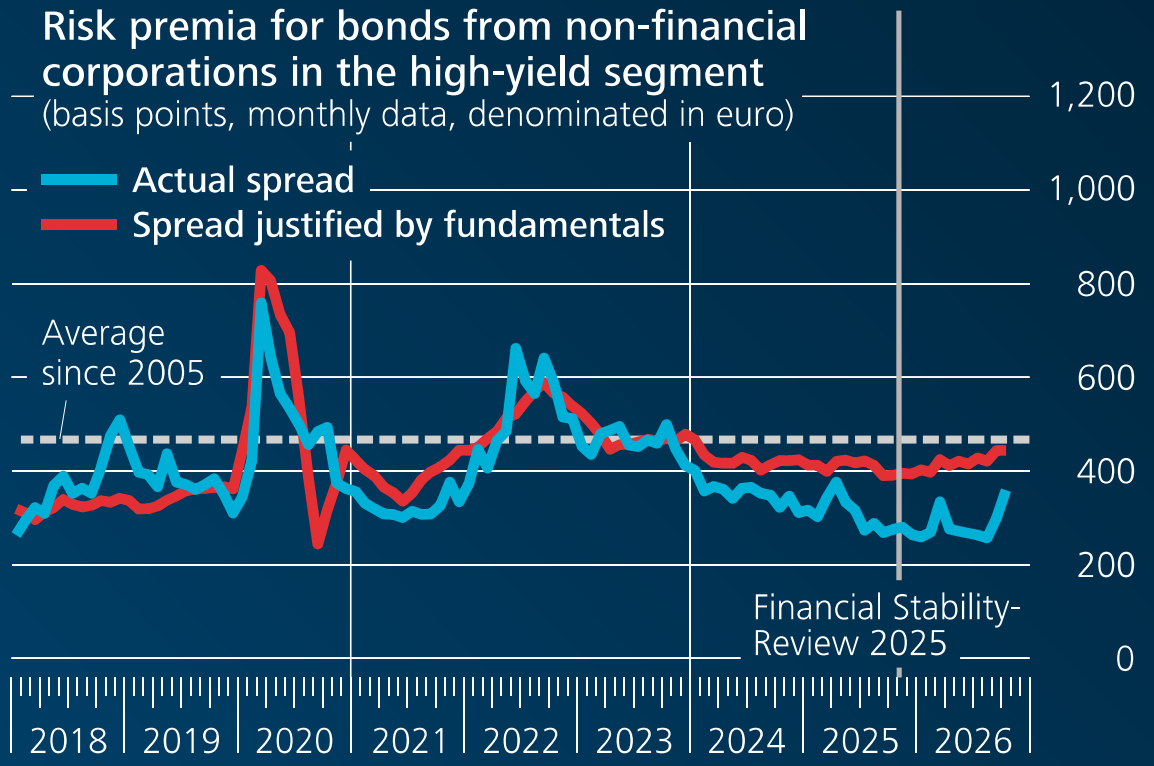


Photo: Farknot Architect – stock.adobe.com

Valuations of equities and corporate bonds remain high – the potential for setbacks in financial markets is considerable.

As at: 30 October 2026





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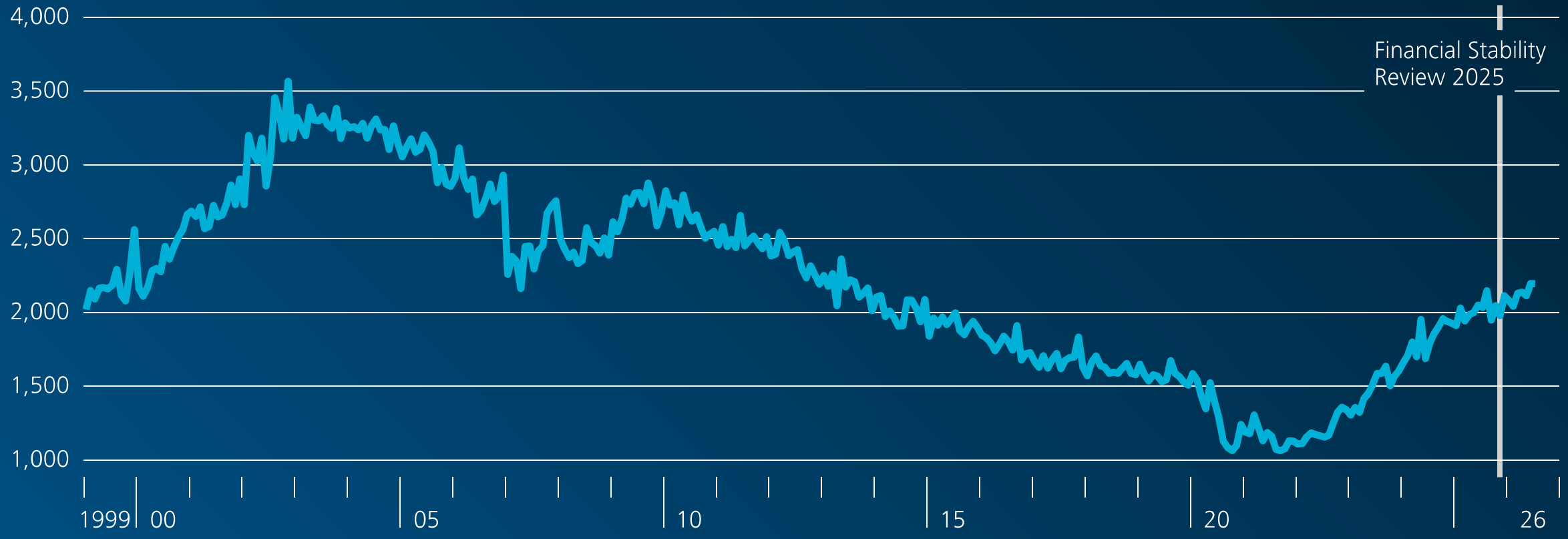
Credit risk:
Pressure on the corporate sector has intensified further over the past year.



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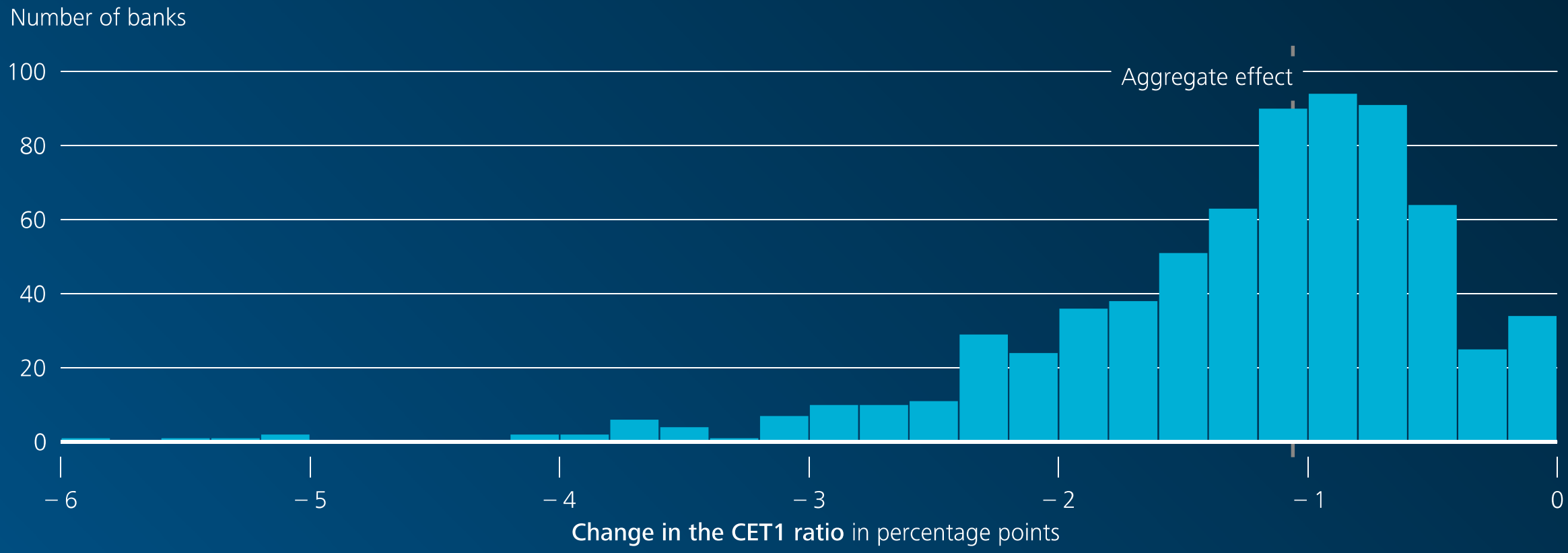
Firms are under increasing pressure – insolvencies are rising.

Number of corporate insolvencies, monthly data, as of July 2026



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Scenario: Banks' losses could rise noticeably in a structurally driven crisis.



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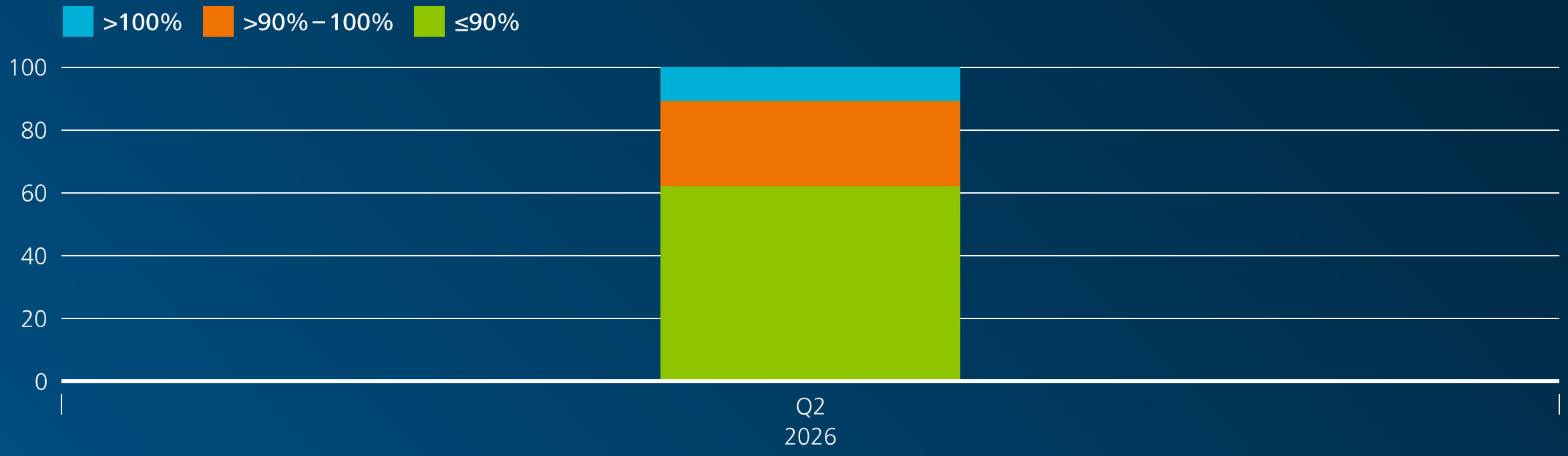
Credit risk:
There are signs of vulnerabilities in new residential real estate lending.



Photo: ThomBal– stock.adobe.com

New residential real estate loans are showing signs of vulnerabilities.

Loan-to-value (LTV) ratios for new residential real estate loans



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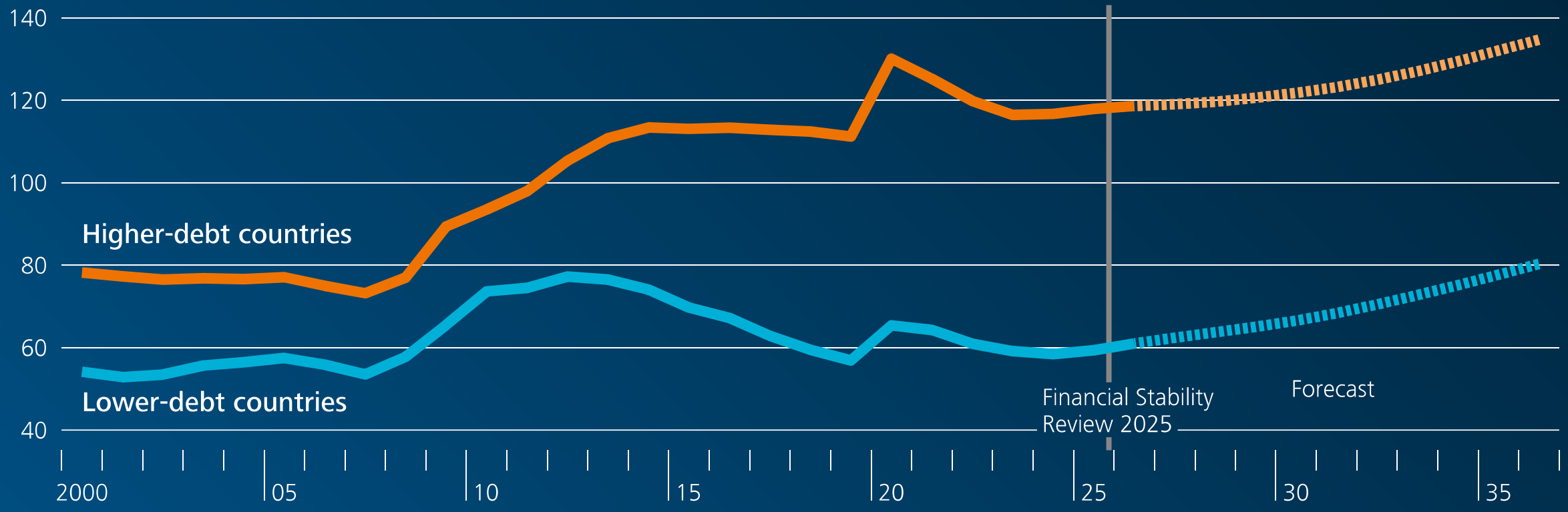
Fiscal sustainability in the euro area is under pressure.



Photo: cunaplus – stock.adobe.com

Risks from high government debt in the Eurozone have continued to rise.

Government debt ratios as a percentage of GDP, as at Q1 2026



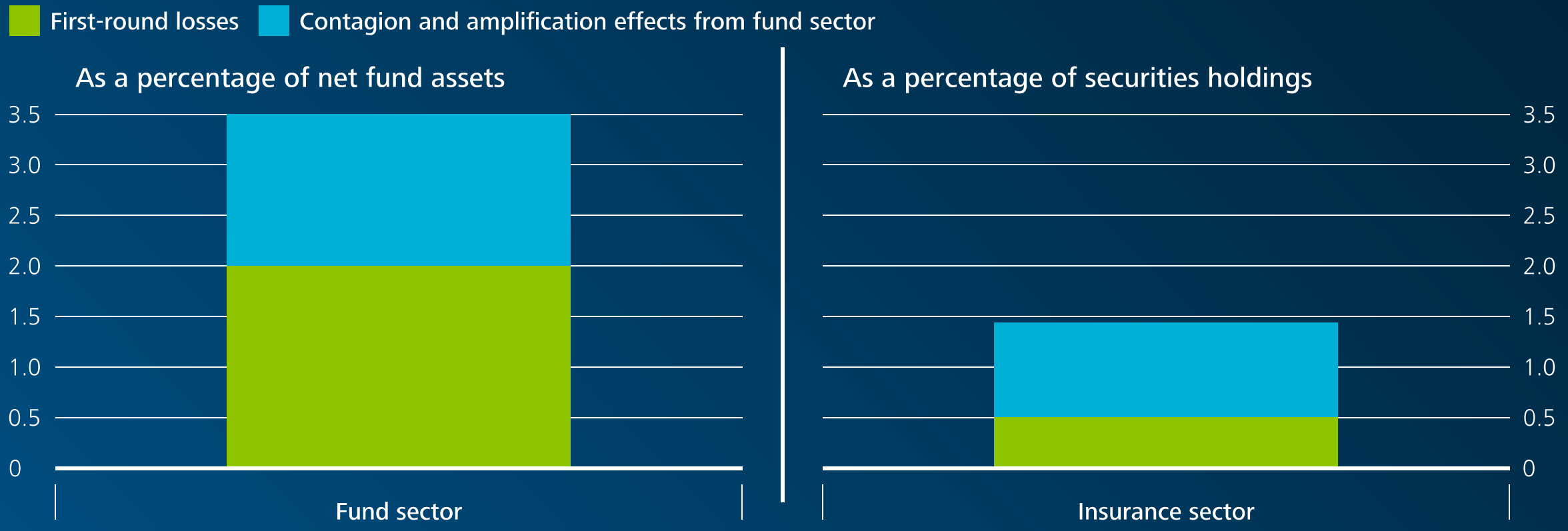
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Risks surrounding funds rose significantly last year.



Photo: Andriy Bezuglov/Stocksy – stock.adobe.com

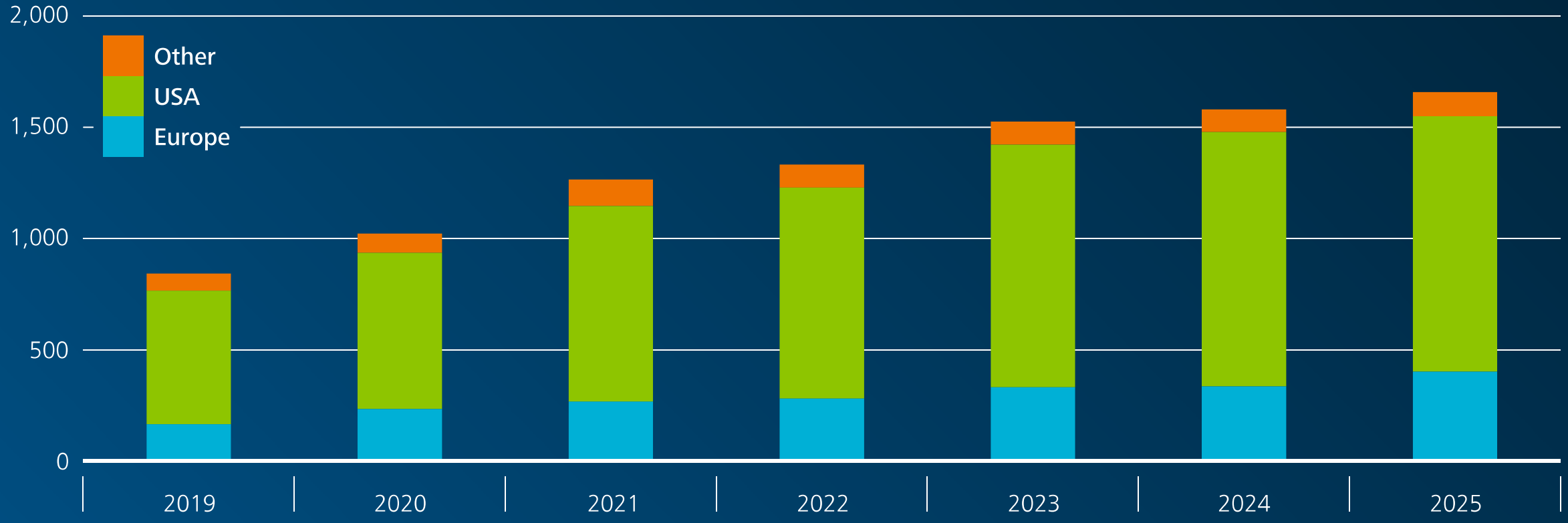
Scenario: Contagion and amplification effects can intensify losses in the non-bank financial intermediation (NBFI) sector.



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The private credit market has seen strong growth internationally.

Fund assets of private credit funds in US$ billion, year-end data



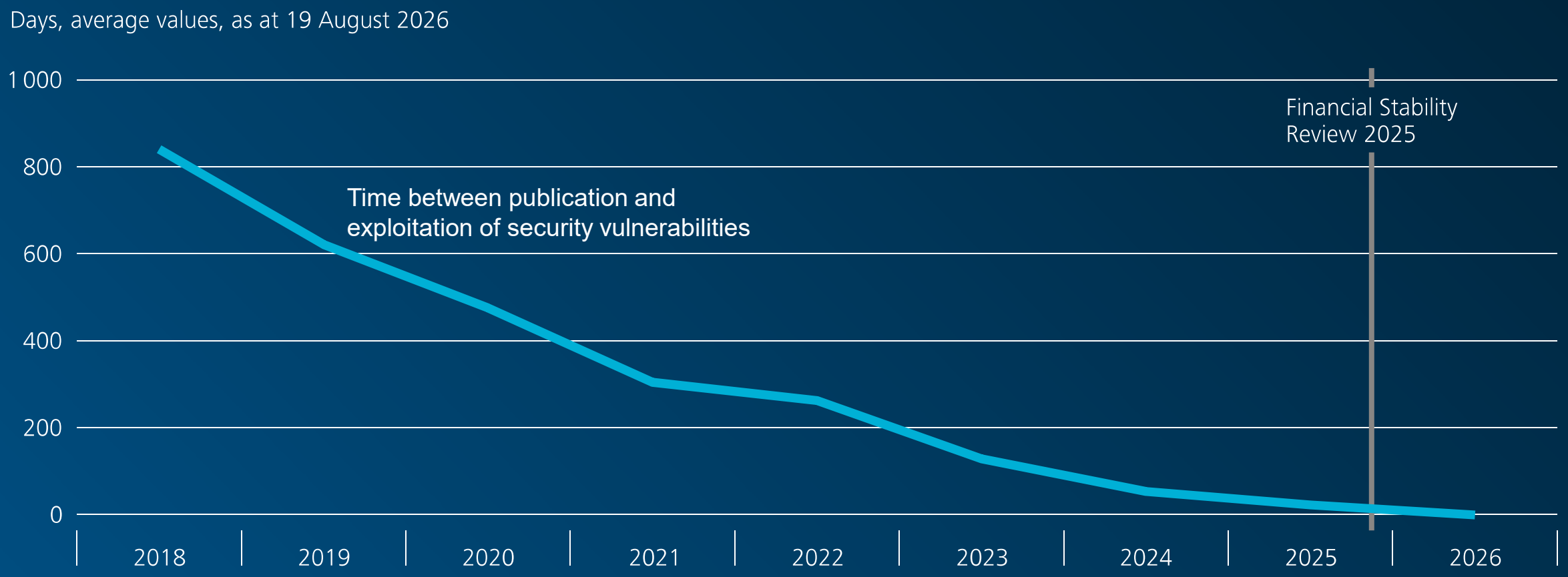
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Macroprudential supervision is focusing more strongly on operational risk.
AI is transforming cybersecurity.



Photo: Jalal – stock.adobe.com

Operational risk is becoming more important.



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Implications for macroprudential policy



Photo: MDBPIXS – stock.adobe.com



Maintain **resilience**, **improve buffer usability, simplify banking regulation** – without deregulation.



Limit government debt and weaken the sovereign-bank nexus.



Improve data sharing for NBFIs and create a **toolkit** for systemic **liquidity risk** surrounding funds.

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