PRESS RELEASE

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2025 FINANCIAL STABILITY REPORT HIGHLIGHTS SYSTEM RESILIENCE, REGULATORY VIGILANCE

The Philippine financial system remained stable in 2025. Banks are well-positioned to lend and have sufficient capital to absorb unexpected losses.

This is the key finding of the Financial Stability Coordination Council (FSCC) in the 2025 Financial Stability Report. The report also cited pockets of risks that warrant close monitoring.

FSCC Chairman and Bangko Sentral ng Pilipinas (BSP) Governor Eli M. Remolona, Jr. said financial regulators will continue to enhance coordination to manage these risks. "We will sharpen our coordination by defining when to escalate issues and by clearly communicating our assessment of our respective regulated entities," he said.

Among the risks cited by the FSCC include an increase in leverage across sectors, elevated property prices, higher lending to certain sectors including conglomerates, and growth of unsecured consumer loans which are mostly credit card debts. The report also cited additional risks such as cyber threats and geopolitical tensions, such as the conflict in the Middle East.

"These risks underscore the need for vigilance and coordinated oversight among regulators," the FSCC Chairman and BSP Governor added.

To address emerging vulnerabilities, the FSCC outlined measures to strengthen the financial system's safeguards against risks. These measures include activating a tool for banks to set aside additional capital during good times, strengthening oversight of non-financial corporations (especially complex conglomerates), expanding data coverage for non-bank financial institutions, and operationalizing a systemic crisis management playbook.

The FSCC is an inter-agency council composed of the BSP, Department of Finance, Insurance Commission, Philippine Deposit Insurance Corporation, and Securities and Exchange Commission.

Issued annually by the FSCC, the FSR provides an assessment of the health of the Philippine financial system in light of systemic risks. The 2025 FSR can now be downloaded from the websites of the BSP and other FSCC member agencies.

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