



Macroprudential Surveillance Department, Economic Policy Group

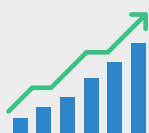
FINANCIAL STABILITY REVIEW

November 2025

The Financial Stability Review presents the Monetary Authority of Singapore's assessment of the resilience of Singapore's financial system, against global risks and domestic vulnerabilities

GLOBAL MACROFINANCIAL ENVIRONMENT

Global financial stability risks are elevated amid resilient economic growth



Equity markets show relatively stretched asset valuations, concentrated in the technology and AI sectors.



Sovereign debt risks are growing over fiscal sustainability concerns and rising public debt.



Signs of credit stress are rising among vulnerable borrowers, even as banks' links with NBFIs deepen.

FINANCIAL RESILIENCE IN SINGAPORE

The corporate, household and financial sectors have the financial strength to weather downside risks but have to remain vigilant given the uncertain macrofinancial environment

Corporates



Corporates are well-positioned to manage shocks

- Corporate defaults have remained low as cash buffers have been bolstered by strong earnings, while debt maturity profiles are healthy.
- Stress tests showed that most corporates are resilient to interest rate hikes and revenue shocks from higher tariffs.
- Firms need to manage debt obligations and provision adequately for shocks amid an uncertain outlook.

Households



Households remain financially resilient

- Healthy income and financial asset growth have moderated leverage risk.
- Stress tests affirmed that debt servicing capacity of households is sufficient to weather income and interest rate shocks.
- Households should continue to exercise prudence in their financial management and maintain sufficient liquidity buffers.

Financial



Key financial institutions (FIs) are equipped to weather potential risks

- Banks and insurers have strong capital and liquidity positions.
- Stress tests confirmed that banks and insurers have sufficient capital buffers, and investment funds have adequate liquid assets to withstand macrofinancial shocks.
- FIs are expected to continue to be prudent in managing liquidity and credit risk amid macrofinancial uncertainties.

SPECIAL FEATURE



Exchange Rate Flexibility in Asia and Latin America