[Slide 1] Good morning everyone, and a warm welcome to the press conference on the Financial Stability Report. I would like to start by briefly outlining the outlook for financial stability in the Netherlands. Next, I will zoom in on the importance of maintaining Dutch and European competitiveness. Then I will be happy to answer your questions.

Risks remain elevated

[Slide 2] The outlook for financial stability in the Netherlands remains worrisome. In general, I – as a weather forecaster for Dutch financial stability – would assign "*code amber*" to the risk outlook. As with all weather warnings, it is essential to be thoroughly prepared. Especially since we have been subject to code amber for some time already. In a moment, I will explain what preparedness means for the financial sector.

But first, let me stress that it is not all doom and gloom for economic fundamentals that affect Dutch financial stability. We have also seen positive developments since the spring of this year.

[Slide 3] First, we see that economic uncertainty has eased, mainly due to the various trade agreements concluded in recent months. This is good news, although uncertainty surrounding economic policy is still at elevated levels.

[Slide 4] Second, it is striking that the Dutch economy has proved to be more resilient than we initially anticipated. Our economy continues to grow moderately, with projected growth of 1.4% in 2025.

Third, the Dutch financial sector is in good shape. Dutch banks have established solid buffers that have enabled them to absorb shocks quite well thus far. Furthermore, higher trade tariffs have had little impact on credit losses for now. Buffers are also enabling our pension funds to make a smooth transition to the new pension system.

[Slide 5] These positive factors are nevertheless offset by certain worrying developments.

First, geopolitical turmoil persists. This has various effects, including increasing pressure on institutional frameworks and international cooperation, with a greater likelihood of diverging national regulations and a regulatory race to the bottom. This is particularly worrisome as linkages between financial institutions increase, including through the fast-growing stablecoin market. Ongoing geopolitical tensions may also further amplify current risks, such as cyber threats and operational disruptions.

[Slide 6] The second worrying development is the growing incongruity between high levels of uncertainty and optimism in financial markets. US equity valuations are currently at historic highs, and these high valuations can be chiefly ascribed to a small group of companies in the technology sector. This makes markets vulnerable to setbacks. Indeed, investors expect firms to continue making substantially higher profits, partly thanks to AI. Only time will tell if these expectations will be borne out.

Finally, it is becoming increasingly challenging for many countries to maintain sustainable fiscal policies. This is partly due to the need for higher defence spending. This is particularly worrying for countries that already have elevated debt levels, such as France and the United States. It is also a point of concern for financial institutions, such as pension funds, which hold these countries' sovereign bonds on their balance sheets.

[Slide 7] Against this backdrop, financial stability remains subject to "code amber". This demands preparedness from financial institutions, both in their strategy and risk management, for instance through scenario analysis. Adequate financial buffers also remain essential for economic resilience, and digital resilience remains as important as ever. Thinking more broadly, we as a society must also take preparedness seriously, and I welcome the government's 'Think Ahead' campaign.

Maintaining competitiveness

[Slide 8] That brings me to the thematic section of this Financial Stability Report: competitiveness. Given global geopolitical tensions, it is all the more vital for Europe and the Netherlands to remain competitive. After all, a competitive economy contributes to a resilient financial system, and vice versa. Fortunately, the need to maintain competitiveness is already being addressed in the Netherlands, including in Peter Wennink's forthcoming report.

As mentioned, the short-term outlook for the Dutch economy is sound. The Netherlands also maintains a strong starting position in terms of international competitiveness, thanks in part to robust institutional frameworks. Moreover, we have relatively ample capital availability, thanks in part to our pension system.

However, competitiveness in the Netherlands is under pressure, partly due to lower productivity growth. The business climate has also become somewhat less favourable in recent years due to the tight labour market and the lack of workable solutions for congestion in the electricity grid, for instance. Furthermore, there is often uncertainty surrounding government policies, or even an absence of such policies, whereas businesses can only truly thrive when policies are clear. Firms also need sufficient and appropriate financing to invest.

Maintaining competitiveness will only be possible if we take the necessary steps to do so, both in the Netherlands and in Europe. Reform and investment are needed in the Netherlands. For example, the government could speed up procedures and implement clear and predictable policies.

In Europe, we need greater cooperation to reduce costs for firms and to accelerate growth. Three specific actions are key to making this happen. First of all, we must *complete* the single European market by harmonising national rules. Second, we need to *deepen* European capital markets to give firms better access to risk-bearing finance. To this end, governments may, for instance, encourage European households with financial headroom to invest more. Deeper European capital markets also mean we must *strengthen* European supervision of key market participants.

We can add a fourth action specifically for the financial sector. In the European context, we are looking at ways to *simplify* rules for banks without compromising the sector’s resilience. As I mentioned at the beginning of this introduction: maintaining resilience is essential given the risk of shocks, and we must be resilient to reduce the chances of facing code red.

Supporting slides:

Slide 1

Slide 2

Risico's voor financiële stabiliteit verhoogd

Drie positieve ontwikkelingen:

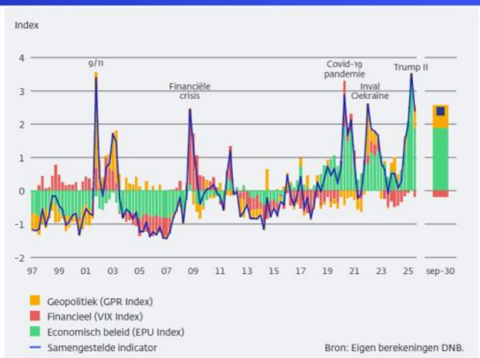
- Economische onzekerheid lager door handelsakkoorden
- Economie presteert beter dan verwacht
- Solide buffers financiële sector

Drie zorgelijke ontwikkelingen:

- Geopolitieke onzekerheid neemt toe
- Aandelen historisch hoog gewaardeerd
- Slechtere vooruitzichten schuldhoudbaarheid overheden

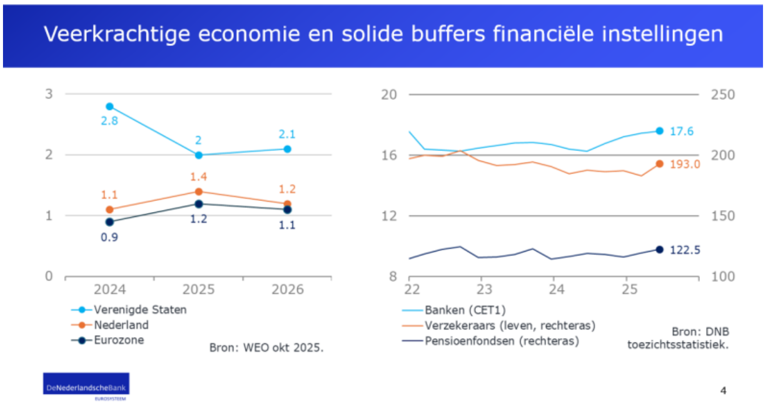
Slide 3

Economische en geopolitieke onzekerheid houdt aan



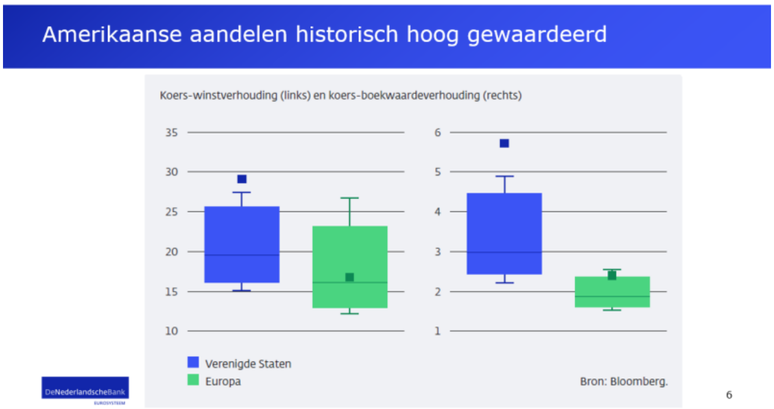
DeNederlandscheBank
EUROSYSTEEM

Slide 4



Slide 5 (Note: identical to slide 2)

Slide 6



Slide 7


Risicotabel Nederlandse financiële stabiliteit
Belangrijkste risico's
Status
Voorbeeld kanaal
Geopolitieke spanningen & geo-economische fragmentatie
Afnemende groei door handelstarieven en -restricties
Cyberdreiging & operationele verstoringen
Verstoring betalingsverkeer door hybride aanval of uitval vitale infrastructuur
Prijscorrectie op financiële markten
Abrupte prijsdaling Amerikaanse aandelen door tegenvallende AI-prestaties
Schuldhoudbaarheid overheden
Afname schuldhoudbaarheid door hogere defensie-uitgaven
Klimaat en natuur
Grote schade en/of verliezen door overstromingen
Kredietverliezen
Verliezen *private credit* door faillissementen en economische onzekerheid
Herfinanciering en rente
%
Financieringsproblemen bedrijven door abrupte rentestijging
Prijscorrectie vastgoed
Lager rendement door hogere bouw-kosten; overwaardering huizenmarkt
De risicotabel geeft een overzicht van de belangrijkste risico's voor de Nederlandse financiële stabiliteit op de korte tot middellange termijn. De kleur van de bol geeft de status van het risico in verhouding tot het langjarige gemiddelde weer: beperkt verhoogd of in lijn met langjarige ontwikkeling (grijs), verhoogd (geel) en sterk verhoogd (rood). De toelichting beschrijft een voorbeeld van een kanaal waardoor het risico de financiële stabiliteit kan raken.
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Slide 8


Concurrentievermogen vraagt om Europese samenwerking
Goed startpunt voor Nederland
Bescheiden economische groei en aantrekkelijk investeringsklimaat
Relatief veel kapitaal beschikbaar
Maar de wereld verandert
Geopolitieke spanningen en belang van strategische onafhankelijkheid toegenomen
Productiviteitsgroei en investeringen lager dan in de VS
Belemmeringen voor sommige bedrijven om geld op te halen
Adviezen om concurrentievermogen te behouden
Nationaal kan de overheid:
Procedures versnellen
Voorspelbaar beleid voeren
In Europa inzetten op:
Nationale regels harmoniseren
Huishoudens met financiële ruimte stimuleren tot beleggen
Europees toezicht voor kritieke marktspelers versterken
Regels voor banken vereenvoudigen zonder weerbaarheid te verliezen
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