



## Press release

27 March 2025

# General Board of European Systemic Risk Board held 57th regular meeting on 27 March 2025

- European Commission explains key priorities for Savings and Investment Union at latest meeting of General Board
- EU financial stability risks remain elevated amid geopolitical tensions
- EU to act swiftly and take firm policy stance to further boost resilience of EU financial system

The General Board of the European Systemic Risk Board (ESRB) held its 57th regular meeting on 27 March 2025. Commissioner Maria Luís Albuquerque, in the first General Board meeting following her appointment, focused on the European Commission's [priorities for the Savings and Investments Union](#). The General Board recognised that implementing these priorities swiftly would be key for better integrated financial markets across the EU and greater financial stability overall through improved economic growth prospects and greater diversification of funding channels.

Following its November 2024 meeting, the General Board observed that financial stability risks in the EU had remained elevated over the previous three months amid high political uncertainty and heightened geopolitical tensions. While markets had shown general resilience, the Board acknowledged that heavy trade restrictions or escalating geopolitical tensions could exacerbate macroeconomic, credit and market risks, leading, in turn, to higher corporate insolvencies and weaker household balance sheets. That said, markets had indeed been able to weather the increasing volatility, banks and other market participants had proved resilient and capital inflows had demonstrated that the EU was regarded across the globe as a safe destination for investment.

In response to the continuing uncertainty, however, the General Board stressed the need for the EU to act swiftly and to take a firm policy stance to further boost the resilience of the EU financial system through robust regulation and rigorous supervision, as had been the case during recent crises in Europe. The EU was expected to closely follow global policy

### European Systemic Risk Board

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developments and anticipate the possible repercussions for financial stability under various scenarios, including a disorderly adjustment in global financial markets. Since the last meeting of the General Board, heightened volatility had been observed in the US stock markets and in crypto-assets, while the yields on global sovereign bonds had increased. The General Board agreed that financial markets had remained vulnerable in the face of rapid adverse developments resulting from stretched valuations and the possible underpricing of financial risks and further escalating geopolitical tensions or trade restrictions could, moreover, trigger a disorderly market correction.

In addition, the General Board recognised the increased security needs of the EU and its Member States, highlighting the importance of sovereignty and a united Europe as a precondition for financial stability. The General Board noted that Member States should carefully consider the financing modalities for increased defence spending, combining national and European tools, to contain sovereign debt sustainability concerns. In this context, the General Board pointed out that the European safe asset could help significantly to support the financing of EU defence and security initiatives.

The General Board discussed and approved the publication of two reports.

- Report by the ESRB on the impact on financial stability of broadening the simple, transparent and standardised criteria to include on-balance-sheet securitisations
- Report by Professors Becker and Oehmke, members of the ESRB Advisory Scientific Committee, on the economic foundations for creating an opt-in 28th insolvency framework in the EU

Additionally, the ESRB today released the 51st issue of its [risk dashboard](#). This risk dashboard is a set of quantitative and qualitative indicators that measure systemic risk in the EU financial system.

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**European Systemic Risk Board**

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