



ESRB

European Systemic Risk Board

European System of Financial Supervision

Addressing systemic risks to financial stability in the EU

CFA Institute Systemic Risk Council



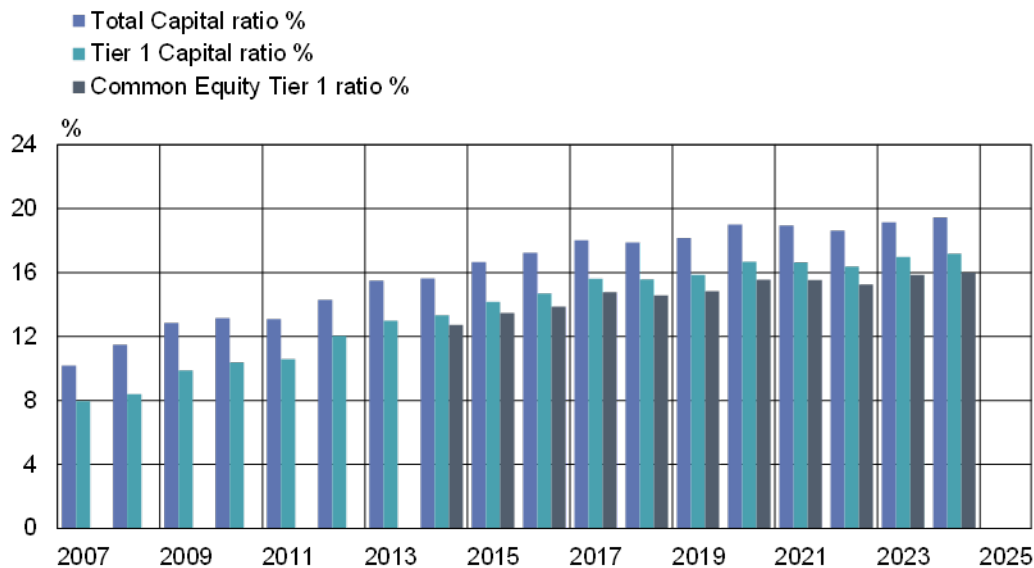
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Olli Rehn First Vice-Chair of the ESRB, Governor of the Bank of Finland

Bank risks: Sturdy capital buffers provide resilience but new threats need to be addressed

- Understanding the effects of AI and quantum computing is essential
- Climate change is already here – not a “long term risk” any more
- Operational systemic vulnerabilities and cyber risks are rising with geopolitical uncertainty

Capital adequacy of euro area banking sector, 2007–2024/Q2



Source: European central bank.

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42828@Solvency long (en) (uusl)

Priorities in developing the ESRB

- Focus on holistic assessment of systemic risks in the EU
- For systemic risk assessment, comprehensive and sufficiently granular EU-wide data needed
- Enhanced analysis of national macroprudential policy measures could be fed into the EU Macroeconomic Imbalance Procedure
- Strengthening communications on financial stability

Thank you!