



Makis Keravnos

Minister of Finance of the Republic of Cyprus

Opening remarks

Due to unprecedented circumstances, the Minister is regrettably unable to join us this morning, and it is my honour to deliver his remarks on his behalf. He wishes to convey his deep appreciation to EUROFI, its leadership, and all participants for sustaining this high-level dialogue at a crucial moment for Europe's financial future. The Minister reaffirms Cyprus's strong commitment to advancing our shared agenda—enhancing Europe's competitiveness, strengthening financial integration, and ensuring that our policies deliver real benefits for households, businesses, and society. Even in his absence, the spirit of partnership and constructive engagement that defines our Presidency remains fully intact. So.....

Ladies and Gentlemen,

Distinguished Ministers, Governors,
European and international
colleagues,

Dear friends,

It is a great pleasure to welcome you to the EUROFI High Level Seminar 2026, organised under the auspices of the Cyprus Presidency of the Council of the European Union.

Although we had originally looked forward to hosting you in Nicosia, circumstances have required us to move today's opening session online. I would like to thank all of you for your flexibility and continued engagement, which reflects the strong commitment

of this community to open and substantive dialogue, regardless of format.

I would also like to warmly thank Eurofi, its Chair David Wright, and the entire Eurofi team for their longstanding contribution to constructive and evidence based exchanges between policymakers, supervisors and the financial sector. At a moment requiring the swift and profound transformation of Europe's economy and financial system, the contribution of this forum remains more relevant than ever.

Europe today finds itself at a moment of choice.

We face weak productivity growth, high levels of public and private debt, and an increasingly competitive global environment for capital, innovation and talent on the one hand, which also produces increasing geopolitical challenges, on the other hand. At the same time, Europe must finance major collective priorities: defence and security, energy resilience, technological sovereignty and the digital and green transition.

These challenges cannot be met by short term stabilisation initiatives alone. They require structural solutions that strengthen Europe's capacity to raise capital, invest it in productive investments within Europe, innovate and, ultimately, grow, while preserving financial stability and social cohesion.

One paradox lies at the heart of our discussions.

Europe is not short of savings, yet

it continues to struggle to mobilise those savings effectively for investments. A significant share of household wealth remains in low yield deposits or is invested outside the Union, while European firms, particularly SMEs and innovative companies, face constraints in accessing long term, riskcapital. This disconnect weakens our competitiveness and limits our ability to respond to strategic challenges.

This is why the Savings and Investments Union is a central priority of the Cyprus Presidency. It is not technical exercise. It is the implementation of the decision for a strategic economic reform, aimed at reconnecting European savings with European investment needs through deeper, more integrated and more efficient capital markets.

Allow me to briefly situate our discussions in a broader geopolitical environment.

Ongoing instability in the Middle East continues to affect energy markets, trade routes, investor confidence and regional security, with implications that extend well beyond the region itself. In such a context, economic resilience and financial stability are not abstract concepts—they are essential components of Europe's strategic autonomy.

Cyprus, located at the crossroads of Europe, the Middle East and North Africa, is directly exposed to these dynamics. Our experience reinforces a simple lesson: fragmentation is costly and weakening, while

integration enhances resilience and strengthens. A stronger, more integrated European financial system is better equipped to absorb external shocks and support sustainable growth in an uncertain world.

Against this backdrop, the Cyprus Presidency has placed particular emphasis on three priorities.

First, competitiveness. Europe must become a more attractive place to invest and scale up. This requires reducing fragmentation, simplifying regulation where possible, promoting and accelerating innovation and ensuring that our financial framework supports risk taking, without compromising financial stability.

Second, resilience. With fiscal space constrained in many Member States, deeper private sector risk sharing through capital markets is essential. Well functioning capital markets and non-bank financial intermediaries can complement banks, identify and manage risks, raise capital while lowering the cost of capital and strengthen shock absorption.

Third, trust. Progress requires trust among Member States and confidence among citizens and investors. Delivering tangible results, on capital markets integration, supervisory convergence and simplification, will be key to rebuilding that trust.

The agenda of this seminar is therefore exactly right.

Over the coming sessions, you will address how to relaunch

investment in a context of over indebtedness, how banks and capital markets can work better together, how to reduce fragmentation and create European scale, and how innovation in finance can support growth while safeguarding stability.

The Cyprus Presidency firmly believes in pragmatic and phased solutions. In areas such as the Savings and Investments Union and the broader financial market agenda, the real choice is not between ambition and stability, but between integration that strengthens Europe and fragmentation that weakens it.

Europe's future prosperity will not be secured by public budgets or monetary policy alone. It will depend on our collective ability to mobilise private savings, channel capital into productive investments, and build truly European financial markets that serve citizens and the real economy.

I am confident that the discussions over the coming days, whether online or in person, will help turn urgency into agreement.

I wish you fruitful exchanges, constructive debates, and I thank you for joining us today.

Thank you.