ESM Board of Governors approves 2025 Annual Report

The Board of Governors of the European Stability Mechanism (ESM) held its fourteenth Annual Meeting today in Luxembourg. It approved the 2025 ESM Annual Report, including the ESM's financial statements, and discussed the main developments and key activities of the ESM over the past year.

The ESM recorded a net profit of €1.97 billion in 2025, compared to €1.79 billion in 2024. The increase was driven by improved income from the paid-in capital and reserve fund investments. It is the highest net profit recorded by the ESM since its

inception in 2012. In line with established practices,
the Board allocated the annual net profit to reserves, bringing the ESM Reserve fund to €7.25 billion.

The Annual Meeting also featured an exchange of views with Kristalina Georgieva, Managing Director of the International Monetary Fund, on challenges facing the global economy.

> “In an environment of heightened geopolitical uncertainty and evolving risks, the Board’s discussions highlighted the ESM’s crucial role as a backstop that strengthens collective resilience, supports responsible policies, and helps preserve confidence across the euro area. Through close collaboration with its Members, the ESM remains strong, adaptable, and well-equipped to address current and future challenges. I look forward to working closely with fellow Governors to further strengthen the ESM in the service of euro area stability,” said Kyriakos Pierrakakis, Chairperson of the ESM Board of Governors.

> “Today’s Annual Meeting was an opportunity to take stock of the ESM’s achievements, including the success of its investment strategy. The record net profit achieved last year further bolsters the ESM’s balance sheet in the face of sustained global volatility. The imminent accession of Bulgaria as our 21st Member also strengthens the ESM’s financial and institutional foundation. The ESM will continue to support the euro area and its member states with determination, focusing on stability and resilience and using the full potential of its mandate. It is there to help Members overcome crises, and also to prevent crises through precautionary instruments and risk monitoring,” said ESM Managing Director Pierre Gramegna.

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