

Olaf Sleijpen: Providing stability in an unstable world - the task of central banks

Speech by Mr Olaf Sleijpen, President of De Nederlandsche Bank, at the annual Congress of the Financial Study Association Groningen, Groningen, 3 March 2026.

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Thank you.

It's great to be here in Groningen.

As you know, for my predecessor this really was a home game. So as someone from Limburg, I feel all the more honoured to be speaking at the largest financial congress in the Northern Netherlands. Having said this, although my roots are in the south of the country, I have a PhD from the University of Groningen, and both universities – Maastricht and Groningen – claim that they are my Alma Mater.

Limburg. Groningen.

Of course there are differences. We tend to focus on them. We like to joke about them. But if you think about it, doesn't that actually say something else? That, first and foremost, we see ourselves as Dutch. As people from the same country.

Now, I'd like you to look at Europe through that same lens.

Yes, there are big differences. We speak different languages. We eat different food. Our cities look different. But perspective matters.

On a long flight once, I spoke to an Indian man who regularly travelled to Europe for work. He said to me: "I don't understand why you Europeans don't just become one country. You all seem so similar."

I was about to explain why it's all much more complicated than that. And then I realised: from the outside, he had a point. We actually have more in common than we often think. And perhaps most importantly: although we differ, we share strong common interests. Reaching these common goals sometimes requires stepping away from more narrow, purely national perspectives, and thinking and acting more in terms of the common good.

Of course, I am telling you this because today, we urgently need more European unity.

And I don't think I need to convince you why. The world around us has changed dramatically. The last couple of days are a good example. I am of course referring to the escalation in the Middle East.

The post-war world order, built on cooperation, free trade and the rule of law, appears to be disappearing rapidly. It is being replaced by a more fragmented world in which major powers are pursuing their own interests. Trade tariffs are back. Access to critical infrastructure, services and raw materials is being increasingly weaponised.

The result? A more fragmented global economy. More uncertainty. More risk of shocks.

And that is particularly risky for a small, open economy like the Netherlands. Trade becomes harder. Investment becomes less attractive. And at the same time, we are forced to spend much more on defence.

So what can we do?

I would like to highlight three things today.

- We must strengthen our resilience.
- We must boost the growth potential of our economy.
- And we must continue to deliver stability in an unstable world.

Let me start with resilience.

One major challenge in Europe is how to reduce our dependence on foreign suppliers of critical infrastructure—think of digital services, energy and defence. In a number of areas, we will need to build our own capacity. Strategic autonomy, standing on our own two feet—whatever you want to call it. But that does not mean we should turn inward. If the world fragments into a collection of economic fortresses, everyone loses.

Alongside building our own capacity, we will also have to forge new partnerships. The free trade agreements with India and with the Mercosur countries are good examples of this. They help us diversify our dependencies—an essential principle of sound risk management as you all know.

Resilience is about being prepared. About not being naïve. And about not putting all your eggs in one basket.

But resilience alone is not enough. Europe also needs to grow.

Compared with other major economies—especially the US and China—we are falling behind. Over the past twenty years, the American economy grew nearly twice as fast as the economy of the euro area. If we want to preserve our European way of life in a less friendly world, we must increase the growth potential of our economy. Moreover, more growth is also necessary to finance the major transitions we are facing, notably the energy transition and technological innovations, such as AI.

How? Well, the reports by Mario Draghi and Enrico Letta on the future of the European economy provide lots of useful policy advice. One of the most obvious things we can do is to deepen the European single market. Remove the remaining barriers to the free movement of goods, services, people and capital. There is still enormous untapped potential there. An ECB analysis estimates that these remaining barriers are equivalent to tariffs of about 70% for goods and almost 100% for services. Likely a slight overestimate—yet still indicative of the growth potential Europe is leaving on the table.

We should also integrate our capital markets.

Because today, Europe does not have one deep and liquid capital market that provides risk capital to companies that want to grow and innovate-like the US does. Instead, we have a patchwork of national rules. This is something we urgently need to fix.

A study by the IMF shows that a combination of structural reforms, and the creation of an internal market for goods, services and labour comparable to the US internal market, could boost productivity growth in Europa by up to 20%. This might be rather ambitious. But even a less ambitious reform program could deliver benefits in in terms of 10% productivity growth.

So the first pillar was strengthening resilience. The second pillar was boosting the growth potential of our economy. Let me now move to the third pillar, which is stability. Financial, monetary and fiscal stability. Because you can only build a strong economy on solid ground.

Providing monetary and financial stability is the task of central banks. And in an unstable world, that task becomes even more important.

At De Nederlandsche Bank, and within the European Central Bank, we work every day to keep inflation under control. To ensure that banks and insurers are safe and sound. So that households can save, companies can invest, and payment systems work-always, everywhere, in every way you expect them to.

Financial stability is often taken for granted. But if you work at a central bank, you know how much effort it takes to maintain it-especially when circumstances deteriorate.

Let me give you an example.

One of our top priorities right now is ensuring that the financial sector is prepared for a large-scale cyberattack. This risk has become much more urgent due to geopolitical tensions and technological developments, particularly AI.

You may have heard of the case in Hong Kong, where a finance employee was tricked into transferring 25 million dollars. The fraudsters used deepfakes to impersonate the company's CFO during a video call. That sounds like science fiction-but it's real.

Our banks have made major improvements in cyber resilience. But given the seriousness of the threat, we must continue to work hard on this. And we must also prepare for the possibility that an attack succeeds. That means knowing how to respond, how to recover, and how to keep the system running. As supervisors, we actively test this-including through ethical hacking.

Another, perhaps less spectacular, but equally important example of where stability requires effort is banking regulation.

You hear more and more calls for simplification of the rules, especially from the banking sector. And to some extent, they are right.

After the financial crisis, regulation became much stricter. That was necessary. And it worked. Banks are far better capitalised than 15 years ago. That allowed them, for

example, to absorb shocks during the Covid crisis by continuing to lend. People do not always realise this, but without those reforms the economic damage of Covid would have been much worse.

But regulation has also become very complex. So yes-to some extent simplification is needed. And central banks are working on that.

But simplification is not the same as deregulation.

Lowering buffers would weaken the system precisely at a time when risks are increasing. That would be a serious mistake.

One final example: crypto.

I'm sure many of you here own crypto-assets. Which probably means that many of you haven't been particularly happy lately. I don't want to sound like the know-it-all in the room-but I can't say I'm surprised about the recent price development. Most crypto-assets remain highly speculative in nature. They have no underlying cash flows, which makes their value difficult to assess. This leaves them vulnerable to vast price fluctuations.

Stablecoins are perhaps an even bigger concern for central banks. Despite the name, they are not always stable. And because of how their reserves are managed, they can pose risks to the core of the financial system, especially given their close links to the broader crypto ecosystem.

For markets to grow sustainably, they need rules. In Europe, we have introduced those rules. In the US, regulation is still largely lacking-and that worries us, given the global and dollar-based nature of many stablecoins.

All this already requires great effort under relatively normal circumstances. But as I said: the world has changed.

That is why, over the past months, we at De Nederlandsche Bank conducted a thorough assessment of our readiness for extreme scenarios-from misinformation campaigns to all-out war. We are now taking action based on the lessons learned from that assessment.

And in this field we are learning a lot from our colleagues at the National Bank of Ukraine. Two weeks ago, I visited Kyiv to meet with Governor Andriy Pyshnyy and his staff. It was a mission of solidarity-but also of learning. For four years now, the Ukrainians have kept their financial system functioning under unimaginable conditions. Their operational resilience is truly impressive, and we can learn a lot from them.

So let me conclude.

The world has become a less friendly place. And we must adapt-by strengthening resilience, boosting growth, and delivering stability.

And when I say "we", I don't mean just the Netherlands. I mean Europe.

Because if we do not cooperate more in Europe, we will lose relevance.

Central bankers perhaps see this more clearly than most. Since the euro was introduced more than 25 years ago, we have been at the forefront of European integration. Because one currency simply means one monetary policy.

Every two weeks, I travel to Frankfurt to meet with my colleagues at the ECB. There, on the top floor of the ECB building overlooking the River Main, we discuss the state of the European economy, inflation, and what all this means for monetary policy. And when we do so, we don't think in national terms. I don't ask what an interest rate decision means for the Netherlands. My Lithuanian and Greek colleagues, who are sitting next to me, don't ask what it means for Lithuania or Greece. Our perspective is European.

That European reality is also reflected at De Nederlandsche Bank. We are part of the European System of Central Banks, and our staff comes from all over Europe.

At this point in time, national interests and European interests are perhaps more aligned than ever before. If we want to preserve our way of life in a world that is becoming more and more unfriendly towards our European values and interests, we will have to work together. That sometimes requires a change in perspective: from the national to the European perspective.

And that brings me to you.

You have probably heard of Jacques Delors, the former chair of the European Commission and the founding father of the European single market. Towards the end of his life he was asked what he was most proud of. And do you know what he said? His answer was not a treaty or a regulation-it was the Erasmus programme. The EU exchange programme that enables students to study in other European countries.

Because he believed that students and young people are the key to a true European identity.

And he was right.

Europe's strength will ultimately depend on people like you.

So go out. Travel. Study abroad. Work for a European organisation. Broaden your horizons. And experience how different, and at the same time how similar, we really are.