

ECON hearing

17 November 2025

José Manuel Campa speech at the Committee on Economic and Monetary Affairs (ECON)

Check Against Delivery
Seul le texte prononcé fait foi
Es gilt das gesprochene Wort

Dear Madam Chair,

Dear Members of the European Parliament,

As in previous years, you have received a comprehensive written statement.

Today, I would like to focus my intervention on a small set of key messages.

But let's start by looking at financial stability and the status of the EU banking sector.

A Strong EU banking sector to foster EU growth

EU banks CET1 stands at 16.3%¹. Ten years ago, it stood at 12.8%, a much lower ratio even with a less strict definition of what was then considered bank capital. And EU banks' have improved their asset quality as well as profitability, the latter not least thanks to a normalisation of the interest rate environment nowadays. Their RoE

¹ including EEA banks; this is all as of Q2 2025

stands at 10.7% – it was 6.8% ten years ago – and their NPL ratio is currently 1.8% (6% ten years ago). The same holds true for liquidity. EU banks have an LCR of 141.3% which has remained high throughout the normalisation of monetary policies.

The EBA stress test this year has confirmed that EU banks are in a strong position and adequately placed to support lending to the EU economy even in very unfavourable circumstances.

Yet, there are new vulnerabilities to closely monitor.

First, operational risks for banks remains elevated, not least affected by heightened geopolitical risk. Cyber and ICT-related threats, fraud, and legal risks continue to affect not only the probability of potential direct financial losses but also broader concerns about the banking sector's resilience and stability.

Second, we have only limited visibility on the growing interlinkages with non-bank financial intermediaries (NBFI). We need to ensure ongoing monitoring and prudent risk management of that part of the financial sector so as to preserve financial stability.

Third, technology continues to transform the industry, bring new players, challenge existing business models and redefine the way banking services will be provided going forward. Banks need to continue to invest, adapt and remain competitive in this environment.

Fourth, the transformation of the EU economy to address current challenges and ensure sustainability is also a challenge to our banks. They need to be ready and capable of providing adequate financing to that transformation.

Despite these vulnerabilities, the foundations are solid.

But we do not take this as a call for complacency. On the contrary, it is an opportunity to constantly revisit, streamline and improve to the benefit of the Single Market, where needed.

Regulatory inflection points

After over a decade of intensive legislative work aimed at resilience, the prudential policy discourse is shifting its focus towards simplification.

I prefer the word efficiency over simplification. From an EBA perspective, it means asking ourselves how we can best implement the prudential framework, doing it in the leanest way possible. Earlier this year, we engaged in a thorough discussion at our Board of Supervisors to assess this issue and how best to tackle it. Our recent EBA Report on efficiency sets out 21 recommendations in four main areas: how we

develop our regulatory work, reporting requirements, assessing our internal ways of working and a holistic assessment on how the prudential regulatory framework is being implemented. Some of these recommendations are for immediate considerations, others require collaboration among different EU actors and a clear ambition to implement change.

The EBA's work during the last years shows that we have been actively fostering efficiency in a number of areas for years, such as our efforts in developing an integrated reporting or in building new regulation. However, it is also true that the number of mandates addressed to us has been increasing.

Yet, the EBA strives to have active discussions on whether and where to streamline the mandates it receives from new legislative packages, going forward. Recent discussions around the Payment Services Directive and Regulation (PSD3/PSR) package set a good precedent.

Let me briefly expand on other EBA tasks.

The EBA has been coordinating the implementation of MiCA and preparing for the supervision of issuers of significant Asset-Referenced Tokens (ARTs) and e-Money Tokens (EMTs). We will expect to designate the first significant ARTs early next year.

Finally, 2025 marks the end of the EBA role in leading, coordinating and monitoring the AML/CFT efforts of financial services providers and competent authorities in the EU. Over the years, we have contributed to develop a stronger, more coherent, and more effective AML/CFT framework, and this last year we have actively engaged with the European Commission and AMLA to facilitate a smooth transition of our responsibilities. We will continue to support AMLA's work going forward.

Ambition for more Single Market

Let me conclude with some final observations.

We look today at more resilient EU banks, regulated by a Single Rulebook, supervised in the Banking union by integrated supervision. We have also built a recovery and resolution framework with dedicated resources (through MREL, deposit guarantee schemes, and a single resolution fund) put aside to cover potential problems. Yet, cross-border interlinkages in the EU banking sector have not increased. Cross-border banking assets held by EU-controlled entities have not increased in the last decade and stand at the same levels as 20 years ago. The same can be said of other indicators of financial integration in the EU (such as price convergence), even in the euro area.

Simplification, or efficiency, should not mean reducing the ambition nor fragmenting the Single Market. On the contrary. We should assess every proposal in this area by a simple measure: will its implementation help deepen the Single Market or fragment it?

We should prioritise regulation that will deepen our Single Market and our ability to benefit from it. Here, I am thinking of simplification and the new mandates from the Letta and Draghi reports and the next steps towards the Savings and Investment Union which should include addressing further integration in the banking sector.

Let me conclude. As you are probably aware. I have announced my resignation, for personal reasons, as EBA Chairperson effective as of next January 31. The EBA has already launched the search for a new Chairperson. As this is my last ECON hearing as EBA Chairperson, I would like to thank you for your cooperation, your valuable input and your support throughout these years and for your continued interest in the work of the EBA.