

Executive Summary of the 2025 Annual Report

In 2025, the EBA operated in a landscape marked by easing financial conditions, persistent geopolitical tensions, and accelerating technological change. Against this backdrop, the Authority placed simplification at the heart of its agenda: streamlining rules, reporting, data use and internal processes while shifting from a predominantly rule-making focus to more hands-on oversight and supervision, particularly under the new DORA and MiCA frameworks.

EU/EEA banks remained resilient throughout the year. Strong capital and liquidity positions, solid profitability, and stabilising labour and real estate markets supported overall asset quality. The 2025 EU-wide stress test confirmed that banks would maintain capital ratios above minimum requirements even under a severe adverse scenario. At the same time, the EBA flagged persistent vulnerabilities, including commercial real estate pressures, geopolitical risks, and escalating cyber threats driven by rapid digitalisation of financial services and increased reliance on critical third-party providers.

Major advances were made in simplifying and strengthening the EU's Single Rulebook to support EU-wide simplification efforts. Building on its Report on the Efficiency of the Regulatory and Supervisory Framework, the EBA delivered key elements of the Basel III package, progressed work on credit, market and operational risk, and recalibrated ESG disclosures timelines. Proportionality was refined further, easing requirements for smaller non-complex institutions and adjusting planning across several areas to reflect legislative developments and the simplification agenda. The EBA also continued to support policymakers on emerging frameworks, including the revised Payments Systems Directive and Regulation, Central Securities Depository Regulation and the Securitisation Package, ensuring regulatory products remain coherent, effective and practical.

The year saw significant progress in modernising the EU's data infrastructure. The launch of the Pillar 3 data hub centralised prudential disclosures for hundreds of banks and enhanced transparency for supervisors, markets and the public. Meanwhile, the European Data Access Portal (EDAP) expanded shared datasets and analytical tools, strengthening the EBA's broader data strategy. The Authority also advanced ESG analytics by publishing its first ESG Risk Dashboard and progressing towards the development of a regular climate stress test, ensuring that climate-related and environmental risks are embedded into supervisory expectations.

Under DORA and MiCA, the EBA shifted decisively into its new supervisory role. Following timely delivery of all DORA and MiCA technical standards, the EBA and the other European Supervisory Authorities set up governance structures, methodologies, IT systems and joint examination frameworks for digital operational resilience and crypto-asset supervision. Nineteen critical ICT third-party providers were designated under DORA, triggering the launch of continuous oversight activities and strengthening the EU's ability to monitor and mitigate systemic ICT risks. Under MiCA, the EBA finalised supervisory procedures for issuers of significant asset-referenced and e-money tokens, built supervisory capacity and prepared national authorities for a more harmonised supervisory approach as crypto-markets evolve.

The EBA also strengthened consumer protection and supported the EU's transition to a new Anti-Money Laundering Authority (AMLA). It implemented the Instant Payments Regulation, published its Consumer Trends Report and launched coordinated awareness campaigns on

crypto-asset and digital finance fraud, reflecting a growing commitment to consumer education and conduct oversight.

Finally, the EBA deepened supervisory convergence across Member States through peer reviews, supervisory priorities, benchmarking exercises, supervisory training and enhanced cooperation with EU and international partners. These efforts supported consistent supervisory outcomes and reinforced the EU's position in global financial regulatory discussions.