

European Central Bank – annual report 2025

2025/2182(INI) - 16/01/2026 - Committee report tabled for plenary, single reading

The Committee on Economic and Monetary Affairs adopted the own-initiative report by Johan VAN OVERTVELDT (ECR, BE) on the European Central Bank - Annual Report 2025.

Governance

Members affirmed that **the statutory independence** of the ECB, as enshrined in the Treaties, is a prerequisite for fulfilling its mandate, namely maintaining price stability. Recalling that the ECB is accountable to Parliament, they stressed the importance of **transparency** for accountability and the need for a robust institutional architecture and accountability mechanisms.

Monetary policy

Members expressed their concern about the high levels of inflation in the years following the COVID-19 pandemic, driven by supply shocks. They called on the ECB to conduct a thorough assessment of the causes of these high inflation levels in its annual report.

While welcoming the decline in inflation compared to 2022-2023 rates and its recent stabilisation, the report acknowledged the **persistent risk of a resurgence of inflation** and stressed that future steps towards easing monetary policy should be prudent, data-driven and guided by price stability.

The ECB's inflation target has evolved over time from a reference value of 'below 2%' to a target of 'below, but close to, 2%', and to a **symmetric target** of '2%' over the medium term. The ECB is encouraged to assess the appropriateness of its symmetrical target, also taking qualitative factors into account.

The report supports the ECB's commitment to further reduce its direct role in purchasing securities and encouraged the ECB to phase out its government bond purchasing programmes. It called on the ECB to avoid paying banks deposit rates that are above market rates and to remove any obstacles hindering the recovery of short-term unsecured interbank markets. It also supports the ECB's efforts to include owner-occupied housing in its monitoring of price indices.

Secondary objective: to support general economic policies in the Union

Parliament stressed the importance of **sound and sustainable public finances** in withstanding a high-interest rate environment, in complementing the ECB's efforts to keep inflation low, in maintaining a stable economy and in remaining resilient to future economic and financial shocks. The ECB should also consider the potential effects of climate change from a price stability perspective, within the framework of its mandate.

Noting the ongoing discussions on the **digital euro**, the report stressed the importance of maintaining the role of cash. It also called on the ECB to intensify the monitoring of **crypto-assets**, such as stablecoins.

Members support the ECB's role in promoting **financial stability** within the single supervisory mechanism and the ECB's function as lender of last resort to solvent institutions, against good collateral and at penalty rates, to safeguard liquidity and trust during crises. The report also supports the ECB in its efforts to improve financial literacy in the EU and welcomed the ECB's commitment to **simplification** efforts.

Lastly, Members welcomed the Republic of Bulgaria as the 21st member of the euro area, as of 1 January 2026.