European Parliament
2024-2029

TEXTS ADOPTED

P10_TA(2026)0034

European Central Bank – annual report 2025

European Parliament resolution of 10 February 2026 on the European Central Bank – annual report 2025 (2025/2182(INI))

The European Parliament,

– having regard to the European Central Bank's (ECB) feedback of 28 April 2025 on the input provided by Parliament as part of its resolution on the ECB's 2023 Annual Report,

– having regard to the Statute of the European System of Central Banks (ESCB) and of the ECB, in particular Articles 2, 15 and 21 thereof,

– having regard to Articles 119, 123(1), 125, 127(1) and (2), 130, 282(2) and 284(3) of the Treaty on the Functioning of the European Union (TFEU),

– having regard to Articles 3 and 13 of the Treaty on European Union (TEU),

– having regard to the monetary dialogues with the President of the ECB, Christine Lagarde, of 20 March 2025, 23 June 2025, and 6 October 2025,

– having regard to the ECB's 2025 monetary policy strategy assessment,

– having regard to the ECB's 2025 report on the international role of the euro,

– having regard to the ECB's climate and nature plan 2024-2025,

– having regard to Eurostat's inflation estimate of 20 August 2025 and Eurostat's flash estimates of 1 October 2025,

– having regard to the EGOV briefing of October 2025 entitled 'Turning point or continuity? The ECB's 2025 strategy review' published by its Directorate-General for Economy, Transformation and Industry[1],

– having regard to the EGOV analysis of June 2025 entitled ‘The silent hand of central banking: collateral framework’ published by its Directorate-General for Economy, Transformation and Industry[2],

– having regard to Rule 55 of its Rules of Procedure,

– having regard to the report of the Committee on Economic and Monetary Affairs (A10-0002/2026),

A. whereas, according to Eurostat, EU annual inflation stood at 2,5 % and euro area inflation at 2,1 % in October 2025, as measured by the harmonised index of consumer prices;

B. whereas, according to the ECB’s Consumer Expectations Survey of October 2025, median expectations for inflation are still above 2 %;

C. whereas the ECB’s inflation target has shifted over time from a reference value of ‘below 2 %’ to an objective of ‘below, but close to 2 %’, to a symmetric target of ‘2 %’ over the medium term;

D. whereas the marginal lending facility and the deposit facility rate have formed a tight corridor around the interest rate on the main refinancing operations;

E. whereas the ECB’s boundaries in purchasing government debt have been widening steadily, from the Securities Market Programme to Outright Monetary Transactions, as well as the Public Sector Purchase Programme, the Pandemic Emergency Purchase Programme (PEPP) and the Transmission Protection Instrument[3];

F. whereas reinvestments under the asset purchase programme (APP) were discontinued as of July 2023, and in the case of the PEPP as of December 2024, thus setting a path for a reduction of the ECB’s balance sheet size;

G. whereas deflation can be a benign consequence of technological progress;

---

[1] Briefing – ‘Turning point or continuity? The ECB’s 2025 strategy review’, European Parliament, Directorate-General for Economy, Transformation and Industry, Economic Governance and EMU Scrutiny Unit (EGOV), October 2025.

[2] In-depth analysis – ‘The silent hand of central banking: collateral framework’, European Parliament, Directorate-General for Economy, Transformation and Industry, EGOV, June 2025.

[3] Cochrane, J.H. et al., ‘Crisis Cycle: Challenges, Evolution, and Future of the Euro’, Princeton University Press, 2025.

H. whereas Article 123 TFEU and Article 21 of the Statute of the ESCB and of the ECB prohibit the direct monetary financing of governments;

Governance

1. Recalls that Article 127 TFEU states that 'the primary objective of the European System of Central Banks (ESCB) shall be to maintain price stability. Without prejudice to the objective of price stability, the ESCB shall support the general economic policies in the Union with a view to contributing to the achievement of the objectives of the Union as laid down in Article 3 of the Treaty on European Union. The ESCB shall act in accordance with the principle of an open market economy with free competition, favouring an efficient allocation of resources, and in compliance with the principles set out in Article 119';

2. Underlines that the statutory independence of the ECB, as laid down in the Treaties, is a prerequisite for it to fulfil its mandate of maintaining price stability;

3. Highlights that the ECB is accountable to Parliament; stresses that the ECB must take decisions to fulfil its mandate without political interference; notes that central banks should be independent but not isolated;

4. Notes the importance of transparency for accountability and that strong institutional design and accountability mechanisms are necessary; welcomes in this regard the arrangements in the form of an exchange of letters between the European Parliament and the ECB on structuring the practices for interaction in the area of central banking;

5. Invites the ECB to make efforts to enhance instruments that improve transparency, such as benchmarks, insights in its model-based assumptions and the Governing Council's assessments of inflation developments;

6. Welcomes the independence of the ECB as enshrined in Article 130 TFEU; emphasises that independence requires the ECB's actions to remain apolitical;

7. Echoes the statement of solidarity with the US Federal Reserve made by the ECB and central banks worldwide underlining the importance of preserving central bank independence, with full respect for the rule of law and democratic accountability;

Monetary policy

8. Highlights the ECB’s primary objective of maintaining price stability, which is one of the necessary conditions for growth, competitiveness and economic stability in the Union;

9. Expresses concern at the high levels of inflation in the years following the COVID-19 pandemic, instigated by supply shocks; notes that a timely return to price stability in this period would have been warranted through ECB decisions; invites the ECB to thoroughly assess the causes of these high levels of inflation in its annual report, along with a set of policy recommendations to draw the right conclusions from any future inflationary crises;

10. Welcomes the decline in inflation from the rates of 2022-2023 as well as the recent inflation stabilisation; notes that the ECB has cut the deposit rate by 200 basis points between June 2024 and June 2025; acknowledges the continued risk of a resurgence in inflation; underlines that further steps towards easing monetary policy should be prudent, data-driven and guided by price stability;

11. Expresses concern over the high cost of living, as food and energy prices have increased in Europe since the COVID-19 pandemic; notes that, on average, the price of a meal in the euro area in 2025 was one-third higher than before the pandemic[4], and that this has particularly affected low-income households;

12. Emphasises in particular the potentially distortive impact of geopolitical uncertainty, energy security risks and trade disruptions on price developments;

13. Invites the ECB to assess the appropriateness of its symmetric target, also taking qualitative factors into account; notes the 2025 monetary policy strategy assessment and encourages the ECB to periodically conduct such assessments;

14. Stresses that the ECB’s purchase programmes are unconventional monetary policy tools that have side effects; notes in particular that asset purchase programmes can distort price signals; notes that the ECB started shrinking its balance sheet only very gradually; supports the ECB in further diminishing its direct role in purchasing securities; encourages the ECB to gradually phase out its government bond purchasing programmes; regrets the impact of the fiscal position on the ECB’s fulfilment of its primary mandate;

15. Regrets that the ECB’s short-term lending schemes have largely displaced the private interbank funding market since the financial crisis of 2008; calls on the ECB to avoid paying banks deposit rates that are above market rates, as this runs counter to the principle of an open market economy with free competition, and to remove any

---

4 European Central Bank blog, ‘When groceries bite, the role of food prices for inflation in the euro area’, 25 September 2025.

obstacle hindering the recovery of short-term unsecured interbank markets;

16. Emphasises the importance of ensuring high standards on quality requirements for collateral in lending arrangements with the ECB; recognises that collateral standards can be used as a tool for monetary policy transmission;

17. Supports the ECB in its efforts to include owner-occupied housing in its monitoring of price indices for reasons of both representativeness and comparability across countries in the euro area, contingent on a harmonised and methodologically robust approach;

Secondary objective: supporting the general economic policies in the Union

18. Notes that the ECB, pursuant to Article 127(1) TFEU, must support the general economic policies of the Union with a view to contributing to the achievement of the objectives of the Union as laid down in Article 3 TEU, as long as its commitment to price stability remains unaffected;

19. Recalls that the Eurosystem has been built on the principle of monetary dominance;

20. Highlights, in the context of the Economic and Monetary Union and the EU economic governance framework, 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;

21. Takes note of diverging TARGET2 balances stemming from cross-border transactions; notes the potential risks of TARGET2 balances becoming structural and suggests that non-monetary policy adjustments should be considered;

22. Underlines that the ECB should only consider the potential effects of climate change from a price stability perspective and from within its mandate;

23. Notes that the concept of market neutrality is related to the principle of 'an open market economy with free competition'; invites the ECB, while respecting its independence, to address market failures and ensure the efficient allocation of resources over a long-term horizon, while remaining as apolitical as possible, respecting market neutrality; highlights that such decisions must not be made at the expense of achieving the ECB's mandate;

24. Notes that the ECB's monetary policies aimed at delivering its primary mandate are subject to a proportionality assessment;

Other aspects

25. Recalls that equal access to payment services is essential for participation in economic life; underlines that the increasing digitalisation of payments, if left exclusively to private and non-EU actors, risks creating new forms of exclusion for both users and merchants; stresses that an online and offline digital euro should contribute to safeguarding universal access to payments and broad acceptance by merchants across the EU, while fully respecting privacy and data protection standards;

26. Welcomes the ongoing discussions on the digital euro; underlines that, in a context of heightened geopolitical uncertainty and excessive dependence on non-EU payment infrastructures, the introduction of a digital euro, designed to complement cash and private banking services, is essential to strengthen EU monetary sovereignty, reduce fragmentation in retail payments and support the integrity and resilience of the single market;

27. Welcomes the ongoing short-term (Pontes) and long-term (Appia) tracks for distributed ledger technology projects for wholesale central bank money settlement;

28. Stresses the importance of maintaining the role of cash; takes note of the ongoing discussions on the proposal on the legal tender;

29. Calls on the ECB to intensify the monitoring of crypto-assets, such as stablecoins;

30. Supports the ECB in its efforts to accommodate the international role of the euro through, inter alia, sufficient currency swap and repo lines;

31. Welcomes the Republic of Bulgaria as the 21st member of the euro area, as of 1 January 2026;

32. Expresses concern about the temporary outage of the ECB’s real-time gross settlement system T2 and T2S in February 2025; invites the ECB to closely monitor and ensure the proper functioning of the settlement systems;

33. Expresses its concern at the consecutive losses made by the ECB in 2023 and 2024 due to interest rate risk; notes that these losses have not compromised the operational capacity of the Eurosystem to implement its monetary policy;

34. Supports 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;

35. Supports the ECB in its efforts to improve financial literacy in the EU;

36. Welcomes the ECB’s commitment to simplification efforts, such as with the creation of the ECB High-Level Task Force on Simplification; points to the need for a high degree of ambition in the work and the follow-up of the task force and welcomes the ECB’s in-depth discussions with Parliament;

37. Calls on the ECB to foster open and constructive internal dialogue; calls for the further enhancement of staff representation frameworks and the ECB’s internal whistleblowing framework;

38. Reiterates that the nominations to the ECB’s Executive Board should be gender-balanced, merit and ability-based, with shortlists submitted to Parliament, and that people of all genders should have equal opportunities to serve as governors of their respective national central banks;

39. Invites the ESCB to continue and strengthen its dialogues with national parliaments, which it believes would strengthen the legitimacy and policies of the ESCB;

°

° °

40. Instructs its President to forward this resolution to the Council and the Commission.