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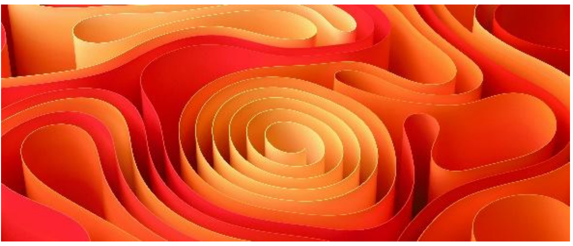

TOPICS:

ESG risk

SOURCE:

European Banking Authority

EBA ESG Risk Dashboard Shows Stable Climate Risk Exposures and Continued Improvements in Data Quality

- The latest Environmental, Social and Governance (ESG) risk EBA dashboard shows that **climate-related risks in the EU/EEA banking sector remained stable during the second half of 2025**. Banks' exposures to sectors that significantly contribute to climate change stayed broadly unchanged at 62%, indicating a stable transition risk profile across the region.
- The report also highlights **improvements in the availability and quality of climate-related data**. Banks reported a slight increase in highly energy-efficient mortgage exposures, while the proportion of mortgages lacking energy performance (EP) information or relying on estimated EP scores declined. These developments support more accurate climate risk assessments.
- **Physical climate risk** exposures also remained **broadly stable**, although significant differences persist across jurisdictions, with exposure levels ranging from below 10% to above 55%. The EBA attributes these variations to differences in geographic, economic and sectoral characteristics, as well as differing risk assessment methodologies.
- Overall, the dashboard concludes that the EU/EEA banking sector maintained a stable climate risk profile in late 2025, while continued improvements in climate-related reporting enhance banks' and supervisors' ability to monitor and manage ESG risks effectively.