



EUROPEAN CENTRAL BANK
EUROSYSTEM

COURTESY TRANSLATION

Mario DRAGHI

President

Mr Raül Romeva i Rueda
Member of the European Parliament
European Parliament
60, rue Wiertz
B-1047 Brussels

Frankfurt, 9 January 2014

L/MD/14/15

Re: Your letter

Dear Mr Romeva i Rueda,

Thank you for your letter, which was passed on to me by Ms Sharon Bowles, Chairwoman of the Committee on Economic and Monetary Affairs, accompanied by a cover letter dated 29 November 2013.

Banks are generally free to use the liquidity received from the ECB according to their own business and risk management considerations. Moreover, the pricing and the setting of standards for a new loan are entirely their own decision, with which the ECB cannot interfere: in line with the Treaty on the Functioning of the European Union (TFEU), the ECB conducts monetary policy “in accordance with the principle of an open market economy with free competition”. Furthermore, the prohibition of monetary financing and of privileged access for governments (Articles 123 and 124 of the TFEU) also prohibit the ECB from granting more favourable borrowing terms to the public sector than to the private sector.

Yours sincerely,

[signed]

Mario Draghi