Question for written answer Z-019/2021
to the European Central Bank
Rule 140
Sven Giegold (Verts/ALE)

Subject: Impact of targeted longer-term refinancing operations on bank funding

Since the inception of the ECB's targeted longer-term refinancing operation (TLTRO) programmes in 2014, conditions have gradually become more favourable to participants. The ECB Bank Lending Survey of October 2020 identified 'profitability' as the strongest motive for banks' participation in TLTROs.

In the light of the above:

1. Can you say to what extent euro area banks have used TLTRO loans to replace other sources of funding since 2014? What is your estimate of the net funding benefit realised by banks through such replacements during the TLTRO I and II programmes, ignoring second-round effects?

2. How have the funding costs (in particular the spread of covered and non-covered bonds) of euro area banks with different credit ratings developed since 2014, and what aspects of this development, if any, do you attribute to the TLTRO programmes?

3. How have euro area banks' profits from gross interest margins developed since 2014, and what aspects of this development, if any, do you attribute to the TLTRO programmes?

Please provide all answers for the aggregate of all euro area banks and split by country.