



## PRESS RELEASE

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### **The Banco de España applies the ECB recommendation on dividend distribution to the credit institutions under its supervision**

Against the background of the COVID-19 pandemic and the measures adopted by governments and monetary authorities to mitigate its impact on the world economy, banking supervisors and regulators are publishing their expectations regarding an appropriate application of prudential and accounting regulations. The aim of releasing these expectations is to promote consistent practices that will assist financial institutions in their pivotal role of financing the real economy at times of liquidity stress, such as those prompted by COVID-19. This will help provide for their subsequent recovery once the health crisis is behind us.

To this same end, and now more than ever, there is an evident need for credit institutions to take prudent decisions on dividend distribution policies. In this connection, the **European Central Bank (ECB) has today approved a recommendation** aimed at all significant credit institutions in the euro area regarding the distribution of their 2019 and 2020 dividends.

The Banco de España has made this recommendation extensive to the credit institutions under its direct supervision.

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