



Communication Department

## PRESS RELEASE

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### **The Banco de España decides not to extend beyond September 2021 its recommendation on dividend distributions and variable remuneration, in keeping with the ECB recommendation**

The latest Eurosystem macroeconomic projections for the period 2021-2023 signal that the economy started to recover in the second quarter and that the recovery will continue in the second half of the year and throughout the projection horizon. Against this background, in [Recommendation ECB/2021/31](#) the European Central Bank (ECB) has today decided not to extend its recommendation on dividend distributions for all significant credit institutions in the Single Supervisory Mechanism area. As a result, it will cease to apply after 30 September 2021.

The ECB has also published a press release in which it recommends that institutions continue to exercise prudence in their dividend distribution and share buy-back decisions, taking into special consideration the sustainability of their business models.

Furthermore, the ECB reiterates in the aforementioned press release its expectations that significant institutions adopt a prudent and forward-looking approach in their decisions on remuneration policy.

In keeping with this course of action, the Banco de España has today decided not to extend its [recommendation on dividends and variable remuneration](#) (in force until 30 September) and to apply the ECB's above-mentioned supervisory expectations to the less significant credit institutions that are directly supervised by the Banco de España.

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