

STATEMENT

ECB decision on bank dividends is a step in the right direction

BRUSSELS, 16 December 2020 - Following the decision on bank dividends announced last night by the European Central Bank, the European Banking Federation (EBF) issued the following statement:

"The ECB's decision on bank dividends clearly is a step in the right direction that announces the resumption of bank profit distribution from September 2021 onwards and allows partial distributions at least in individual cases in the meantime," says Jean Pierre Mustier, President of the European Banking Federation.

"Banks are part of the solution to the Covid-19 crisis, and investors in banks' capital are also part of the solution. EU banks need to remain investible and that requires remunerating investors. The ECB supervisors should take this into account in their individual assessments."

The ECB's ban on dividends has led to a competitive disadvantage for European banks as many foreign banks are not subject to such strict restrictions. The EBF notes that the limits set by the ECB are stricter than those of other supervisors, notably the U.K. supervisor. SSM banks should have access to capital markets under the same conditions as their peers. The U.K. supervisor recently adjusted its dividend payment restrictions. With last night's decision the ECB now lags behind the relief of the U.K.

"We have to make sure that European banks are not put at a competitive disadvantage on the international capital market by being less attractive than their competitors which will weigh on their ability to support even more European economies," says Mustier.

Media contact:

Ruta Barthet, Senior Communications and Media Officer, r.barthet@ebf.eu + 32 (0) 474981659
Raymond Frenken, Director of Communications, r.frenken@ebf.eu +32 2 508 3732

About the EBF:

The European Banking Federation is the voice of the European banking sector, bringing together national banking associations from across Europe. The EBF is committed to a thriving European economy that is underpinned by a stable, secure and inclusive financial ecosystem, and to a flourishing society where financing is available to fund the dreams of citizens, businesses and innovators everywhere. Website: www.ebf.eu

European Banking Federation aisbl

Brussels / Avenue des Arts 56, 1000 Brussels, Belgium / +32 2 508 3711 / info@ebf.eu
Frankfurt / Weißfrauenstraße 12-16, 60311 Frankfurt, Germany
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