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Press Release

European Banking Authority (EBA) report on the final outcome of the European Capital Enhancement Exercise

1. Banco de Portugal informs that the European Banking Authority (EBA) issued today a report on the final outcome, as of 30 June 2012, regarding the fulfilment of the EBA Recommendation of 8 December 2011 (EBA/REC/2011/1) addressed to the banking groups subject to the EBA's stress test exercise.
2. Following the capitalization measures undertaken by the four Portuguese banking groups participating in this exercise (CGD, BCP, Banco BPI e ESFG), all the banks have accomplished, by 30 June 2012, the regulatory capital requirements defined by EBA¹, following a prudent assessment of their sovereign debt exposures, at market prices, held as at 30 September 2011 (i.e. the "sovereign buffer").
3. The capitalization measures were implemented as follows:
 - The regulatory capital reinforcement of group CGD (1.650 M€) was performed by the Portuguese State, as its only shareholder;
 - The capitalization measures that lead to the regulatory capital increase undertaken by groups BCP (3.000 M€) and Banco BPI (1.500 M€) with resource to public funds were pursued under the proceeds available in the Bank Solvency Support Facility (BSSF) established in the context of the Economic and Financial Assistance Programme to Portugal, with a global amount of 12.000 M€;
 - Group ESFG performed capital increase operations (1.510 M€) in the market with resource to private funds.

¹ Hence, reaching by 30 June 2012 a minimum Core Tier 1 ratio of 9%. The Core Tier 1 definition adopted by EBA implies additional deductions from Core capital in comparison to the Core Tier 1 established by Banco de Portugal, in particular those related with investments in financial institutions.



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4. In this sense, and bearing in mind the EBA and Banco de Portugal's Core capital definitions, the four Portuguese banking groups reached, as of 30 June 2012, the following Core Tier 1 ratios:

Banking Group	30 June 2012	
	EBA Core Tier 1 ratio deducted from the "sovereign buffer" ²	Banco de Portugal Core Tier 1 ratio
CGD	9,6%	11,7%
BCP	9,7%	12,1%
ESFG	9,6%	9,9%
Banco BPI	9,4%	14,5%

² This ratio corresponds to [(Core Tier 1 - "sovereign buffer")/risk weighted assets]. On the EBA's template denominated "Composition of Capital", these values correspond to the result of the following calculation: $[F - (H+I)]/RWA$, where "F" corresponds to the item "Core Tier 1 including existing government support measures" and "(H+I)" corresponds to the item "Sovereign capital buffer for exposures in EEA".