



EUROPEAN CENTRAL BANK

EUROSYSTEM

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PRESS RELEASE

ECB WELCOMES THE IRISH AUTHORITIES' DECISION TO STRENGTHEN IRISH BANKS

The Governing Council of the European Central Bank (ECB) welcomes the Irish authorities' rigorous assessment of the capital needs of Irish banks and supports the government's commitment to ensure that these capital needs are met in a timely manner. As a result of this process, €21 billion of core Tier 1 capital and €3 billion of contingent capital will be injected into Irish banks. This will substantially strengthen the banks and give them a sound capital basis. Such a situation of solvency is a prerequisite for continued access to Eurosystem refinancing. Against this background, the Eurosystem will continue to provide liquidity to banks in Ireland.

The Governing Council also supports the Irish banks' plans to deleverage and downsize their balance sheets. This will help these banks over time to regain market access and to play their important role in providing credit to the Irish economy.

The aforementioned measures are to ensure the full implementation of the EU/IMF programme.

European Central Bank

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