

Banco Comercial Português

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THE FIRST DECADE
1985-1995

EDIÇÕES INAPA

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To the Reader

In 1995, we celebrated the tenth anniversary of the foundation of the Banco Comercial Português (BCP). The activities planned included publishing a book to commemorate the first ten years of the bank and its respective group.

The book was seen as the first of a series to be published after every ten years of the BCP's life. As can be imagined by calculating the value of a fifteen-volume collection written by contemporaries on the life and activities of some of the earliest credit institutions, which were founded after the middle of the nineteenth century, the project was of great historical and documentary interest.

This first volume covers the founding or launch of the BCP project. It begins by analysing the political, social and economic context that persuaded the 205 founding shareholders to take the decision (and corresponding enormous risk) to set up a bank from scratch as soon as was legally possible after the 25 April Revolution in 1974. It then goes on to interpret the most significant moments in the following ten years of the bank's life.

This history of the first decade of the Banco Comercial Português' existence also portrays the feelings of those closely involved in that transitional phase, those who constantly had to open up new ways ahead and overcome all manner of obstacles and setbacks. Although some of the difficulties now seem trifling, almost absurd, they were then authentic mountains of misunderstanding

that had to be surmounted or outflanked. At that time, antagonism or simple inertia was enough to cripple new projects that were attempting to carve out their position in the new system.

Even after these initial barriers had been overcome, the bank's life was not easy. The established banking world took five years to get used to co-existing with the recently formed Portuguese institutions and foreign competitors that appeared, revealing a far greater degree of concern than we had predicted but that we expressly aimed to cause. This resistance was incomprehensible, especially since Portugal's economy was then going through an expansionist cycle in the wake of joining the EEC and the significant influx of community funds that this triggered.

Opening up the financial sector to private enterprise and beginning the privatisation process – both of which resulted from Portugal's progressive integration into the European Union's spirit and regulations and were heavily influenced by them – were the point of departure for a succession of political, social and economic phenomena. Only now are these seen as sources of great interest for research and academic analysis.

This is one of this book's great strengths, as it attempts to contextualise the birth of this new bank within the spirit of the changes in the 1980s, a decisive decade that the author has preceded with a retrospective of banking in Portugal.

Professor Miguel Faria, a specialist in business history with a large body of published work,

was entrusted with the arduous task of researching and gathering the information required to produce an objective vision and reflection on this short yet decisive period (1985-1995) in Portugal's economic history. As such, his analysis involves – albeit indirectly – an assessment of the economy's behaviour during the first ten years of Portugal's integration into a community of developed countries. This was a critical moment in Portugal's twentieth-century history, one that is only paralleled by the founding of the Republic in 1910 and the 25 April Revolution in 1974.

The task of deciding to what extent the BCP and new private banks were responsible for the upsurge in development and modernisation, or whether they benefited directly from it, is for researchers and specialists. The "BCP question" has certainly been a thought-provoking case study that they cannot ignore.

This first volume also pays homage to the bank's founders, to those shareholders and collaborators in the original group who took all the risks and contributed to the creation of a new business culture. In a sense, this culture has become a compulsory reference point for the outside world and an inspiration for those who are now experiencing the age of a new dimension. The Banco Comercial Português that is starting the twenty-first century is simply the result of the constant will, determination and unconditional devotion that have been a characteristic over fifteen years of work.

This book is being published seven years after the period examined, distance enough for

even the most emotive facts to be interpreted within a proper historical context and assessed with the objective eye that only a specialist can bring. The author was not given any brief on how to approach his subject nor any deadline. Therefore, this book is exclusively the result of his analytical options, of mature reflection on his opinions and the criteria adopted.

Having witnessed this specific period of time and been a player in much of what is recorded here, I have no doubt as to the author's accurate portrayal of the context and the events. It is now up to the readers, with their individual perspectives, to make their final judgements.

Jorge Jardim Gonçalves



Foreword

The Banco Comercial Português was created in a period that witnessed far-reaching changes in the Portuguese financial system.

The task in hand would be incomplete if the creation and first decade of the bank's existence were removed from the context of Portugal's banking history, especially its recent past.

Therefore, the first section of this work covers the evolution of Portugal's banking sector, with particular reference to the period after the Estado Novo (Salazar regime), as the BCP's initiative will be more readily understood when the "genealogy" has been fully explained.

The BCP has already established its position within Portuguese banking history. In the future, it will be a fundamental point of reference for those who wish to understand the evolution of the Portuguese financial system during the period between the nationalisation process and Economic and Monetary Union.

Despite initially knowing little of the many fundamental aspects of the process, it was an honour to be invited to write this book, although several figures from inside the company could have done so more coherently and fluently.

The model adopted to write this book was one that would express the essence of the bank's first decade, making this the first in a series that will appear after each of these classical chronological cycles.

Banco Comercial Português: The First Decade is not, however, a collection of trivia designed as a company exercise in public relations by glorifying its successful past.

Both the contextualised vision and the access that the bank's administration granted to otherwise inaccessible archival sources enabled a far more probing approach than would have been possible in different circumstances, given the short time that has passed since the events.

In addition to the vast range of documents examined, I was able to use a series of interviews with the leading figures from the period in question. These included the founding administrators and members of the bank's board, the leading shareholders, politicians, figures linked to the monetary authorities and specialists involved in this first year when the creation process was still hidden from public view. I am indebted to the following for their major contributions to this work: Américo Amorim, António de Almeida, António Gonçalves, Artur Santos Silva, Diogo Lima Mayer, Eduardo Consiglieri Pedroso, Eurico Nunes, Filipe Pinhal, Francisco Ferreira da Silva, João Pinto Basto, Jorge Jardim Gonçalves, José Manuel Goes Ferreira, Luís Mota Freitas and Manuel Violante.¹

The objective contributions of Jorge Tracana de Carvalho, José Manuel Bracinha Vieira, José da Silva Lopes, Paulo Valada, Raul da Silva Pereira and Rui Fortes da Gama must also be mentioned, as they enabled some specific aspects of the process to be clarified.

I would like to thank all the above for their availability. Since it was impossible to increase the chronological perspective in my analysis, the testimony of those who experienced the decisive moments was an invaluable contribution to the materials that are not normally available to historians. They have now left the emotions they felt for posterity, adding a human dimension that helps this history to go beyond a cold, detached narrative of figures and activities from the first years of the BCP's history.

I adopted an open approach that would avoid making this book only for specialists and intentionally trying to use language that is accessible to a broader public.²

I would also like to thank my research and support team, particularly Carolina Peralta Trewinard, Ana Luísa Torres and Ana Paula Tudela. Above all, I am indebted to Paulo Fernandes, who wrote substantial parts of chapters six and seven.

¹ The interviews were recorded on cassettes and the contents widely used in this work, although the information is far from being exhausted. Two copies have been kept of all interviews, one in the archives of the BCP, the other by the author.

² Many people may consider this work too chronologically close to the events to be historically valid. However, it used a complex methodology of gathering and processing the data, which will be examined and published shortly in an article in *Galileu*, Universidade Autónoma de Lisboa. This will include the methodological advances resulting from experience in the field, with a study of three projects by the author and his team in business history. This trilogy started with *Marconi – da TSF às Comunicações Globais* (Lisbon, CPRM, 1994) and was followed by the publication of *Lisnave: Contributos para a História da Indústria Naval em Portugal*, Lisbon, Edições Inapa, 2001.

Special mention must be made of the board's understanding when faced with all the minor irritations that an outsider always causes. Consequently, my final word of thanks goes to the openness of the chairman of the BCP and particularly of one of its current vice-presidents, Filipe Pinhal, for his constant support during the four years that writing this work has taken.

Lisbon, 23 April 1999

Miguel Figueira de Faria