



# BANCO CENTRAL DO BRASIL

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## RESOLUTION 4,193, OF MARCH 1, 2013

Provides for calculation of Regulatory Capital (PR), of Tier I and of Principal Capital and also establishes the Additional Principal Capital.

The Central Bank of Brazil, pursuant to art. 9 of Law 4,595 of December 31, 1964, hereby announces that the National Monetary Council, in a special meeting held on March 1, 2013, based on art. 4, sections VIII and XI of said Law, on art. 20, paragraph 1, of Law 4,864 of November 29, 1965, on Law 6,099 of September 12, 1974, and on arts. 1 and 12 of Complementary Law 130 of April 17, 2009,

### RESOLVED:

#### CHAPTER I

#### PURPOSE AND SCOPE OF APPLICATION

Art. 1. This resolution establishes the minimum requirements of Regulatory Capital (*Patrimônio de Referência - PR*), Tier I and of Principal Capital, as defined in Resolution 4,192 of March 1, 2013, and institutes the Additional Principal Capital, which applies to financial institutions and other institutions licensed by the Central Bank of Brazil.

Sole paragraph. Institutions allocated to Segment 5 (S5) in the terms of Resolution 4,553 of January 30, 2017 are exempted from the provisions set down in the heading. ([Wording of sole paragraph from February 18, 2018 as amended by Resolution 4,606 of October 19, 2017.](#))

#### CHAPTER II

#### GENERAL PROVISIONS

Art. 2. The institutions mentioned in art. 1 must permanently allocate PR, Level I and Principal Capital in amounts exceeding the minimum requirements set out in this Resolution.

Sole paragraph. The minimum requirements mentioned in the heading should be calculated in a consolidated manner, according to the following chronogram:

I - up to December 31, 2014, calculation applies to institutions pertaining to a financial conglomerate in accordance with the Accounting Plan of the Institutions of National Financial System



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(COSIF); and (As amended by Resolution 4,281 of October 31, 2013.)

II - from January 1, 2015, calculation applies to institutions pertaining to a prudential conglomerate in accordance with COSIF. (As amended by Resolution 4,281 of October 31, 2013.)

### CHAPTER III DETERMINATION OF THE VALUE OF RISK-WEIGHTED ASSETS

Art. 3. For the purposes of calculating the minimum requirements and the Additional Principal Capital mentioned respectively in arts. 4 to 6 and 8, the amount of risk-weighted assets (RWA) must be appraised, which corresponds to the sum of the following components:

I -  $RWA_{CPAD}$ , relative to credit risk exposures subject to the calculation of capital requirement under the standardized approach;

II -  $RWA_{CIRB}$ , relative to credit risk exposures subject to the calculation of capital requirement under the internal rating systems for credit risk (IRB approaches) approved by the Central Bank of Brazil;

III -  $RWA_{MPAD}$ , relative to market risk exposures subject to the calculation of capital requirement under the standardized approach;

IV -  $RWA_{MINT}$ , relative to market risk exposures subject to the calculation of capital requirement under an internal model approved by the Central Bank of Brazil;

V -  $RWA_{OPAD}$ , relative to the calculation of required capital for operational risk under the standardized approach; and

VI -  $RWA_{OAMA}$ , relative to the calculation of required capital for operational risk under an internal model approved by the Central Bank of Brazil.

Paragraph 1. The component  $RWA_{MPAD}$  mentioned in item III of the heading is the sum of the following parts:

I -  $RWA_{JUR1}$ , relative to exposures subject to a variation in fixed interest rates denominated in real, for which capital requirement is calculated using the standardized approach;

II -  $RWA_{JUR2}$ , relative to exposures subject to rate variations in foreign currency coupons, for which capital requirement is calculated using the standardized approach;

III -  $RWA_{JUR3}$ , relative to exposures subject to rate variations in price indices coupons, for which capital requirement is calculated using the standardized approach;

IV -  $RWA_{JUR4}$ , relative to exposures subject to rate variations in interest rates coupons, for which capital requirement is calculated using the standardized approach;

V -  $RWA_{ACS}$ , relative to exposures subject to variations in the price of shares, for which capital requirement is calculated using the standardized approach;

VI -  $RWA_{COM}$ , relative to exposures subject to variations in the prices of commodities, for which capital requirement is calculated using the standardized approach; and



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VII -  $RWA_{CAM}$ , relative to exposures to gold, to foreign currency and to assets subject to variations in foreign exchange rates, for which capital requirement is calculated using the standardized approach.

Paragraph 2. The procedures and parameters for calculation of components and parts mentioned in items I through VI of the heading will be established by the Central Bank of Brazil.

Paragraph 3. In appraising the RWA amount, institutions mentioned in art. 1 that do not use IRB approaches approved by the Central Bank of Brazil to calculate the capital requirement to cover credit risk must disregard the component  $RWA_{CIRB}$ .

Paragraph 4. In appraising the RWA amount, institutions mentioned in art. 1 that employ an internal model approved by the Central Bank of Brazil to calculate the capital requirement to cover market risks must disregard the component  $RWA_{MPAD}$ .

Paragraph 5. In appraising the RWA amount, institutions mentioned in art. 1 that employ an internal model approved by the Central Bank of Brazil to calculate the capital requirement to cover operational risk must disregard the component  $RWA_{OPAD}$ .

Paragraph 6. In appraising the RWA amount, institutions mentioned in art. 1 that employ IRB approaches approved by the Central Bank of Brazil to calculate the capital requirement to cover credit risk must disregard the component  $RWA_{CPAD}$ . [\(Included by Resolution 4,281 of October 31, 2013.\)](#)

### CHAPTER IV MINIMUM REQUIREMENT OF REGULATORY CAPITAL

Art. 4. The minimum requirement for PR corresponds to the application of a factor "F" to the RWA amount, "F" being equal to:

I – 11% (eleven percent), from October 1, 2013 to December 31, 2015;

II – 9.875% (nine point eight seven five percent), from January 1, 2016 to December 31, 2016;

III – 9.25% (nine point twenty-five percent), from January 1, 2017 to December 31, 2017;

IV – 8.625% (eight point six twenty-five percent), from January 1, 2018 to December 31, 2018; and

V – 8% (eight percent), from January 1, 2019.

### CHAPTER V MINIMUM REQUIREMENTS OF TIER I

Art. 5. The minimum requirement for Tier I corresponds to the application of the following factors to the RWA amount:

I – 5.5% (five point five percent), from October 1, 2013 to December 31, 2014; and

II – 6% (six percent), from January 1, 2015.



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## CHAPTER VI MINIMUM REQUIREMENT OF PRINCIPAL CAPITAL

Art. 6. The minimum requirement for Principal Capital corresponds to the application of a 4.5% (four point five percent) factor to the RWA amount, from October 1, 2013.

## CHAPTER VII MINIMUM REQUIREMENTS FOR CREDIT UNIONS

Art. 7. For individual credit unions not affiliated with a central credit union that do not opt to calculate the RWAS5 amount, in terms of art. 11 of Resolution 4,606 of 2017, the minimum requirements of PR, of Level I and of Principal Capital mentioned in articles. 4, 5 and 6 of this Resolution shall be increased by four percentage points. (Wording of article 7 from January 1st, 2019 as amended by Resolution 4,704 of December 19, 2018.)

## CHAPTER VIII ADDITIONAL PRINCIPAL CAPITAL ASSIGNMENT

Art. 8. The Additional Principal Capital (ACP) is hereby instituted and is defined as the sum of the following parts:

- I -  $ACP_{\text{Conservação}}$ , which corresponds to the Conservation Additional Principal Capital;
- II -  $ACP_{\text{Contracíclico}}$ , which corresponds to the Countercyclical Additional Principal Capital; and
- III -  $ACP_{\text{Sistêmico}}$ , which corresponds to the Additional Principal Capital of Systemic Importance, as set forth in paragraph 2.

(Wording of article 8 as amended by Resolution 4,443 of October 29, 2015.)

Paragraph 1. The Conservation and Countercyclical Additional Principal Capital assignments apply to the institutions mentioned in article 1. (As amended by Resolution 4,443 of October 29, 2015.)

Paragraph 2. The  $ACP_{\text{Sistêmico}}$  assignment applies to institutions allocated to Segment 1 (S1) in the terms of Resolution 4,553 of 2017. (Wording of paragraph 2 from January 1, 2019 as amended by Resolution 4,704 of 2018.)

Paragraph 3. For institutions pertaining to a prudential conglomerate in accordance with the COSIF rules, the ACP must be calculated on a consolidated basis. (As amended by Resolution 4,443 of October 29, 2015.)

Paragraph 4. The  $ACP_{\text{Conservação}}$  corresponds to the application of the following factors to the RWA:

- I - zero, until December 31, 2015;
- II - 0.625% (six hundred and twenty five thousandths of one percent), from January 1 to December 31, 2016;



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III - 1.25% (one percent and twenty five hundredths of one percent), from January 1 to December 31, 2017;

IV - 1.875% (one percent and eight hundred and seventy five thousandths of one percent), from January 1 to December 31, 2018; and

V - 2.5% (two percent and five tenths of one percent), from January 1, 2019, onwards.

[\(Paragraph 4 included by Resolution 4,443 of October 29, 2015.\)](#)

Paragraph 5. The Central Bank of Brazil will set the methodology to calculate the  $ACP_{\text{Contracíclico}}$  and its factor to be applied to the RWA. [\(Included by Resolution 4,443 of October 29, 2015.\)](#)

Paragraph 6. The  $ACP_{\text{Contracíclico}}$  factor is limited by the following upper bounds:

I - zero, until December 31, 2015;

II - 0.625% (six hundred and twenty five thousandths of one percent), from January 1 to December 31, 2016;

III - 1.25% (one percent and twenty five hundredths of one percent), from January 1 to December 31, 2017;

IV - 1.875% (one percent and eight hundred and seventy five thousandths of one percent), from January 1 to December 31, 2018; and

V - 2.5% (two percent and five tenths of one percent), from January 1, 2019, onwards.

[\(Paragraph 6 included by Resolution 4,443 of October 29, 2015.\)](#)

Paragraph 7. In case of an increase in the  $ACP_{\text{Contracíclico}}$  factor, the new factor will come into effect after 12 (twelve) months. [\(Included by Resolution 4,443 of October 29, 2015.\)](#)

Paragraph 8. The Central Bank of Brazil will set the methodology to calculate the  $ACP_{\text{Sistêmico}}$  and its factor to be applied to the RWA. [\(Included by Resolution 4,443 of October 29, 2015.\)](#)

Paragraph 9. The  $ACP_{\text{Sistêmico}}$  factor is limited by the following upper bounds:

I – zero, until December 31, 2016;

II – 0.5% (five tenths of one percent), from January 1 to December 31, 2017;

III – 1.0% (one percent), from January 1 to December 31, 2018; and

IV – 2.0% (two percent), from January 1, 2019, onwards.

[\(Paragraph 9 included by Resolution 4,443 of October 29, 2015.\)](#)

Art. 9. A shortfall in meeting the assigned ACP, as set forth in article 8, entails restrictions: [\(As amended by Resolution 4,443 of October 29, 2015.\)](#)



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I - in payment of discretionary compensation to management and members of the board of directors, in the case of joint stock companies, and to administrators of non-joint stock companies;

II - in payment of dividends and interest on capital;

III - in payment of the surplus and net annual earnings to quota-shares of capital, as well as in redemption of quota-shares, in the case of credit unions;

IV - in repurchase of own shares in any amount; and

V - in reduction of equity when legally possible.

Paragraph 1. The restrictions put forth in the heading must be imposed for as long as a shortfall in meeting the assigned Additional Principal Capital is verified.

Paragraph 2. The discretionary compensation mentioned in subsection I of the heading includes bonds, profit sharing and any installments of deferred payments and other compensation incentives linked to performance.

Paragraph 3. In case of surplus of Principal Capital relative to the minimum requirement established in art. 6, the surplus amount is used to meet the minimum requirements established in arts. 4 or 5 and such surplus cannot be used to meet the Additional Principal Capital assignment.

Paragraph 4. The restrictions mentioned in subsections I to III of the heading correspond to the following percentages of the amount to be paid or distributed:

I - 100% (one hundred percent), should the value considered to verify the fulfillment of the Additional Principal Capital assignment be less than 25% (twenty five percent) of the amount fixed according to art. 8;

II - 80% (eighty percent), should the value considered to verify the fulfillment of the Additional Principal Capital assignment be greater than or equal to 25% (twenty five percent) and less than 50% (fifty percent) of the amount fixed according to art. 8;

III - 60% (sixty percent), should the value considered to verify the fulfillment of the Additional Principal Capital assignment be greater than or equal to 50% (fifty percent) and less than 75% (seventy five percent) of the amount fixed according to art. 8; and

IV - 40% (forty percent) should the value considered to verify the fulfillment of the Additional Principal Capital assignment be greater than or equal to 75% (seventy five percent) and less than 100% (one hundred percent) of the amount fixed according to art. 8.

Paragraph 5. The percentages mentioned in paragraph 4 apply to each item mentioned in items I to III of the heading.

Paragraph 6. The surplus distributed and not paid in the fiscal year due to a shortfall in meeting the assigned Additional Principal Capital will be incorporated into the reserves of the credit union or, alternatively, its capital, if so decided by the shareholders.

Paragraph 7. Amounts withheld due to a shortfall in meeting the assigned Additional



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of Principal Capital cannot constitute a future liability.

Paragraph 8. The restrictions mentioned in the heading apply to a shortfall identified when calculating the amount to be distributed, including values paid in advance.

Paragraph 9. The Central Bank of Brazil may fix a maximum individualized interval during which a shortfall in meeting the assigned Additional Principal Capital is admissible. [\(Included by Resolution 4,281 of October 31, 2013.\)](#)

Paragraph 10. Once a shortfall in meeting the assigned Additional Principal Capital is verified, the capital plan mentioned in item IV of the heading of art. 40 of Resolution 4,557 of February 23, 2017, must be amended so as to include the actions necessary to correct the shortfall until the end of the interval established in terms of paragraph. 9. [\(Wording of paragraph 10 from January 1<sup>st</sup>, 2019 as amended by Resolution 4,704 of 2018.\)](#)

### CHAPTER IX DEDUCTION OF EXCESSIVE FIXED ASSETS AND EARMARKED CAPITAL

Art. 10. For the purposes of verifying compliance with the minimum requirements established in arts. 4, 5 and 6, as well as the Additional Principal Capital assignment mentioned in art. 8, any amount invested in fixed assets in excess of the percentages established in arts. 3 and 4 of Resolution 2,283 of June 5, 1996, shall be deducted from PR, from Tier I and from Principal Capital.

Art. 11. The institution that opts to earmark a portion of PR according to the provisions set in art. 2 of Resolution 4,589 of June 29, 2017, must deduct the corresponding amount from PR, from Tier I and from Principal Capital for the purposes of verifying compliance with the minimum requirements established in arts. 4, 5 and 6, as well as the Additional Principal Capital assignment mentioned in art. 8. [\(Wording of article 10 from January 1<sup>st</sup>, 2019 as amended by Resolution 4,704 of 2018.\)](#)

### CHAPTER X FINAL PROVISIONS

Art. 12. [\(Revoked by Resolution 4,745 of August 28, 2019\)](#)

Art. 13. The institutions mentioned in art. 1 must allocate enough PR to cover also the interest rate risk in the banking book (IRRBB), in accordance with Resolution 4,557, of 2007. [\(Wording of article 13 from January 1<sup>st</sup>, 2019 as amended by Resolution 4,704 of 2018.\)](#)

Art. 14. The institutions mentioned in art. 1 must appoint to the Central Bank of Brazil a director responsible for the processes and controls related to the calculation of the RWA amount, the calculation of the minimum requirements of PR, Tier and Principal Capital and compliance with the Addition of Primary Capital assignment.

Sole paragraph. For the purpose of the responsibilities established in the heading, the appointed director may perform other functions in the institution, except for those functions associated with the management of third party's funds or any function that may represent a conflict of interest or a deficiency in the segregation of duties.

Art. 15. The Central Bank of Brazil may issue rules deemed necessary for the implementation of this Resolution, including provisions on:



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I – the assessment and management of risk incurred by financial institutions and other licensed institutions, including the procedures and controls used for such purpose;

II – the requirements and procedures related to the authorization from the Central Bank of Brazil for use of internal risk management models and for the use of selected standardized approaches to calculate the  $RWA_{OPAD}$  component by financial institutions and other licensed institutions; [\(As amended by Resolution 4,281 of October 31, 2013\)](#)

III – storage and public disclosure of information relating to risk management by financial institutions and other licensed institutions.

Art. 16. All citations as well as the fundament of the validity of acts based in Resolution 3,490 of August 29, 2007, including the rules and resolutions revoked by the latter, must henceforth be replaced by and refer to this Resolution.

Art. 17. Any citation to Required Net Worth (PLE) or the Required Reference Capital (PRE) in rules issued by the Central Bank of Brazil, will henceforth refer to the minimum requirements set out in this Resolution.

Art. 18. This Resolution shall enter into force on October 1, 2013.

Art. 19. Effective on October 1, 2013, Resolutions 2,772 of August 30, 2000, and 3,490 of August 29, 2007 are repealed.

Alexandre Antonio Tombini  
Governor of the Central Bank of Brazil