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## Annex

The numerator of the Core Tier 1 ratio, on an individual basis, includes the following elements, taking into account the prudential filters referred to in article 10 of Notice No. 6/2010:

### **Positive elements:**

- Full paid-up Capital (including share premium accounts), in so far as it fully absorbs losses in going concern situations, and in the event of bankruptcy or liquidation ranks after all others claims;
- Legal , statutory and other reserves formed by retained profits;
- Net profits brought forward as a result of the application of the final profit or loss from previous financial years;
- Net profits of the last financial year and the current financial year, under the conditions referred to in paragraphs 2 and 3 of article 3 of the notice No. 6/2010;
- Reserves due to exchange differences and hedging of net investment in foreign operations;
- Part of reserves and part of profit and loss corresponding to deferred tax assets, insofar as they are associated with losses that account as a negative element of original own funds.

### **Negative elements:**

- Own shares at book value held by the institution;
- Intangible assets;
- Net losses brought forward as a result of the application of the final profit or loss from previous, the last or the current financial year;
- Negative revaluations reserve under the conditions set out in articles 10 and 12 of Notice No. 6/2010;
- Part of reserves and part of profit and loss corresponding to deferred tax liabilities, to the extent that it is associated with gains that account as a positive element of the original own funds;
- Positive revaluation differences (goodwill) deriving from the application of the equity method;
- Insufficient amount of accounting provisions taking into account the terms set by the Bank of Portugal;
- The amount of total actuarial losses not yet recognized as loss, according to the treatment for the recognition of actuarial gains and losses set out in IAS 19 (“corridor” approach), calculated individually for each defined benefit plan, and that for each of these plans exceed the greater of: i) 10% of the present value of pension liabilities and payment of past service liability of staff in active employment covered by the plan; or ii) 10% of the value of the assets of the Fund, both reported to date that serves as a benchmark for the calculation of actuarial deviations;
- Deferred cost expenses, as set out in Notice No. 12/2001;



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- The net gains arising from the capitalisation of future income from securitized assets securitised which provide credit enhancement to positions in the securitisation.

The calculation of the numerator of the Core Tier 1 ratio, on a consolidated basis, comprises the following, in addition to the previous items that count for the numerator of the Core Tier 1 ratio, on an individual basis:

### **Positive elements:**

- Minority interests on elements that would count, on an individual basis, for the numerator of Core Tier 1 ratio, at the subsidiary level where they arise, taking into account article 10 and 12 of Notice No. 6/2010;
- Negative differences from first consolidation;
- Negative revaluation differences deriving from the application of the equity method, originated in the consolidation process.

### **Negative elements:**

- Positive differences of first consolidation (goodwill);
- Positive revaluation differences deriving from the application of the equity method, originated in the process of consolidation;
- Unrealised gains on investment properties;
- The difference, when positive, between regulatory provisions (excluding provisions for general risks) comprise in Notice No. 3/95 and impairment value, computed for each of the entities included in the perimeter of consolidation that are subject to the Notice No. 3/95 on a individual basis.

For the calculation of the numerator of Core Tier 1 ratio the transitional periods, still in force, laid down in Notice No. 12/2001 Notice No. 11/2008 are applicable.