

ASSETS		LIABILITIES	
ASSETS IN FOREIGN CURRENCIES	<u>790,671,159</u>	LIABILITIES IN FOREIGN CURRENCIES	<u>30,571,881</u>
Cash and Cash Equivalents	26,801,067	Items in the Course of Collection	11,380,776
Time Deposits Placed with Financial Institutions	30,918,219	Deposits Received from Financial Institutions	1,443
Funds under External Management	13,006,112	Financial Assets Sold Under Repurchase Agreement	849,409
Financial Assets Purchased Under Resale Agreements	854,140	Accounts Payable	9,041,044
Securities	698,305,908	Deposit Received from International Financial Organizations	9,294,383
Receivables	3,214,462	Other	4,826
Gold	4,184,401		
Investments in International Financial Organizations	13,386,850		
ASSETS IN LOCAL CURRENCY	<u>914,313,715</u>	LIABILITIES IN LOCAL CURRENCY	<u>1,484,661,662</u>
Cash and Cash Equivalents	74	Items in the Course of Collection	23,102
Deposits	625,715	Deposits Received from Financial Institutions	340,928,020
Derivatives	847,998	Financial Assets Sold Under Repurchase Agreement	596,332,527
Federal Government Securities	871,729,601	Derivatives	14,754
Receivables from the Federal Government	15,373	Payables to the Federal Government	522,045,681
Receivables	38,723,466	Accounts Payable	1,080,762
Property and Equipment	788,225	Deposit Received from International Financial Organizations	4,219
Other	1,583,263	Provisions	24,205,376
		Other	27,221
		CURRENCY IN CIRCULATION	<u>160,602,700</u>
		EQUITY	<u>26,232,576</u>
		Capital	24,675,451
		Revenue Reserve	1,606,019
		Revaluation Reserve	450,727
		Gains (Losses) Recognized Directly in Equity	(499,621)
		INCOME ACCOUNTS	<u>2,916,055</u>
		Creditor	56,324,986
		(Debtor)	(53,408,931)
TOTAL	<u>1,704,984,874</u>	TOTAL	<u>1,704,984,874</u>

INCOME STATEMENT - PERIOD FROM JULY TO SEPTEMBER 2012**In thousands of Reais****2**

Interest income	21,141,350
Interest expenses	<u>(29,877,828)</u>
Net interest result	(8,736,478)
Gains (losses) on financial instruments classified as At fair value through profit or loss, held for trading	12,826,626
Gains (losses) on financial instruments classified as At fair value through profit or loss, by designation of the management	(895,268)
Gains (losses) from foreign currencies	216,133
Other income	640,308
Other expenses	(1,135,266)
NET INCOME FOR THE PERIOD	<u>2,916,055</u>



EXPLANATORY NOTE TO THE FINANCIAL STATEMENTS – September 30, 2012

FISCAL RESPONSIBILITY LAW - MANDATORY INFORMATION

a) Impact and fiscal cost of operations - Fiscal Responsibility Law, paragraph 2 of article 7:

The sole paragraph of article 8 of Law n° 4,595, of December 31, 1964, with the wording given by Decree-Law n° 2,376, of November 25, 1987, establishes that "as from January 1st, 1988, the results obtained by the Banco Central do Brasil (BCB), considering the revenue and expenses of all its operations, shall be determined on an accrual basis and transferred to the National Treasury, after offsetting any losses from prior fiscal years".

This provision was partially amended by the Fiscal Responsibility Law (Complementary Law n° 101 of May 4, 2000):

"Article 7. The positive result of the BCB, calculated after the formation or reversal of reserves, constitutes revenue of the National Treasury and will be transferred no later than the 10th working day subsequent to the approval of the semi-annual balance sheets.

Paragraph 1. The negative result will constitute a liability of the Treasury owed to the BCB and will be consigned in a specific budget allocation account."

Pursuant to clause II of article 2 of the Provisional Measure n° 2,179-36, of August 24, 2001, this negative result must be covered no later than the 10th working day of the year following the approval of the balance sheet by the Nacional Monetary Council (CMN).

Accordingly:

- I) the BCB's result considers the revenues and expenses related to all its operations;
- II) the positive results are transferred to the National Treasury and the negative results are covered by the National Treasury;
- III) these results are included in the Fiscal Budget in the National Treasury account.

The BCB presented a positive result of R\$ 2,916,055 thousand in the third quarter and together with the result to be determined in the fourth quarter, will compose the result of the second half of 2012, which will be transferred to or covered by the National Treasury. In compliance with paragraph 5 of article 9 of the Fiscal Responsibility Law, within 90 days of the closing of the semester, the BCB must present in a joint meeting of the relevant committees of the National Congress (including the Economic Affairs, the Finance and Taxation and the Public Budget), an evaluation report on the fulfillment of the objectives and goals of the monetary, credit and foreign exchange policies, highlighting the impact and the fiscal cost of its operations and the results presented in the balance sheets.

**b) Cost of remunerating the deposits of the National Treasury - Fiscal Responsibility Law, paragraph 3 of article 7:**

In the third quarter of 2012, the cost corresponding to the remuneration of the deposits of the National Treasury was R\$ 11,216,098 thousand.

c) Cost of maintaining the foreign exchange reserves - Fiscal Responsibility Law, paragraph 3 of article 7:

At September 30th, 2012, 91.85% of the reserve assets were composed of securities, as published in the Press Release of the External Sector (table 49), available on the BCB's website (www.bcb.gov.br)

The cost of maintaining the foreign exchange reserves is calculated by the difference between the yield on the international reserves, including foreign exchange variation, and the funding average rate calculated by the BCB.

Applying this methodology, in the third quarter of 2012, the returns on the international reserves were 1.70% positive totaling 0.11% negative (R\$840,720 thousand) after considering the BCB's funding cost.

	International Reserves		Cost of Funding (%)	Cost of Maintaining International Reserves	
	Average Balance (R\$ thousand)	Profitability (%)		(%)	(R\$ thousand)
3rd quarter/2012	763,062,796	1.70	(1.81)	(0.11)	(840,720)

It should be pointed out that the foreign exchange restatement presents a difference resulting from the translation of the amounts of the reserve assets into Reais, and it is not a realized result from the financial point of view. Therefore, after excluding this restatement, in the third quarter of 2012, the international reserves presented a positive return of 0.75%, which is composed by accrued interest (0.28%) and the mark-to-market adjustment of the assets (0.47%). After deducting the funding costs, the net result of the reserves was negative by 1.06% (R\$ 8,080,734 thousand).

	International Reserves		Cost of Funding (%)	Cost of Maintaining International Reserves	
	Average Balance (R\$ thousand)	Profitability, excluding exchange restatement (%)		(%)	(R\$ thousand)
3rd quarter/2012	763,062,796	0.75	(1.81)	(1.06)	(8,080,734)



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d) Return on the securities portfolio – Fiscal Responsibility Law, paragraph 3 of article 7:

The return on the BCB's securities portfolio, composed exclusively of securities issued by the Federal Government, was R\$ 20,918,716 thousand in the third quarter.

Governor: Alexandre Antonio Tombini

Deputy governors: Aldo Luiz Mendes, Altamir Lopes, Anthero de Moraes Meirelles, Carlos Hamilton Vasconcelos Araújo, Luiz Awazu Pereira da Silva, Luiz Edson Feltrim and Sidnei Corrêa Marques

Head of the Accounting and Financial Department: Eduardo de Lima Rocha
Accountant - CRC-DF 12.005/O-9