

<b>ASSETS</b>		<b>LIABILITIES AND EQUITY</b>	
<b>ASSETS IN FOREIGN CURRENCIES</b>	<b><u>1,867,353,142</u></b>	<b>LIABILITIES IN FOREIGN CURRENCIES</b>	<b><u>124,802,626</u></b>
Cash and Cash Equivalents	75,217,830	Items in the Course of Collection	11,190,676
Time Deposits Placed with Financial Institutions	66,737,590	Financial Assets Sold Under Repurchase Agreements	35,000,718
Funds Under External Management	42,983,203	Derivatives	231,351
Financial Assets Purchased Under Resale Agreements	35,001,557	Accounts Payable	20,761,145
Derivatives	147,885	Deposits Received from International Financial Organizations	57,615,520
Securities	1,529,988,054	Other	3,216
Receivables	2,872,302		
Monetary Gold	35,596,599		
Investment in International Financial Organizations	78,808,112		
Other	10		
<b>ASSETS IN LOCAL CURRENCY</b>	<b><u>2,052,976,975</u></b>	<b>LIABILITIES IN LOCAL CURRENCY</b>	<b><u>3,190,546,091</u></b>
Items in the Course of Collection	771	Items in the Course of Collection	36,632
Financial Assets Purchased Under Resale Agreements	22	Deposits Received from Financial Institutions	445,905,754
Federal Government Securities	1,982,068,958	Financial Assets Sold Under Repurchase Agreements	1,040,130,580
Receivables from the Federal Government	3,820	Derivatives	4,920,774
Receivables	68,905,985	Payables to the Federal Government	1,651,417,658
Judicial Deposits	232	Accounts Payable	389,170
Property and Equipment	756,417	Deposits Received from International Financial Organizations	12,080
Other	1,240,770	Provisions	45,485,979
		Other	2,247,464
		<b>CURRENCY IN CIRCULATION</b>	<b><u>340,095,553</u></b>
		<b>EQUITY</b>	<b><u>311,767,585</u></b>
		Capital	139,675,451
		Revenue Reserve	164,911,705
		Revaluation Reserve	340,574
		Gains (Losses) Recognized Directly in Equity	6,839,855
		<b>INCOME ACCOUNTS</b>	<b><u>(46,881,738)</u></b>
		Creditor	351,608,270
		(Debtor)	(398,490,008)
<b>TOTAL ASSETS</b>	<b><u>3,920,330,117</u></b>	<b>TOTAL LIABILITIES AND EQUITY</b>	<b><u>3,920,330,117</u></b>

**BANCO CENTRAL DO BRASIL**  
**INCOME STATEMENT - JUNE OF 2021**  
**In thousands of Reais**

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Interest income	77,415,505
Interest expenses	<u>(77,793,540)</u>
Net interest result	(378,035)
Gains (losses) on financial instruments classified as At fair value through profit or loss	(40,618,000)
Gains (losses) from foreign currencies	(3,497,414)
Gains (losses) from monetary gold	(3,384,431)
Impairment	(1,594,847)
Other income	4,458,553
Other expenses	(1,867,564)
<b>NET INCOME FOR THE PERIOD</b>	<b><u>(46,881,738)</u></b>

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# BANCO CENTRAL DO BRASIL

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## EXPLANATORY NOTE TO THE FINANCIAL STATEMENTS – June 30, 2021

### 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 4,595, of December 31, 1964, with the wording given by Decree Law 2,376, of November 25, 1987, establishes that “as from January 1st, 1988, the results obtained by the Banco Central, considering the revenues and expenses related to 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 101 of May 4, 2000):

*“Article 7. The result of the Banco Central do Brasil, calculated after the recording 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 semiannual balance sheets.*

*Paragraph 1. The negative result will constitute a liability of the Treasury owed to the Banco Central do Brasil and will be consigned in a specific budget allocation account.”*

With the enactment of Law 13,820, of May 3, 2019, as of July 1, 2019, the result of the Banco Central do Brasil, which considers all its revenues and expenses, will have the following treatment:

I - if positive, it will be transferred to the National Treasury after the recording of a reserve for the amount corresponding to the result of operations with foreign exchange reserves and derivatives, until the 10th working day after the approval of the financial statements;

II - if negative, it will be covered by the National Treasury, after using the reserves and institutional equity, observing the minimum limit for total equity of 1.5% (one full and five tenths percent) of total assets, until the 10th working day of the year subsequent to the approval of the financial statements.

Finally, according to Complementary Law 179, of February 24, 2021, the result of the Banco Central do Brasil, considering all its revenues and expenses of any nature, will be calculated annually on an accrual basis and covers the period of January 1 to December 31.

The Banco Central do Brasil presented a positive result of R\$126,901,921 thousand in the 1st quarter and negative R\$173,783,659 thousand in the 2nd quarter, totaling a negative result of R\$46,881,738 thousand in the 1st half of 2021. The current balance of the revenue reserve would be enough to cover any negative result in this amount, noting that the calculation of the result will only occur on December 31, 2021, as established by Law 13,820.

In accordance with paragraph 5 of Article 9 of the Fiscal Responsibility Law, within 90 days after the half-year end, the Banco Central do Brasil shall present, in a joint meeting of the pertinent thematic committees of the National Congress, an evaluation report on the fulfillment of the objectives and goals of the monetary, credit and foreign exchange policies, clearly showing the impact and the fiscal cost of its operations and the results presented in the financial statements.

#### b) Cost of remunerating the deposits of the National Treasury – Fiscal Responsibility Law, paragraph 3 of Article 7

The cost corresponding to the remuneration of the deposits of the National Treasury amounted to R\$27,253,405 thousand in the 1st quarter of 2021 and R\$29,075,296 thousand in the 2nd quarter, totaling R\$56,328,701 thousand in the 1st half of 2021.



# BANCO CENTRAL DO BRASIL

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## c) Cost of maintaining the foreign exchange reserves – Fiscal Responsibility Law, paragraph 3 of Article 7

The cost of maintaining the foreign exchange reserves is calculated, on a daily basis, by the difference between the rate of profitability of the international reserves, including foreign exchange variation, and the average rate of funding calculated by the Banco Central do Brasil.

In the 1st quarter of 2021, the international reserves presented a positive return of 8.37%, totaling 7.18% positive (R\$139,601,029 thousand) when taking into consideration the funding cost. In the 2nd quarter, the profitability of reserves reached 12.58% negative, totaling 13.20% negative (R\$245,733,793) when considering the funding cost.

	International Reserves		Funding Cost (%)	Cost of Maintaining International Reserves	
	Average Balance (R\$ thousand)	Profitability (%)		(%)	(R\$ thousand)
1st quarter/2021	1,944,228,794	8.37	(1.19)	7.18	139,601,029
2nd quarter/2021	1,861,982,973	(12.58)	(0.62)	(13.20)	(245,733,793)
<b>Period Total</b>					<b>(106,132,764)</b>

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 a financial point of view. Considering the value in US Dollars, the international reserves presented a negative return of 0.19% in the 1st quarter and positive return of 0.30% in the 2nd quarter, totaling a positive profitability of 0.11% in the 1st half of 2021.

	International Reserves			Total
	Average Balance (USD thousand)	Interest	Profitability (%) mark-to-market	
1st quarter/2021	354,644,196	0.32	(0.51)	(0.19)
2nd quarter/2021	352,021,080	0.34	(0.04)	0.30
<b>Period Total</b>	<b>353,321,975</b>	<b>0.66</b>	<b>(0.55)</b>	<b>(0.11)</b>

## d) Profitability of the securities portfolio – Fiscal Responsibility Law, paragraph 3 of Article 7

The profitability of the securities portfolio of the Banco Central do Brasil, composed exclusively of securities issued by the Federal Government, was R\$36,820,850 thousand in the 1st quarter of 2021 and R\$38,507,546 thousand in the 2nd quarter, totaling R\$75,328,396 thousand in the 1st half of 2021.

Governor: Roberto de Oliveira Campos Neto

Deputy governors: Bruno Serra Fernandes, Carolina de Assis Barros, Fábio Kanczuk, João Manoel Pinho de Mello, Maurício Costa de Moura, Otávio Ribeiro Damaso and Paulo Sérgio Neves de Souza

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