

ASSETS		LIABILITIES	
ASSETS IN FOREIGN CURRENCIES	<u>499,915,699</u>	LIABILITIES IN FOREIGN CURRENCIES	<u>30,915,908</u>
Cash and Cash Equivalents	12,834,102	Items in the Course of Collection	13,140,541
Time Deposits Placed with Financial Institutions	4,363,701	Deposits Received from Financial Institutions	625
Financial Assets Purchased Under Resell Agreement	15,976,924	Financial Assets Sold Under Repurchase Agreement	5,309,960
Derivatives	92,996	Derivatives	47,898
Debt Securities	436,400,766	Accounts Payable	1,265,140
Credits Receivables	17,361,596	Deposit Received from International Financial Organizations	10,687,596
Gold	2,292,211	Other	464,148
Investments in International Financial Organizations	10,593,403		
ASSETS IN LOCAL CURRENCY	<u>538,462,461</u>	LIABILITIES IN LOCAL CURRENCY	<u>892,246,258</u>
Cash and Cash Equivalents	1,974,560	Items in the Course of Collection	993
Deposits	610,205	Deposits Received from Financial Institutions	93,432,030
Financial Assets Purchased Under Resell Agreement	68,000	Financial Assets Sold Under Repurchase Agreement	408,640,133
Derivatives	16,190,593	Derivatives	1,070,324
Debt Securities	485,735,464	Payables to the Federal Government	374,756,848
Receivables from the Federal Government	14	Accounts Payable	1,691,823
Credits Receivables	30,424,959	Deposit Received from International Financial Organizations	4,700
Property, Plant and Equipment	779,886	Provision	12,619,192
Other	2,678,780	Other	30,215
		CURRENCY IN CIRCULATION	<u>99,304,427</u>
		NET EQUITY	<u>15,214,738</u>
		Capital	13,072,428
		Income Reserve	1,606,019
		Revaluation Reserve	472,725
		Gains (Losses) Recognized Directly in Equity	63,566
		INCOME ACCOUNTS	<u>696,829</u>
		Creditor	66,674,346
		(Debtor)	(65,977,517)
TOTAL	<u>1,038,378,160</u>	TOTAL	<u>1,038,378,160</u>

INCOME STATEMENT - PERIOD FROM JANUARY TO MARCH 2009

In Thousands of Reais

2

FOREIGN CURRENCIES OPERATIONS	<u>(5,932,184)</u>
Interest income	148,323
Interest expenses	(310,633)
(=) Net interest income	(162,310)
Gains (losses) on financial assets classified as "At fair value through profit or loss" - held for trading	(5,822,770)
Gains (losses) on foreign exchange	52,896
LOCAL CURRENCY OPERATIONS	<u>6,890,001</u>
Interest income	13,944,539
Interest expenses	(22,990,955)
(=) Net interest income	(9,046,416)
Gains (losses) on financial assets classified as "At fair value through profit or loss" - held for trading	15,913,080
Gains (losses) on financial assets classified as "At fair value through profit or loss" - designated by management	22,983
Gains (losses) on foreign currency-linked operations	354
OTHER INCOME	362,012
OTHER EXPENSES	(623,000)
NET INCOME (LOSS) RECOGNIZED IN ACCORDANCE WITH IFRSs	<u>696,829</u>



BANCO CENTRAL DO BRASIL

3

EXPLANATORY NOTE TO THE FINANCIAL STATEMENTS – March 31 st, 2009 (In thousands of Reais)

FISCAL RESPONSABILITY LAW – MANDATORY INFORMATION

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

The sole paragraph of Article 8 of Law 4,595/1964, as amended by Decree-Law 2,376/1987, stipulates that “the results obtained by Banco Central do Brasil, considering the revenues and expenses of all its operations, shall be, effective from January 1, 1988, 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:

“Article 7. The positive result of Banco Central, calculated after constitution or reversal of reserves, constitutes a revenue of the National Treasury and shall be transferred not later than the tenth business day subsequent to approval of the half-year balance sheets.”

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

In accordance with Item II of Article 2 of Provisional Measure 2,179-36, these negative results must be covered not later than the tenth business day of the fiscal year subsequent to the year of approval of the financial statements by the CMN.

Therefore:

I - The result of the Bank is comprised of revenues and expenses related to all of its operations;

II - Positive results are transferred as revenues to the National Treasury, and negative results are covered as expenses of the National Treasury;

III - Such results are included in the Fiscal Budget of the National Treasury account.

The Bank experienced a surplus of R\$696,829 in the first quarter, that, with the result of the second quarter, will compose the result of the first half-year to be transferred to or covered by the National Treasury. In conformity with Article 9, Paragraph 5, of the Fiscal Responsibility Law, within ninety days after the end of the semester, the Bank shall present, in a joint meeting of the interested committees of the National Congress (among which the Economic Subjects Commission, the Finances and Taxation Commission, and the Public Budget Commission), an evaluation report on compliance with the objectives and targets of the monetary, credit and foreign exchange policies; and also demonstrating the impact and fiscal costs of its operations and the results depicted in its financial statements.

b) Cost of remunerating the National Treasury deposits with the Bank - Fiscal Responsibility Law –Article 7, paragraph 3:

The cost corresponding to the remuneration of the National Treasury deposits amounted to R\$5,930,749 in the first quarter of 2009.

c) Cost of maintaining foreign exchange reserves - Fiscal Responsibility Law, Article 7, Paragraph 3:

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



BANCO CENTRAL DO BRASIL

4

	<u>International</u> <u>Average Balance</u> <u>(R\$ '000)</u>	<u>Reserves</u> <u>Profitability</u> <u>(%)</u>	<u>Cost of</u> <u>funding</u> <u>(%)</u>	<u>Cost of Maintaining</u> <u>International Reserves</u> <u>(%)</u>	<u>(R\$ '000)</u>
1st quarter/2009	458,669,464	(1.29)	(2.18)	(3.47)	(15,913,077)

The international reserves had negative returns of 1.29% in the first quarter. Excluding the funding cost of the Bank, the net result of the international reserves was negative by 3.47% (R\$15,913,077).

d) Profitability of the securities portfolio – Fiscal Responsibility Law, Article 7, Paragraph 3:

<u>Debt Securities issued by the Federal Government</u>	<u>Income</u>	<u>Expenses</u>	<u>Result</u>
1st quarter/2009	13,691,288	-	13,691,288

Governor of the Banco Central do Brasil

Henrique de Campos Meirelles

Deputy Governors

Alexandre Antônio Tombini

Alvir Alberto Hoffmann

Anthero de Moraes Meirelles

Antônio Gustavo Matos do Vale

Maria Celina Berardinelli Arraes

Mário Gomes Torós

Mário Magalhães Carvalho Mesquita

Head of the Accounting and Financial Department

Jefferson Moreira – Accountant – CRC-DF 7.333