

ASSETS		LIABILITIES	
ASSETS IN FOREIGN CURRENCIES	<u>777,438,149</u>	LIABILITIES IN FOREIGN CURRENCIES	<u>26,525,237</u>
Cash and Cash Equivalents	16,827,901	Items in the Course of Collection	3,619,768
Time Deposits Placed with Financial Institutions	27,824,899	Deposits Received from Financial Institutions	1,432
Funds under External Management	12,907,664	Financial Assets Sold Under Repurchase Agreement	4,859,719
Financial Assets Purchased Under Resale Agreements	4,851,037	Derivatives	7,790
Derivatives	3,687	Accounts Payable	8,709,441
Securities	691,670,947	Deposits Received from International Financial Organizations	9,320,373
Receivables	3,503,880	Other	6,714
Gold	6,952,525		
Investment in International Financial Organizations	12,895,609		
ASSETS IN LOCAL CURRENCY	<u>1,000,554,630</u>	LIABILITIES IN LOCAL CURRENCY	<u>1,558,477,357</u>
Cash and Cash Equivalents	251	Items in the Course of Collection	21,840
Deposits	1,428,814	Deposits Received from Financial Institutions	321,493,343
Derivatives	27,770,991	Financial Assets Sold Under Repurchase Agreements	668,783,977
Federal Government Securities	919,068,807	Derivatives	226,052
Receivables from the Federal Government	10,169,816	Payables to the Federal Government	537,794,820
Receivables	40,542,035	Accounts Payable	867,836
Property and Equipment	773,359	Deposits Received from International Financial Organizations	4,526
Other	800,557	Provisions	29,259,643
		Other	25,320
		CURRENCY IN CIRCULATION	<u>165,953,654</u>
		EQUITY	<u>16,725,411</u>
		Capital	24,675,451
		Revenue Reserve	1,606,019
		Revaluation Reserve	447,584
		Gains (Losses) Recognized Directly in Equity	(10,003,643)
		INCOME ACCOUNTS	<u>10,311,120</u>
		Creditor	86,350,543
		(Debtor)	(76,039,423)
TOTAL	<u>1,777,992,779</u>	TOTAL	<u>1,777,992,779</u>

INCOME STATEMENT - PERIOD FROM JANUARY TO MARCH 2013**In thousands of Reais****2**

Interest income	24,553,531
Interest expenses	<u>(29,093,119)</u>
Net interest result	(4,539,588)
Gains (losses) on financial instruments classified as At fair value through profit or loss, held for trading	14,841,192
Gains (losses) on financial instruments classified as At fair value through profit or loss, by designation of the management	947,458
Gains (losses) from foreign currencies	(929,953)
Other income	658,113
Other expenses	(666,102)
NET INCOME FOR THE PERIOD	<u>10,311,120</u>



EXPLANATORY NOTE TO THE FINANCIAL STATEMENTS – March 31, 2013

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 National 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\$ 10,311,120 thousand in the first quarter of 2013 and together with the result to be determined in the second quarter, will compose the result of the first half of 2013, 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.



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

In the first quarter of 2013, the cost corresponding to the remuneration of the deposits of the National Treasury was R\$ 13,451,093 thousand.

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

At March 31, 2013, 92.31% 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 first quarter of 2013, the returns on the international reserves were 2.04% negative totaling 3.68% negative (R\$27,763,218 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
1st quarter/2013	753.837.872	(2,04)	(1,64)	(3,68)	(27.763.218)

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 first quarter of 2013, the international reserves presented a positive return of 0.16%, which is composed by accrued interest (0.22%) and the mark-to-market adjustment of the assets (-0.06%). After deducting the funding costs, the net result of the reserves was negative by 1.48% (R\$ 11,181,748 thousand).

	International Reserves		Funding Cost (%)	Cost of Maintaining International Reserves	
	Average Balance R\$ thousand	Profitability, excluding exchange restatement (%)		(%)	R\$ thousand
1st quarter/2013	753.837.872	0,16	(1,64)	(1,48)	(11.181.748)



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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\$ 24,502,044 thousand in the first quarter of 2013.

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