

<b>ASSETS</b>		<b>LIABILITIES</b>	
<b>ASSETS IN FOREIGN CURRENCIES</b>	<b><u>661,813,887</u></b>	<b>LIABILITIES IN FOREIGN CURRENCIES</b>	<b><u>21,700,982</u></b>
Cash and Cash Equivalents	15,211,143	Items in the Course of Collection	3,997,954
Time Deposits Placed with Financial Institutions	53,273,884	Deposits Received from Financial Institutions	1,318
Funds under External Management	444,316	Financial Assets Sold Under Repurchase Agreement	189,278
Financial Assets Purchased Under Resell Agreement	188,454	Derivatives	8,811
Derivatives	6,525	Accounts Payable	8,363,994
Securities	574,863,428	Deposits Received from International Financial Organizations	9,139,478
Receivables	2,216,942	Other	149
Gold	3,231,117		
Investments in International Financial Organizations	12,378,075		
Other	3		
<b>ASSETS IN LOCAL CURRENCY</b>	<b><u>867,232,736</u></b>	<b>LIABILITIES IN LOCAL CURRENCY</b>	<b><u>1,340,069,908</u></b>
Deposits	622,536	Items in the Course of Collection	31,220
Derivatives	140,673	Deposits Received from Financial Institutions	413,795,942
Federal Government Securities	726,009,051	Financial Assets Sold Under Repurchase Agreement	386,515,486
Receivables from the Federal Government	98,439,195	Derivatives	93,312,740
Receivables	38,789,841	Payables to the Federal Government	423,595,708
Property and Equipment	775,668	Accounts Payable	1,395,739
Other	2,455,772	Deposits Received from International Financial Organizations	607
		Provisions	21,386,645
		Other	35,821
		<b>CURRENCY IN CIRCULATION</b>	<b><u>142,007,944</u></b>
		<b>NET EQUITY</b>	<b><u>20,904,929</u></b>
		Capital	24,675,451
		Income Reserve	1,606,019
		Revaluation Reserve	457,012
		Gains (Losses) Recognized Directly in Equity	(5,833,553)
		<b>INCOME ACCOUNTS</b>	<b><u>4,362,860</u></b>
		Creditor	141,939,614
		(Debtor)	(137,576,754)
<b>TOTAL</b>	<b><u>1,529,046,623</u></b>	<b>TOTAL</b>	<b><u>1,529,046,623</u></b>

**INCOME STATEMENT - PERIOD FROM JULY TO SEPTEMBER 2011****In thousands of Reais****2**

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Interest income	22,700,627
Interest expenses	<u>(33,435,037)</u>
Net interest result	(10,734,410)
Gains (losses) on financial instruments classified as At fair value through profit and loss, held for trading	3,292,993
Gains (losses) on financial instruments classified as At fair value through profit and loss, by designation of the management	4,147,892
Gains (losses) from foreign exchange	8,007,655
Other income	686,757
Other expenses	(1,038,027)
<b>NET INCOME (LOSS)</b>	<b><u>4,362,860</u></b>

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**EXPLANATORY NOTE TO THE FINANCIAL STATEMENTS – September 30, 2011**

**FISCAL RESPONSABILITY 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 4595, of December 31, 1964, with the wording given by Decree Law 2376, of November 25, 1987, establishes that "as from January 1, 1988, the results obtained by Banco Central do Brasil, considering the income 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 101 of May 4, 2000):

*"Article 7. The positive result of Banco Central, calculated after the recording or reversal of reserves, constitutes revenue of the National Treasury and will be transferred not later than the 10th working day subsequent to approval of the half-yearly balance sheets.*

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

Pursuant to clause II of article 2 of Provisional Measure 2179-36 of August 24, 2001, this negative result must be covered not later than the 10th working day of the year subsequent to the year of approval of the balance sheet by the National Monetary Council (CMN).

Accordingly:

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

The Bank presented positive results of R\$4,362,860 in the third quarter, that, with the result of the fourth quarter, will compose the result of the second semester of 2011, which, after the realization of reserves, will be transferred to or covered by the National Treasury. In conformity with paragraph 5 of article 9 of the Fiscal Responsibility Law, within ninety days of the closing of the semester, the Bank shall present in a joint meeting of the pertinent thematic committees of the National Congress (including the Economic Affairs, Finances and Taxation and Public Budget Committee), 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 balance sheets.

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

In the third quarter of 2011, the cost corresponding to the remuneration of the deposits of the National Treasury was R\$9,723,322 thousands.

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

At September 30, 2011, 88.42% of the reserves assets were composed of sovereign debt securities, as published in the International Reserves and Liquidity in Foreign Currencies table, prepared in accordance with the Special Data Dissemination Standard (SDDS) of the International Monetary Fund (IMF), available on the Bank's website ([www.bcb.gov.br](http://www.bcb.gov.br)).



# BANCO CENTRAL DO BRASIL

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The cost of maintaining the foreign exchange reserves is calculated 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 Bank.

Through this methodology, in the third quarter of 2011, the international reserves presented positive returns of 18.37%. After deducting the Bank's funding costs, the net result of the reserves was positive by 15.99% (R\$90,957,859 thousands).

	International Reserves		Cost of Funding (%)	Cost of Maintaining International Reserves	
	Average Balance	Profitability		(%)	(R\$ thousand)
	(R\$ thousand)	(%)		(%)	(R\$ thousand)
<b>3rd quarter/2011</b>	569,020,034	18.37	(2.39)	15.99	90,957,859

It should be pointed out that the foreign exchange restatement presents a difference resulting from the translation of the amounts of the reserves assets into Reais, and does not configure as a realized result from the financial point of view. Therefore, after excluding this restatement, in the third quarter of 2011 the international reserves presented a positive return of 1.63%, which is composed by accrued interest (0.40%) and the mark-to-market of the assets (1.23%). After deducting the Bank's funding costs, the net result of the reserves was negative by 0.75% (R\$4,287,948 thousands).

	International Reserves		Cost of Funding (%)	Cost of Maintaining International Reserves	
	Average Balance	Profitability, excluding exchange restatement		(%)	(R\$ thousand)
	(R\$ thousand)	(%)		(%)	(R\$ thousand)
<b>3rd quarter/2011</b>	569,020,034	1.63	(2.39)	(0.75)	(4,287,948)

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

The profitability of the Bank's securities portfolio, composed exclusively of securities issued by the Federal Government, was R\$19,735,423 thousands in the third quarter of 2011.

Governor: Alexandre Antonio Tombini

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

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