

BANGKO SENTRAL NG PILIPINAS

Statement of Income & Expenses
(With comparative figures for 2004)

Year ended 31 December	Note	2005 PHP000	2004 ¹ PHP000
Operating income:			
Income from foreign currency financial assets			
Interest income	27	29,428,281	23,672,036
Fees - foreign		<u>2,051,780</u>	<u>2,426,878</u>
Total income from foreign currency financial assets		<u>31,480,061</u>	<u>26,098,914</u>
Expenses on foreign currency financial liabilities			
Interest expense	27	15,484,630	15,966,460
Other foreign currency expenses		<u>805,400</u>	<u>7,131,220</u>
Total expenses on foreign currency financial liabilities		<u>16,290,030</u>	<u>23,097,680</u>
Foreign currency income		<u>15,190,031</u>	<u>3,001,234</u>
Income from local currency financial assets			
	27	11,483,955	15,319,171
Expenses on local currency financial liabilities			
Interest expense	27	18,975,455	12,276,546
Impairment losses on loans and advances	2.9.2	977,131	861,678
Final tax paid on interest income/discounts		<u>1,187,653</u>	<u>1,201,491</u>
Total expenses on local currency financial liabilities		<u>21,140,239</u>	<u>14,339,715</u>
Local currency income/(loss)		<u>(9,656,284)</u>	<u>979,456</u>
Income from net financial assets			
		5,533,747	3,980,690
Other operating Income			
	28	<u>2,594,746</u>	<u>2,464,047</u>
Currency printing and minting cost	29	1,744,021	3,548,617
Operating expenses	30-32	<u>9,092,460</u>	<u>6,078,359</u>
Net operating loss before FX and price gains		<u>2,707,988</u>	<u>3,182,239</u>
Net gains on FX rates and price fluctuation	25	<u>11,847,817</u>	<u>9,489,816</u>
Profit before income tax			
		9,139,829	6,307,577
Income tax paid		<u>1,105,383</u>	<u>1,060,755</u>
Profit for the year		<u>8,034,446</u>	<u>5,246,822</u>
Reserve for fidelity losses	2.21.2	2,536,997	3,097,862
Reserve for medical benefit fund	2.20.6	192,500	0
Reserve for directors/officers liability fund	2.21.6	<u>500,000</u>	<u>0</u>
		<u>3,229,497</u>	<u>3,097,862</u>
Profit for distribution		<u>4,804,949</u>	<u>2,148,960</u>

¹ The balances have been restated in the presentation for comparative purposes.