

**BANGKO SENTRAL NG PILIPINAS**

**INCOME STATEMENT**

Year ended 31 December	Note	2006 PHP000	2005 PHP000
<b>Operating income:</b>			
<b>Income from foreign currency financial assets</b>			
Interest income	26	40,134,294	29,428,281
Fees – foreign		<u>1,709,627</u>	<u>2,051,780</u>
<b>Total income from foreign currency financial assets</b>		<b><u>41,843,921</u></b>	<b><u>31,480,061</u></b>
<b>Expenses on foreign currency financial liabilities</b>			
Interest expense	26	(13,345,600)	(15,484,630)
Other foreign currency expenses		<u>(364,183)</u>	<u>(805,400)</u>
<b>Total expenses on foreign currency financial liabilities</b>		<b><u>(13,709,783)</u></b>	<b><u>(16,290,030)</u></b>
<b>Foreign currency income</b>		<b><u>28,134,138</u></b>	<b><u>15,190,031</u></b>
<b>Income from local currency financial assets</b>	26	<b><u>10,566,416</u></b>	<b><u>11,483,955</u></b>
<b>Expenses on local currency financial liabilities</b>			
Interest expense	26	(27,508,642)	(18,975,455)
Impairment losses on loans and advances	2.9.2	(665,968)	(977,131)
Final tax paid on interest income/discounts		<u>(945,874)</u>	<u>(1,187,653)</u>
<b>Total expenses on local currency financial liabilities</b>		<b><u>(29,120,484)</u></b>	<b><u>(21,140,239)</u></b>
<b>Local currency income/(loss)</b>		<b><u>(18,554,068)</u></b>	<b><u>(9,656,284)</u></b>
<b>Income from net financial assets</b>		<b>9,580,070</b>	5,533,747
<b>Other operating Income</b>	27	<b>3,381,495</b>	2,594,746
Currency printing and minting cost	28	(1,387,717)	(1,744,021)
Operating expenses	29	<u>(7,777,495)</u>	<u>(9,092,460)</u>
<b>Net operating income/(loss) before FX and price gains</b>		<b><u>3,796,353</u></b>	<b><u>(2,707,988)</u></b>
<b>Net gains on FX rates and price fluctuation</b>	24	<b><u>0</u></b>	<b><u>11,847,817</u></b>
<b>Profit before income tax</b>		<b>3,796,353</b>	9,139,829
Income tax paid		<u>(11,765)</u>	<u>(1,105,383)</u>
<b>Profit for the year</b>		<b><u>3,784,588</u></b>	<b><u>8,034,446</u></b>
<b>Attributable to:</b>			
<b>National Government (75%)</b>		<b>2,763,441</b>	3,603,712
<b>BSP (25%)</b>		<u>921,147</u>	<u>1,201,237</u>
<b>Profit for distribution</b>	32	<b><u>3,684,588</u></b>	<b><u>4,804,949</u></b>

The statements are to be read in conjunction with the Notes on the succeeding pages.