

**BANGKO SENTRAL NG PILIPINAS**  
**INCOME STATEMENT**  
**For the Year Ended December 31, 2008**  
**(In Thousand Pesos)**

	Note	2008	2007
<b>OPERATING INCOME</b>			
<b>Income from net financial assets</b>			
Income from foreign currency financial assets			
Interest income	28	50,376,552	49,347,964
Trading gain/(loss) - foreign		22,478,231	26,828,457
Fees - foreign		1,705,036	634,932
		<u>74,559,819</u>	<u>76,811,353</u>
Expenses on foreign currency financial liabilities			
Interest expense	28	(4,420,170)	(5,069,904)
Other foreign currency expenses		(424,746)	(330,469)
		<u>(4,844,916)</u>	<u>(5,400,373)</u>
Foreign currency financial income		<u>69,714,903</u>	<u>71,410,980</u>
Income from local currency financial assets			
Interest income	28	17,850,409	14,070,796
Trading gain/(loss) - domestic		(178,512)	41,042
		<u>17,671,897</u>	<u>14,111,838</u>
Expenses on local currency financial liabilities			
Interest expense	28	(67,458,681)	(48,378,133)
Impairment losses on loans and advances		(230,208)	(561,707)
Final tax paid on interest income/discounts		(543,985)	(702,833)
		<u>(68,232,874)</u>	<u>(49,642,673)</u>
Local currency financial loss		<u>(50,560,977)</u>	<u>(35,530,835)</u>
		19,153,926	35,850,145
Other operating Income	29	2,804,332	2,888,166
Currency printing and minting cost	30	(3,567,070)	(3,130,933)
Operating expenses	31	(9,631,956)	(8,871,114)
<b>NET OPERATING INCOME BEFORE FOREIGN EXCHANGE RATES FLUCTUATION</b>		8,759,232	26,766,264
Net gain/(loss) on foreign exchange rates fluctuation	26	527,343	(113,709,554)
<b>PROFIT /(LOSS) BEFORE INCOME TAX</b>		9,286,575	(86,943,290)
Income tax		359,459	-
<b>PROFIT /(LOSS) FOR THE YEAR</b>		<b>8,927,116</b>	<b>(86,943,290)</b>

The Notes on pages 9 to 53 form part of these Financial Statements.