

**BANGKO SENTRAL NG PILIPINAS**  
**INCOME STATEMENT**  
For the Year Ended December 31, 2010  
(In Thousand Pesos)

	Note	2010	2009
<b>OPERATING INCOME</b>			
<b>Income from net financial assets</b>			
Interest income	28	28,520,271	39,181,075
Trading gain/(loss)-foreign		66,497,566	41,095,042
Fees – foreign		183,789	442,910
		95,201,626	80,719,027
<b>Expenses on foreign currency financial liabilities</b>			
Interest expense	28	(2,601,332)	(4,030,720)
Other foreign currency expenses		(480,842)	(449,068)
		(3,082,174)	(4,479,788)
Foreign currency income		92,119,452	76,239,239
<b>Income from local currency financial assets</b>			
Interest income	28	14,928,681	20,202,347
Trading gain/(loss) - domestic		2,126	5,732
		14,930,807	20,208,079
<b>Expenses on local currency financial liabilities</b>			
Interest expense	28	(63,471,234)	(56,961,788)
Impairment losses on loans and advances		(135,124)	(973,092)
Final tax paid on interest income/discounts		(2,178,008)	(4,185,239)
		(65,784,366)	(62,120,119)
Local currency loss		(50,853,559)	(41,912,040)
<b>Income from net financial accounts</b>		41,265,893	34,327,199
Other operating Income	29	3,432,483	3,433,835
Currency printing and minting cost	30	(4,112,707)	(4,332,280)
Operating expenses	31	(9,503,284)	(10,456,282)
<b>NET OPERATING INCOME BEFORE FOREIGN EXCHANGE RATES FLUCTUATION</b>			
Net loss on FX rates fluctuation	26	(90,117,835)	(9,670,374)
<b>PROFIT/(LOSS) FOR THE YEAR</b>		(59,035,450)	13,302,098
Income tax paid		-	171,458
<b>PROFIT/(LOSS) FOR THE YEAR</b>	32	<b>(59,035,450)</b>	<b>13,130,640</b>

The Notes on pages 9 to 55 form part of these Financial Statements.