

## INCOME STATEMENT FOR THE YEARS ENDED DECEMBER 31, 2006 AND 2005

(UA thousands - Note B)

	2006	Restated (Note C) 2005
<b>OPERATIONAL INCOME &amp; EXPENSES</b>		
Income from loans (Note L)	329,027	324,230
Income from investments and related derivatives (Note L)	213,824	155,375
Total income from loans and investments	<u>542,851</u>	<u>479,605</u>
<b>Borrowing expenses (Note M)</b>		
Interest and amortized issuance costs	(245,413)	(218,516)
Net interest on borrowing-related derivatives	(35,137)	1,399
Unrealized gain/(loss) on fair-valued borrowings and related derivatives	10,672	(30,773)
Unrealized gain on derivatives on non fair-valued borrowings and others	21,067	7,219
<b>Provision for impairment (Note G)</b>		
Loan principal	(22,566)	21,169
Loan charges	(29,120)	(7,317)
Provision for impairment on equity investments	(34,745)	750
Translation gains	4,101	1,577
Other income	23,736	15,725
Net operational income	<u>235,446</u>	<u>270,838</u>
<b>OTHER EXPENSES</b>		
Administrative expenses (Note N)	(36,859)	(41,675)
Depreciation - Property, equipment and intangible assets (Note I)	(6,233)	(7,101)
Sundry gains/(expenses)	1,678	(741)
Total other expenses	<u>(41,414)</u>	<u>(49,517)</u>
Income before transfers approved by the Board of Governors	194,032	221,321
Transfers of income approved by the Board of Governors (Notes C & K)	(139,200)	(144,000)
<b>NET INCOME</b>	<u><b>54,832</b></u>	<u><b>77,321</b></u>

*The accompanying notes to the financial statements form part of this statement.*