

## INCOME STATEMENT FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006

(UA thousands - Note B)

	2007	2006
<b>OPERATIONAL INCOME &amp; EXPENSES</b>		
Income from:		
Loans (Note O)	341,945	329,027
Investments and related derivatives (Note O)	238,397	213,824
Other debt securities	4,966	-
Total income from loans and investments	585,308	542,851
Borrowing expenses (Note P)		
Interest and amortized issuance costs	(268,023)	(245,413)
Net interest on borrowing-related derivatives	(62,706)	(35,137)
Unrealized gain on fair-valued borrowings and related derivatives	21,239	10,672
Unrealized gain on derivatives on non fair-valued borrowings and others	34,774	21,067
Provision for impairment (Note I)		
Loan principal	17,453	(22,566)
Loan charges	52,503	(29,120)
Provision for impairment on equity investments and other receivables	(7,222)	(34,745)
Translation (losses)/gains	(8,895)	4,101
Other income	7,323	23,736
Net operational income	371,754	235,446
<b>OTHER EXPENSES</b>		
Administrative expenses (Note Q)	(42,218)	(36,859)
Depreciation - Property, equipment and intangible assets (Note L)	(5,375)	(6,233)
Sundry (expenses)/gains	(493)	1,678
Total other expenses	(48,086)	(41,414)
Income before transfers approved by the Board of Governors	323,668	194,032
Transfers of income approved by the Board of Governors (Note N)	(119,902)	(139,200)
<b>NET INCOME</b>	<b>203,766</b>	<b>54,832</b>

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