

INCOME STATEMENT

YEAR ENDED 31 DECEMBER 2003

2002 US \$	2003 US \$	Notes	2003 RO	2002 RO
271,348,494	262,640,888	Interest income	101,116,742	104,469,170
(88,706,400)	(65,133,673)	Interest expense on deposits from banks, customers' deposits and certificates of deposit	(25,076,464)	(34,151,964)
182,642,094	197,507,215		76,040,278	70,317,206
(20,188,899)	(18,750,709)	Interest expense on subordinated liabilities and convertible bonds	(7,219,023)	(7,772,726)
162,453,195	178,756,506	Net interest income	68,821,255	62,544,480
44,047,161	50,960,199	Other operating income	19,619,677	16,958,157
676,449	536,571	Unrealised gain on investments available for sale	206,580	260,433
207,176,805	230,253,276	OPERATING INCOME	88,647,512	79,763,070
(89,576,395)	(94,710,147)	Other operating expenses	(36,463,407)	(34,486,912)
(7,513,847)	(8,284,488)	Depreciation and amortisation	(3,189,528)	(2,892,831)
(97,090,242)	(102,994,635)		(39,652,935)	(37,379,743)
(375,216)	(455,714)	Provision for collateral pending sale	(175,450)	(144,458)
(53,750,379)	(56,641,395)	Provision for possible credit losses	(21,806,937)	(20,693,896)
-	(6,000,000)	Provision for placements with bank	(2,310,000)	-
12,401,031	15,881,353	Recoveries from provision for possible credit losses	6,114,321	4,774,397
-	(146,016)	Net loss on disposal of a branch	(56,216)	-
786,639	-	Release of capital guarantee provision	-	302,856
(138,028,167)	(150,356,407)	OPERATING EXPENSES	(57,887,217)	(53,140,844)
69,148,638	79,896,869	PROFIT FOR THE YEAR FROM OPERATIONS BEFORE TAXATION	30,760,295	26,622,226
(9,635,221)	(9,556,971)	Income tax expense	(3,679,434)	(3,709,560)
59,513,417	70,339,898	NET PROFIT FOR THE YEAR	27,080,861	22,912,666
1.17	1.36	Earnings per share:	0.526	0.453
1.13	1.32	- Basic	0.510	0.435
		- Diluted		

The attached notes 1 to 40 form part of these financial statements

