

**LAND BANK OF THE PHILIPPINES**  
**STATEMENT OF CHANGES IN CAPITAL FUNDS - GROUP**  
For the year ended December 31, 2014  
(In thousand pesos)

	Common Stock		Paid-in	Retained Earnings	Retained Earnings	Undivided	Revaluation	Net Unrealized	
	Shares	Amount	Surplus	Free	Reserve	Profits	Increment	Gain/Loss on Securities	TOTAL
<b>Balance, December 31, 2012</b>	<b>1,197,100</b>	<b>11,971,000</b>	<b>101,098</b>	<b>17,581,192</b>	<b>18,598,083</b>	<b>10,962,816</b>	<b>61,200</b>	<b>24,695,765</b>	<b>83,971,154</b>
Net income during the year-as restated						11,789,911			11,789,911
Net unrealized loss on securities								(8,363,555)	(8,363,555)
Declaration of cash dividends				(6,451,468)					(6,451,468)
Transfer to retained earnings free				10,962,816		(10,962,816)			0
Transfer to retained earnings reserve				(2,934,000)	2,934,000				0
Revaluation loss on ten-year syndicated loan of Smart Communications, Inc.				(55,469)					(55,469)
PFRS/prior period adjustment				(1,697,820)	2,949,628				1,251,808
Currency translation difference				(1,890)					(1,890)
<b>Balance, December 31, 2013</b>	<b>1,197,100</b>	<b>11,971,000</b>	<b>101,098</b>	<b>17,403,361</b>	<b>24,481,711</b>	<b>11,789,911</b>	<b>61,200</b>	<b>16,332,210</b>	<b>82,140,491</b>
Net income during the year						12,643,928			12,643,928
Net unrealized loss on securities								(2,832,119)	(2,832,119)
Declaration of cash dividends				(6,123,822)					(6,123,822)
Transfer to retained earnings free				11,789,911		(11,789,911)			0
Transfer to retained earnings reserve				(2,893,000)	2,893,000				0
Payment of Trust Operations Business' judgement Obligation and BSP Penalty					(338,942)				(338,942)
PFRS/prior period adjustment				(492,143)					(492,143)
Currency translation difference				(197)					(197)
<b>Balance, December 31, 2014</b>	<b>1,197,100</b>	<b>11,971,000</b>	<b>101,098</b>	<b>19,684,110</b>	<b>27,035,769</b>	<b>12,643,928</b>	<b>61,200</b>	<b>13,500,091</b>	<b>84,997,196</b>

The Notes on pages 10 to 80 form part of these financial statements.