

**LAND BANK OF THE PHILIPPINES**  
**STATEMENT OF CHANGES IN CAPITAL FUNDS - PARENT**  
For the year ended December 31, 2013  
(In thousand pesos)

	Common Stock		Retained	Paid-in	Retained	Undivided	Net Unrealized	T O T A L
	Shares	Amount	Earnings Free	Surplus	Earnings Reserve	Profits	Gain/(Loss) on Securities	
<b>Balance, December 31, 2011</b>	<b>1,197,100</b>	<b>11,971,000</b>	<b>17,074,287</b>	<b>101,098</b>	<b>14,472,046</b>	<b>8,838,552</b>	<b>23,373,224</b>	<b>75,830,207</b>
Net income during the year						10,724,718		10,724,718
Net unrealized gain on securities							1,328,366	1,328,366
Payment of cash dividends			(5,000,000)					(5,000,000)
Transfer to retained earnings free			8,838,552			(8,838,552)		0
Transfer to retained earnings reserve			(3,000,000)		3,000,000			0
Write-down of unamortized deferred charges			(3,443,730)					(3,443,730)
Write-off of equity investments to close CFIs under LBP Capital infusion and BSP Rehabilitation Programs			(4,322)					(4,322)
PFRS/prior period adjustment			1,711,708		755,000			2,466,708
Currency translation difference			1,479					1,479
<b>Balance, December 31, 2012</b>	<b>1,197,100</b>	<b>11,971,000</b>	<b>16,177,974</b>	<b>101,098</b>	<b>18,227,046</b>	<b>10,724,718</b>	<b>24,701,590</b>	<b>81,903,426</b>
Net income during the year						11,530,111		11,530,111
Net unrealized gain on securities							(8,364,064)	(8,364,064)
Payment of cash dividends			(6,308,000)					(6,308,000)
Transfer to retained earnings free			10,724,718			(10,724,718)		0
Transfer to retained earnings reserve			(3,000,000)		3,000,000			0
Revaluation loss on ten-year syndicated loan of Smart Communications, Inc.			(55,469)					(55,469)
PFRS/prior period adjustment			(1,697,592)		2,949,628			1,252,036
Currency translation difference			(1,890)					(1,890)
<b>Balance, December 31, 2013</b>	<b>1,197,100</b>	<b>11,971,000</b>	<b>15,839,741</b>	<b>101,098</b>	<b>24,176,674</b>	<b>11,530,111</b>	<b>16,337,526</b>	<b>79,956,150</b>

The Notes on pages 9 to 69 form part of these financial statements.