

LAND BANK OF THE PHILIPPINES
STATEMENT OF CHANGES IN CAPITAL FUNDS - PARENT
For the year ended December 31, 2012
(In thousand pesos)

| | Common Stock | | Retained Earnings | Paid-in | Retained Earnings | Undivided | Net Unrealized | T O T A L |
|---|------------------|-------------------|-------------------|----------------|-------------------|-------------------|---------------------------|-------------------|
| | Shares | Amount | Free | Surplus | Reserve | Profits | Gain/(Loss) on Securities | |
| Balance, December 31, 2010 | 1,197,100 | 11,971,000 | 12,163,204 | 101,098 | 13,972,047 | 8,060,202 | 20,341,890 | 66,609,441 |
| Net income during the year | | | | | | 8,838,552 | | 8,838,552 |
| Net unrealized gain on securities | | | | | | | 3,031,334 | 3,031,334 |
| Payment of cash dividends | | | (3,620,000) | | | | | (3,620,000) |
| Transfer to retained earnings free | | | 8,060,202 | | | (8,060,202) | | - |
| PFRS/prior period adjustment | | | 470,881 | | 499,999 | | | 970,880 |
| Balance, December 31, 2011 | 1,197,100 | 11,971,000 | 17,074,287 | 101,098 | 14,472,046 | 8,838,552 | 23,373,224 | 75,830,207 |
| 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) | | - |
| Transfer to retained earnings reserve | | | (3,000,000) | | 3,000,000 | | | - |
| 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 |
| Balance, December 31, 2012 | 1,197,100 | 11,971,000 | 16,177,974 | 101,098 | 18,227,046 | 10,724,718 | 24,701,590 | 81,903,426 |

The Notes on pages 9 to 65 form part of these financial statements.