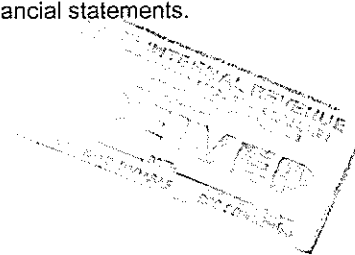


**LBP INSURANCE BROKERAGE, INC.**  
(A wholly-owned subsidiary of Land Bank of the Philippines)  
**STATEMENT OF FINANCIAL POSITION**  
December 31, 2013  
(In Philippine Peso)

	Note	2013	2012
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	3	202,539,220	619,738,995
Foreign currency held for trading		643,439	411,758
Trade and other receivables	4	76,092,994	68,219,379
Other current assets	5	833,501	921,398
		<u>280,109,154</u>	<u>689,291,530</u>
<b>Non-current assets</b>			
Property and equipment	6	24,291,253	25,603,362
Investments-held-to-maturity	7, 20	687,398,111	186,035,389
Other non-current assets	8	134,246	101,469
Deferred Tax Asset	18	3,560,957	3,090,676
		<u>715,384,567</u>	<u>214,830,896</u>
<b>TOTAL ASSETS</b>		<b><u>995,493,721</u></b>	<b><u>904,122,426</u></b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>			
<b>Current Liabilities</b>			
Trade and other payables	9	136,927,969	85,760,293
Income taxes payable		5,815,544	4,093,843
Other liabilities	10	16,949,640	11,460,887
		<u>159,693,153</u>	<u>101,315,023</u>
<b>Stockholders' Equity</b>			
Capital stock	11	300,000,000	300,000,000
Authorized capital stock 3,000,000 common shares @ P100 par value Issued and outstanding 3,000,000 common shares			
Retained earnings	12		
Retained earnings - appropriated		155,000,000	266,000,000
Retained earnings free		380,800,568	236,807,403
		<u>535,800,568</u>	<u>502,807,403</u>
		<u>835,800,568</u>	<u>802,807,403</u>
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>		<b><u>995,493,721</u></b>	<b><u>904,122,426</u></b>

The Notes on pages 7 to 27 form part of these financial statements.

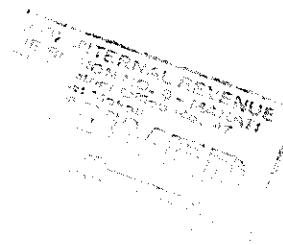


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**LBP INSURANCE BROKERAGE, INC.**  
(A wholly-owned subsidiary of Land Bank of the Philippines)  
**STATEMENT OF INCOME**  
For the year ended December 31, 2013  
(In Philippine Peso)

	Note	2013	2012
<b>INCOME</b>			
Service fees	13	77,324,986	75,565,474
Interest income on investments		26,993,449	28,137,570
Trading income		10,282,234	10,410,688
Other income	14	1,338,718	1,195,660
		<u>115,939,387</u>	<u>115,309,392</u>
<b>EXPENSES</b>			
Manpower costs	15	16,843,397	15,994,917
Operating expenses	16	10,517,629	10,235,879
Taxes and licenses		1,712,698	1,754,637
Other expenses	17	2,118,539	2,973,549
		<u>31,192,263</u>	<u>30,958,982</u>
<b>INCOME BEFORE TAX</b>		84,747,124	84,350,410
<b>PROVISION FOR INCOME TAX</b>	18	17,203,055	16,767,024
<b>NET INCOME</b>		<u>67,544,069</u>	<u>67,583,386</u>

The Notes on pages 7 to 27 form part of these financial statements.

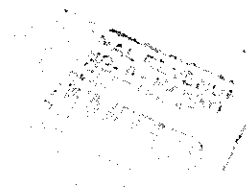


JUN 04 2014

**LBP INSURANCE BROKERAGE, INC.**  
(A wholly-owned subsidiary of Land Bank of the Philippines)  
**STATEMENT OF CHANGES IN EQUITY**  
For the year ended December 31, 2013  
(In Philippine Peso)

	Capital Stock (Note 11)	Retained Earnings (Note 12)		TOTAL
		Appropriated	Unappropriated	
Balance at January 1, 2013	300,000,000	266,000,000	236,807,403	802,807,403
Cash dividend			(34,550,904)	(34,550,904)
Prior period adjustments				-
Reversal of appropriations		(111,000,000)	111,000,000	-
Net income			67,544,069	67,544,069
<b>Balance at December 31, 2013</b>	<b>300,000,000</b>	<b>155,000,000</b>	<b>380,800,568</b>	<b>835,800,568</b>
Balance at January 1, 2012	300,000,000	230,000,000	241,552,012	771,552,012
Cash dividend			(36,000,000)	(36,000,000)
Prior period adjustments			(327,995)	(327,995)
Appropriation for cash dividend			(36,000,000)	
Net income			67,583,386	67,583,386
<b>Balance at December 31, 2012</b>	<b>300,000,000</b>	<b>230,000,000</b>	<b>236,807,403</b>	<b>802,807,403</b>

The Notes on pages 7 to 27 form part of these financial statements.

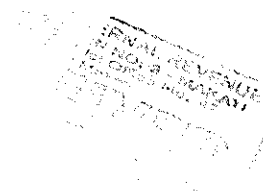


JUN 04 2014

**LBP INSURANCE BROKERAGE, INC.**  
(A wholly-owned subsidiary of Land Bank of the Philippines)  
**STATEMENT OF CASH FLOWS**  
For the year ended December 31, 2013  
(In Philippine Peso)

	Note	2013	2012
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Service fees - insurance received		83,783,666	62,906,482
Interest received		23,634,235	28,918,852
Trading income received		10,282,234	10,410,688
Other income received		1,014,231	904,306
Cash paid to settle manpower and operating expenses		(25,356,300)	(32,229,430)
Cash received (paid) to insurance companies		34,119,685	(11,433,785)
Cash paid to settle unclaimed insurance premium previously treated as other income in 2009	12	-	(327,995)
		127,477,751	59,149,118
Income taxes paid		(7,737,827)	(9,297,027)
<b>Net cash provided by operating activities</b>		<b>119,739,924</b>	<b>49,852,091</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Acquisition of property and equipment		(1,070,380)	(1,318,349)
Proceeds from disposal of property and equipment		-	52,383
Placements to held to maturity investments		(553,585,534)	(100,000,000)
Proceeds from maturities of investments		52,267,119	340,109,476
<b>Net cash (used in)/provided by investing activities</b>		<b>(502,388,795)</b>	<b>238,843,510</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Cash dividend paid	12	(34,550,904)	(36,000,000)
<b>Net cash (used in) financing activities</b>		<b>(34,550,904)</b>	<b>(36,000,000)</b>
<b>NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>(417,199,775)</b>	<b>252,695,601</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>		<b>619,738,995</b>	<b>367,043,394</b>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>3</b>	<b>202,539,220</b>	<b>619,738,995</b>

The Notes on pages 7 to 27 form part of these financial statements.



JUN 04 2014