**SECURITIES AND EXCHANGE COMMISSION**

**SEC FORM 17-Q**

**QUARTERLY REPORT PURSUANT TO SECTION 17 OF THE SECURITIES REGULATION CODE AND SRC RULE 17(2)(b) THEREUNDER**

1. For the quarterly period ended September 30, 2013

2. Commission identification number A1997-9587     3. BIR Tax Identification No. 005-338 421-000

4. Exact name of issuer as specified in its charter: Citystate Savings Bank, Inc.

Makati City, Metro Manila, Philippines

5. Province, country or other jurisdiction of incorporation or organization

6. Industry Classification Code: (SEC Use Only)

Citystate Centre Building, 709 Shaw Boulevard, Pasig City     1600

7. Address of issuer's principal office     Postal Code

(632) 470-3333

8. Issuer's telephone number, including area code

N/A

9. Former name, former address and former fiscal year, if changed since last report

10. Securities registered pursuant to Sections 8 and 12 of the Code, or Sections 4 and 8 of the RSA

| Title of each Class | Number of shares of common stock outstanding and amount of debt outstanding |
|---|---|
| Common Stock | 72,764,998 |

11. Are any or all of the securities listed on a Stock Exchange?

Yes [√ ]   No [ ]

If yes, state the name of such Stock Exchange and the class/es of securities listed therein:

Philippine Stock Exchange     Common Stock

12. Indicate by check mark whether the registrant:

(a) has filed all reports required to be filed by Section 17 of the Code and SRC Rule 17 thereunder or Sections 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of the Corporation Code of the Philippines, during the preceding twelve (12) months (or for such shorter period the registrant was required to file such reports).

Yes [√] No [ ]

(b) has been subject to such filing requirements for the past ninety (90) days.

Yes [√] No [ ]

## PART I - FINANCIAL INFORMATION

### Item 1. Financial Statements

CSBI's unaudited "interim" financial statements are shown in Annex "A" of this report comprising of the following:

a) Consolidated Statements of Condition as of September 30, 2013 and December 31, 201**2**;

b) Consolidated Statements of Income and Expenses for the quarter ended September 30, 201**3** (with comparative figures for the same period ended September 30, 201**2**);

c) Consolidated Statements of Income and Expenses for the nine months ended September 30, 201**3** (with comparative figures for the same period ended September 30, 201**2**);

d) Consolidated Statements of Changes in Equity for the period ended September 30, 201**3** (with comparative figures for the period ended September 30, 201**2**);

e) Consolidated Statement of Cash Flow for the period ended September 30, 2013 (with comparative figures for the period ended September 30, 201**2**);

f) Notes to the Financial Statements.

The unaudited "interim" financial statements of CSBI reflect all adjustments that are of normal recurring nature that transpired during the period ended September 30, 201**3**. The bank followed the same accounting policies and methods of computation in the "interim" financial statements as compared with the most recent annual financial statements.

The interim financial statements were prepared in compliance with generally accepted accounting principles in the Philippines as mandated by the Securities and Exchange Commission.

**Item 2. Management's Discussion and Analysis of Financial Condition and Results Of Operations.**

For the Period Ended September 30, 201**3**

**Interest Income**

Total gross interest income increased by 19.20% after nine months of operation in the amount of P180.197 million against last year's P151.170 million. This is a result of a significant increase of 30.12% in Loans and Receivables from P189.337 million this year versus the P145.505 million posted in September 2012.

Meanwhile, Financial Assets at Fair Value through Profit or Loss and Due from BSP and Other Banks decreased by 86.24% and 49.59%, respectively. This downward trend is due to a decrease in the principal amount of the securities and the decline in Time Deposit due to the maturity of P100Million placement at Planters Bank. Available-for-sale securities declined from P4.013 million last year versus P2.693 million this year due to sale of securities. The aforementioned were comparative figures for the period ended September 30, 2013 and September 30, 2012.

**Interest Expense**

Interest Expense on Deposit Liabilities for the third quarter amounted to P6.173 million as compared to last year's figure of P6.543 million or a decrease of 5.66%. After nine months of operation, Interest Expense increased by 2.19% from last year's P20.525 million to P20.975 million. This was brought about by the increase in time deposit for the period ended September 2013 as compared to the same period last year. The P20.975 million Interest Expense is 10.43% of the P201.173 million Interest Income.

**Other Income/Interest Expense**

Other Income generated during the third quarter dropped to P10.010 million lower than the P17.048 million generated over the same period last year, or a decrease of 40.76%. After three quarters, Other Income, likewise, showed a decrease of 31.14% from P39.375 million to P27.112 million. This was mainly due to the significant decrease in Miscellaneous Income, brought by decline in gain on auction sale.

Other Operating Expenses increased by P25.033 million to P201.176 million from last year's level of P176.142 million. The bank's representation & entertainment, advertising and publicity, and various trainings and seminars grouped as Other Expenses slightly decreased by 0.42% from P17.237 million to P17.164 million. Insurance also increased by 22.85% from P8.201 million to P10.075 million. Likewise, Taxes and Licenses increased by 17.87% from P10.080 million to P11.881 million due to increase in gross receipts. Employee Benefits increased by 15% from P64.587 million to P74.276 million due to an increase in the number of employees. Occupancy inched higher by 4.17% from P19.569 million to P20.385 million. Security, Janitorial and Messengerial Services increased by 21.82% from P18.387 million to P22.399 million due to additional accrual for agency fee. Communication, Light and Water went up to P18.123 million this year compared to last year's P16.406 million due to increase in electric and water consumption of some branches.

A growth of 66.20% in Fuel and Oil was incurred from P4.645 million to P7.721 million due to increase in gasoline allowance given to the key officers of the bank.

Likewise, Depreciation and Amortization rise by 8.87% from P11.020 million to P11.998 million due to increase in depreciation of non-financial assets. Litigation/assets acquired increased by 21.32% from P3.187 million to P3.866 million.

**Net Income**

The bank's Net Loss for the third quarter is P4.564 million versus last year's Net Income of P7.082 million. However, the bank posted a Net Income of P4.389 million after three quarters this year.

**Total Resources**

Total Resources increased by P110.062 million or 3.80% from P2.897 billion to P3.007 billion after nine months of operation. This was mainly due to significant increases in Due from BSP from P225.855 million to P548.977 million, Due from Other Banks from P112.890 million to P166.599 million, Bank Premises, Furniture, Fixtures and Equipment from P189.032 million to P215.325 million, Investment Properties from P34.966 million to P38.548 million and Other Resources from P109.531 million to P312.583 million.

On the other hand, Loans and Receivables were recorded at P1.545 billion lower by 22.76% or P455 million from last year of P2 billion. Available for Sale Securities decreased by 6.72%. from P102.026 million to P95.167 million this year while Cash and Other Cash Items declined to P85.010 million this year from P122.574 million last year.

Investment Properties is a reliable source of fund for re-lending, thus management is focused in selling and monetizing these acquired assets.

The bank does not have any transactions on the issuances, repurchases, and repayments of debt and any of its equity securities.

**Sources of Funds**

Deposit generation provided the main source of loanable funds as Deposit Liabilities increased to P2.138 billion from P2.049 billion after nine months of operation for P88.478 million growth or 4.32%. This upward trend is expected to continue as marketing programs are adopted to increase deposits and improve on deposit mix to attain higher interest margin.

**Marketing Programs**

To maintain its competitive advantage in public awareness and to reach a wider scope of audience, the bank will be more aggressive in its advertising campaign through print and radio advertisements in the coming months.

Furthermore, more branches would be opened and new ATM sites would be installed to expand the bank's branch network and ATM facilities.

**Key Performance Indicators**

The Bank monitors its performance with the other players in the banking industry in terms of the following indicators:

| Key Performance Indicators: | BANK'S RATIO September 2013 | INDUSTRY RATIO December 2012 |
|---|---|---|
| *Capital Adequacy* | | |
| Capital to Risk Assets Ratio | 38.35% | 17.92% |
| *Asset Quality* | | |
| Non-performing Loan (NPL) Ratio | 3.09% | 5.82% |
| Non-performing Loan (NPL) Cover | 55.35% | 64.59% |
| *Liquidity* | | |
| Loans to Deposit | 75.81% | 85% |
| *Profitability* | | |
| Return on Average Equity | 0.07% | 10.70% |
| Net Interest Margin | 11.02% | 5.13% |
| *Cost Efficiency* | | |
| Cost to Income | 96.87% | 69.12% |

In terms of stability, the bank continues to enjoy a higher Capital Adequacy Ratio (CAR) of 38.35% versus the industry ratio of 17.92%. The bank's NPL ratio is 3.09% versus the industry's 5.82%. Likewise, its Allowance for Probable Losses over Non-performing loans is 55.35% versus the industry's 64.59%.

The bank's loan to deposit ratio of 75.81% is slightly lower compared with the thrift banking industry's 85%.

In terms of profitability, the bank did not perform well against the thrift banking industry with a Return on Ave. Equity (ROE) of 0.07%, lower than the industry average of 10.70% Its Net Interest Margin is 11.02% as against the industry's 5.13%.

The bank continues to adopt measures to provide a strong and stable financial condition.

The manner by which the Bank calculates the above indicators is as follows:

| *Key Performance Indicator* | *Formula* |
|---|---|
| Capital to Risk Assets Ratio | BSP prescribed formula:<br><br>Total Qualifying Capital<br>Market and Credit Risk Weighted Exposures |
| Non-performing Loan (NPL) Ratio | Non-performing Loans<br>Gross Loans |
| Non-performing Loan (NPL) Cover | Allowance for Probable Losses<br>Non-performing Loans |
| | |

| | |
|---|---|
| Loans to Deposits Ratio | Total Loans<br>Total Deposits |
| Return on Average Equity | Net Income After Income Tax<br>Average Total Capital Accounts |
| Net Interest Margin | Net Interest Income<br>Average Interest Earning Assets |
| Cost to Income | Total Operating Expenses<br>Net Interest Income + Other Income |

A schedule showing financial soundness indicators in two (2) comparative periods is as follows:

| | September 2013 | September 2012 |
|---|---|---|
| 1. Liquidity Ratio | 0.38:1 | 0.28:1 |
| 2. Solvency Ratios | | |
| a) current ratio | 0.38:1 | 0.28:1 |
| b) current liabilities to net ratio | 2.78:1 | 2.35:1 |
| 3. Debt-to-equity ratio | 2.80:1 | 2.28:1 |
| 4. Asset-to-equity ratio | 3.80:1 | 3.39:1 |
| 5. Interest rate Coverage ratio | 0.29:1 | 9.76:1 |
| 6. Profitability Ratio | | |
| a) Return on Asset Ratio | 0.15% | (0.24%) |
| b) Return on Net Worth Ratio | 0.56% | (0.81%) |

**Earnings Per Share**

Basic earnings per share are as follows:

| | September 30 2013 | September 30 2012 |
|---|---|---|
| Net Income | P 4,388,515 | P (638,240) |
| Divided by the number of outstanding shares | 72,764,998 | 72,764,998 |
| Basic earnings per share | 0.060<br>===== | (0.01)<br>===== |

**Dividends**

No dividends declared during the quarter ended September 30, 2013.

## PART II - OTHER INFORMATION

No other information for this period.

**SIGNATURES**

Pursuant to the requirements of the Securities Regulation Code, the issuer has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Issuer Citystate Savings Bank, Inc.

Signature and Title Ruel L. Angga
Chief Compliance Officer

Date November 13, 2013

Principal Financial/Accounting Officer/Comptroller Eduardo O. Olavario
Vice President

Signature and Title

Date November 13, 2013

**CITYSTATE SAVINGS BANK, INC.**
**STATEMENTS OF FINANCIAL POSITION**
**SEPTEMBER 30, 2013 AND DECEMBER 31, 2012**
*(Amounts in Philippine Pesos)*

| | 2013 Unaudited | 2012 Audited |
|---|---|---|
| **R E S O U R C E S** | | |
| CASH AND OTHER CASH ITEMS | 85,010,417 | 122,574,664 |
| DUE FROM BANGKO SENTRAL NG PILIPINAS | 548,976,596 | 225,855,077 |
| DUE FROM OTHER BANKS | 166,599,256 | 112,890,196 |
| AVAILABLE-FOR-SALE SECURITIES | 95,166,657 | 102,025,957 |
| LOANS AND RECEIVABLES - Net | 1,544,961,144 | 2,000,233,891 |
| BANK PREMISES, FURNITURE, FIXTURES AND EQUIPMENT - Net | 215,325,065 | 189,031,596 |
| INVESTMENT PROPERTIES - Net | 38,548,016 | 34,965,694 |
| OTHER RESOURCES - Net | 312,583,214 | 109,530,952 |
| TOTAL RESOURCES | 3,007,170,365 | 2,897,108,027 |
| **LIABILITIES AND EQUITY** | | |
| DEPOSIT LIABILITIES | | |
| Demand | 262,029,732 | 269,823,523 |
| Savings | 1,652,439,108 | 1,702,958,386 |
| Time | 223,043,579 | 76,252,953 |
| Total Deposit Liabilities | 2,137,512,420 | 2,049,034,862 |
| OTHER LIABILITIES | 79,112,396 | 58,056,832 |
| Total Liabilities | 2,216,624,816 | 2,107,091,694 |
| EQUITY | 790,545,549 | 790,016,333 |
| TOTAL LIABILITIES AND EQUITY | 3,007,170,365 | 2,897,108,027 |

CITYSTATE SAVINGS BANK, INC.
STATEMENTS OF COMPREHENSIVE INCOME
For the Period January 1 to September 30, 2013
(With Comparative Figures for the Period January 1 to September 30, 2012)
*(Amounts in Philippine Pesos)*

| | 2013 | 2012 |
|---|---|---|
| INTEREST INCOME | | |
| Loans and receivables | 189,337,950 | 145,505,905 |
| Due from BSP and other banks | 6,138,994 | 12,177,655 |
| Available-for-sale securities | 2,693,533 | 4,013,607 |
| Financial assets at fair value through profit or loss | 1,127,952 | 8,194,770 |
| Others | 1,874,256 | 1,803,338 |
| | 201,172,685 | 171,695,275 |
| INTEREST EXPENSE | | |
| Deposit liabilities | 20,703,655 | 20,524,700 |
| Others | 271,281 | - |
| | 20,974,937 | 20,524,700 |
| NET INTEREST INCOME | 180,197,748 | 151,170,575 |
| IMPAIRMENT LOSS (RECOVERY) | - | 10,260,204 |
| NET INTEREST INCOME AFTER IMPAIRMENT LOSS AND RECOVERY | 180,197,748 | 140,910,372 |
| OTHER OPERATING INCOME | | |
| Service charges and fees | 12,612,471 | 11,607,799 |
| Miscellaneous | 14,499,303 | 27,766,830 |
| | 27,111,774 | 39,374,628 |
| OTHER EXPENSES | | |
| Employee benefits | 74,276,430 | 64,586,809 |
| Security, janitorial and messengerial services | 22,398,819 | 18,386,853 |
| Occupancy | 20,384,787 | 19,569,342 |
| Communication, light and water | 18,122,737 | 16,406,352 |
| Depreciation and amortization | 11,998,016 | 11,020,239 |
| Taxes and licenses | 11,881,368 | 10,080,009 |
| Insurance | 10,074,917 | 8,201,182 |
| Fuel and oil | 7,720,713 | 4,645,332 |
| Litigation/assets acquired | 3,866,033 | 3,186,741 |
| Repairs and maintenance | 3,287,662 | 2,822,758 |
| Others | 17,164,100 | 17,237,108 |
| | 201,175,581 | 176,142,725 |
| PROFIT (LOSS) BEFORE TAX | 6,133,942 | 4,142,275 |
| TAX EXPENSE | 1,745,427 | 4,780,515 |
| NET PROFIT (LOSS) | 4,388,515 | (638,240) |
| OTHER COMPREHENSIVE INCOME | | |
| Fair value gain (loss) | (3,859,300) | 2,012,718 |
| TOTAL COMPREHENSIVE INCOME | 529,216 | 1,374,478 |

**CITYSTATE SAVINGS BANK, INC.**
**STATEMENTS OF COMPREHENSIVE INCOME**
**For the Quarter Ended September 30, 2013**
**(With Comparative Figures for the Quarter Ended September 30, 2012)**
***(Amounts in Philippine Pesos)***

| | 2013 | 2012 |
|---|---|---|
| **INTEREST INCOME** | | |
| Loans and receivables | 58,627,928 | 54,363,704 |
| Due from BSP and other banks | 2,174,544 | 2,187,113 |
| Available-for-sale securities | 954,874 | 1,173,666 |
| Financial assets at fair value through profit or loss | - | 2,495,896 |
| Others | 613,414 | 607,416 |
| | 62,370,760 | 60,827,795 |
| **INTEREST EXPENSE** | | |
| Deposit liabilities | 6,173,162 | 6,543,292 |
| Others | 88,956 | - |
| | 6,262,118 | 6,543,292 |
| **NET INTEREST INCOME** | 56,108,641 | 54,284,503 |
| **IMPAIRMENT LOSS (RECOVERY)** | - | - |
| **NET INTEREST INCOME AFTER IMPAIRMENT LOSS AND RECOVI** | 56,108,641 | 54,284,503 |
| **OTHER OPERATING INCOME** | | |
| Service charges and fees | 4,144,657 | 3,769,131 |
| Miscellaneous | 5,955,011 | 13,278,743 |
| | 10,099,667 | 17,047,874 |
| **OTHER EXPENSES** | | |
| Employee benefits | 25,626,051 | 22,912,093 |
| Security, janitorial and messengerial serv | 7,610,187 | 6,659,694 |
| Occupancy | 6,988,203 | 6,232,432 |
| Communication, light and water | 6,659,543 | 5,623,862 |
| Depreciation and amortization | 5,018,234 | 4,384,634 |
| Taxes and licenses | 3,979,584 | 3,994,273 |
| Insurance | 3,883,875 | 3,305,310 |
| Fuel and oil | 2,687,830 | 1,825,055 |
| Litigation/assets acquired | 1,220,555 | 850,523 |
| Repairs and maintenance | 1,052,208 | 783,048 |
| Others | 5,474,042 | 6,545,515 |
| | 70,200,311 | 63,116,438 |
| **PROFIT (LOSS) BEFORE TAX** | (3,992,003) | 8,215,939 |
| **TAX EXPENSE** | 572,117 | 1,133,908 |
| **NET PROFIT (LOSS)** | (4,564,119) | 7,082,031 |
| **OTHER COMPREHENSIVE INCOME** | | |
| Fair value gain (loss) | (2,496,716) | 1,371,451 |
| **TOTAL COMPREHENSIVE INCOME** | (2,067,403) | 8,453,482 |

**CITYSTATE SAVINGS BANK, INC.**
**STATEMENTS OF CHANGES IN EQUITY**
**FOR THE PERIOD JANUARY 1 TO SEPTEMBER 30, 2013**
**(With Comparative Figures for the Period January 1 to September 30, 2012)**
***(Amounts in Philippine Pesos)***

| | 2013 | 2012 |
|---|---|---|
| **CAPITAL STOCK** | | |
| Balance at the beginning of the period | **727,649,980** | 727,649,980 |
| Issuance of additional shares | **-** | - |
| Balance at the end of the period | **727,649,980** | 727,649,980 |
| **ADDITIONAL PAID-IN CAPITAL** | **2,222,444** | 2,222,444 |
| **REVALUATION RESERVES** | | |
| Balance at the beginning of the period | **11,539,436** | 5,023,029 |
| Total Comprehensive Income (Loss) | **(3,859,300)** | 2,012,718 |
| Punongbayan Audit Adjustments | **(141,513)** | 16,281 |
| Balance at the end of the period | **7,538,624** | 7,052,028 |
| **SURPLUS RESERVES** | | |
| Reserve for trust operations during the period | **507,697** | 363,134 |
| **RETAINED EARNINGS** | | |
| Balance at the beginning of the period | **47,401,380** | 46,700,158 |
| Net income (Loss) | **4,388,515** | (638,240) |
| P&A audit adjustments | **836,909** | (950,662) |
| Balance at the end of the period | **52,626,804** | 45,111,256 |
| **TOTAL CAPITAL FUNDS** | **790,545,549** | 782,398,842 |

CITYSTATE SAVINGS BANK, INC.
STATEMENTS OF CASH FLOWS
For the Period January 1 to September 30, 2013
(With Comparative Figures for the Period January 1 to September 30, 2012)
*(Amounts in Philippine Pesos)*

| | 2013 | 2012 |
|---|---|---|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Profit before tax | 6,133,942 | 4,142,275 |
| Adjustments for: | | |
| Gain (Loss) from sale of ASS | (3,859,300) | 2,012,718 |
| Depreciation and amortization | 11,998,016 | 11,020,239 |
| Punong bayan audit adjustments | - | (934,381) |
| Operating income before working capital change | 14,272,658 | 16,240,851 |
| Decrease (increase) in loans and receivables | 455,272,747 | (149,747,140) |
| (Increase) in investment properties (ROPA) | (3,582,322) | (16,362,880) |
| (Increase) in other resources | (203,052,262) | (47,600,286) |
| Increase (Decrease) in deposit liabilities | 88,477,558 | (63,557,723) |
| Increase in other liabilities | 21,055,564 | 16,112,306 |
| Cash from (used in) operations | 372,443,944 | (244,914,872) |
| Cash paid for income taxes | (1,745,427) | (4,780,515) |
| Net Cash From (Used In) Operating Activities | 370,698,517 | (249,695,388) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Acquisitions of bank premises, furniture, fixtures and equipment | (38,291,485) | (12,335,435) |
| Decrease in available-for-sale securities | 6,859,300 | 23,886,879 |
| Net Cash From (Used) in Investing Activities | (31,432,185) | 11,551,445 |
| CASH FLOWS FROM FINANCING ACTIVITY | | |
| Payment of dividends | - | - |
| Issuance of capital stock | - | - |
| Net Cash Used in Financing Activities | - | - |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | 339,266,332 | (238,143,943) |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD | | |
| Cash and other cash items | 122,574,664 | 93,698,892 |
| Due from Bangko Sentral ng Pilipinas | 225,855,077 | 456,418,925 |
| Due from other banks | 112,890,196 | 200,252,193 |
| | 461,319,937 | 750,370,010 |
| CASH AND CASH EQUIVALENTS AT END OF THE PERIOD | | |
| Cash and other cash items | 85,010,417 | 63,888,304 |
| Due from Bangko Sentral ng Pilipinas | 548,976,596 | 355,578,738 |
| Due from other banks | 166,599,256 | 92,759,025 |
| | 800,586,269 | 512,226,067 |

CITYSTATE SAVINGS BANK, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013 AND DECEMBER 31, 2012
*(Amounts in Philippine Pesos)*

## 1 CORPORATE INFORMATION

Citystate Savings Bank, Inc. (the "Bank") was incorporated in the Philippines on May 20, 1997. The Bank obtanined a thrift bank license from the Bangko Sentral ng Pilipinas ("BSP") on August 7, 1997 and started operations as such on August 8, 1997. The Bank's common shares were listed in the Philippine Stock Exchange ("PSE") on November 14, 2001. On March 4, 2004, the Bank was authorized by the BSP to engage in quasi - banking functions. The Bank has 25 branches and 28 on-site and 7 off-site automated teller machines strategically located in key cities and municipalities within Metro Manila and provincial areas.

The Bank's registered address, which is also its principal place of business, is located at 2nd Floor, Citystate Centre, 709 Shaw Boulevard, Pasig City.

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies that have been used in the preparation of these financial statements are summarized below. The policies have been consistently applied to all years presented, unless otherwise stated.

### *2.1 Basis of Preparation of Financial Statements*

*(a) Statement of Compliance with Philippine Financial Reporting Standards*

The financial statements of the Bank have been prepared in accordance with Philippine Financial Reporting Standards (PFRSs).

The financial statements have been prepared using the measurement bases specified by PFRS for each type of resource and liability, and income and expense.

*(b) Presentation of Financial Statements*

The financial statements are presented in accordance with Philippine Accounting Standard (PAS) 1, *Presentation of Financial Statements.* The Bank presents all items of income and expenses in a single statement of comprehensive income.

*(c) Functional and Presentation Currency*

The financial statements are presented in Philippine pesos, the Bank's functional and presentation currency, and all values represent absolute amounts except when otherwise indicated.

Items included in the financial statements of the Bank are measured using its functional currency. Functional currency is the currency of the primary economic environment in which the Bank operates .

2.2 *Adoption of New and Amended PFRS*

*(a) Effective in 2012 that are Relevant to the Bank*

In 2012, the Bank adopted the following amendments to PFRS that are relevant to the Bank and effective for financial statements for the annual period beginning on or after July 1, 2011 or January 1, 2012:

| | | |
|---|---|---|
| PFRS 7 (Amendment) | : | Financial Instruments: Disclosures - Transfers of Financial Assets |
| PAS 12 (Amendment) | : | Income Taxes - Deferred Tax: Recovery of Underlying Assets |

Discussed below are the relevant information about these amended standards.

(i) PFRS 7 (Amendment), *Financial Instruments: Disclosures - Transfers of Financial Assets*. The amendment requires additional disclosures that will allow users of financial statements to understand the relationship between transferred financial assets that are not derecognized in their entirety and the associated liabilities; and, to evaluate the nature of, and risk associated with any continuing involvement of the reporting entity in financial assets that are derecognized in their entirety. The Bank did not transfer any financial asset involving this type of arrangement; hence, the amendment did not result in any significant change in the Bank's disclosures in its financial statements.

(ii) PAS 12 (Amendment), *Income Taxes - Deferred Tax: Recovery of Underlying Assets.* The amendment introduces a rebuttable presumption that the measurement of a deferred tax liability or asset that arises from investment property measured at fair value under PAS 40, *Investment Property* should reflect the tax consequence of recovering the carrying amount of the asset entirely through sale.

*(b) Effective in 2012 that is not Relevant to the Bank*

PFRS 1, *First-time Adoption of PFRS*, was amended to provide relief for first-time adopters of PFRS from having to reconstruct transactions that occurred before the date of transition to PFRS and to provide guidance for entities emerging from severe hyperinflation either to resume presenting PFRS financial statements or to present PFRS financial statements for the first time. The amendment became effective for annual period beginning on or after July 1, 2011 but is not relevant to the Bank's financial statements.

*(c) Effective Subsequent to 2012 but not Adopted Early*

There are new PFRS, amendments, annual improvements and interpretation to existing standards that are effective for periods subsequent to 2013. Management has initially determined the following pronouncements, which the Bank will apply in accordance with their transitional provisions, to be relevant to its financial statements:

(i) PAS 1 (Amendment), *Financial Statements Presentation - Presentation of Items of Other Comprehensive Income* (effective from July 1, 2012). The amendment requires an entity to group items presented in other comprehensive income into those that, in accordance with other PFRSs: (a) will not be reclassified subsequently to profit or loss and (b) will be reclassified subsequently to profit or loss when specific conditions are met. The Bank's management expects that this will not affect the presentation of items in other comprehensive income since the Bank's other comprehensive income only includes unrealized fair value gains on available-for-sale (AFS) securities which can be reclassified to profit or loss when specified conditions are met.

(ii) PAS 19 (Revised), *Employee Benefits* (effective from January 1, 2013).The revision made a number of changes as part of the improvement throughout the standard. The main changes relate to defined benefit plan as follows:

- eliminates the corridor approach under the existing guidance of PAS 19 and requires an entity to recognize all actuarial gains and losses arising in the reporting period;

- streamlines the presentation of changes in plan assets and liabilities resulting in the disaggregation of changes into three main components of service costs, net interest on net defined benefit obligation or asset, and remeasurement; and,

- enhances disclosure requirements, including information about the characteristics of defined benefit plans and the risks that entities are exposed to through participation in those plans.

The Bank's unrecognized actuarial gain as of December 31, 2012 amounting to P6.5 million will be recognized in the Bank's statement of comprehensive income.

(iii) PFRS 1 (Amendment), *Government Loans*.Current PFRS requires entities to measure government loans with below-market interest rates at fair value, with the benefit accounted for as a government grant. Amendment to PFRS 1 requires a first-time adopter to apply this requirement prospectively to government loans existing at the date of transition to PFRS. A first-time adopter may choose to apply these requirements retrospectively to any government loan, if the information needed had been obtained at the time of initially accounting for the loan. The amendment became effective for annual periods beginning on or after January 1, 2013 but is not applicable to the bank.

(iv) PFRS 7 (Amendment), *Financial Instruments: Disclosures - Offsetting Financial Assets and Financial Liabilities* (effective from January 1, 2013). The amendment requires qualitative and quantitative disclosures relating to gross and net amounts of recognized financial instruments that are set-off in accordance with PAS 32, *Financial Instruments: Presentation.* The amendment also requires disclosure of information about recognized financial instruments which are subject to enforceable master netting arrangements or similar agreements, even if they are not set-off in the statement of financial position, including those which do not meet some or all of the offsetting criteria under PAS 32 and amounts related to a financial collateral. These disclosures will allow financial statement users to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with recognized financial assets and financial liabilities on the entity's financial position. The Bank has initially assessed that the adoption of the amendment will not have a significant impact on its financial statements.

(v) PFRS 13 (Amendment), *Fair Value Measurement* (effective from Januaary 1, 2013). This standard aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across PFRS. The requirements do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards. Management is in the process of reviewing its valuation methodologies for conformity with the new requirements and has yet to assess the impact of the new standard on the Bank's financial statements.

(vi) PFRS 10 (Amendment), *Consolidated Financial Statements;* PAS 27, *Separate Financial Statements* (effective from January 1, 2013). The amendment requires consolidation model founded on the notion of control applicable to all entities (including SPEs). It also provides new definition of control as the power to direct relevant activities, exposure or rights to variable returns and the link between power and exposure. It also requires continuous reassessment of control required. The standards are not applicable to the Bank.

(vii) PFRS 11, *Joint Arrangements* and PAS 28, *Investments in Associates and Joint Ventures.* (effective from January 1, 2013).

Joint arrangements are either joint operations or joint ventures. A joint operation is a joint arrangement whereby the parties with joint control have rights to the assets and obligations for the liabilities of the arrangement. Those parties are called joint operators. A joint operator recognizes in relation to its interest its assets, liabilities, revenue and expenses and/or its relative shares thereof.

A joint venture is a joint arrangement whereby the parties with joint control have rights to the net assets of the arrangement. Those parties are called joint venturers. A joint venturer recognizes its interest as an investment and shall account for that investment using the equity method in accordance with PAS 28 Investments in Associates and Joint Ventures unless the entity is exempted from applying the equity method as specify in that standard, PFRS 11.

These amendments are not applicable to the Bank.

(viii PFRS 12, *Disclosure of Interests in Other Entities,* was amended to establish the information necessary to evaluate the nature of, and risks associated with, interests in other entities and the effects of those interests on the financial position, financial performance and cash flows. The amendment requires disclosure of significant judgements and assumptions, key financial information of group entities and disclosure interest in unconsolidated structured entities. The amendment became effective for annual periods beginning on or after January 1, 2013 but is not applicable to the Bank.

(ix) PAS 32 (Amendment), *Financial Instruments: Presentation - Offsetting Financial Assets and Financial Liabilities* (effective from January 1, 2014). The amendment provides guidance to address inconsistencies in applying the criteria for offsetting financial assets and financial liabilities. It clarifies that a right of set-off is required to be legally enforceable, in the normal course of business. The Bank does not expect this amendment to have a significant impact on its financial statements.

(x) PFRS 9, *Financial Instruments: Classification and Measurement* (effective from January 1, 2015). This chapter covers the classification and measurement of financial assets and financial liabilities and it deals with two measurement categories for financial assets: amortized cost and fair value. All equity instruments will be measured at fair value while debt instruments will be measured at amortized cost only if the entity is holding it to collect contractual cash flows which represent payment of principal and interest. The accounting for embedded derivatives in host contracts that are financial assets is simplified by removing the requirement to consider whether or not they are closely related, and, in most arrangement, does not require separation from the host contract.

For liabilities, the standard retains most of the PAS 39 requirements which include amortized cost accounting for most financial liabilities, with bifurcation of embedded derivatives. The main change is that, in case where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than in profit or loss, unless this creates an accounting mismatch.

To date, other chapters of PFRS 9 dealing with impairment methodology and hedge accounting are still being completed.

Further, in November 2011, the IASB tentatively decided to consider making limited modifications to International Financial Reporting Standard 9's financial asset classification model to address certain application issues.

**The Bank does not expect to implement and adopt PFRS 9 until its effective date or until all chapters of this new standard have been published. In addition, management is currently assessing the impact of PFRS 9 on the financial statements of the Bank and it plans to conduct a comprehensive study of the potential impact of this standard prior to its mandatory adoption date to assess the impact of all changes.**

(xi) 2009-2011 Annual Improvement to PFRS. Annual improvements to PFRS (2009-2011 Cycle) made minor amendments to a number of PFRS, which are effective for annual period beginning on or after January 1, 2013. Among those improvements, the following amendments are relevant to the Bank but management does not expect a material impact on the Bank's financial statements:

(a) PAS 1 (Amendment), *Presentation of Financial Statements -* Clarification of the Requirements for Comparative Information.

- Requirements for the opening statement of financial position

  If an entity applies an accounting policy retrospectively, or makes a retrospective restatement or reclassification of items that has a material effect on the information in the statement of financial position at the beginning of the preceeding period, it shall present such third statement of financial position.

- Requirements for additional comparative information beyond minimum requirements

  If an entity presented comparative information in the financial statements beyond the minimum comparative information requirements, the additional financial statements information should be presented in accordance with PFRS including disclosures of comparative information in the related notes for that additional information.

(b) PAS 16 (Amendment), *Property, Plant and Equipment - Classification of Servicing Equipment.* The amendment addresses a preceived inconsistency in the classification requirements for servicing equipment which resulted in classifying servicing equipment as part of inventory when it is used for more than one period.

(c) PAS 32 (Amendment), *Financial Instruments - Presentation - Tax Effect of Distribution to Holders of Equity Instruments.* The amendment clarifies that the consquences of income tax relating to distributions to holders of an equity instrument and to transaction costs of an equity transaction shall be accounted for in accordance with PAS 12.

## 2.3 *Financial Assets*

Financial assets are recognized when the Bank becomes a party to the contractual terms of the financial instrument. Financial assets other than those designated and effective as hedging instruments are classified into the following categories: financial assets at fair value through profit or loss (FVTPL), loans and receivables, held-to-maturity (HTM) investments and AFS financial assets. Financial assets are assigned to the different categories by management on initial recognition, depending on the purpose for which the investments were acquired.

### *(a) Loans and Receivables*

Loans and Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Bank provides money, goods or services directly to a debtor with no intention of trading the receivables.

Loans and Receivables are subsequently measured at amortized cost using the effective interest method, less impairment loss, if any. Impairment loss is provided when there is objective evidence that the Bank will not be able to collect all amounts due to it in accordance with the original terms of the receivables. The amount of impairment loss is determined as the difference between the assets' carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate.

The Bank's financial assets categorized as loans and receivables are presented as Cash and Cash Equivalents, Loans and Receivables and Security Deposits in the statement of financial position. Cash and cash equivalents comprise accounts with original maturities of three months or less, including cash and non-restricted balances with BSP and amounts due from other banks. For statement of cash flow purposes, cash and cash equivalents include cash and other cash items, due from BSP and due from other banks.

Loans and receivables also include Securities Purchased Under Reverse Repurchase Agreement (SPURRA) wherein the Bank enters into short-term purchases of securities under reverse repurchase agreements of substantially identical securities with the BSP.

*(b) HTM Investments*

This category includes non-derivative financial assets with fixed or determinable payments and a fixed date of maturity that the Bank has the positive intention and ability to hold to maturity. If the Bank were to sell other than an insignificant amount of HTM investments, the whole category would be tainted and reclassified as AFS financial assets.

*(c) AFS Financial Assets*

This category includes non-derivative financial assets that are either designated to this category or do not qualify for inclusion in any of the other categories of financial assets. The Bank's AFS financial assets include government securities and proprietary shares.

All financial assets within this category are subsequently measured at fair value. Gains and losses from changes in fair value are recognized in other comprehensive income, net of any income tax effects, and are reported as part of the Revaluation Reserves account in equity.

*2.4 Bank Premises, Furniture, Fixtures and Equipment*

Land is stated at cost less impairment losses, if any. Bank premises, furniture, fixtures and equipment are carried at acquisition cost less subsequent depreciation, amortization and any impairment losses.

The cost of an asset comprises its purchase price and directly attributable cost of bringing the asset to working condition for its intended use. Expenditures for additions, major improvements and renewals are capitalized; expenditures for repairs and maintenance are charged to expense as incurred.

Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

| | |
|---|---|
| Bank premises | 50 years |
| Office furniture, fixtures and equipment | 5 years |

Leasehold improvements are amortized over the term of the lease or the estimated useful lives of the improvements, whichever is shorter.

### *2.5 Investment Properties*

Investment properties include land and building acquired by the Bank from defaulting borrowers which are held either to earn rental income or for capital appreciation or for both, but not held for sale in the next twelve months or used in the rendering of services or for administrative purposes.

Investment properties are stated at cost, less accumulated depreciaiton and any impairment losses. The cost of an investment property comprises its purchase price and directly attributable costs incurred. For these assets, the cost is recognized initially at the lower of the outstanding loan balance or bid price, which should not be higher than the appraised value of the property.

### *2.6 Other Resources*

Prepayments and other resources pertain to other assets controlled by the Bank as a result of past events. They are recognized in the financial statements when it is probable that the future economic benefits will flow to the entity and the asset has a cost or value that can be measured reliably.

### *2.7 Intangible Assets*

Intangible assets include acquired branch licenses and software used in operations and administration which are accounted for under the cost model and reported under Other Resources account in the statement of financial position. The cost of the asset is the amount of cash and cash equivalents paid or the fair value of the other considerations given to acquire an asset at the time of its acquisition.

### *2.8 Financial Liabilities*

Financial liabilities, which include deposit liabilities and other liabilities (except for income tax payable, post employment benefit obligation and other tax related liabilities) are recognized when the Bank becomes a party to the contractual terms of the instrument. All interest-related charges incurred on financial liability are recognized as Interest Expense in the statement of comprehensive income.

Deposit liabilities and other liabilities are recognized initially at their fair value and subsequently measured at amortized cost using effective interest method for maturities beyond one year, less settlement payments.

*2.9 Offsetting Financial Instruments*

Financial assets and liabilities are set off and the resulting net amount is reported in the statement of financial position when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle on a net basis, or realize the aset and settle the liability simultaneously.

*2.10 Provisions and Contingencies*

Provisions are recognized when present obligations will probably lead to an outflow of economic resources and they can be estimated reliably even if the timing or amount of the outflow may still be uncertain.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the end of the reporting period, including the risks and uncertainties associated with the present obligation.

*2.11 Revenue and Expense Recognition*

Revenue is recognized to the extent that the revenue can be reliably measured; it is probable that the economic benefits will flow to the Bank; or the costs incurred or to be incurred can be measured reliably. In addition, the following specific recognition criteria must also be met before revenue is recognized:

*(a) Interest income and expense -* are recognized in the profit or loss for all financial instruments using the effective interest method.

The effective interest method is a method of calculating the amortized cost of a financial asset or a financial liability and of allocating the interest income or intererst expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability.

When calculating the effective interest rate, the Bank estimates cash flows considering all contractual terms of the financial instrument but does not consider future credit losses.

*(b) Service charges and fees -* are generally recognized on an accrual basis when the service has been provided. Fees arising from negotiating, or participating in the negotiation of, a transaction for a third party - such as the arrangement of the acquisition of debt instruments or other securities - are recognized on completion of the underlying transaction. Other service fees are recognized based on the applicable service contracts, usually on a time-appropriate basis.

*(c) Gains from assets acquired/exchanged -* are recognized in the profit or loss when the title to the assets is transferred to the buyer or when the collectibility of the entire sales price is reasonably assured.

(d) *Trading gains* - are recognized when the ownership of the security is transferred to the buyer and is computed as the difference between the selling price and the carrying amount of the security.

Cost and expenses are recognized in the profit or loss upon utilization of the goods or services or at the date these are incurred. All finance costs are reported in profit or loss on an accrual basis.

*2.12 Leases*

The Bank accounts for its leases as follows:

*(a) Bank as Lessee*

Leases which transfer to the Bank substantially all risks and benefits incidental to ownership of the leased item are classified as finance leases and are recognized as assets and liabilities in the statement of financial position at amounts equal to the fair value of the leased property at the inception of the lease or, if lower, at the present value of minimum lease payments.

Leases which do not transfer to the Bank substantially all the risks and benefits of ownership of the asset are classified as operating leases. Operating lease payments are recognized as expense in profit or loss on a straight - line basis over the lease term. Associated costs, such as repairs and maintenance and insurance, are expensed as incurred.

*(b) Bank as Lessor*

Leases which do not transfer to the lessee substantially all the risks and benefits of ownership of the asset are classified as operating leases. Lease income from operating leases is recognized in profit or loss on a straight-line basis over the lease term.

*2.13 Impairment of Financial Assets*

The Banks assesses at the end of each reporting period whether there is an objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred if, and only if, there is an objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a loss event) and that loss event has an impact of the estimated future cash flows of the financial asset or group of financial assets that can e reliably estimated.

*2.14 Impairment of Non-financial Assets*

The Bank's premises, furniture, fixtures and equipment, investment properties, intangible assets and other non-financial assets are subject to impairment testing. Intangible assets with an indefinite useful life or those not yet available for use are tested for impairment at least annually. All other individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that their carrying amount may not be recoverable.

### *2.15 Employee Benefits*

The Bank provides post-employment benefits to employees through a defined benefit plan, as well as various defined contribution plans.

#### *(a) Defined Benefit Plan*

A defined benefit plan is a post-employment plan that defines an amount of post-employment benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, year of service and salary. The legal obligation for any benefits from this kind of post-employment plan remains with the Bank, even if plan assets for funding the defined benefit plan have been acquired.

#### *(b) Defined Contribution Plans*

A defined contribution plan is a pension plan under which the Bank pays fixed contributions into an independent entity. Under this plan, the Bank has no legal or constructive obligations to pay further contributions after the payment of the fixed contribution. The contributions recognized in respect of defined contribution plans are expensed as they fall due. Liabilities and assets maybe recognized if underpayment or prepayment has occurred and are normally of a short-term nature.

#### *(c) Compensated Absences*

Compensated absences are recognized for the number of paid leave days (including holiday entitlement) remaining at the end of the reporting period. They are included in Other Liabilities account in the statement of financial position at the undiscounted amount that the Bank expects to pay as a result of the unused entitlement.

### *2.16 Income Taxes*

Tax expense recognized in profit or loss comprises the sum of deferred and current taxes not recognized in other comprehensive income or directly ine equity, if any.

Current tax assets or liabilities comprise those claims from, or obligations to, fiscal authorities relating to the current or prior reporting period, that are uncollected or unpaid at the end of the reporting period. They are calculated according to the tax rates and tax laws applicable to the fiscal periods to which they relate, based on the taxable profit for the year. All changes to current tax assets or liabilities are recognized as a component of tax expense in the profit or loss.

Deferred tax is provided, using the liability method on temporary differences at the end of the reporting period between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes.

Most changes in deferred tax assets or liabilities are recognized as a component of tax expense in the statement of comprehensive income. Only changes in deferred tax assets or liabilities that relate to items recognized in other comprehensive income or directly in equity.

*2.17 Related Party Transactions*

Related party transactions are transfers of resources, services or obligations between the Bank and its related parties, regardless whether a price is charged.

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. These include: (a) individuals owning, directly or indirectly through one or more intermediaries, control or are controlled by, or under common control with the Bank; (b) associates; and (c )individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the Bank and close members of the family of any such individual.

## 3 SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The Bank's financial statements prepared in accordance with PFRS require management to make judgments and estimates that affect amounts reported in the financial statements and related notes. Judgments and estimatees are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under circumstances. Actual results may ultimately differ from these estimates.

*3.1 Critical Management Judgments in Applying Accounting Policies*

*(a) Classifying Financial Assets as Held-to-maturity Investments*

In classifying non-derivative financial assets or determinable payments and fixed maturity, such as bonds, as HTM investments, the Bank evaluates its intention and ability to hold such investments up to maturity.

*(b) Impairment of Available-for-sale Securities*

The determination when an investment is other-than-temporarily impaired requires significant judgment.In making this judgment, the Bank evaluates, among other factors, the duration and extent to which the fair value of an investment is less than its cost, and the financial health of and near-term business outlook for the investee, including factors such as industry and sector performance, changes in technology and operational and financing cash flow.

*(c) Distinction Between Investment Properties and Owner-occupied Properties*

The Bank determines whether a property qualifies as investment property. In making its judgment, the Bank considers whether the property generated cash flows largely independently of the other assets held by an entity. Owner-occupied properties generate cash flows that are attributable not only to property but also to other assets used in the operations.

(d) *Distinction between Operating and Finance Leases*

The Bank has entered into various lease agreements as lessee. Critical judgment was exercised by management to distinguish each lease agreement as either an operating or finance lease by looking at the transfer or retention of significant risk and rewards of ownership of the properties covered by the agreements.

### 3.2 *Key Sources of Estimation Uncertainty*

*(a) Impairment of Loans and Receivables*

Adequate amount of allowance is provided for specific and groups of accounts, where objective evidence of impairment exists. The Bank evaluates the amount of allowance for impairment based on available facts and circumstances affecting the collectibility of the accounts, including, but not limited to, the length of the Bank's relationship with the borrowers' current credit status, average age of accounts, value of the collaterals, collection experience and historical loss experience.

*(b) Fair Value Measurement for Financial Assets Other than Loans and Receivables*

The Bank carries certain financial assets at fair value, which requires the extensive use of accounting estimates and judgment. In cases when active market quotes are not available, fair value is determined by reference to the current market value of another instrument which is substantially the same or is calculated based on the expected cash flows of the underlying net base of the instrument.

*(c ) Estimating Useful Lives of Bank Premises, Furniture, Fixtures and Equipment, Investment Properties Except Land, and Computer Software*

The Bank estimates the useful lives of bank premises, furniture, fixtures, and equipment, investment properties, and computer software based on the period over which the assets are expected to be available for use.
The estimated useful lives of those assets are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the assets.

*(d ) Fair Value Measurement of Investment Property*

The Bank's investment properties are composed of parcels of land and buildings acquired from defaulting borrowers not held for sale in the next twelve months.
The estimated fair values of these assets, are determined by in-house and independent appraisers. The fair value is determined by reference to market-based evidence, which is the amount for which the assets could be exchanged between a knowledgeable willing buyer and seller in an arm's length transaction as at the valuation date.

*(e) Determining Realizable Amount of Deferred Tax Assets*

The Bank reviews its deferred tax assets at the end of each reporting period and reduces the carrying amount to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

*(f) Impairment of Non-financial Assets*

Except for intangible assets with indefinite useful lives, PFRS requires that an impairment review be performed when certain impairment indications are present. In assessing impairment, management estimates the recoverable amount of each asset or cash-generating unit based on expected future cash flows and uses an interest rate to calculate the present value of those cash flows.

*(g) Valuation of Post-employment Defined Benefit*

The determination of the amounts of post-employment benefit obligation is dependent on the selection of certain assumptions used by actuaries in calculating such amounts. Those assumptions include, among others, discount rates, expected rate of return on plan assets, expected rate of salary increases, and employee turnover rate.

## 4 RISK MANAGEMENT OBJECTIVES AND POLICIES

The Bank's Risk Management Committee (RMC) has overall responsibility for the Bank's risk management systems and sets risks management policies across the full range of risks to which the Bank is exposed. The Bank's RMC places trading limits on the level of exposure that can be taken in relation to both overnight and intra-day market positions.

### *4.1 Credit Risk*

Credit risk is the risk that the counterpart in a transaction may default and arises from lending, treasury, and other activities undertaken by the Bank. The Bank manages its credit risk and loan portfolio through the Accounts Management Department (AMD), which undertakes several functions with respect to credit risk management.

Exposure to credit risk is managed through regular analysis of the ability of the borrowers and potential borrowers to meet interest and capital repayment obligations and by changing these lending limits when appropriate. Exposure to credit risk is also managed in part by obtaining collateral and corporate and personal guarantees.

### *4.2 Liquidity Risk*

Liquidity risk is the risk that there are insufficient funds available to adequately meet the credit demands of the Bank's customers and repay deposits on maturity. The Bank manages liquidity risk by holding sufficient liquid assets of appropriate quality to ensure short-term funding requirements are met.

### *4.3 Interest Rate Risk*

The Bank's policy is to minimize interest rate cash flow risk exposures. The Bank's cash flow interest rate risk relates primarily to the possible changes in the prevailing interest rates of due from other banks, SPURRA and floating rate loans. The volatility in the interest rates of these financial instruments will result to an increse or decrease of the Bank's interest spread, and consequently will affect its financial performance.

## 5 DUE FROM BANGKO SENTRAL NG PILIPINAS (BSP)

As of September 30, 2013 and December 31, 2012, the Bank has deposits considered as mandatory reserves with the BSP totaling P548.98 million and P225.86 million, respectively.

Mandatory reserves represent the balance of the deposit account maintained with BSP to meet reserve requirements on deposit liabilities for thrift banks.

6 DUE FROM OTHER BANKS

This account represents deposits with local banks which are composed of the following:

| | 2013 | 2012 |
|---|---|---|
| Savings | 35,281,053 | 39,826,420 |
| Time | 131,318,204 | 73,063,776 |
| | 166,599,256 | 112,890,196 |

Savings accounts represent clearing and other depository accounts with other banks.
Time includes special savings deposits and have average maturities of one month.

7 AVAILABLE-FOR-SALE SECURITIES

The breakdown of AFS securities as to type of instrument is shown below:

| | 2013 | 2012 |
|---|---|---|
| Government debt securities: | | |
| Unquoted | 47,000,000 | 50,000,000 |
| Quoted | 34,096,657 | 33,945,957 |
| Proprietary club shares - quoted | 14,070,000 | 18,080,000 |
| | 95,166,657 | 102,025,957 |

Quoted government debt securities include debt securities issued by the Republic of the Philippines. These securities will mature in various dates within 2014 to 2018.

Unquoted debt securities amounting to P47 million is issued by the local government of Infanta, which is carried at cost as the fair value of such security cannot be determined.

Proprietary club shares consist of golf shares of Forest Hills Golf & Country Club, previously acquired from borrowers as settlement of loan, and of Wack Wack Golf & Country Club. The golf shares have been designated by the Bank as AFS securities as these shares are being held indefinitely.

## 8 LOANS AND RECEIVABLES

The details of this account follow:

| | 2013 | 2012 |
|---|---|---|
| Receivables from customers | 1,497,167,962 | 1,658,365,143 |
| SPURRA | - | 294,000,000 |
| Sales contract receivables | 30,098,616 | 34,196,853 |
| Other receivables | 60,888,091 | 69,318,842 |
| | 1,588,154,670 | 2,055,880,838 |
| Unearned interests, discounts and other charges | (15,510,549) | (25,844,330) |
| Allowance for impairment | (27,682,977) | (29,802,617) |
| | 1,544,961,144 | 2,000,233,891 |

The 294M placement with BSP matured last April 3, 2013.

## 9 BANK PREMISES, FURNITURE, FIXTURES AND EQUIPMENT

| | | Land | | Bank Premises | | Office Furniture, Fixtures and Equipment | | Leasehold Improve-ments | | Total |
|---|---|---|---|---|---|---|---|---|---|---|
| September 30, 2013 | | | | | | | | | | |
| Cost | | 98,878,485 | | 121,384,398 | | 112,116,328 | | 20,066,421 | | 352,445,632 |
| Accumulated depreciation and amortization | | - | | (35,801,019) | | (90,186,081) | | (11,133,466) | | (137,120,567) |
| Net Carrying Amount | | 98,878,485 | | 85,583,379 | | 21,930,246 | | 8,932,955 | | 215,325,065 |
| December 31,2012 | | | | | | | | | | |
| Cost | P | 85,003,485 | P | 120,298,796 | P | 99,911,979 | P | 15,958,288 | P | 321,172,548 |
| Accumulated depreciation and amortization | | - | | (32,527,964) | | (88,436,567) | | (11,176,421) | | (132,140,952) |
| Net Carrying Amount | P | 85,003,485 | P | 87,770,832 | P | 11,475,412 | P | 4,781,867 | P | 189,031,596 |
| January 1, 2012 | | | | | | | | | | |
| Cost | P | 85,003,485 | P | 119,258,807 | P | 91,592,311 | P | 21,242,593 | P | 317,097,196 |
| Accumulated depreciation and amortization | | - | | (28,292,968) | | (83,627,304) | | (18,196,777) | | (130,117,049) |
| Net Carrying Amount | P | 85,003,485 | P | 90,965,839 | P | 7,965,007 | P | 3,045,816 | P | 186,980,147 |

Depreciation and amortization expenses amounting to P12 million in 2013 and P11.02 million in 2012 are shown as part of the Depreciation and Amortization account in the statements of Comprehensive Income.

The BSP requires that investments in fixed assets do not exceed 50% of the Bank's unimpaired capital. As of September 30, 2013, the Bank has satisfactorily complied with this BSP requirement.

## 10 INVESTMENT PROPERTIES

The gross carrying amounts and accumulated depreciation and impairment of investment properties at the beginning and end of 2013 and 2012 are shown below.

| | | Land | | Building | | Total |
|---|---|---|---|---|---|---|
| September 30,2013 | | | | | | |
| Cost | P | 20,894,548 | P | 24,810,114 | P | 45,704,662 |
| Accumulated depreciation | | - | | (6,606,556) | | (6,606,556) |
| Allowance for impairment | | (550,090) | | | | (550,090) |
| **Net Carrying Amount** | **P** | **20,344,458** | **P** | **18,203,558** | **P** | **38,548,016** |
| December 31,2012 | | | | | | |
| Cost | P | 18,877,674 | P | 21,607,723 | P | 40,485,397 |
| Accumulated depreciation | | - | | (4,969,614) | | (4,969,614) |
| Allowance for impairment | | (550,089) | | - | | (550,089) |
| Net Carrying Amount | P | 18,327,585 | P | 16,638,109 | P | 34,965,694 |
| January 1, 2012 | | | | | | |
| Cost | P | 23,638,008 | P | 18,358,950 | P | 41,996,958 |
| Accumulated depreciation | | - | | (3,821,981) | | (3,821,981) |
| Allowance for impairment | | (550,089) | | - | | (550,089) |
| Net Carrying Amount | P | 23,087,919 | P | 14,536,969 | P | 37,624,888 |

Income earned by the Bank from its investment properties leased to third parties under operating lease agreements amounted to P1.7 million and P1.9 million in 2013 and 2012, respectively, and is recorded as part of Rental Income under Miscellaneous Income account in the statements of comprehensive income.

## 11 OTHER RESOURCES

The details of this account follow:

| | 2013 | 2012 |
|---|---|---|
| Branch licenses | 32,500,000 | 32,500,000 |
| Non-financial assets - net | 27,856,847 | 11,223,512 |
| Deferred tax assets - net | 13,661,733 | 13,661,733 |
| Sundry debits | 194,299,265 | 11,987,633 |
| Prepaid expenses | 10,319,177 | 4,547,959 |
| Security deposits | 6,430,406 | 6,213,479 |
| Stationery and supplies on hand | 6,243,788 | 4,710,779 |
| Advance rental | 2,433,572 | 2,673,284 |
| Deposit withPhilippine Clearing House Corp (PCHC) | 2,500,000 | 2,500,000 |
| Computer software - net | 6,845,988 | 1,686,487 |
| Building under construction | 1,375,000 | - |
| Returned checks | 2,997,270 | 12,438,161 |
| Bancnet | 500,000 | 500,000 |
| Advances to suppliers | 5,000 | 469,034 |
| Utility deposit | 404,460 | 404,460 |
| Documentary stamps | 399,154 | 410,960 |
| Other investments | 153,333 | 153,333 |
| Miscellaneous | 3,658,221 | 3,450,138 |
| | 312,583,214 | 109,530,952 |

Branch licenses pertain to the cost of the licenses the Bank acquired in 2004 and in 2006 for a consideration of P11.0 million and P20.0 million respectively. The Bank also incurred P1.5 million representing relocation costs of the branches acquired in 2004.

Non-financial assets include foreclosed vehicles and jewelry items formerly classified as real and other properties acquired (ROPA) .As per BSP classification, ROPA which are neither held for capital appreciation, leased out or used in operation, shall be classified as other non-financial asset, accounted for using cost model, subject to periodic depreciaiton and annual impairment testing.

Sundry debits and sundry credits mainly pertain to automated teller machine deposit and withdrawal transactions, including fees and charges thereon, which are yet to be classified, cleared and applied against proper customers' accounts within one month from date of entry.

Security deposits include refundable and non-refundable deposits for the lease of the various Bank branches from several parties. Refundable security deposits are remeasured at amortized cost using the effective interest rates ranging from 5.76% tO 7.42% at the inception of the lease contracts. The fair values on initial recognition of the security deposits were determined by calculating the present value of the future cash flows anticipated until the end of the lease term using discount rates determined by reference to market interest rate of comparable financial instrument.

Computer software pertains to the cost of system software and other expenditures related to software upgrade which is amortized by the Bank over a period of five to ten years. Amortization of computer software amounted to P456,219 in 2013 and P810,956 in 2012 and are included as part of Other Expenses in the statements of comprehensive income.

## 12 DEPOSIT LIABILITIES

The breakdown of deposit liabilities as to currency is shown below.

| | 2013 | 2012 |
|---|---|---|
| Philippine Peso | 2,056,520,246 | 2,047,266,367 |
| US Dollars | 80,992,174 | 1,768,495 |
| | 2,137,512,420 | 2,049,034,862 |

The Bank's deposit liabilities as of September 30, 2013 and December 31, 2012 have maturities of less than one year.

## 13 OTHER LIABILITIES

The balance of this account consists of the following:

| | 2012 | 2011 |
|---|---|---|
| Accounts payable | 26,754,796 | 12,432,132 |
| Accrued expenses | 20,872,594 | 13,726,216 |
| Cashier's and manager's checks | 25,827,277 | 21,440,058 |
| Sundry credits | 503,144 | 3,240,480 |
| Bills payable - BSP | - | - |
| Income tax payable | - | 3,472,367 |
| Security deposits | 1,463,071 | 751,949 |
| Bills purchased clearing | 3,617,384 | 512,295 |
| Due to BSP banking fees | - | - |
| Post employment benefit obligation | - | 2,431,168 |
| Miscellaneous | 74,130 | 50,167 |
| | 79,112,396 | 58,056,832 |

Accrued expenses are mainly composed of gross receipt taxes, insurance premium accrual for PDIC, and various accruals for utilities, security and janitorial services. Accounts payable, on the other hand, is mainly composed of collections of SSS contributions from various Bank clients which are remitted to SSS in the succeeding month following the month of collections, advanced collections from borrowers and payable to third party vendors for purchases of goods and services.

Security deposits pertain to the deposits received from third parties related to the lease of Bank-owned investment properties, refundable at the end of the lease terms. The security deposits are remeasured at amortized cost using the effective interest method.

## 14 EQUITY

### *14.1 Capital Stock*

As of September 30, 2013 and December 31, 2012, the Bank has total authorized capital stock of 100,000,000 common shares at P10 par value per share. As of those dates, total issued and outstanding shares consist of 72,764,998 shares amounting to P727.6 million.

### *14.2 Retained Earnings*

On September 30, 2010, the Bank paid cash dividends amounting to P2.2 million. Such dividends were approved for declaration by the Bank's BOD on May 26, 2009 and by the BSP on July 28, 2010.

### *14.3 Capital Management and Regulatory Capital*

Under current banking regulations, the combined capital accounts of the Bank should not be less than an amount equal to 10% of its risk assets. The qualifying capital of the Bank for purposes of determining the captial-to-risk assets ratio is total equity excluding:

(a) unbooked valuation reserves and other capital capital adjustments as may be required by the BSP;

(b) total outstanding unsecured credit accommodations to directors, officers, stockholders and related interest;

(c) deferred tax asset or liability;

(d) goodwill;

(e) accumulated equity in earnings of investee where the Bank holds 50% or less but where the equity method of accounting has been applied; and

(f) appraisal increment on bank premises, furniture, fixtures and equipment other than those allowed to be recognized in connection with a merger or acquisition.

Risk assets consist of total assets after exclusion of cash on hand, due from BSP, loans covered by hold-out on or assignment of deposits, loans or acceptances under letters of credit to the extent covered by margin deposits, and other non-risk items as determined by the Monetary Board of the BSP.

The amount of surplus funds available for dividend declaration is determined also on the basis of regulatory networth after considering certain adjustments.

The Bank's policy is to maintain a strong capital base as to maintain investor, creditor and market confidence and to sustain future development of the business. The impact of the level of capital on shareholder's return is also recognized and the Bank recognizes the need to maintain a balance between the higher returns that might be possible with greater gearing and the advantages and security afforded by a sound capital position.

*14.4 Minimum Capital Requirement*

Under an existing BSP circular, thrift banks are required to comply with the minimum capital requirements amounting to P400.0 million.

As of September 30, 2013, the Bank has complied with the above capitalization requirement.

## 15 MISCELLANEOUS INCOME AND OTHER OPERATING EXPENSES

Presented below are the details of these accounts:

### 15.1 Miscellaneous Income

| | 2013 | 2012 |
|---|---|---|
| Penalty on Loans | 1,910,304 | 1,499,000 |
| Income or loss - Trust dept | 1,225,602 | 737,114 |
| Income on assets acquired | 2,567,870 | 15,051,154 |
| Trading gain | - | 188,588 |
| Others | 8,795,528 | 10,290,973 |
| | 14,499,303 | 27,766,830 |

15.2 Other Expenses

| | 2013 | 2012 |
|---|---|---|
| Stationery and supplies used | 2,841,596 | 2,108,346 |
| Representation and entertainment | 2,441,531 | 3,772,691 |
| Management & other professional fees | 1,559,986 | 1,277,936 |
| Advertising and publicity | 702,166 | 2,355,528 |
| Travelling expenses | 990,258 | 775,340 |
| Amortization of computer software | 456,219 | 810,957 |
| Banking fees | 594,879 | 619,469 |
| Commission fees | 156,388 | - |
| Provision for year-end expenses | - | - |
| Membership fees and dues | 13,000 | 79,646 |
| Freight fees | 59,033 | 39,128 |
| Information technology | 31,163 | 177,726 |
| Periodicals and magazines | 49,070 | 18,583 |
| Others | 7,268,811 | 5,201,757 |
| | 17,164,100 | 17,237,108 |

## 16 TAXES

### *16.1 Gross Receipts Tax (GRT)*

On January 29, 2004, Republic Act 9238 reverted the imposition of GRT on banks and financial institutions. This law is retroactive from January 1, 2004. Further, on May 24, 2005, the amendments on RA No. 9337 was approved imposing the following rates to be collected on gross receipts derived from sources in the Philippines by all banks and non-bank financial intermediaries:

(a) On interest, commissions and discounts from lending activities as well as income from financial leasing, on the basis of remaining maturities of instruments from which such receipts are derived:

| | |
|---|---|
| With maturity period of five years or less | 5% |
| With maturity period of more than five years | 1% |

(b) On dividends and equity shares in the net income of subsidiaries — 0%

(c) On royalties, rentals of property, real or personal, profits from exchange and all other items treated as gross income under Section 32 of the National Internal Revenue Code — 7%

(d) On net trading within the taxable year on foreign currency, debt securities, derivatives, and other similar financial instruments — 7%

Provided, however, that in case the maturity period referred to in paragraph (a) is shortened thru pretermination, then the maturity period shall be reckoned to end as of the date of pretermination for purposes of classifying the transaction and the correct rate of tax shall be applied accordingly.

*16.2 Documentary Stamp Tax (DST)*

DST at rates ranging from P0.30 to P2 on each P200 of the face value of the certificate or document are imposed on the following:

(a) Bank checks, drafts, or certificate of deposit not bearing interest, and other instruments;

(b) Bonds, loan agreements, promisory notes, bills of exchange, drafts, instruments and securities issued by the Government or any of its instrumentalities, deposit substitute debt instruments, certificates of deposits bearing interest and other not payable on sight or demand;

(c) Acceptance of bills of exchange and letters of credit; and,

(d) Bills of lading or receipt

On February 7, 2004, RA 9243 was passed amending the rates of DST, the significant provisions of which are summarized below:

(a) On every issue of debt instruments, there shall be collected DST of P1 on each P200 or fractional part of the issue price of any such debt instrument;

(b) On all sales or transfer of shares or certificates of stock in any corporation, there shall be collected a DST of P0.75 on each P200, or fractional part, of the par value of such stock;

(c) On all bills of exchange or drafts, there shall be collected DST of P0.30 on each P200, or fractional part, of the face value of any such bill of exchange or draft; and,

(d) The following instruments, documents and papers shall be exempt from DST:

Borrowings and lending of securities executed under the Securities Borrowing and Lending Program of a registered exchange, or in accordance with regulations prescribed by the appropriate regulatory authority;

Loan agreements or promisory notes, the aggregate of which do not exceed P250 thousand or any such amount as may be determined by the Secretary of Finance, executed by an individual for his purchase on installment for his personal use;

Sale, barter or exchange of shares of stock listed and traded through the local stock exchange for a period of five years from the effectivity of RA 9243;

Fixed income and other securities traded in the secondary market or through an exchange;

Derivatives including repurchase agreements and reverse repurchase agreements;

Bank deposit accounts without a fixed term or maturity; and,

Interbank call loans with maturity of not more than seven days to cover deficiency in reserve against deposit liabilities.

## 17 RELATED PARTY TRANSACTIONS

In the ordinary course of business, the Bank enters into varying transactions with its related parties, certain directors, officers, stockholders, and related interests (DOSRI), and with its funded retirement plan.

*17.1 Loans to Related Parties*

Under existing policies of the Bank, these loans are made on substantially the same terms as loans granted to other individuals and businesses of comparable risks. The General Banking Act and BSP regulations limit the amount of the loans granted by a bank to a single borrower to 25% of equity. The amount of individual loans to DOSRI, of which 70% must be secured, should not exceed the amount of the unencumbered deposit and book value of the investment in the Bank. In the aggregate, loans to DOSRI generally should not exceed the total equity or 15% of the total loan portfolio of the Bank, whichever is lower.

*17.2 Transactions with the Retirement Plan*

The Bank's retirement fund for its defined benefit post-employment plan maintained for qualified employees, is administered and managed by the Bank's Trust Department under a trust agreement.

Equity securities of the retirement fund consist of investments in corporations listed in the PSE, which include P8.5 million investments in the shares of stock of the Bank; while debt securities is composed of investments in corporate bonds.

*17.3 Lease Transactions*

The Bank, as a lessee, has lease agreements with related parties under common ownership. In relation to these lease agreements, the Bank made certain security deposits totaling P6.4 million and P6.2 million as of September 30, 2013 and December 31, 2012, respectively, and are presented as part of Other Resources account in the statements of financial position. Rent expense arising from these leases are presented as part of Occupancy in the statements of comprehensive income.

## 18 COMMITMENTS AND CONTINGENCIES

*18.1 Operating Lease Commitments - Bank as Lessee*

The Bank leases the premises where some of its branches and extension offices are situated for a period of one to ten years, renewable upon mutual agreement between the parties and with terms of one to seven years. These leases are accounted for as operating leases which either require fixed rental rate over the term of the lease or with stipulated annual escalation rate of 5% to 10%.

The Bank's total rent expense (shown as Occupancy account in the statements of comprehensive income) amounted to P20.4 million in 2013 and P19.57 million in 2012.

*18.2 Operating Lease Commitments - Bank as Lessor*

The Bank is a lessor under non-cancellable operating lease agreements for the lease of its investment property. The leases have terms of five to ten years, with renewal options, and include annual escalation rate of 5% to 10%.

The total rent income on investment properties amounted to P1.7 million and P1.9 million in 2013 and 2012, respectively and is presented as Rental income under Miscellaneous Income account in the statements of comprehensive income.

*18.3 Others*

In the normal course of the Bank's operations, there are various outstanding commitments and contingent liabilities such as guarantees and commitments to extend credit, which are not reflected in the financial statements. Management believes that, as of September 30, 2013, losses, if any, that may arise from these commitments and contingent liabilities will not have a material effect on the Bank's financial statements.

Following is a summary of the Bank's commitments and contingent accounts as of September 30, 2013 and December 31, 2012.

| | 2013 | 2012 |
|---|---|---|
| Trust department accounts | 231,328,063 | 256,959,031 |
| Deficiency claims receivable | 1,434,382 | 1,434,382 |
| Items held as collateral | 23,264 | 22,187 |
| Late deposits/payment received | 262,193 | 1,272,127 |
| Items held for safekeeping | 4,930 | 5,617 |
| Outward bills for collection | 330 | 6,367 |

19 OTHER THAN WHAT WERE REPORTED OR DISCLOSED IN THE ACCOMPANYING FINANCIAL STATEMENTS, THERE ARE NO -

a) Material transactions that had an effect on the assets, liabilities, equity, net income, cash flows which are of unusual nature or size brought about by seasonal events or cyclical events.

b) Changes in estimates of amounts reported in prior interim periods of prior financial years that have material effect in the current interim period.

c) There are no known material commitments for capital expenditures as of reporting date.

d) Issuances, repurchases, and repayments of equity securities

e) Segment revenue and segment result for business segments or geographical segments.

f) Material events subsequent to the end of the interim period that have not been reflected in the financial statements for the interim period.

g) Material contingencies and any other events or transactions that are material to an understanding of the current interim period.

h) Events that will trigger direct or contingent financial obligations that is material to the company including any default or acceleration of an obligation.

i) Material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the company with unconsolidated entities or other persons created during the reporting period.

## CITYSTATE SAVINGS BANK
## AGING OF ACCOUNTS RECEIVABLE
As of September 30, 2013

| Accountee | Below 60 days | 61 to 180 days (Substandard) | 181 to 360 days (Doubtful) | 361 days or more (Loss) | TOTAL |
|---|---|---|---|---|---|
| HEAD OFFICE | 2,135,660.45 | 1,095,151.75 | 2,439,289.27 | 3,649,372.84 | 9,319,474.31 |
| CHINO ROCES BRANCH | 23,056.16 | 27,832.07 | 198,244.10 | 88,012.31 | 337,144.64 |
| BINONDO BRANCH | - | - | - | - | - |
| PANADEROS BRANCH | 5,000.00 | - | - | - | 5,000.00 |
| PACO BRANCH | 10,000.00 | - | - | - | 10,000.00 |
| GUADALUPE BRANCH | 3,000.00 | - | - | - | 3,000.00 |
| MABINI BRANCH | 7,877.00 | - | - | - | 7,877.00 |
| BACLARAN BRANCH | - | - | - | - | - |
| PASAY BRANCH | 3,000.00 | - | - | - | 3,000.00 |
| SHAW BRANCH | - | 1,040.84 | - | - | 1,040.84 |
| CUBAO | - | - | - | - | - |
| MUNTINLUPA | 1,988.81 | - | - | - | 1,988.81 |
| CALOOCAN | 691.13 | - | - | - | 691.13 |
| MARIKINA | 8,000.00 | - | - | - | 8,000.00 |
| BLUMENTRITT | 5,000.00 | - | - | - | 5,000.00 |
| LAS PIÑAS | 4,393.32 | - | - | - | 4,393.32 |
| GREENHILLS | 2,110.69 | - | 100.00 | - | 2,210.69 |
| PASAY ROAD | - | - | - | - | - |
| ANTIPOLO | 5,912.62 | - | - | - | 5,912.62 |
| KATIPUNAN | 5,000.00 | - | - | - | 5,000.00 |
| TAGUIG | 1,442.00 | - | - | - | 1,442.00 |
| DAGUPAN | 6,420.00 | - | - | - | 6,420.00 |
| BALIUAG BRANCH | 1,401.75 | - | - | - | 1,401.75 |
| MEYCAUYAN BRANCH | - | - | - | - | - |
| PLARIDEL | 45,302.50 | - | - | - | 45,302.50 |
| CEBU BRANCH | 11,200.00 | 2,600.00 | 6,600.00 | - | 20,400.00 |
| TOTAL | 2,286,456.43 | 1,126,624.66 | 2,644,233.37 | 3,737,385.15 | 9,794,699.61 |