ENTERPRISEBank
A Thrift Bank

2012
ANNUAL REPORT

vision

To be a strong regional bank within greater Mindanao that leads in the delivery of high quality financial products and services that promote, support and encourage entrepreneurship in the countryside.

Abide by the laws and regulations of the Philippines to which it is subject, and adhere to international standards within core operations.

mission

Provide innovative financial products and services to small and medium sized enterprises, micro entrepreneurs, especially women, and to members of low-income groups to ensure that credit is utilized appropriately to improve their economic well-being.

Promote saving consciousness as a means to attaining self-sufficiency and self-reliance.

Strive to offer the highest quality service and customer value by investing in human resource development.

Provide a work environment that will stimulate the employees to be innovative and enable them to realize their professional objectives.

Make certain that each employee will be given the opportunity for professional advancement as merited and have the right to economic security and stability.

Guarantee that shareholder's value is enhanced through prudent investment and efficient operations.

Building vibrant communities one enterprise at a time.

@36

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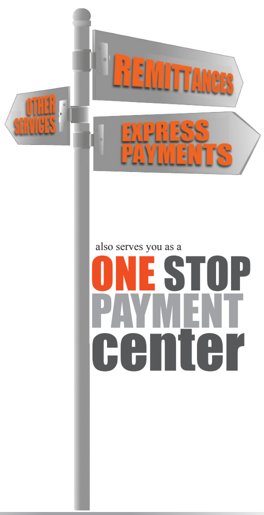
The Enterprise Bank's Enterprise Lending and Development Center nestled in a very strategic place accessible to all clients.



"We innovate our ways from the type of products and services that we make available to our customers, to the way we do business, including new attitudes."

RONALD E. ALVIZO
President/CEO and Chairman of the Board

From the President

Warm greetings from all of us at Enterprise Bank!

The year 2012 marked another milestone for Enterprise Bank because we were granted to our license to operate as a Thrift Bank.

We certainly look at this development in our history as a banking institution of 36 years as a reason to celebrate, one that would not be possible without you, dear partners and clients.

Being a thrift bank now spells some changes in our operations. Though by doing such we may encounter transitions along the way, we are confident we will be able to maintain our strong foothold in the competitive mainstream of banking services.

We have now begun to innovate our ways, from the type of products and services that we make available to our customers, to the way we do business, including new attitudes which could be seen and felt in our dealings not only with our customers but also our suppliers. To us, this is where the innovation lies providing better services and at the same time, lesser work requirement.

Enterprise Bank, the thrift bank, is coming out with new things for its patrons. Among them affordable ATM products also offered in rural areas were we operate. We are almost done with the construction of our Enterprise Development and Lending Center envisioned to provide technical assistance and other non-financial services to entrepreneurs.

With Enterprise Bank at 36, we take this opportunity to thank you for your continued trust and confidence as we renew our commitment to continually exceed your expectations.

RONALD E. ALVIZO

ENTERPRISE Bank

Keeping business personal

@36

We are now a
Thrift BANK

The Enterprise Bank Enterprise Lending and Development Center (ELDC) is nestled in a very strategic place accessible to all clients.

means...
thirty six years of trust and partnership

Enterprise Bank's 36th anniversary celebration was marked by a bigger milestone in its long history as a banking institution. Over these years, Enterprise Bank has gained the trust of its clients because it has made it a point to go out of the box and treat each client with personalized service.

May 10, 2012, on the occasion of the bank's 36th year anniversary, Enterprise Bank inaugurated the four-storey Enterprise Lending and Development Center (ELDC) and launched its own ATM products and services.

But the highlight of the celebration was Enterprise Bank's transition from being a rural bank into a thrift bank. The authority to operate as a Thrift Bank was given by the BSP the day before the event.

As a thrift bank, Enterprise Bank has become capable of extending expanded services based on the existing Bangko Sentral ng Pilipinas (BSP) regulations on thrift banking.

The thrift banking system provides short-term working capital and medium and long term financing to businesses engaged in agriculture, services, industry and housing and diversified financial and allied services, and to their chosen markets and constituencies, especially small and medium enterprises and individuals.

Being a thrift bank, Enterprise Bank has now a bigger capitalization for product offerings that will benefit the MSME sector, as well as its loyal depositors and clients in Consumer Loans. In a marketing point of view, Enterprise Bank will be able to free itself from the negative impression that has been haunting the rural banking industry in general.

But even as a rural bank before, Enterprise Bank has always allocated large bulk of its resources in helping the entrepreneurs through its microfinance and small business loans which directly alligned with its vision to "promote, support and encourage entrepreneurship in the countryside". This vision resulted to the birth of the slogan "building vibrant communities one enterprise at a time".

The shift from rural bank to a thrift bank empowers Enterprise Bank to be able to operate as a private development bank helping small and medium enterprises.

The bank believes that helping the SMEs is also one way of contributing to a greater cause which is helping build a stronger and self reliant nation.

The Lending and Development Center (ELDC)

The four-storey building inaugurated during the 36th anniversary celebration will serve to affirm the bank's commitment towards providing financial and non-financial assistance to the MSMEs.

Dubbed as the Enterprise Bank Enterprise Lending and Development Center (ELDC), the building is the designated hub where policies and procedures are crafted to come up with better products and services tailored to fit the specific needs of entrepreneurs.

The ELDC will also house the development center that will provide clients advisory and counseling services, business matching and information services. It is a significant accomplishment developed not only to meet the loan requirements of entrepreneurs but to also equip them with technical expertise to run and sustain their businesses.

Enterprise Bank, the thrift bank, is now stable than ever in terms of capital. We are strong, in terms of our organization, competencies and capabilities.

Easier and more accessible money transfer

As a thrift bank, Enterprise Bank aims for growth for itself and its clients – growth that is sustained and inclusive.

Recently, it has started to launch new products and service that will provide the "underbanked" population more access, and options for access, to banking services – whether it be physical or virtual presence.

Significantly, Enterprise Bank has set up a number of Micro-Banking Offices (MBOs). Although small in terms of physical structure and manpower, these MBOs offer almost all of the services available in big branches.

Aside from accepting deposits, MBOs also accept bills payment and local and international money transfers. Such services has benefited clients in far flung areas as money transfer has become easier and more accessible.

To strengthen and sustain this money transfer services, Enterprise Bank is forging partnerships with other institutions, merchants and billers to increase its client base and outreach even outside Mindanao.

In 2013, the bank will be increasing its network of ATMs, especially in the rural areas, thus providing its the community convenient access to cash. The ATM is presently linked to the Bancnet network which gives depositors and ATM cardholders the added advantage in transacting money transfer and services online in the comfort of their homes or offices.

Anticipating the growing demand of this services, Enterprise Bank has capacitated itself in terms of its manpower proficiency and state of the art hardware and software capability. The project may have cost the bank huge investment but to be able to survive in the market where stiff competition abounds, the only way is to innovate and to to remain sustain a customer-centric culture that is embedded in all the bank's systems.

Further, Enterprise Bank as a thrift bank, is now more stable than ever in terms of capital, stronger in terms of organization, competencies and capabilities. It continues to value the trust and confidence of its clients and partners in the last 36 years.

Groundbreaking of the new Enterprise Bank Buhangin Branch

Highlights of Operation 2 0 1 2

The receipt of the BSP permit to operate as a thrift bank was one of the most significant events not only for 2012 but in Enterprise Bank's entire history as a banking institution. On October 1, 2012, Enterprise Bank formally started its operation as a thrift bank.

Efforts were undertaken to strengthen the organization and prepare the groundwork for a more professionalized management structure. Management focused capacity building activities during the year in the areas of credit operations, treasury, management information system and branch banking operations.

Enterprise Bank likewise implemented initiatives that provided clients more options in accessing the bank's products and services.

Core Business

All of the bank's major products - deposit and loans - posted increases from last the 2011 figures.

Deposit posted a P71 million increase while the consolidated loan portfolio and disbursement increased by P1 million.

Portfolio Distribution

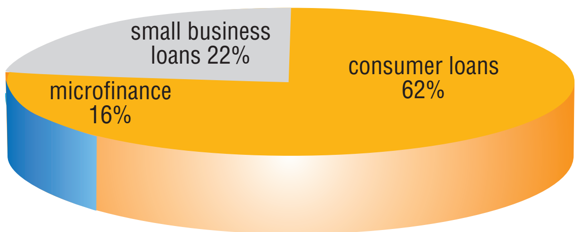
	2011	2012
Deposit	**P 512.047 million**	**P 583.520 million**
Portfolio	**P 1.4 billion**	**P 1.5 billion**
Disbursement	**P 2.3 billion**	**P 2.4 billion**

"The portfolio of increased from Php 287 million to Php 345 million in 2012."

Highlights of Operation

The increase in deposit figures can be largely attributed to the opening 14 Micro Banking Offices, the affordable ATM product offering under Bancnet network, eight ATMs in strategic locations and the new remittance and bills payment products. In addition to the 21 branch network, these contact points are the avenues through which Enterprise Bank serves its clients. Because these services are gearing towards being technology-based, especially the ATM, clients can as well manage their funds with more flexibility and convenience.

The portfolio of Small Business Lending (SBL) increased from Php 287 million in 2011 to Php 345 million in 2012.



Among major initiatives of the bank in SBL was the technical assistance (TA) provided by Capital Plus Exchange, a consulting company based in the United States.

The TA resulted in the completion of the Enterprise Lending Credit Policy and Process Manual which was drafted through the assistance of a seasoned commercial banker. As part of the recommendations of the consultant, the existing small business loan was redesigned to conform to commercial banking practices, resulting to the development of new products to address the needs of the SME sector.

These products include credit lines, term line, bills purchase and domestic letters of credit.

In Consumer Loans, the bank's accreditation with the Department of Education's Automatic Payroll Deduction System provided the bank additional efficiency in loan collections. Enterprise Bank is now accredited in the regions of Caraga, Davao and South Cotabato.

In Microfinance, the former wide array of loans under microfinance were streamlined into two products. These are the Asenso Negosyo Loan for loan amount of P10,000 to P50,000 and the Micro Business Loan for loan amount P51,000 to P300,000.

Lastly, the benefits of the establishment of the Collection Department in last quarter of 2012 is expected to be felt in 2013 in terms of reduction of past due figures and improvement of quality of all loan products.

Financial Performance

The Bank, in spite of the tough competition in the market and challenges it faced in 2012, was able to post an ROA and ROE of 1.09 % and 11.43%.

For 2012, the Bank managed its cost such that the cost to income ratio is 62.90 %. Management was able to save some operating costs.

Funding cost was maintained between 6% to 7% level. Borrowings were mostly drawn from commercial banks, thrift banks and BSP which offered a much lower interest rate as compared with government financial institution.

March 29, 2012, "Run for Brighter Brains 2"

CORPORATE SOCIAL RESPONSIBILITY

ENTERPRISE BANK and the Stroke Society of the Philippines Southern Mindanao Chapter sponsored the "Run for Brighter Brains 2",

for 2012

Net interest margin declined from last year's performance due to lowered interest yield in 2012 but a way higher than the industry's net interest margin of 5.37%.

Total assets grew by 8.79% of which mostly contributed by the increase in loan portfolio. Loan portfolio accounts 75% of the total assets in 2012. Borrowings remain to be the main source of funding to finance the loan disbursement.

With the foregoing, the bank is confident that the present capacity building programs, structure, systems and people will be the keys to achieving the next year's corporate goals.

The bank's key business growth drivers, Loans, Credit and Deposit have been strengthened in terms of structure, people, policies, business processes and products and services.

The support units likewise have started to professionalize with the hiring of experienced and highly capable middle managers to ensure continuity of servicing and support t With the unfailing oversight provided by the Board and strategies implemented by Management, the Bank is equipped to fly higher and face the challenges ahead for 2013.

The year 2012 saw Enterprise Bank participating in community-based activities that will benefit residents of areas where the bank has operations.

In March, 2013, Enterprise Bank was recognized by the Red Cross of the Philippines - Surigao del Sur Chapter as one of its partners in giving humanitarian services to the people of the province.

Moreover, Enterprise Bank, through its Director and Founder, Ignacito U. Alvizo, is a member of the fundraising committee that continuously runs the campaign to build a new cathedral in Tandag City.

On March 29, 2012, the bank sponsored the fun run titled "Run for Brighter Brains 2". in cooperation with the Stroke Society of the Philippines – Southern Mindanao Chapter, which gathered around 2,000 doctors and health enthusiasts in Davao City.

Part of the fun run proceeds went to the nutritional needs of children housed at the Center for Malnourished Children run by the Kamayo Foundation, Inc. (KMFI) – the bank's corporate social responsibility arm.

The year 2012 closed with Enterprise Bank joining efforts of private and government organizations in distributing relief good for the victims of typhoon Pablo, which incidentally, also heavily affected one of the bank's branches and few of its employees.

Enterprise Bank ATM card

This ATM card doubles as a debit card so clients can enjoy internet banking facilities.

Enterprise Bank Quick Teller:
The convenience of an ATM account made affordable.

Following the bank's membership with Bancnet in 2011, Enterprise Bank launched its own ATM cards on during the bank's 36th anniversary celebration on May 10, 2012.

Initial product offering were the ATM 100 and ATM 500, which are basically deposit accounts made affordable. Six months after the product launching, there were 10,183 active ATM cards as of December 2012 with a total deposit portfolio of Php 9.4 million.

Enterprise Bank's ATM card is not just an ordinary card because it is loaded with features. The card doubles as a debit card. Through it, clients can enjoy internet banking facilities such as bills payment, intra and interbank fund transfers, debit purchases and e-shopping.

On the other hand, Enterprise Bank continues to operate its own ATM machines in Surigao del Sur. This is a deliberate choice of the bank's management to place the six ATM machines in areas where these are most needed, as part of its financial inclusion strategies. In the coming years, the bank's clients can expect more Enterprise Bank ATM in strategic areas to serve the most number of clients possible.

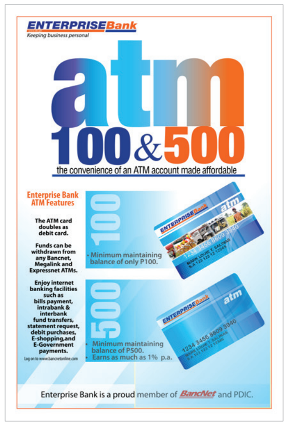
Aside from ATM, Enterprise Bank also launched its bills payment services in 2012. With this development, the branches and Micro-Business Offices are now more than just for deposits, loan applications and disbursements.

Since the launching of the bank's bills payment services in August, 2012, traffic at the branches and MBOs have increased due to walk-in clients who want to send or claim remittance, pay their bills and request copies of their official documents from the National Statistics Office. Recently, the bank has also become an accredited ticket agent of two airline companies.

At the close of 2012, there were 63,680 remittance and bills payment transactions bankwide with P116,996,715.63 total amount of transactions.

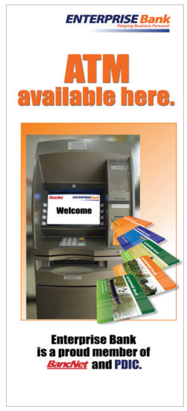
The development of remittance and bills payment services of Enterprise Bank is undertaken by the Merchant Banking Unit, whose primary goal is to expand the bank's client base including outside Mindanao by forging partnership with established local and foreign partners.

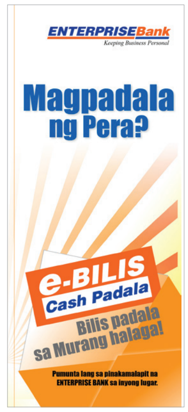
PRODUCTS AND SERVICES



Our Deposit Products

1. Regular Savings Account with Passbook
2. ATM 100 and ATM 500 Savings Accounts
3. Regular Checking Account
4. Super Checking Account
5. Short Term and Long Term Time Deposit





Collection Services

SSS and Philhealth Collections

Other Services

NSO Documents
Online Request

Payroll Servicing
Cash Card Loading
Electronic Prepaid Loading Services

Bills Payment Services through our partner ECPay:

Davao Light and Power Company
Philippine Long Distance Tel. Co. (PLDT)
Bayan Telecommunications (Bayantel)
Sky Cable / Planet Cable Cable Link / Cignal
Globe Telecommunications / Globe Quest
Smart Communications / Smart Bro
Sun Cellular/Digitel
Air Philippines and PAL Ticket payments
Visayan Electric Company (VECO)
Maynilad Water Services, Inc.
Prime Water Infrastructure Corp.
Wi Tribe Internet
Subic Enerzone Corportion
Santa Lucia Realty and Dev't.

Through GCASH Bills Payment

1. Various Credit Cards
Allied Bank
Bankard
Union Bank
BDO
Security Bank
Citibank (VISA)
East West
PNB
HSBC
Metrobank
PSBank
Standard Chartered (Visa/MC)

2. Insurance Companies
Ayala Life
Ayala Plans
Danvil Plans
Philam Life
Pru Life
Cocolife
Sunlife
Barkley International Plans

3. Other Biller Institutions
Meralco
Manila Waters
Avon Cosmetics
Destiny Cable
South Cotabato II Electric Cooperative
Cebu Pacific Ticket Payment
Jetstar Airline Ticket Payment

BOARD OF DIRECTORS

Atty. Ronald E. Alvizo
Chairman of the Board
President/CEO

Atty. Ronald Alvizo has 14 years experience in microfinance and rural banking operations. His expertise lies in the areas of rural financing, product development and implementation, corporate planning and banking and corporate law.

He studied Bachelor of Laws at the Ateneo de Davao University and earned his Masters Degree in Entrepreneurship at the Asian Institute of Management.

He was one of the pioneering organizers of the Mindanao Microfinance Council, an organization of microfinance institutions working towards the professionalization of the industry. He was also a director of the Rural Bank Association of the Philippines.

One of Atty. Ronald Alvizo's ongoing projects for 2011 is financial inclusion or the making banking products and services available to clients in the countrysides not usually served by formal financial institutions. To him, EBI's contribution to nation building is by building vibrant communities one enterprise at a time.

Ignacito U. Alvizo
EBI Founder/Director
Chairman, Asset and Liability Committee
Chairman,
Kamayo Mindanao Foundation, Inc.

Ignacito Alvizo's expertise in the field of microfinance is recognized by microfinance communities in the Philippines and abroad. He is a Certified Public Accountant who has an extensive working experience as a consultant in microfinance and SME development in countries in Africa, Middle East and Asia.

He graduated from the University of San Carlos with a degree in Commerce and obtained a diploma in Small Enterprise Promotion with distinction from Delft University Research Institute for Management Science in Holland. He was, for two terms, the President of Mindanao Microfinance Council.

All his experiences and knowledge became tangible when he transformed Enterprise Bank from a single unit rural bank in Surigao del Sur into an emerging thrift bank that has gained its own niche in MSME financing in Mindanao.

Aside from being a member of the Board of EBI, part of his time is spent on the bank's social corporate arm, the Kamayo Mindanao Foundation that is responsible for delivering the non-financial services to EBI's clients.

Atty. Randy E. Alvizo
Director
Corporate Secretary

Atty. Randy E. Alvizo is a practicing lawyer specializing in court pleadings and maritime laws. He is a partner at the Alvizo Law Office that handles the legal concerns of the bank. He finished his degree in Political Science from the University of the Philippines – Cebu and earned his Bachelor of Laws at the Ateneo de Davao University.

Before going full-time with his private practice, Atty. Alvizo also served as EBI's Human Resources Head, and Legal Officer.

He was among the pioneering officers who helped laid the foundation on which a stronger, more stable and fast-growing EBI stands today.

Dr. Carla Divina S. Virtudazo
Director

Dr. Carla Divina S. Virtudazo is the human resource and organizational development expert of the Board. She finished her doctorate degree in Business Education as well as masters degrees in Community Development and Industrial and Organizational Psychology at the University of the Philippines-Diliman and Ateneo de Manila University, respectively.

She started her career in microfinance and SME development while working for institutions such as the Department of Trade and Industry and the University of the Philippines Institute for Small-Scale Industries.

Maximino A. Salang, Jr.
Director
Chairman, Audit and Risk Committee

Maximino A. Salang, Jr. is a businessman in Davao City engaged in construction, heavy equipment rental, banana plantation export production and container yard (shipping van) operations. His expertise lies in marketing and business management. All these make him an ideal member of the Credit Committee where he balances risks and potentials of the clients' businesses.

He has been a member of the board since 2007. He finished his degree in Bachelor of Science in Business Administration from Southwestern University in Cebu.

SENIOR MANAGEMENT

Atty. Ronald E. Alvizo
President/CEO

Jennifer D. Suelto
Chief Finance Officer

Kent Patrick A. Young
Chief Operations Officer

Joy G. Politico
Finance Head and Risk Officer

Cirila D. Canseco
Human Resources Management and Development Head

Partners and Funders

Bangko Sentral ng Pilipinas (BSP) is deeply involved in various projects and activities to support the economic and social development objectives of the government through advocacy programs in microfinance, financial education and consumer protection, economic information, and overseas Filipinos' remittances environment.

UCPB Savings Bank, more popularly known by its initials, UCPB, or by its old name, Cocobank, is one of the largest banks in the Philippines, ranking within the top twenty banks in terms of assets. The bank, owing to its name, caters heavily to coconut farmers, but also serves a wide-ranging clientele

Bank of the Philippine Islands' corporate mission is to be the leading private financial institution in the Philippines in terms of professional competence, service quality, responsible corporate citizenry, and overall growth and stability; and to be an established ASEAN financial institution with a creditable worldwide outreach.

Oikocredit is one of the world's largest sources of private funding to the microfinance sector. It also provides credit to trade cooperatives, fair trade organizations and small-to-medium enterprises (SMEs) in the developing world.

OXFAM Novib is a leading international NGO with a worldwide reputation for excellence in the delivery of aid and development work. Its purpose is to work with others to overcome poverty and suffering.

The Land Bank of the Philippines is a government financial institution that strikes a balance in fulfilling its social mandate of promoting countryside development while remaining financially viable. This dual function makes LANDBANK unique. The profits derived from its commercial banking operations are used to finance the Bank's developmental programs and initiatives.

The National Livelihood Development Corporation (NLDC) actively pursues a package of livelihood and enterprise development programs and interventions to hasten socio-economic growth in the countryside especially in the hard-to-reach agrarian reform communities (ARC).

Small Business Corporation envisions to become the leader in small enterprise development financing and small credit delivery systems nationwide. The SBC has focused on developing an appropriate mix of financing products that are responsive to the needs of SMEs in the country.

BPI Globe Banko Inc. is the first mobile microfinance-focused bank hinged on Ayala Group's triple Corporate Social Responsibility focus on education, environment and entrepreneurship.

PlaNis provides investment advisory services to social investment funds that invest in microfinance. Its services include advising funds on sourcing, conducting due diligence and performing risk assessments on microfinance institutions.

The People's Credit and Finance Corporation (PCFC) is the lead government entity specifically tasked to mobilize resources for microfinance services for the exclusive use of the poor. PCFC provides the poor access to credit and other microfinance services to uplift their economic status through wholesale of short, medium & long term investment loans to accredited Microfinance Institutions (MFIs).

Development Bank of the Philippines is the country's most progressive development banking institution. Through the years, DBP has been a key player in nation-building by assisting critical industries and sectors, promoting entrepreneurship particularly in the countryside, helping build more productive communities.

UCPB-CIIF Finance and Development Corporation (COCOFINANCE) partners with institutions that are willing to support livelihood endeavors of the coconut farmers and farm workers through provision of accessible credit and other support services, .

Philippine Business for Social Progress (PBSP) is committed to poverty reduction by promoting business sector leadership and commitment to programs that lead to self-reliance.

Stichting Triodos Doen funds microfinance institutions because they help to build inclusive financial sectors, where the majority of people have access to financial services, leading to a sustainable basis for balanced social and economic development.

2012 Financial Statement

QCB & Co

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JR Borja St.. Cagayan de Oro City
9000 Philippines

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qcb_co@yahoo.com

REPORT OF INDEPENDENT AUDITORS

• Accreditations
SEC No. 0182-FR-1 (Mar 25, 2016)
BOA/PRC Reg. No. 0250 (Dec. 31, 2014)
CDA CEA No 0015-.AF)(Dec. 14. 2013)
NEA No. 2011.10 (Jul. 30 2013)
IC No. F-0042-R (Oct.14, 2014)
BSP (Jul. 18, 2014)

The Board of Directors and Shareholders
Enterprise Bank, Inc. (A Thrift Bank)
Poblacion, Lianga, Surigao del Sur

Report on the Financial Statements

We have audited the accompanying financial statements of Enterprise Bank, Inc. (A Thrift Bank), which comprise the statement of financial position as at December 31, 2012, and the related statements of profit or loss, changes in equity and cash flows for the year then ended, and notes to financial statements comprising of a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with Philippine Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Philippine Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the financial statements present fairly, in all material respects, the financial position of Enterprise Bank, Inc. (A Thrift Bank) as of December 31, 2012, and of its financial performance and its cash flows for the year then ended, in accordance with Philippine Financial Reporting Standards.

Other Matter
The financial statements of Enterprise Bank, Inc. (A Thrift Bank) as of and for the year ended December 31, 2011, were audited by another auditors, whose report dated April 2, 2012, expressed an unqualified opinion on those financial statements.

Report on the Supplementary Information Required Under Revenue Regulations 15-2010
Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information on taxes, duties and license fees in Note 25 to the financial statements is presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic financial statements. Such information is the responsibility of management. The information has been subjected to the auditing procedures applied in our audit of the basic financial statements. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as whole.

QUILAB CABILIN BATO & Co
By:

RICO P. QUILAB
Partner
CPA Cert. No.46034 TIN No. 129-040-841
SEC No. 0906-AR-1 (3.25.2016)
BIR No. 16-005287-2 (2.14.15)
PRC/BOA Cert. No. 00250 (12.31.2014)
PTR No. CDO 2322383 A
January 2, 2013
Cagayan de Oro City

STATEMENT OF FINANCIAL POSITION
Enterprise Bank, Inc. (A Thrift Bank)
(With Comparative Figures for 2011)

December 31	2012	2011
ASSETS		
Cash and Cash Equivalents (Note 4)	P 237,778,313	P 261,793,418
Loans and Receivables (Note 5)	1,555,010,035	1,414,591,728
Bank Premises, Furniture, Fixtures and Equipment (Note 6)	80,132,862	69,348,043
Investment Property (Note 7)	22,954,474	11,672,221
Other Assets (Note 8)	41,485,443	36,998,482
	P 1,937,361,127	P 1,794,403,892
LIABILITIES AND SHAREHOLDERS' EQUITY		
Liabilities	P 583,519,903	P 512,046,852
Deposit Liabilities (Note 10) Bills Payable (Note 11)	1,041,827,728	988,713,894
Unsecured Subordinated Debt (Note 12)	50,000,000	50,000,000
Other Liabilities (Note 13)	77,312,375	81,782,096
Total Liabilities	1,752,660,006	1,632,542,842
Shareholders' Equity		
Share Capital (Note 14)	145,664,500	47,144,425
Reserves (Note 15)	39,036,621	114,716,625
	184,701,121	161,861,050
	P 1,937,361,127	P 1,794,403,892

See Notes to Financial Statements.

STATEMENT OF PROFIT OR LOSS
Enterprise Bank, Inc. (A Thrift Bank)
(With Comparative Figures for the Year Ended December 31, 2011)

Year Ended December 31	2012	2011
INTEREST INCOME		
Loans and discounts	P312, 382,963	306,474,703
Bank deposits and investment securities	1,714,604	3,037,426
	314,097,567	309,512,129
INTEREST EXPENSE		
Bills payable (Note 11)	87,966,089	74,182.216
Deposit liabilities (Note 10)	23,115,737	19,773,666,
Others	54,723	91,653
	111,136,549	94,047,535
NET INTEREST INCOME	202,961,018	215,464,594
PROVISION FOR IMPAIRMENT LOSSES (Note 9)	26,147,189	40,584,996
PROFIT AFTER PROVISION FOR IMPAIRMENT LOSSES	176,813,829	174,879,598
SERVICE FEES AND OTHER CHARGES	136,258,223	131,467,320
PROFIT BEFORE OTHER EXPENSES	313,072,052	306,346,918
OTHER EXPENSES		
Compensation and fringe benefits (Note 20)	120,866,301	119,034,749
Other operating expenses (Note 16)	144,506,590	141,337,253
Depreciation (Note 6)	17,930,187	15,549,239
	283,303, 078	275,921,241
PROFIT BEFORE INCOME TAX EXPENSE	29,768,974	30,425.677
INCOME TAX EXPENSE (Note 17)	8,928,978	9,567.103
PROFIT FOR THE YEAR	P 20,839,996	P 20,858,574
Earnings Per Share (Note 18)		
Basic	P 35.39	P 48.93
Diluted	P 30.90	P 41.02

See Notes to Financial Statements,

STATEMENT OF CHANGES IN EQUITY
Enterprise Bank, Inc. (A Thrift Bank)
(With Comparative Figures for 2011)

December 31	2012	2011
SHARE CAPITAL (Note 14)		
Preferred Shares P100 par value		
Opening balances	P3,500,000	3,500,000
Additional preferred shares issued during the year	2,000,000	
Closing balances	5,500,000	3,500,000
Common Shares P100 par value		
Opening balances	42,630,600	42,619,800
Additional shares issued during the year (Note 14)	97,533,900	10,800
Closing balances	140,164,500	42,630,600,
Deposits for Future Stocks Subscription		
Opening balances	1,013,825	--
Additions during the near	--	1,013,825
Transfer to- common shares	(1,013,825)	
Closing balances		1,013,825
Total Share Capital	145,664,500	47,144,425
RESERVES		
Surplus Reserves		
Opening balances	96,520,000	11,446,973
Transfer to common shares (Note 15)	{96,520,000}	--
Transfer from surplus and undivided profits	--	85,073,027
Closing balances	--	96,520,000
Surplus and Undivided Profits		
Opening balances, as originally stated	18,196,625	78,470,904
Adjustment to establish deferred assets in prior years (Note 15)	--	13,940,174
Opening balances as restated	18,196,625	92,411,078
Profit for the year	20,839,996	20,858,574
Dividends declared during the year	--	(10,000,000)
Direct charges during the year (Note 15)		(85,073,027)
		-
Closing balances	39,036,621	18,196,625
Total Reserves	39,036,621	114,716,625
	P184, 701,121	P161,861,050

See Notes to Financial Statements,

STATEMENT OF CASH FLOWS
Enterprise Bank, Inc. (A Thrift Bank)
(With Comparative Figures for the Year Ended December 31, 2011)

Year Ended December 31	2012	2011
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax expense	29, 768,974	P30, 425,677
Add (deduct) adjustments for:		
Provision for impairment losses on loans and receivables (Note 5)	26,147,189	40,584,996
Depreciation (Note 6)	17,930,187	15,549,239
Operating income before changes in working capital	73,846,350	86,559,912
Changes in working capital, excluding cash:		
Increase in loans and receivables (Note 5)	(166,565,496)	(292,493,816)
Increase in other assets (Note 8)	(4, 486,961)	20,284,986
Increase in deposit liabilities (Note 10)	71,473,051	24,038,219
Decrease in other liabilities (Note 13)	(5,707,823)	(12,554,637)
Net cash used for operations	(31,440,879)	(174,165,336)
Income taxes paid (Note 17)	(7,690,876)	(15, 199,141)
Net Cash Used for Operating Activities	(39,131,755)	(189,364,477)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in bills payable (Note 11)	53,113,834	285,145,231
Proceeds from issuance of additional preferred stock (Note 14)	2,000,000	
Proceeds from issuance of additional common stocks (Note 14)	75	10,800
Dividends declared (Note 14)	-	{10,000,000)
Proceeds received from deposits on future stocks subscription (Note 14)	-	1,013,825
Net Cash Provided from Financing Activities	55,113,909	276,169,856
CASH FLOWS FROM INVESTING ACTIVITIES		
Net additions to property and equipment (Note 6)	(28,715,006)	(25,772,295)
Decrease (increase) in investment property (Note 7)	(11,282,253)	1,793,057
Net Cash Used for Investing Activities	(39,997,259)	(23 979,238)
—		
NET (DECREASE) INCREASE IN CASH	(24,015,105)	62,826,141
OPENING CASH	261,793,418	198,967,277
(CLOSING CASH (Note 4)	P 237, 778,313	P261, 793,418

See Notes to Financial Statements.

Note 1
Organization

The Enterprise Bank, Inc. (A Thrift Bank) was originally organized on May 10, 1976 to engage and carry on the business of a rural bank. However, on June 28, 2012 the Securities and Exchange Commission approved the Bank's conversion from a Rural Bank to Thrift Bank and on July 24, 2012 the Bangko Sentral ng Pilipinas (BSP) granted the Bank the authority to operate as Thrift Bank. The Bank started operating as Thrift Bank on October 1, 2012.

The registered office and principal place of business of the Bank is located at Poblacion Lianga, Surigao del Sur. The Bank operates within the islands of Mindanao and Visayas, Philippines and maintains 21 branches.

Note 2
Summary of Significant Accounting Policies

The significant accounting policies that have been used in the preparation of these financial statements are summarized below.

Statement of Compliance
The financial statements have been prepared in accordance with Philippine Financial Reporting Standards (PFRS).

Basis of Preparation
The financial statements have been prepared under historical cost conventions. Historical cost is generally based on the fair value of the consideration given in exchange for assets. The financial statements are presented in Philippine peso, which is the Bank's functional and presentation currency and all values are recorded to the nearest peso except when otherwise indicated. The accounting policies used in the preparation of these financial statements have been consistently applied since the previous year.

The preparation of the financial statements made use of estimates, assumptions and judgments by management based on management's best knowledge of current and historical facts as at statement of financial position date. These estimates and judgments affect the reported amounts of assets and liabilities and contingent liabilities as at statement of financial position date, as well as affecting the reported income and expenses for the year. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

New and Amended Standards Adopted by the Bank
There are no PFRSs or Philippine Interpretations-IFRIC that are effective for the first time for the financial year beginning on or after January 1, 2012 that would be expected to have a material impact to the Bank. The following new and revised PFRSs issued by the Financial Reporting Standards Council (FRSC) as being adopted from the issuances of the International Financial Reporting Interpretations Committee (FRSC) were adopted by the Bank effective January 1, 2012:

- PAS 24, Related Party Disclosures (Amended)- The amended standard is effective for annual periods beginning on or after January 1, 2011. It clarified the definition of a related party to simplify the identification of such relationships and to eliminate inconsistencies in its application.

- PAS 32, Financial Instruments: Presentation- Classification of Rights Issues (Amended) - The amendment to IAS 32 amended the definition of a financial liability in order to classify rights issues (and certain options or warrants) as equity instruments in cases where such rights are given pro rata to all of the existing owners of the same class of an entity's non-derivative equity instruments, or to acquire a fixed number of the entity's own equity instruments for a fixed amount in any currency.

- Philippine Interpretation IFRIC 14, Prepayments-of a Minimum Funding Requirement (Amended). The amendment provides guidance on assessing the recoverable amount of a net pension asset. The amendment permits an entity to treat the prepayment of a minimum funding requirement as an asset.

- Philippine Interpretation IFRIC 19, Extinguishing Financial Liabilities with Equity instruments IFRIC 19 is effective for annual periods beginning on or after July 1, 2011. The interpretation clarifies that equity instruments issued to a creditor to extinguish a financial liability qualify as consideration paid. The equity instruments issued are measured at their f air value. In case that this cannot be reliably measured, the instruments are measured at the fair value of the liability extinguished. Any gain or loss is recognized immediately in profit or loss.

- Improvements to PFRS, The omnibus amendments to PFRS issued in May 2011 were issued primarily with a view to removing inconsistencies and clarifying wording.
  - *PFRS 3, Business Combinations*
  - *PFRS 7, Financial Instruments: Disclosures*
  - *PAS 1, Presentation of Financial Statements*
  - *PAS 27, Consolidated and Separate Financial Statements*
  - *Philippine Interpretation IFRIC 13, Customer Loyalty Programmes*

These new and revised PFRS have no significant impact on the amounts and disclosures in the financial statements of the Bank.

New Standards and Interpretations Not Yet Adopted
A number of new standards, amendments to standards and interpretations have been adopted by the FRSC and are effective for annual periods beginning after January 1, 2013, and have not been applied in preparing these financial statements. The Bank does not plan to adopt these standards early.

(a) Investment Entities- Amendments to IFRS 10, Consolidated Financial Statements, IFRS 12, Disclosure of Interests in Other Entities and IAS 27, Separate Financial Statements, Investment Entities, issued by the International Accounting Standards Board, as amendments to PFRS 10, Consolidated Financial Statements, PFRS 12, Disclosure of Interests in Other Entities and PAS 27, Separate Financial Statements.

The amendments require a parent that is an investment entity to measure its investments in particular subsidiaries at fair value value through profit or loss instead of consolidating them. New disclosure requirements relating to investment entities were added in PFRS 12 and PAS 27. The amendments are effective for annual periods beginning on or after January 1, 2014. Earlier application is permitted.

(b) Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance (Amendments to IFRS 10, IFRS 11 and IFRS 12), adopted by the Financial Reporting Standards Council (FRSC) on July 31, 2012, from the Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance.

(Amendments to IFRS 10, IFRS 11 and IFRS 12), issued by the International Accounting Standards Board, as amendments to PFRS 10, Consolidated Financial Statements, PFRS 11Joint Arrangements and PFRS 12, Disclosure of Interests in Other Entities.

The amendments clarify the transition guidance in PFRS 10 and provide additional transition relief in PFRS 10, PFRS 11 and PFRS 12, which is to limit the requirement to provide adjusted comparative information to only the preceding comparative period. The amendments also remove the requirement to present comparative information for disclosures related to unconsolidated structured entities, for periods before PFRS 12 is first applied. The amendments are effective for annual periods beginning on or after January 1, 2013,

(c) Annual Improvements to PFRS 2009-2011 Cycle, adopted by the Financial Reporting Standards Council .(FRSC) on May 29, 2012, from the Annual Improvements to IFRSs 2009-2011 Cycle issued by the Internationa l Accounting Standards Board. The annual improvements process provides a vehicle for making non-urgent but necessary amendments to the standards. The topics addressed by the Annual Improvements to PFRSs 2009-2011 Cycle are shown in the table below:

PFRS	Subject of amendment
PFRS 1, First-time Adoption of Philippine Financial Reporting Standards	Repeated application of PFRS 1 Borrowing costs
PAS 1, Presentation of Financial Statements	Clarification of the requirements for comparative information
PAS 16, Property, Plant and Equipment	Classification of servicing equipment
PAS 32, Financial Instruments: Presentation	Tax effect of distribution to holders of equity Instruments
PAS 34, Interim Financial Reporting	Interim financial reporting and segment information for total assets and liabilities

The amendments are effective for annual periods beginning on or after January 1, 2013. Earlier application is permitted.

(d) Amendments to PFRS 1 to Add New Exception to the Retrospective Application of PFRSs, adopted by the Financial Reporting Standards Council (FRSC) on April 25, 2012, from the Amendments to IFRS 1, Government Loans, issued by the International Accounting Standards Board (IASB), as Amendments to PFRS 1, First-time Adoption of Philippine Financial Reporting Standards (PFRSs).

The amendments add an exception to the retrospective application of PFRSs. First-time adopters are required to apply the requirements in PFRS 9, Financial Instruments (If PFRS 9 is not yet adopted, references to PFRS 9 in the amendments shall be read as references to PAS 39, Financial Instruments: Recognition and Measurement.) and PAS 20, Accounting for Government Grants and Disclosure of Government Assistance prospectively to government loans existing at the date of transition to PFRSs. However, a first-time adopter may apply the requirements of PFRS 9 and PAS 20 to government loans retrospectively if it has obtained the necessary information to do so. The amendments are effective for annual periods beginning on or after January 1, 2013. Earlier application is permitted.

There are no other PFRSs or Philippine Interpretations-IFRIC that have a material impact to the Bank.

Cash and Cash Equivalents
Cash and cash equivalents substantially consist of cash on hand and other cash items, amounts due from BSP and other banks that are known amounts of cash with maturities of three months or less from dates of placements and that are subject to insignificant risk of changes in value. These are carried in the books at cost, which approximates market.

Financial Assets
Financial assets include cash and other financial instruments. Financial assets are classified into categories financial assets at fair value to profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets. Financial assets are assigned to the different categories by management on initial recognition, depending on the purpose for which the investments are required. The designation of financial assets is re-evaluated at every reporting date at which date a choice of classification or accounting treatment is available, subject to compliance with specific provisions of applicable accounting standards. Derecognition of financial assets occurs when the right to receive cash flows from the financial instruments expire or are transferred and substantially all of the risks and rewards of ownership have been transferred.

The following are the applicable financial assets of the Bank:

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 losses. Any change in their value is recognized in profit or loss. 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 based on the policy explained in the following section.

Held-to-Maturity Investments
These are also non-derivative financial assets with fixed or determinable payments and fixed date of maturity. The Bank has the positive intention and ability to hold the investment until maturity. These investments are initially recognized at fair value including direct and incremental transaction costs and measured subsequently at amortized cost, using the effective interest method, If there is objective evidence that the investment has been impaired, it is measured at present value of estimated cash flows. Any changes to the carrying amount of the investment are recognized in profit or loss. Interest on held-to-maturity investments is included in the statement of profit or loss. In case of in impairment, the impairment loss is reported as a deduction from the carrying value of .the investment and recognized in the statement of profit or loss.

Allowance for Impairment Losses
The Bank maintains its allowance for impairment losses for loans and receivable at a level considered adequate to provide potential losses on loans and other receivable from borrowers. The allowance is increased by provisions charged to expense and reduced by net write-offs and reversals. The level of allowance is based on higher management evaluation of potential losses and after consideration of prevailing and anticipated economic conditions and evaluation of potential losses based on existing guidelines of the BSP.

The BSP requires banks to observe certain criteria and guidelines based largely on the classification of loans in establishing allowance for loan losses, Additionally, a blanket reserve is required for non-classified loans. Under BSP guidelines, this blanket reserve should, at the minimum, be equivalent to 1% of non-classified loans. Furthermore, existing guidelines of the BSP establish new policies on the classification of nonperforming loans, prerequisites to the restructuring of loans, and maximum collateral valuation limits for the purpose of calculating the allowance for impairment losses.

Bank Premises, Furniture, Fixtures and Equipment
Bank premises, furniture, fixtures and equipment are carried at cost less accumulated depreciation. Such cost includes the cost of replacing part of such bank premises, furniture, fixtures-and equipment when that cost is incurred, if the recognition criteria are met. Interests incurred on borrowed funds used to finance the construction of properties during the construction period are capitalized. Other borrowing costs are expensed. An item of bank premises, furniture, fixtures and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss in the year the asset is derecognized.

Depreciation is computed on the straight-line method over the estimated useful lives of the assets as follows: (a) buildings, 25 years, (b) furniture, fixtures and equipment, 1 to 10 years, (c) Transportation equipment, 5 years, (d) leasehold rights and improvement, over the estimated useful lives of the improvements or the term of the lease, whichever is shorter, and (e) land is not depreciated.

Where the carrying amount of an asset is greater-than its estimated recoverable amount, it is written down immediately to its recoverable amount. An impairment loss is recognized for the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of an asset's net selling price and value in use. When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts and any resulting gain or loss is credited or charged to income. The cost of major renovations is included in the carrying amount of the asset when it is probable that future economic benefits arising from the renovations will flow to the organization.

The carrying values of bank premises, furniture, fixtures and equipment are reviewed for impairment when changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount. The recoverable amount of bank premises, furniture, fixtures and equipment is the greater of net selling price and value in use. The net selling price is the amount obtainable from the sale of an asset in an arm's-length transaction.

Investment Properties
Investment properties are initially measured at cost including certain transaction costs. Assets acquired in settlement of loans are initially recorded at the total outstanding loan at the time of' acquisition or bid price, whichever is lower. Non-refundable capital gains tax and documentary stamp tax incurred in connection with foreclosure are capitalized as part of the carrying values of the assets, which should not exceed appraised values.

Investment properties are derecognized when they have either been disposed of or when the investment properties are permanently withdrawn from use and no future benefit is expected from their disposal. Any gain or loss on derecognition of an investment property is recognized in the statement of profit or loss in the year of derecognition. Expenditures incurred after the investment properties have been put into operations, such as repairs and maintenance, security maintenance and other holding costs are normally charged to income in the period in which the costs are incurred.

Financial Liabilities
Financial liabilities include deposit liabilities, bills payable, unsubordinated debt and other liabilities, which are measured at amortized cost using effective interest rate method. Financial liabilities are recognized when the Bank becomes a party to the contractual agreement of the instrument. All interest and related charges are recognized as an expense in the statement of profit or loss under the caption Interest Expense.

Bills payable are raised to support long-term funding. They are recognized at proceeds received, net of direct issue costs. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are charged to profit or loss on an accrual basis using the effective interest method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise. are initially recognized at their nominal value and subsequently measured at amortized cost less settlement payments. Financial liabilities are derecognized from the statement of financial position only when the obligations are extinguished either through discharge, cancellation or expiration.

Derecognition of Financial Assets and Liabilities

A financial assets is derecognized when (a) the rights to receive cash flows from the asset have expired; (b) the Bank retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a pass-through arrangement; or (c) the Bank has transferred its rights to receive cash flows from the asset and either has transferred substantially all the risks and rewards of the asset, or has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset. A financial liability is derecognized when the obligation under the liability expires, is discharged or cancelled. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are -substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the statement of profit or loss.

Impairment of Non-Financial Assets

The carrying values of the Bank's non-financial assets are subject to impairment testing. All individual assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value, reflecting market conditions less costs to sell, and value in use, based on an internal evaluation of discounted cash flow. All assets are subsequently reassessed for indications that an impairment loss previously recognized may no longer exist and the carrying amount of the asset is adjusted to the recoverable amount resulting in the reversal of the impairment loss.

Revenue and Cost Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Bank and the revenue cart be measured reliably. The following are the specific recognition criteria in recognizing revenue:

(a) Interest income is recorded at the effective interest rate. On discounted loans, interest income are recognized based on the accrual method of accounting using the effective interest method, except in the case of loans classified as non-accruing in accordance with existing BSP guidelines. Interest income on non-accruing loans and past-due receivables is recognized only to the extent of cash collections received.

(b) Loan commitment fees are recognized as earned over the term of the credit lines granted each borrower. Other non-finance charges on loans and penalties on delinquent accounts are recognized upon actual collection.

(c) Service charges, fees and commission are generally recognized when the service has been provided.

(d) Cost and expenses are recognized in the statement of profit or loss upon utilization of the service or at the date they are incurred,

Employee Benefits

The Bank's employees are provided with the following benefits:

- **Retirement Benefit Obligation**

  Retirement benefits are provided to employees through a defined benefit plan. A defined benefit plan is a retirement plan that defines an amount of retirement benefit an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and salary. The legal obligation for the benefits of the retirement plan remains with the Bank, even if plan assets for funding the defined benefit plan have been acquired. Plan assets may include assets specifically designated to a long-term benefit fund, as well as qualifying insurance policies. The Bank's defined benefit retirement plan covers all regular full-time employees. The pension plan is tax-qualified, noncontributory and administered by an insurance company.

- **Termination Benefits**

  Termination benefits are payable when employment is terminated by the Bank before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Bank recognizes termination benefits when it is demonstrably committed to either: (a) terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or (b) providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the statement of financial position date are discounted to present value.

- **Compensated Absences**

  Compensated absences are recognized for the number of paid leave days (including holiday entitlement) remaining at the statement of financial position date. The amounts recognized 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.

Leases

The Bank determines whether an arrangement is, or contains a lease based on the substance of the arrangement.
It makes an assessment of whether the fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

The Bank accounts for its leases as follows:

a) Bank as Lessee

Leases which transfer to the bank substantially all risk and benefits incidental to ownership of the leased item are classified as finance leases and are recognize as assets and liabilities in the statement of financial position at amounts equal at the inception of the leases to the fair value of the leased property or, if lower, at the present value of minimum lease payments. Leases payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are directly charged against income. Capitalized leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

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 the statement of profit or loss on a straight-line basis over the lease term. Associated costs, such as maintenance and insurance, are expensed as incurred.

b) Bank as Lessor
Leases wherein the Bank substantially transfers to the lessee all risks and benefits incidental to ownership of the leased item are classified as finance leases and are presented as receivable at an amount equal to the Bank's net investment in the lease. Finance income is recognized based on the pattern reflecting a constant periodic rate of return on the Bank's net investment outstanding in respect of the finance lease.

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

Income Taxes

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Deferred income tax is provided, using the balance sheet liability method, on all temporary differences at the statement of financial position date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax liabilities are recognized for all taxable temporary differences, except; (a) where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects either the accounting profit nor taxable profit or loss; and (b) in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits from excess minimum corporate income tax (MCIT) and unused net operating loss carry over (NOLCO), to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused NOLCO can be utilized except (a) where the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and (b) in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each statement of financial position date and reduced 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. Unrecognized deferred tax assets are reassessed at each statement of financial position date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rate that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rate (and tax laws) that have been enacted or substantively enacted at the statement of financial position date. Income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit or loss.

Earnings per Share
Basic earnings per share (EPS) is computed by dividing the profit for the year attributable to common shareholders (net income for the period less dividends on convertible redeemable preferred shares) by the weighted average number of common shares issued and outstanding during the year and adjusted to give retroactive effect to any stock dividends declared during the period.

Diluted EPS is computed by dividing the net income for the year attributable to common shareholders by the weighted average number of common shares outstanding during the year adjusted for the effects of dilutive convertible redeemable preferred shares. Diluted EPS assumes the conversion of the outstanding preferred shares. When the effect of the conversion of such preferred shares is anti-dilutive, no diluted EPS is presented.

Provisions and Contingent Liabilities

Provisions, if any, are recognized when the Bank has legal or constructive obligations as a result of past event: it is probable that an outflow of resources will be required to settle the obligation and estimate can be made of the amount obligation. Provisions are recognized when present obligation 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. A present obligation arises from the presence of a legal or constructive commitment that has resulted from past events.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the statement of financial position date, including the risks and uncertainties associated with the present obligation. Any-reimbursement expected to be received in the course of settlement of the present obligation is recognized, if virtually certain as a separate asset, not exceeding the amount of related provision. Provisions are reviewed at each statement of financial position date and adjusted to reflect the current best estimate. In those cases where the possible outflow of the economic resources as a result of present obligation is considered improbable or remote, or the amount to be provided for cannot be measured reliably, no liability is recognized in the financial statements. Probable inflows of economic benefits that do not yet meet the recognition criteria of the asset are considered contingent assets, hence, are not recognized in the financial statements.

Subsequent Events
Post year-end events that provide additional information about the Bank's position at statement of financial position date (adjusting events), are reflected in the financial statements. Post year-end events that are not adjusting events are disclosed in the notes to financial statements when material.

Note 3

Significant Accounting Judgment and Estimates

The preparation of the financial statements in accordance with PFRS requires the Bank to make judgments and estimates that affect the reported amounts of assets, liabilities, income and expenses and disclosure of contingent assets and liabilities. Future events may occur which will cause the judgments and assumptions used in arriving at the estimates to change. The effects of any change in judgments and estimates are reflected in the financial statements as they become reasonably determinable. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The following critical accounting estimates and judgments may be applicable, among many other possible areas not presented in the Bank's financial statements:

Impairment Losses on Loans and Receivables
The Bank reviews its loan portfolios to assess impairment at least on a monthly basis. In determining whether an impairment loss should be recorded in the statement of profit or loss, the Bank makes judgment as to whether there is any observable data indicating that there has been measurable decrease in the estimated future cash flows from a portfolio of loans before the decrease can be identified with an individual loan in that portfolio. This evidence may include observable data indicating that there has been an adverse change in the payment status of borrowers in a group or local economic condition that correlates with defaults on assets in the Bank,

Management uses estimates based on historical loan experience and objective evidence of impairment similar to those in the portfolio when scheduling its future cash flows. The methodology and assumptions used for estimating both the amount and timing of future cash flows are reviewed regularly to reduce any differences between loss estimates and actual loss experience.

Held-to-Maturity (HTM) Investments
The classification to HTM investment requires significant judgment by management. In making this judgment, the Bank evaluates its intention and ability to hold on to such investments until maturity. If the Bank fails to keep these investments to maturity other than in certain specific circumstances, for example, selling an insignificant amount close to maturity, it will be required to reclassify the entire portfolio as available-for-sale investments. The investments would therefore be measured at fair value and not at amortized cost.

Estimating Useful Lives of Bank Premises, Furniture Fixture and Equipment
The Bank reviews annually the estimated useful lives of its bank premises, furniture, fixture and equipment based on expected asset utilization. It is possible that future results of operations could be materially affected by changes in these estimates. A reduction in the estimated useful lives of these properties would increase recorded depreciation and amortization expense and decrease the related asset accounts.

Impairment of Non-financial Assets
The Bank assesses the impairment of its non-financial assets whenever events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. Recoverable amounts are estimated for individual assets or, if it is not possible, for the cash-generating unit to which the asset belongs. For impairment loss on specific asset, the recoverable amount represents the net selling price. In determining the present value of estimated future cash flows expected to be generated from the continued use of the assets, the Bank is required to make estimates and assumptions that can materially affect the Bank's financial statements,

Retirement Benefits
The determination of the Bank's obligation and cost for pension and other employee benefits is dependent on the selection of certain assumptions used by management in calculating such amounts. While the Bank believes that the assumptions used are reasonable and appropriate, significant differences in the actual experience or significant changes in assumptions may materially affect employee benefit obligations.

Operating and Finance Leases
The Bank has entered into various lease agreements either as a lessor or 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 risks and rewards of ownership of the properties covered by the agreements.

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.

Provisions and Contingencies
Judgment is exercised by management to distinguish between provisions and contingencies. Policies on recognition and disclosure of provision and disclosure of contingencies are discussed in Note 2.

Note 4
Cash and Cash Equivalents

This account consists of the following:

December 31	2012	2011
Cash and other cash items	P24, 619,526	824,655,352
Due from Bangko Sentral ng Pilipinas	68,972,273	17,685,225
Due from other banks	144,186,514,	219,452,841
	P237, 778,313	8261,793,418

Due from other banks earn annual interest ranging from 0.1% to 5.1% in 2012 and 2011. Short-term deposits are made for varying periods up to three months depending on the immediate cash requirements of the Bank, and earn interest ranging from 1.25% to 3.56% in 2012 and 2% to 5.1% in 2011. Interest income from bank deposits amounted to P1,314,604 and P 3,037,426 in 2012 and 2011, respectively.

Due from other banks includes restricted time deposits which are restricted as to withdrawals consisting of time deposit with the following banks:

December 31	2012	2011
Bank of Philippines Islands	P25, 000,000	P25, 000,000
Land Bank of the Philippines	10,838,536	-
United Coconut Planters Bank	1,500,000	-
Philippine National Bank	156,834	-
	P37,495,370	P25, 000,000

Note 5
Loans and Receivables

The loans and receivables from the Bank's customers are categorized as follows:

December 31	2012	%	2011	%
Loans:				
Agricultural	P 125, 275,284	8	P 331, 021,765	23
Commercial	1,243,209,303	82	962,953,326	66
Others	140,464,402	10	156,711,796	11
	1,508,948,989	100	1, 450,686,887	100
Allowance for impairment losses (Note 10)	(35,352,997)	(2)	(59,936,374)	(4)
Loan discounts	(13,605,026)	(1)	(29,105,369)	(2)
	P 1,459,990,966	97	P1,361,645,144	94
Other Receivables:				
Accrued interest receivable	P 51, 054,082	53	P 42, 454,008	80
Claims on loans receivable	40,980,530	42		
Accounts receivable	5,154,165	5	10,780,742	20
	97,188,777	100	53,234,750	100
Allowance for impairment losses	(2,169,708)	(2)	(288,166)	(1)
	95,019,069	98	52,946,584	99
	P1, 555,010,035		P 1,414,591,728	

The loans from the Bank's customers are categorized as follows:
Breakdown by Age of Accounts in 2012

December 31, 2012	Current	Past Due	In Litigation	Total
Agricultural	P 60,217,694	P64,084,391	8973,199	P125, 275,284
Commercial	1,190,721,587	48,130,197	4,357,519	1,243,209,303
Others	88,301,988	52,162,396	18	140,464,402
	P 1,339,241,269	P 164,376,984	P 5,330,736	P1,508,948,989
	89%	11%	0%	100%

Breakdown by Type of Security

December 31	2012	%	2011	%
Unsecured	P1,176,907,616	78	P1,227,232,663	85
Secured	332,041,373	22	223,454,224	15
	P1, 508,948,989	100	P 1,450,686,887	100

Loans considered past due as of December 31, 2012 and December 31, 2011 amounted to P169, 707,720 and P150,017,661, respectively. Portion of the past due accounts and accounts under litigation are covered with real estate mortgages, which could be foreclosed to reduce possible losses from non-collection.

Breakdown by Concentration of Credit

December 31	2012	%	2011	%
Agricultural	P 86,396,184	6	135,667,469	9
Wholesale and retail trade	271,057,851	18	341,495,799	24
Others	1,151,494,954	76	973,523,619	67
	P 1,508,948,989	100	P1,450,686,887	100

The BSP considers that concentration of credit exists when total loan exposure to a particular industry or economic sector exceeds 30% of total loan portfolio.

The maturity profile of the loans is as follows:

December 31	2012	%	2011	%
Due more than 12 months	P 890, 835,953	59	P 702, 337,395	48
Due within 12 months	618,113,036	41	748,349,492	52
	P 1,508,948,989	100	P 1, 450,686,887	100

The claims receivable represents the claims of the Bank against Agricultural Guarantee Fund Pool (AGFP) on the outstanding balance of agricultural loans granted by EBI to farmers which are guaranteed by AGFP. AGFP is established by virtue of Administrative Order (AO) No. 225-A issued on May 2008. AGFP is a pool of contributions from Government Financial Institutions and Government Owned or Controlled Corporations for projects in palay and food production. The AGFP shall be used to mitigate the risks involved in agricultural lending thereby facilitating the provisions of credit in the agricultural sector.

The AGFP encourage the Private Financial Institutions (PFIs) and other credit conduits to expand their outreach to small farmers and fisherfolk by providing guarantee coverage to unsecured loans extended by the PFI's and other credit conduits to farmer borrowers engaged in palay and/or production projects/activities.

In 2009, the Bank as a credit conduit entered into a Guarantee Agreement with AGFP wherein AGFP provides 85% guarantee cover on the unsecured loans/accounts extended by the Bank to. eligible sub-borrowers, net of interest and other charges deducted in advance, whose loan purpose is to finance palay, fisheries and other food crops/commodities production up to maturity of the sub-loans guaranteed but not to exceed the production cycle of the crop as cited in the AGFP Governing Board Order No. 001, Series of 2009 also referred as the AGFP Implementing Rules and Guidelines.

Note 6
Bank Premises, Furniture, Fixtures and Equipment

Bank premises, furniture, fixtures and equipment, which are stated at cost, consist of the following:

December 31	2012	2011
Land	P19, 153,630	P 23,240,576
Building	23,196,369	23,846,770
Furniture, Fixtures and Equipment	47,351,230	37,862,831
Transportation equipment	30,921,508	25,906,222
Leasehold improvements	16,166,823	13,508,238
Construction in progress	11,632,569	-
	148, 422,129	124,364,637
Less accumulated depreciation	68,289,267	55,016,594
	P 80,132,862	P 69,348,043

The Bank has lease contracts with various terms on twenty seven (27) buildings which it holds as collection and disbursement offices, in the areas where it holds branch operations and micro-banking office operations The leases, taken up in the books as operating leases, would expire on various dates.

The reconciliation of the carrying amount of Bank premises, furniture, fixtures and equipment follows:

Disposal/ December 31, 2012	Opening Balance	Additions	Reclassification	Closing Balance
Cost				
Land	P 23,240,576		(P4,086,946)	P19, 153,630
Building	23,846,770	P 213,199	(863,600)	23,196,369
Furniture, fixtures and equipment	37,862,831	13,832,794	(4,344,395)	47,351,230
Transportation equipment	25,906,222	5,015,286	-	30,921,508
Leasehold improvements	13,508,238	2,658,585	-	16, 166,823
Construction in progress	-	11,632,569	-	11,632,569
	124,364,637	33,352,433	(9,294,941)	148,422,129
Accumulated Depreciation				
Building	(7,560,216)	(644,740)	-	(8,204,956)
Furniture, fixtures and equipment	(24,468,608)	(8,600,012)	4,657,514	(28,411,106)
Transportation equipment	(14,555,806)	(4,077,238)	-	(18,633,044)
Leasehold improvements	(8,431,964)	(4,608,197)	-	(13,040,161)
	(55,016,594)	(17,930,187)	4,657,514	(68,289,267)
Net Book Value	P69,348,043	P 15,422,246	(P4,637,427)	P80,132,862

Disposal/ December 31, 2011	Opening Balance	Additions	Reclassification	Closing Balance
Cost				
Land	P16, 470,538	P 86,930,038	(P 160, 000)	P 23,240,576
Building	23,766,385	927,545	(847,160)	23,846,770
Furniture, fixtures and equipments	30,147,973	10,106,797	(2,391,939)	37,862,831
Transportation equipment	20,210,553	6,181,823	(486,154)	25,906,222

Leasehold improvements	20,093,200	2,036,748	(8,621,710)	13,508,238
	110,688,649	26,182,951	(12,506,963)	124,364,637
Accumulated Depreciation				
Building	(7,013,612)	(1,212,402)	665,798	(7,560,216)
Furniture, fixtures and equipments	(20,531,298)	(6,051,619)	2,114,309	(24,468,608)
Transportation equipment	(11,834,981)	(3,381,020)		660,195
				(14,555,806)
Leasehold improvements	(12,544,872)	(4,904,198)	9,017,113	(8,431964)
	(51,924,770)	(15,549,239)	- 12,457,415	(55,016,594)
Net.Book Value	P 58,763,879	P 10,633,712	(P 49,548)	P 69,348,043

Note 7
Investment Property

This account represents land and condominium unit which were acquired in settlement of loans and are held for capital appreciation:

December 31	2012	2011
Real and other properties acquired (ROPA)	P 23,084,597	P 13,592,062
Less provision for impairment losses (Note 10)	130,123	1,919,841
	P 22,954,474	P 11,672,221

The real properties consist of several pieces of lots located within Provinces of Surigao del Sur, Agusan del Norte, Agusan del Sur, and Davao del Norte recorded in the books at the total loan outstanding at the time of acquisition. Some of these properties with high valuation have estimated market values of P18,715,000 determined by an independent firm of appraisers as of September 30, 2009. The reconciliation of the carrying amount of investment properties follows:

December 31	2012	2011
Opening balances	P13, 592,062	P14, 792,870
Additions	15,027,237	-
Disposals	(5,534,702)	1,200,808)
	823,084,597	P13, 592,062

Note 8
Other Assets

The composition of this account is shown below:

December 31	2012	2011
Computerized program and product development	P 14,596,706	P 9,652,953
Deferred-tax assets (Note 18)	17,319,756	21,004,659
Prepaid expenses	3,664,498	1, 551,279
Stationery and office supplies	2,529,827	2,280,726
Miscellaneous assets	3,287,691	1,966,457
HTR investments (see below)	86,965	542,408
	P 41,485,443	P 36,998,482

The held to maturity financial assets consist of the following equity investments:

December 31		2012	2011
Land Bank of the Philippines (LBP)		P 86, 965	P 3,88,188
Philippine National Bank (PNB)	-	-	154,220
		P86, 965	P 542,408

The investments with LBP represent 10-year bonds with interest rate based on the prevailing 91-day treasury bill rate. The Bank intends to hold on to these investments until maturity,

The investments with PNB include investments in treasury bills with interest rate at 4.30% per annum that was already matured last April 2011,

Note 9
Allowance for Impairment Losses

The accounting of the movement of the allowance for impairment losses consists of the following:

December 31	Loans and Receivables	Investment Property	Other Receivables	Total
	(Note 5)	(Note 7)	(Note 5)	
Opening balances, January 1, 2010	P36, 330,423	P1,919,841	P 286,479	P388, 536,743
Provision for impairment losses in 2011	40,525,976		59,020	40,584,996
Write-offs	(16,920,025)	-	(57,333)	(16,977,358)
Closing balances, December 31, 2011	59,936,374	1,919,841	288,166	62,144,381
Provision for impairment losses in 2012	25,067,189	-	1,080,000	26,147,189
Write-offs	(52,040,768)	-	(255,311)	(52,296,079)
Adjustments	2,390,202	(1,789,718)	1,056,853	1,657,337
	P35, 352,997	P130,123	P 2,169,708	P 37,652,828

The adjustments to allowance for impairment losses represent reclassification entries only.

Note 10
Deposit Liabilities

This account is composed of the following:

December 31	2012	2011
Savings and demand deposits	P 283,769,103	P 274,832,731
Time deposits	299,750,800	237,214,121
	P 583,519,903	P 512,046,852

The deposit liabilities earn annual fixed interest of 1 %: for savings and current accounts, and from 2.35% to 9.5% for time deposits. The maturity analysis of time deposits follows:

December 31	2012	2011
Six months to one year	P 129,630,385	P 141,605,672
More than one year	P 170,120,415	P 95,608,449
	P 299,750,800	P 237,214,121

Note 11
Bills Payable

This: consists of the following bills payable to:

December 31	2012	2011
Bank of the Philippine Island	P 174,549,000	P164,976,000
UCPB Savings Bank	171,231,250	156,425,000
Small Business Corporation	142,233,122	68,911,431
Peoples Credit and Finance Corporation	120,174,860	102,002,228
Land Bank of the Philippines	111,328,353	113,977,247
Development Bank of the Philippines	75,138,734	76,540,270
BPI Globe Banko, Inc.	64,125,000	68,950,000
Bangko Sentral ng Pilipinas	63,601,072	41,554,421
Stiching Triodos-Doen	50,000,000	50,000,000
National Livelihood and Development Corporation	39,522,124	44,300,298
UCPB-CIIF Finance and Development Corporation	29,924,213	19,979,464
Oxfam Novib		30,870,000
Oiko Credit		3,999,535
Credit Suisse Microfinance Fund Management Company		34,671,000
Responsibility SICAV		11,557,000
	P1,041,827,728	P 988,713,894

The maturity analysis of bills payable follows:

December 31	2012	2011
One year and below	P 834,737,973	P 839,058,056
More than one year	207,089,754	149,655,838
	P1,041,827,727	P 988, 713,894

The accounts with BPI represent the balance under a credit line, bearing interest rates of 4.25% to 6.25% annually and are payable with one year. Portion of bills payable are secured by a certificate of time deposit with BPI amounting to P25.0 million (see Note 4). Moreover, said bills payable is collateralized by assignment of promissory notes. The Bank also availed a short-term loan secured by real estate mortgage in 2012. The proceeds were used to finance the construction of the Enterprise Development and Lending Center in Davao City. Total amount of construction-in-progress securing the short-term loan amounted to P11.6 million as of December 31, 2012.

The Bank availed of a credit line and term loan from UCPB Savings Bank with annual interest rates of 8.50% payable on either quarterly or semi-annual. The said bills payable which is collateralized by assignment of the sub-borrowers' promissory is payable within one year to two years. The accounts with Small Business Corporation represent the balance of bills payable arising from rediscounting of loans with interest rates ranging from 6% to 7.85% annually and is payable from one to five years and institutional loan used to finance some of the Bank's office equipment at 4% interest per annum.

The accounts with People's Credit and Finance Corporation (PCFC) represent loans from PCFC with interest rates ranging from 10% to 12% annually, payable within two to four years. These bills payable are collateralized by assignment of sub-borrowers' promissory notes. The credit line agreement provides that any cash dividend declaration by the Bank shall require prior approval from PCFC.

The accounts with Land Bank of the Philippines represent the balance of the bills payable arising from rediscounting of loans which has interest rates ranging from 5% to 9.5% annually and are payable within one year to five years. These bills payable are collateralized by assignment of sub-borrowers' promissory notes.

The accounts with Development Bank of the Philippines represent the balance of the bills payable arising from rediscounting of loans receivable. These loans bear interest rates raging from 4.25% to 8.50% annually and are payable within one year to two years.

The accounts with BPI-Globe Bangko, Inc. represent loans availed by the Bank with annual interest of 7.5% payable monthly within one year.

Said loans are secured by assignment of sub-borrowers' promissory notes, The accounts with Bangko Sentral ng Pilipinas represent the balance of the bills payable arising from rediscounting of loans receivable. These loans bear interest rates ranging from 3.5% to 4.25% and is payable within one year. These bills payable are secured by assignment of sub-borrowers' promissory notes.

The 2011 accounts with Stiching Triodos Doen represents term loans with interest rate at 11% per annum and have term of two years, payable on July 1, 2012, and October 1, 2012. Said bills payable was renewed for another two years and is payable on October 1, 2014.

The accounts with NLDC represent loans under a credit line with interest rate of '9% annually. The loan will mature on various dates until February 2015. These bills payable are collateralized by assignment of sub-borrowers' promissory notes. The Bank also availed a developmental loan to finance the acquisition ofmotorcycles amounting to 8492,400 with interest rate of 4% annually.

The account with UCPB-CIIF Finance and Development Corporation represents loan under a credit line with interest rate of 9% to 10.5% annually and are payable within one year. These bills payable are collateralizedby assignment of sub-borrowers', promissory notes.

The accounts with Oxfam Novib represent two term loans with interest rate at 10.5% per annum. These accounts were already paid last November 15, 2012.

The account with Oiko Credit represents a term loan with interest rate of 10% per annum and is payable every six months within five years which were already paid last November 26, 2012.

The accounts with Credit Swiss Microfinance Fund Management Company and Responsibility SICAV represents term loans with interest rates at 11.25% per annum and have term of two years which were already paid last July 13, 2012.

The account with ResponsAbility SICAV through its Investment Partner Planet Finance represents two-year unsecured term loan with annual interest rate of 11.25% which was already paid last July 13, 2012.

The above bills payable were secured by loans receivable amounting to P1.112 million and P0.965 million as of December 31, 2012 and 2011, respectively.

Note 12
Unsecured Subordinated Debt (USD)

This represents obligation to Land Bank of the Philippines arising from the issuance of a 10-year unsecured subordinated debt (USD) denominated in local currency eligible as Tier 2 (supplementary) capital of the Bank, with the following terms and conditions, among others:
(a) The Bank pays Land Bank interest rate at 9.65% per annum payable semi-annually with fixed due dates reckoned from April 1, 2009, the release of USD proceeds.

(b) The note does not constitute a deposit by Land Bank of the Philippines and is not insured by the PDIC; it shall not have priority claim, in respect of principal and coupon payments, in the event of winding-up of the Bank.

(c) The note cannot be terminated by LBP before maturity date.

Note 13:
Other Liabilities

This consists of the following:

December 31	2012	2011
Accrued interest	P22,569,504	P24,097,297
Retirement benefit obligations (Note 20)	20,786,286	19,920,750
Accounts payable	18,240,755	12,276,854
Accrued expenses	4,794,560	10,952,166
Redeemable preferred shares (Note 15)	4,715,700	4,715,700
Income tax payable	2,350,716	4,797,519
Dividends payable	997,581	997,581
Other payables	2,857,273	4,024,229
	P77,312,375	P81,782,096

Note 14
Share Capital

This account consists of the following:

December 31			2012	2011
Preferred Shares A, P100 par value				
Government, non-voting and convertible, cumulative				
Authorized-251,353 in 2012;	51,352 shares in 2011			
Issued and outstanding	47,157 shares		P4,715,700	P4,715,700
Preferred Shares B, P100 par value				
Private redeemable non-voting and convertible				
Authorized	*150,000 shares both in 2012 and 2011*			
Issued and outstanding	55,000 shares in 2012; 35,000 shares in 2011		5,500,000	3,500,000
			10,215,700	8,215,700
Less redeemable preferred shares reclassified to other liabilities			(4,715,700)	(4,715,700)
Total Preferred Shares			5,500,000	3,500,000
Common Shares	P100 par value			
Authorized	5,000,000 shares in 2012 and 1,500,000 shares in 2011			
Issued and outstanding	140,164 shares in 2012;	42,630 in 2011	140,164,500	42,630,600
Deposits for Future Subscription				**1,013,825**
			P145,664,500	**P 47,144,425**

The preferred shares have the following rights, preferences, conditions and limitations:

(a) Preferred shares "A" are issued only against the government investment in the capital stock of the Bank. The shares are non-voting, convertible to common shares and shall share in the dividend distributed from the date of issuance of the rate provided under Section 8 R.A. No. 7353 which dividend shall be cumulative. The shares have preference over common shares in the assets of the Bank in the event of liquidation. Per Memorandum of Agreement executed in 1992 between the Bank and government stockholder, the Bank has fixed obligation to redeem the shares on or before the 15th year from the date of conversion the preferred shares of stock still held by the government stockholder.

(b) Preferred shares "B" shall be issued only, after the creation of sinking fund for its redemption to qualified private persons, natural or juridical, and shall have preference over common stocks in the assets of the Bank in the event of liquidation and which sinking fund shall be affected. by the transfer of free surplus to restricted surplus account and shall not be available for dividends. The shares are redeemable anytime at the option of the Bank after five years from date of issuance, non-voting and convertible and shall have preference as to dividends only as may be set by the Bank's BOD, but which should not however be in the absence of sufficient undivided profits, free surplus and approval of the BSP.

Under existing BSP regulations, the determination of the Bank's compliance with regulatory requirements and ratios is based on the amount of the Bank's "unimpaired capital" (regulatory net worth) reported to the BSP, determined on the basis of regulatory accounting policies, which differ from Philippine Financial Reporting Standards (PFRS) in some aspects. As at December 31, 2012, the Bank is in compliance with the minimum capital-to-risk ratio. Please see Note 22 for the significant ratios.

On June 28, 2012 the Bank obtained approval from the Securities and Exchange Commission (SEC) for the increase in the Bank's authorized capital from P150,000,000 consisting of 1,500,000 shares at P100 par value divided into 1,298,647 common shares and 51,353 preferred shares-government and 150,000 preferred shares-private to P540,135,300 consisting of 5,401,353 common shares at P100 par value divided into 5,000,000 common shares, 251,353 preferred share-government and 150,000 preferred shares-private without voting rights, all at P100 par value. The increase in the Bank's authorized shares has been authorized by the Banko Sentral ng Pilipinas on May 4, 2012. As at December 31, 2012 the Bank has a total of 43 stockholders with 42 stockholders owning 100 or more shares each of the Bank's share capital.

Deposits on Future Stocks Subscription

In 2011, the Bank received an investment from certain investors; however, pending the approval from SEC on the increase of its authorized capital stocks, the amount received was presented as Deposits on Future Stock Subscription. In 2012, upon the approval of SEC on the Bank's application on the increase in authorized capital stock the Deposits on Future Stock Subscription was applied against subscription of capital stock.

Capital Management Objectives Policies and Procedures

BSP, as the Bank's lead regulator, sets and monitors capital requirements for the Bank. In implementing current capital requirements, the BSP requires the Bank to maintain a prescribed ratio of qualifying capital to risk-weighted assets.

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

(a) unbooked valuation reserves and other capital adjustments as may be required byithe BSP;
(b) total outstanding unsecured credit accommodations to DOSRI;
(c) deferred tax asset or liability;
(d) sinking fund for redemption of redeemable preferred shares; and,
(e) other regulatory deductions.

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 net worth after considering certain adjustments.

The Bank's policy is to maintain a strong capital base as to maintain stockholders, creditors 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.

As of the reporting dates, the Bank has complied with the requirement on the ratio of combined capital accounts against the risk assets.

Note 15
Transactions on Reserves During the Year

On September 29, 2011, the BSP approved the stock dividend declaration of the Bank amounting to P96.2 million payable to stockholders of record as of March 31, 2011. However, the said stock dividend was not yet distributed as of December 31, 2011 pending approval of the SEC on the Bank's application to increase its authorized capital stock. The undistributed stock dividend was presented as surplus reserve in 2011. The stock dividend was subsequently distributed to stockholders in 2012.

The direct charges to surplus and undivided profits in 2011 represent the following:

December 31	2011
Unrecorded accrued interest receivable using the following:	
Effective interest rate	P7,801,502
Nominal interest rate	6,735,089
Unrecorded deferred tax asset	4,921,472
Reversal of microfinance deferred charges	(4,064,333)
Unrecorded unearned interest income	1,453,556
	P13, 940,174

Note 16
Details of Other Operating Expenses

Years Ended December 31	2012	2011
Taxes and licenses (Note 25	P 39, 010,270	P34, 839,340
Security, messengerial and janitorial services	15,572,352	11, 338,011
Travelling expenses	13,478,991	15,131,950
Rental	12,565,658	11,160,727
Fuel, oil and lubricants	8,352,392	8,028,091
Postage, telephone & telegram	8,299,880	5,186,138
Stationery and supplies used	6,292,666	6,434,975
Power, light and water	5,943,464	5,327,723
Management and other professional fees	5,333,699	2,431,181
Insurance	5,234,857	3,183,425
Repairs and maintenance	4,677,196	4,727,155
Information and technology expenses	4,347,980	3,448,419
Fines, penalties and charges	3,469,543	1,662,545
Representation and entertainment	2,118,812	3,583,585
Commission	2,077,168	13,454,169
Miscellaneous	7,731,662	11,399,819
	P 144, 506,590	P 141,337,253

Note 17
Income Tax Expense

This consists of the following:

December 31	2012	2011
Current		
Corporate tax at 30%	P 4,096,994	P13,182,276
Final tax at 20%	342,921	506,238
Deferred	4,489,063	(4,121,411)
	P 8,928,978	P 9,567,103

Current Tax Expense Corporate
The computation of the current tax expense follows:

Years Ended December 31	2012	2011
Profit before income tax expense Add (deduct)	P29,768,974	P30,425,677
Permanent Differences:		
Interest income on bank deposits already subject to final tax	(1,714,604)	(3,037,426)
Non-allowable interest expense (33%)	565,819	1,002,351
Other non-deductible expenses		1,812,284
Temporary Differences:		
Provision for impairment losses	26,147,189	40,584,996
Accounts written-off	(52,296,079)	(20,521,211)
Provision for retirement benefits	1,343,757	3,515,843
Difference between the effective and nominal interest	9,841,591	(9,841,591)
Taxable income Tax rate	13,656,647	43,940,923
Income tax expense	30%	30%
	P4,096,9.94	P13,182,276

Current Tax Expense--MCIT Rate of 2%

Years Ended December 31	2012	2011
Gross Revenue		
Interest on loans	P312,382,963	P306,474,703
Other income	136,258,223	131,467,320
	448,641,186	437,942,023
Cost of Services		
Interest expense	11,136,549	94,047,535
Salaries and benefits	89,757,661	76,855,542
Insurance-PDIC	1,075,472	1,021,697
BSP supervision fee	1,613,883	
Write-offs	-	20,521,211
	203,583,565	192,445,985
Gross Profit	245,057,621	245,496,038
Tax rate	2%	2%
Tax Due at MCIT	P 4,901,152	P4,909,921

The income tax due for 2012 represents the 2% MCIT computation, an amount higher than normal corporate income tax rate of 30%. This amount can be claimed as tax credit against the normal income tax until 2015.
The disproportionate relationship between the income tax due and the income tax payable is due mainly to the amount of quarterly payments applied against the income tax payable.

Current Tax Expense- Final
This represents the final withholding taxes on interest income on bank deposits and investments.

Deferred Tax Assets
The movements of the deferred tax assets are as follows:

Years Ended December 31	**2012**	**2011**
Opening balances		
Origination of temporary differences arising from:	P21,004,659	P16, 883,249
Provision for impairment losses (Note 9)	7,844,157	12,175,499
Accounts written-off (Note 9)	(15,688,823)	(6,156,363)
Provision for retirement benefit (Note 20)	403,126	1,054,753
Effective interest income	2,952,479	(2,952,479)
Minimum Corporate Income Tax (MCIT) (Note 9)	804,158	-
Closing balances	P17,319,756	P21, 004,659

Note 18
Earnings Per Common Share

The earnings per common share is computed as follows:

Years Ended December 31	**2012**	**2011**
Basic		
Net profit	P20,839,996	P20,858,574
Weighted Average Number of Common Shares	588,862	426,306
Earnings per Share	P35.39	P48.93
Diluted		
Net profit	P 20,839,996	P 20,858,574
Weighted average number of common and potential common shares	674,353	508,463
Diluted Earnings per Common Share	P30.90	P41.02

Note 19
Related Party Transactions

The Bank's related parties include its DOSRI, key management, related parties and others. None of the transactions incorporate special terms and conditions and no guarantee was given or received. Outstanding balances are usually settled in cash. The following are the transactions with related parties:

Loans
In-the ordinary course of business, the Bank has loan transactions with DOSRL. Under the Bank's policy, these loans and other transactions are made substantially on the same terms and conditions as with other individuals and businesses of comparable risks.

Under the General Banking Act and BSP regulations, the amount of direct credit accommodations to each of the Bank's directors, officers and stockholders, of which 70% must be secured, should not exceed the amount of their respective deposits and book value of their respective investments in the Bank. In addition, the aggregate DOSRI loans generally should not exceed the Bank's capital funds or 15% of the Bank's loan portfolio, whichever is lower (see Note 5). As of December 31, 2012 and 2011, the Bank is in compliance with these regulations.

Key Management Personnel Compensations
The key management salaries and wages consist of the following:

Years Ended December 31	2012	2011
Salaries and wages	P7, 169,160	P4, 702,812
Employees' benefits	570,000	252,000
	P7, 739,160	P4, 954,812

Note 20
Compensation and Employee Benefits
Salaries and Employee Benefits Expense

Years Ended December 31	2012	2011
Salaries and short term employee benefits	P117, 158,675	P115, 518,907
Post-employment defined benefit	3,707,626	3,515,842
	P 120, 866,301	P119, 034, 749

Post-Employment Benefits

The Bank maintains a tax-qualified, noncontributory retirement plan that is being administered by a trustee covering=all regular full-time employees. The amount of retirement benefit obligation as of December 31, 2012 and 2011 presented under Other Liabilities in Note 13, recognized in the statement of financial position is determined as shown below.

December 31	2012	2011
Present value of obligation	P18, 074,674	P13,267,370
Fair value of plan assets	(4,907,560)	(3,129,396)
Deficiency of plan assets	13,167,114	10,137,974
Unrecognized actuarial gains	7,619,172	9,782,776
	P20, 786,286	P19,920,750

The movement in present value of the retirement benefit obligation recognized in the books as follows:

December 31	2012	2011
Balance at beginning of year	P13,267,370	P19,045,302
Actuarial gain (loss)	1,912,097	(8,775,130)
Current service cost	2,835,549	1,959,327
Interest cost	872,078	1,556,515
Benefits paid by the plan	(812,420)	(518,644)
	P18,074,674	P13,267,370

The movement in the fair value of plan assets presented below:

December 31	2012	2011
Fair value of Plan Assets at beginning of year	P3, 129,396	P -
Expected return on plan assets	125,176	-
Contributions paid into the plan	2,431,271	2,640,394
Actuarial gain	34,137	1,007,646
Benefits paid by the plan	(812,420)	(518,644)
	P4,907,560	P3,129,396

The plan assets consist of various short-term placements with local banks,

The amounts of retirement benefits expense recognized in the statement of profit or loss are presented below (see Note 20):

Year Ended December 31	2012	2011
Current service cost	P 2,835,549	P 1,959,327
Interest cost	872,078	1,556,515
	P 3,707,627	P 3,515,842

For the determination of the retirement benefit obligation, the following actuarial assumptions were used:

December 31	2012	2011
Discounted rate	5.90%	6.57%
Expected rate of return	4.00%	4.00%
Salary increase rate)	5.00%	5.00%

Assumptions regarding future mortality are based on published statistics and mortality tables.

The overall expected long-term rate of return on assets is 10%. The expected long-term rate of return is based on the portfolio as a whole and not on the sum of the returns in individual asset categories. The return is based exclusively on historical returns, without adjustments.

Note 21
Risk Management Objectives and Policies

The Bank is exposed to a variety of financial risks in performing its activities. Its risk management is coordinated by its Board of Directors and focuses principally on securing short to medium term cash flows by minimizing exposures to financial markets.

The Bank does not actively engage in the trading of financial assets nor does it write options. It has no significant exposure to foreign currency risks as most transactions are denominated in. Philippine peso, its functional currency. It likewise has little exposure to interest rate risk as its loans and receivables and deposit liabilities have fixed interest rates. The Bank is mostly exposed to credit risk. Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other: party to incur a financial loss. Generally, the maximum credit risk exposure of financial assets is the carrying amount of the financial assets as shown on the face of the statement of financial position. Credit risk therefore is only, disclosed in circumstances where the maximum potential loss differs significantly from the carrying amount of the financial assets. The Bank manages the level of credit risk by actively monitoring its portfolio to avoid significant concentrations of credit.

As at December 31, 2012, the Bank's financial assets are composed of the following:

December 31, 2012	Neither Past Due Nor Impaired	Past Due But Not Impaired	Total
Cash	P 237, 778,313	-	P237, 778,313
Loans and receivables	1,422,825,020	P132, 185,015	1,555,010,035
Held-to-maturity investments	86,965		86,965
	P1,660,690,298	P132, 851,015	P 1,792,875,313

The Bank is likewise exposed to liquidity risk, the risk that it will encounter difficulty in meeting its obligations as they become due without incurring unacceptable losses or costs.

The Bank's objectives to manage its liquidity profile are: a) to ensure that adequate funding is available at all times; b) to meet commitments as they arise without incurring unnecessary costs, and c) to be able to access funding when needed at the least possible cost. The Bank manages its liquidity by carefully monitoring its scheduled debt servicing payments for long-term financial liabilities as well as its cash flows due on .its day-to-day business.

The maturity profile of the Bank's financial liabilities is as follows:

December 31, 2012	Due in One Year	Due Over One Year	Total
Deposit liabilities	P 13, 399,488	P 170,120,415	P 583,519,903
Bills payables	834,737,974	207,089,754	1,041,827,728
Trade-and other payables	77,312,375		77,312,375
Unsecured subordinated debt (USD) -		50,000,000	50,000,000
	P1, 325,449,837	P427, 210,169	P1, 752,660,006

Note 22
Capital Management Objectives, Policies and Procedures

The Bank manages its capital to ensure that it has the ability to continue as a going concern while maximizing the return to shareholders. The Bank's Board of Directors reviews regularly its capital structure to ensure that it is complying with the capital requirements and limitations imposed by the Monetary Board of the Bangko Sentral ng Pilipinas and to align its operational strategy to its corporate goals. It makes adjustments to consider changes in economic conditions and the risk characteristics of its underlying assets. The Bank's overall strategy remains unchanged for several years.

The Bank monitors capital on the basis of the carrying amount of equity as presented on the face of the statement of financial position.

Under existing BSP regulations, the combined capital accounts of each bank should not be less than an amount equal to ten percent (10%) of its risk assets. The unimpaired capital of the Bank for purposes of determining the capital-to-risk assets ratio is capital fund excluding (a) deferred tax asset, (b) accumulated equity in net earnings of investees where percentage of ownership is less than 50% but where the equity method of accounting has been applied, and (c) appraisal increment on property 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 or assignment of deposits, loans or acceptance under letters of credit to the extent covered by margin deposits, and other non-risk items as determined by the Monetary Board.

Debt to Equity Ratio
Capital for the reporting periods under review is summarized as follows:

December 31	2012	2011
Total Liabilities	P 1,752,660,006	P 1,632,542,842
Total Equity	184,701,121	161,861,050
Overall financing	P 1,937,361,127	P 1,794,403,892
-		
Debt-to-Equity Ratio	9.49	10.09

Gearing Ratio

The Bank's Gearing Ratios computed at the end of each year are as follows:

December 31	2012	2011
Borrowings (total liabilities)	P 1,752,660,006	P 1,632,542,842
Less cash and cash equivalents	237,778,313	261,793,418
Net Debt	1,514,881,693	1,370,749,424
Total equity	184,701,121	161,861,050
Equity and Net Debt	P 1,699,582,814	P 1,532,610,474
-		
Gearing Ratio (Net Debt/Equity and Net Debt)	0.89	0.89

-

Gearing (otherwise known as "leverage") measures the proportion of assets invested in a business that are financed by long-term borrowing. In theory, the higher the level of borrowing (gearing) the higher are the risks to ,q business, since the payment of interest and repayment of debts are not "optional" in the same way as dividends to shareholders. However, gearing can be a financially sound part of a business's capital structure particularly if the business has strong, predictable cash flows.

The Bank will strive to reduce its gearing ratio by reducing working capital through increasing the speed of loans receivable collections and/or lengthening the days required to pay accounts payable, thereby producing cash that can be used to pay down borrowings. It will also try to increase profits through a combination of increase in market share and control of variable costs so that the Bank could generate more cash with which to pay down borrowings.

Significant Financial Ratios
In compliance with BSP Circular No. 212 series of 1999, and pursuant to Monetary Board Resolution No. 1381, financial ratios of the Bank for the years 2012 and 2011 have been computed as additional disclosure requirements in the notes to the audited financial statements, as follows:

December 31	2012	2011
Return on Average Equity	11.43%	13.68%
Return on Average Assets	1.09%	1.27%
Net Interest Margin	17.65%	14.55%
Capital-to-risk Assets	11.57%	13.24%,
Risk-Based Capital Adequacy	12.77%	12.38%

Note 23
Events After Reporting Date

There were no events after reporting date that would require disclosures or adjustments on the financial statements of the Bank.

Note 24
Approval of Financial Statements

The Thrift Bank's financial statements as of and for the year ended December 31, 2012, were authorized for issue by the Bank's President on April 11, 2013.

Note 25
Details of Taxes and Licenses

In accordance with Revenue Regulation 15-2010, the Bank discloses the following information on taxes, duties and licenses fees paid or accrued during the taxable year:

Year Ended December 31	2012	2011
Details of Taxes and Licenses		
Gross Receipt Tax	P 22,826,225	P22, 647,797
Business and realty tax, vehicles registration & others	16,184,045	12,191,543
	39,010,270	34,839,340
Other Taxes Paid		
Compensation and Expanded withholding taxes	13,376,395	12,260,403
Documentary stamp taxes	4,078,047	5,700,000
Final taxes	4,612,814	6,911,228
	22,067,256	24, 871,631
	P61, 077,526	P59, 710,971

ENTERPRISE BANK BRANCHES and MBOs

Head Office	Corner Osmeña St. Nat'l. Highway, Lianga, Surigao del Sur
Aras-asan	National Highway, Aras-asan Cagwait, Surigao del Sur
Barobo	National Highway, Barobo Surigao del Sur
Bayugan	Yakal Street, Taglatawan Bayugan City
Bislig City	Abarca Street, Mangagoy Bislig City
Butuan City	Ground Floor, Intino Building J.C. Aquino, Butuan City
Cagayan de Oro City	Gnd Floor Centro Mariano Bldg. Osmeña St., Cagayan de Oro City,
Cateel	Castro Avenue, Brgy. Poblacion Cateel, Davao Oriental
Davao - Bajada	Unit 1A - 3A, Bajada Plaza Bldg. J.P. Laurel Ave., Bajada, Davao City
Davao - Buhangin	Km. 5 National Highway Buhangin, Davao City
Davao - Cabantian	Unit #11 at AJK Building 1, Cabantian Davao City
Davao - Matina	Door H 101-C DBC Realty Bldg. McArthur Highway, Matina, Davao City
Davao - Mintal	Door #5 Piatos Bldg. Bouganvilla St. Mintal, Davao City
Digos City	Ground Floor A&B Bldg., Rizal Avenue, Digos City
General Santos City	Gnd Flr CAP Bldg., Cor. Pendatun Ave., Anonas St. General Santos City
Gingoog	A. Libetario Bldg. Doña Graciana St., Gingoog City
Hinatuan	Cor. Magallanes St. & Bandola St. Hinatuan, Surigao del Sur
Iligan	Door 3, Cheradel Bldg. Sabayle Street, Iligan City
Isulan	RER Business Center, Nat'l Highway Kalawag 1, Isulan, Sultan Kudarat
Koronadal City	Ledesma Bldg., Abad Santos St. Zone 3, Koronadal City
Madrid	Brgy. Quirino, Madrid Surigao del Sur
Mati City	Door # 8 & 10 MJI Bldg., Rizal Ext. Brgy.Central, Mati City Davao Oriental
Marihatag	Poblacion, Marihatag Surigao del Sur
Nabunturan	P-1, Sta. Teresita St., Nabunturan Compostela Province
Ozamis City	Gnd Floor, LKT Bldg., Don Anselmo Bernard Ave., Ozamis City
Panabo City	Unit 1 Centino Realty, Quezon St. Panabo City
San Francisco	Quezon St., San Francisco Agusan del Sur
Sto. Tomas	Taylor Bldg. Fd.RD.#3 Sto.Tomas Davao del Norte
Surigao City	15 Burgos St. Brgy. Washington 8400 Surigao City
Tagbina	Purok 4, Poblacion Tagbina, Surigao del Sur
Tagum City	Dalisay Gante Road, Magugpo West, Tagum City
Talisay City	National Highway, Lawa-an I Talisay City, Cebu
Tandag	Bag-ong Lungsod, Napo Nat'l. Highway, Tandag Surigao del Sur
Trento	Door 1 Ticao Commercial Bldg. Purok 5, Pob.Trento Agusan del Sur
Valencia	Red Berry Court Bldg. Guinayoran Rd. City Poblacion, Valencia City

In the competitive world of banking industry, Enterprise Bank is able to sustain its existence and stability for thirty six years. Now as a Thrift Bank with innovative methods, the bank is poised to scale new heights with resolute objectives to become a leading, stable, and trusted finance provider in this part of the country.