

REVVED UP

FOR CHANGE

2018 ANNUAL REPORT



We Build **Possibilities.**

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As the nation marches towards progress,
DBP supports the national government
in achieving its agenda to power the country
towards sustainable economic growth.

The cover presents a dynamic play of the bank's corporate colors. Rays of blue and red open into a collage of infrastructure projects, depicting one of the key priorities of DBP as the government's infrastructure bank. The historic 50-year old headquarters is prominently displayed in the design. It is a testament and witness to the long-term and unwavering commitment of DBP to ensure the country's economic development.

REVVED UP FOR CHANGE

OUR
TRANSFORMATION
IN 2018 MADE US
A STRONGER AND
MORE FOCUSED
DEVELOPMENT BANK

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MESSAGE FROM THE PRESIDENT



My warmest greetings to the Development Bank of the Philippines (DBP) on the publication of its 2018 Annual Report.

For several decades, DBP has been at the forefront of strengthening our economic growth through its array of relevant, responsive and purposeful development financing programs. Its vital role as a provider of reliable funding for essential public infrastructure projects under the government's Build, Build, Build Program is also noteworthy.

As you chronicle your operational and organizational achievements in the past year, may this occasion also rekindle your commitment to the highest level of efficiency and effectiveness in pursuit of development. I trust that you will continue to engage your clients to actively participate in our shared task of nation-building.

I am hopeful that you will remain a steadfast partner of the government as we work towards a better future for the Filipino people.

I wish you success in all your endeavors.

A handwritten signature in black ink, appearing to read "Rodrigo Roa Duterte".

RODRIGO ROA DUTERTE
President
Republic of the Philippines
Manila
June 2019

MESSAGE TO STAKEHOLDERS

We are proud to present to you the Development Bank of the Philippines' Annual Report for 2018. The theme of this Annual Report -- Revved Up for Change -- is our business theme for 2018 and part of the thematic road map DBP embarked on for the period 2016-2022. With this theme, DBP made great strides in the year 2018 living out its developmental mandate while maintaining sound profitability and strong balance sheet.

In the beginning of the year, the bank implemented a major change in its organizational structure. We unified our lending business in one sector and focused our branches in deposit-taking activities. These critical changes allowed us to aggressively pursue developmental lending and grow our deposit base. The results speak clearly of the soundness of the strategy as the bank's total deposits reached Php474.9 billion in 2018, an increase of 15.1% from Php412.7 billion in 2017. By the end of 2018, DBP's total assets which grew by 13.0% from the previous year stood at Php671.7 billion taking the 8th spot among the top banks in the country in terms of total assets.

DBP concluded the year with a net income of Php5.6 billion, posting Php118.0 million increase or 2.1% year-on-year growth from Php5.5 billion in 2017. The increase is attributed to growth in gross income driven by higher interest income, miscellaneous bank fees, Foreign Exchange (FX) gains, and gains from investments such as the Fair Value through Profit/Loss (FVTPL) and Fair Value through Other Comprehensive Income (FVOCI). These income contributions tempered the impact of higher cost of funds with the build-up in deposits in 2018.

At the close of 2018, DBP's total equity reached Php51.5 billion—an increase of 6.8% from Php48.2 billion in the previous year. This improvement in equity resulted from the combined positive impact of sustained net income growth, the Php2.0 billion capital infusion from the national government, and the Philippine Financial Reporting Standard (PFRS) 9 adjustment to net unrealized market gain, offset by the increased net unrealized losses, Php959.0 million payment of the 2016 dividend deficiency, and charges to Retained Earnings as an effect of the PFRS 9 classification and measurement adjustments.

To further improve DBP's capital position, we requested from the Department of Finance (DOF) a "zero-dividend rate" on net earnings for CY 2017 and CY 2018. The request would effectively provide Php 2.0 billion in additional capital for each of these years. The adjustment of dividend rate to zero for the year 2017 has recently been ordered by President Duterte through Executive Order (EO) No. 89. S2019. We expect that a similar approval of our request for dividend relief for net income of CY 2018 will be granted as this has already been favorably endorsed by the DOF to the Office of the President.

With the improved capital position, DBP as an infrastructure bank designated by the DOF will be better able to support the Government's Build, Build, Build Program, paving the way for the "golden age of infrastructure". We continue with our various loan programs that have served regions and market segments not readily served by private commercial banks. These programs such as CRUISE, FUSED, and WATER fund the infrastructure needs of logistics and transport, power and water sectors. DBP's ICONS, another program-based lending launched in 2017, have supported contractors who are seeking to complete projects and expand their



capacities. In its first full year of implementation in 2018, ICONS contributed at least Php10.0 billion to the total infrastructure loan portfolio.

The bank's accomplishments in 2018 likewise included enhancing our credit programs and providing for the medium- and long-term financing requirements of other economically viable projects. In 2018, the bank launched new lending programs such as DBP Program Assistance to Support Alternative Driving Approaches (DBP PASADA), in line with the Department of Transportation (DOTr's) Public Utility Vehicle Modernization Program; Rehabilitation Program for Agriculture and Industry Responsiveness (DBP REPAIR) geared at expediting the recovery and rebuilding process in calamity-stricken areas; and Broiler Contract Growing Program (DBP BCG), enabling contract growers to expand by facilitating project financing via a shortened loan processing time. DBP's other credit programs include the Small Business Puhunan Loan program; Lending Initiative for Sanitation (LINIS); and Energy Efficiency Savings (E2SAVE) financing program.

To ensure efficient service to one of our natural client base, the bank adopted a more streamlined approach to servicing the credit needs of LGUs. We work closely with local government associations, such as the League of Governors and League of Municipalities to serve this customer segment more effectively.

The broad strategy for the bank's journey towards becoming a Php1.0 trillion bank by year 2022 include its sustained commitment to expand its reach in the Philippine countryside. To this end, the branch network expanded in 2018 to include two new branches and Branch-lite Units (BLUs). In furtherance of our efforts to promote financial inclusion in the country, 3 out of the total 10 BLUs had been deliberately located in the unbanked Municipality of Banga, South Cotabato and the underserved Municipalities of Dolores, Eastern Samar, and Siaton, Negros Oriental. These DBP branches will allow access to financial services to about 205,000 residents as well as transients in the area. Further, DBP has successfully increased its ATM network with the addition of 150 ATMs deployed in various areas in the country, alongside launching of new bank products and optimization of cash management application to serve our clients better. The commitment of DBP to expand its physical presence and improve convenience banking where it matters most will empower Filipinos in rural communities to achieve social mobility. The availability of banking services will help achieve the dreams of our people in the countryside for a prosperous, resilient, and sustainable way of life.

The bank also serves our people outside the country. DBP is growing its OFW-related business with the aid of technology to be able to provide 24/7 fund-transfer services and close-to-real-time response to customer needs. To this end, DBP works with partners' platforms for mobile applications, internet-based banking, and online remittance portals.

DBP continues to be effective in striking an optimal balance between risks inherent in development banking and sustainable and profitable operations. The soundness of the bank has been affirmed by credit rating agencies. DBP received a rating upgrade from S&P Global ratings from BBB to BBB+, two notches above the minimum investment grade, and assigned a "stable" outlook. Earlier in 2018, Fitch also upgraded the credit rating of DBP from BBB- to BBB.

We believe that the revitalized organization has enhanced our effectiveness in delivering our product and services to the sectors and areas which we serve. We seek to prioritize investments in the human capital and to optimize our operational efficiency. We do this by providing our human resources with special training programs, particularly in information technology, risk management, trust banking, and treasury.

Moving on, we are keen on ensuring our capability to continually deliver better products and more effectively serve our clients while setting a high standard on compliance to our regulators.

We are deeply motivated to be able to do more and become a more valuable partner of our stakeholders in moving this nation forward. We have come a long way in the last 71 years, yet the horizon still offers plentiful opportunities to spur growth and be an agent of change in strategic and critical sectors of Philippine society. The National Government's vision of a better life for every Filipino ignites our passion to stay responsive and relevant as a development bank. We place your dreams at the core of our efforts giving us every reason to work harder, work smarter and work differently for our country, and for every good thing that it stands for.



ALBERTO G. ROMULO
CHAIRMAN

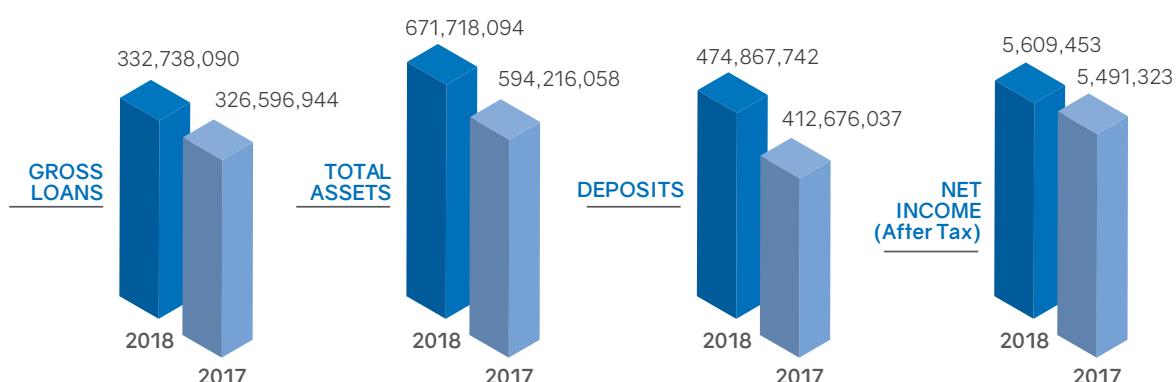


CECILIA C. BORROMEO
PRESIDENT AND
CHIEF EXECUTIVE OFFICER

FINANCIAL HIGHLIGHTS

(IN THOUSANDS PESOS)

Minimum Required Data	CONSOLIDATED		PARENT	
	2018	2017	2018	2017
Profitability				
Total Net Interest Income	14,480,726	12,997,207	14,402,648	12,921,526
Total Non-Interest Income	3,026,658	2,568,736	2,833,106	2,437,514
Total Non-Interest Expenses	9,776,264	8,143,130	9,521,556	7,969,647
Pre-provision Profit	7,731,120	7,422,813	7,714,198	7,389,393
Allowance For Credit Losses	610,674	505,315	503,557	497,059
Net Income (after tax)	5,609,453	5,491,323	5,722,650	5,489,304
Selected Balance Sheet Data				
Liquid Assets	226,949,877	237,290,422	226,537,824	236,831,680
Gross Loans	332,738,090	326,596,944	328,921,094	323,300,390
Total Assets	671,718,094	594,216,058	669,588,020	592,355,104
Deposits	474,867,742	412,676,037	474,443,723	412,363,755
Total Equity	51,494,910	48,214,380	51,718,139	48,297,593
Selected Ratios				
Return on Average Equity	11.25%	11.80%	11.44%	11.78%
Return on Average Assets	0.89%	0.97%	0.91%	0.97%
Net Interest Margin	2.72%	2.73%	2.72%	2.73%
CET 1 Capital Ratio	11.00%	11.33%	10.84%	11.08%
Tier 1 Capital Ratio	11.00%	11.33%	10.84%	11.08%
Capital Adequacy Ratio	13.91%	15.27%	13.66%	14.99%
Per Common Share Data				
Net Income per Share:				
Basic	28.77	31.38	29.35	31.37
Others				
Cash Dividends Declared	985,844	2,524,273	959,038	2,516,158



The National Government requires all government entities to remit at least 50% of its 2017 net earnings as cash dividend in compliance with RA 7656. To this end, DBP requested from the DOF a "zero dividend rate" on net earnings for CY 2017 and CY 2018. As per latest notification by the DOF on April 2019, both the "zero dividend rate" of 2017 (Php2.0 billion) and 2018 (Php2.0 billion) has been endorsed to President Duterte.



MILESTONES

As the country's government-mandated infrastructure bank, 2018 saw DBP expand its role as a stimulus for development. Through excellent performance and delivery of pioneering programs, DBP garnered institutional awards and recognition within its industry.

2018 HIGHLIGHTS



Development Lending Sector

Senate Employee Transport Service Cooperative (SETSCO) -Loan Signing with SETSCO at the DBP Head Office. The Officers of the Cooperative headed by their Chairperson Medy Venturina, conducted a courtesy call at the office of DBP Chariman Alberto S. Romulo. Also in the picture is the Head of SME Department, FVP Daniel M. Gonzales (second from the right) and the account officer, Paul Alvin San Jose (right most).



Branch Banking Sector

The DBP Prepaid Cards for Crop Insurance Claims assists the Philippine Crop Insurance Corporation (PCIC), the government agency responsible for the implementation of the agricultural insurance program that protects farmers against losses and damages due to natural calamities, plant diseases, crop infection, as well as damages/losses because of non-crop agricultural assets. Regions II and VII of the PCIC have partnered with DBP for the electronic disbursement/payment of the crop insurance indemnity claims through the DBP EMV Prepaid Visa Cards, which they can use to withdraw from any ATM or use for payment thru POS terminals instead of traveling to encash their indemnity checks. Under the partnership, 14,903 farmer-claimants have already been paid. This payment scheme is in line with PCIC's efforts to automate and streamline its services.



Treasury and Corporate Finance Sector

Investment House Association of the Philippines' (IHAP) 2018 Annual Awards Night held in April. On behalf of IHAP, Atty. Ephyro Luis Amatong, Securities and Exchange Commissioner, awards the Development Bank of the Philippines, as represented by FVP Francis Nicolas Chua for "Deal of the Year" and "Best Fixed Income Deal" for the 20th Tranche of Retail Treasury Bonds (RTBs), as Joint Issue Manager.



Corporate Services Sector

DBP, with its Forest Program as entry, was one of the finalist in the CSR Company of the Year for 2018 Asia CEO Awards. The awarding ceremony was held on 16 October 2018 at the Marriott Grand Ballroom. DBP was the only Government Financial Institution in the list of winners finalist. There were around 300 entries that vied for the awards in 14 categories.



Office of the President and the Operations Sector

President Borromeo talks about DBP's mandated adoption of the PFRS 9 covering classification and measurement of financial instruments, impairment of financial assets and hedge accounting during her State of the Business Address for the 2nd Quarter of 2018. The Enterprise Risk Management Group (ERMG) under the Office of the President and the Operations Sector worked together in espousing prudence and transparency in DBP's financial reporting.



Bankwide Planning Conference

DBP's annual business planning process culminated with the conduct of its Corporate Planning Conference in 2018 at the DBP Training Complex in Baguio City. With the theme "Build on the Gains," the said conference was participated by more than 80 representatives from the Board of Directors and Management Team headed by the DBP Chairman Alberto G. Romulo, and President and CEO Cecilia C. Borromeo. The conference was also participated by representatives from DBP subsidiaries.

DISTINCTIONS

- The Association of Development Financing Institutions in Asia and the Pacific (ADFIAP) recognized DBP for two of its development initiatives towards infrastructure and environmental development. ADFIAP adjudged the bank's Infrastructure Contractor Support Program (ICONS) Program and the Tacloban City Energy Efficient Street Lighting Project as most outstanding projects in the infrastructure and environmental development categories, respectively. The ADFIAP Development Awards 2018 was held in New Delhi, India.
- Affirming its focus on critical connectivity infrastructure, the Global Sustainable Finance Network awarded a Certificate of Merit for "Outstanding Sustainable Project Financing" to DBP for the Ilagan, Divilacan Road Rehabilitation Project. The 82-kilometer road project was financed by DBP through a Php1.5 billion loan facility granted to the local government of Isabela. The Global Sustainable Finance Awards 2018 was held at Karlsruhe, Germany in July 2018.
- The Home Development Mutual Fund or Pag-IBIG Fund recognized DBP as its top-performing bank partner for electronic disbursement of Short-Term Loan Program releases. For 2018, Pag-IBIG has disbursed P19.5 billion (or 40% of the total STL amount disbursed) through the DBP Prepaid Visa Card helping 1.44 million members (or 60% of total STL member-borrowers) gain electronic access to their loans for convenient ATM cash withdrawals and in-store payments utilizing the more secure EMV chip-card technology.
- Through the efforts of the Trust Banking Group (TBG), DBP's unit investment trust fund was determined by the Trust Officers Association of the Philippines as one



SVP Paul Lazaro and FVP Gilda Velez (fourth and fifth from left, respectively) show off the Good Practice Award plaque and certificate given to DBP by the National Economic and Development Authority (NEDA). Also in photo are (from left): NEDA Supervising Economic Development Specialist Roberto Sario, NEDA Chief Economic Development Specialist Wilfredo de Perio, NEDA Director Violeta Corpus, AVP Rosemarie Sumaway, SAVP Anita Salayon, NEDA Supervising Economic Development Specialist Gemma Agagas, and NEDA Economic Development Specialist Jan Crisides Corrado.



DBP President and Chief Executive Officer Cecilia C. Borromeo (second from left) receives the ADFIAP award for the DBP ICONS program from ADFIAP Secretary General Octavio Peralta at the bank's Head Office in Makati City. Also in photo are DBP Chairman Alberto G. Romulo (left) and DBP Director Miguel Abaya.



DBP EVP Benel Lagua and FVP Daniel Gonzales (fourth and third from left, respectively) receive the Nation Builder Award from officials of Quantity Solutions, Inc. and the American Chamber of Commerce during ceremonies held at the Okada Manila in Parañaque City.

of 2018's "Best Performing Money Market Funds in the Philippines." TBG's Unlad Kawani Money Market Fund grew 41% as a result of the continued implementation of the ATM top-up facility and the sustained increase in the amount for the automated regular subscription of fund investors.

- DBP received the National Economic and Development Authority (NEDA) Good Practice Award (GPA) for its entry under the category Strategies in Achieving Desired Results on Outcomes. The award was conferred on DBP during ceremonies held on 7 March 2018 at the Department of Social Welfare and Development (DSWD) Central Office in Quezon City.



REVVING UP THE NATION

The country's premier development financing institution was created quite literally from the ashes of war. The Philippine Congress decreed the creation of DBP's precursor, the Rehabilitation Finance Corporation (RFC), on 2 January 1947. His Excellency Manuel Roxas, former President of the Philippines, could not have put the organization's reason for being more aptly in his remarks at its official opening: "(It) is the vehicle of the hopes of the administration and of the entire Filipino people for major progress on the road to rehabilitation and recovery."

Right from the start, great expectations have been pinned on RFC, on the shoulders of which now stands DBP as we know it. More than seven decades ago, this organization was tasked to provide an impetus for national rehabilitation to instigate a progressive expansion of the national economy and, as President Roxas put it, "a broadening of the national economic horizons."

The obligations of RFC were accepted as obligations of the Philippine government. Ultimately, it was the organization's responsibility to take an entire country from the past into the future—from undertaking the major part of the rehabilitation and reconstruction of a post-war Philippines, to ascertaining and fulfilling the financial needs of a recovering and expanding economy.

More than 70 years later, DBP continues to uphold the principles on which it was created. Its every venture guided by the same considerations: it must aid the productive economy of the nation; bring wealth to the people; generate employment; and bring about lasting good. As an organization, DBP has kept true to the values of its precursor: patriotism, resolve, vigilance, courage, and a character beyond reproach.

Then and now, the bank remains a servant of the people, its initiatives focused always on helping Filipinos find a productive place in the national economy, especially in small business and industry. This vision, supported by outgoing DBP Head Cecilia C. Borromeo, ensures the continual improvement of the bank's service infrastructure, underscoring DBP's relevance and responsiveness to the needs of the people. With Emmanuel G. Herbosa as its newly appointed President and CEO taking the helm in March 2019, DBP vows to continue to intensify its drive to promote financial inclusion, especially in the unbanked and underserved areas in the Philippines.

DBP proudly bears on its shoulders not just the duty of strengthening the national economy, but also the honor and privilege of building a road for the glorious future of the Filipino people. Strengthening the national economy, but also the honor and privilege of building a road for the glorious future of the Filipino people.

Note: The write-up is based on the remarks of Pres. Manuel Roxas at the formal opening of the RFC.

PURPOSE AND PHILOSOPHY

From its inception as a government instrumentality for post-war rehabilitation to its transition into the country's premier development financing institution, DBP continues to play a pivotal role in the inclusive and sustainable growth of the Philippines. The bank has taken on the task "of influencing and accelerating sustainable economic growth, through the provision of resources, for the continued well-being of the Filipino people."

DBP is a development bank which was given universal bank status in 1995. Its primary objective is to provide banking services principally to cater to the medium- and long-term needs of agricultural and industrial enterprises with emphasis on small and medium-scale industries.

To this end, DBP supports projects in priority sectors such as infrastructure and logistics; micro, small, and medium enterprises; environment and climate change; and social services and community development. The bank maintains its committed stance on continually creating access to deposit products and transaction banking services for the underserved and the unbanked.

DBP's business model is deemed complex under the Bangko Sentral ng Pilipinas (BSP) Manual of Regulation for Banks. DBP is a 100% government-owned policy bank. Throughout 2018, DBP remained committed to being a vehicle for the nation's progress. Moving forward, the bank revs up its engine, gearing up for more opportunities in sustaining the economic machinery of the nation. Onwards to "a golden age of infrastructure," DBP is and will always be the Philippines' partner in positioning the country as a major player in the ASEAN Economic Community.

VISION 2022

By 2022, a one-trillion Bank capable of supporting and spearheading development in half of the Philippine countryside.

VISION 2040

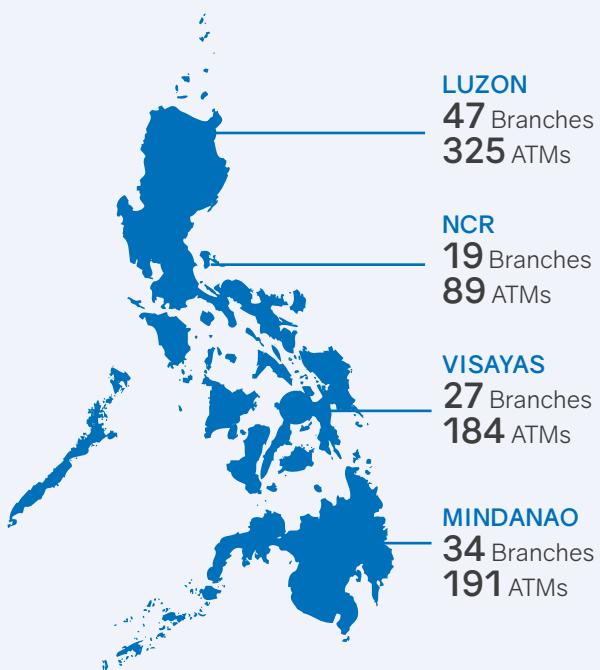
By 2040, DBP will be a world-class infrastructure and development financial institution, and proven catalyst for a progressive and prosperous Philippines.

MISSION

To support infrastructure development, responsible entrepreneurship, efficient social services, and the protection of the environment.

To work for raising the level of competitiveness of the economy for sustainable growth.

To promote and maintain the highest standards of good governance.



Subsidiaries

DBP Management Corporation, **100.00%**
 DBP Data Center, Inc., **99.99%**
 DBP Leasing Corporation, **99.00%**
 Al-Amanah Islamic Investment Bank of the Philippines, **99.88%**

Associates

LGU Guarantee Corporation, **47.94%**
 DBP Service Corporation, **27.95%**

Joint Ventures

DBP Insurance Brokerage, Inc., **40.00%**
 DBP Daiwa Capital Markets Philippines, Inc., **17.06%**

SPREADING GROWTH FAR AND WIDE

127
BRANCHES



10
BRANCH-LITE
UNITS
(BLUs)



183
ONSITE ATMs



606
OFFSITE ATMs





DELIVERING THE BENEFITS OF PROGRESS

As a pioneering development banking institution, DBP continues to push forward with a revitalized resolve to carry out its mandate to fuel the growth of the Philippine economy. After all, the bank's raison d'être, the essence of its existence, is to be the vehicle for the nation's progress, carrying with it the collective hope of the Filipino people for a brighter future. In 2018, that "vehicle" revved up its engine and put the pedal to the metal in support of the Duterte Administration's initiatives for inclusive development.



Chairman Alberto G. Romulo (seated, third from left) and President and Chief Executive Officer Cecilia C. Borromeo (seated, second from left) are shown after the loan agreement signing with the Cebu Landmasters, Inc. (CLI). Also in photo are (seated, from left): EVP Anthony Robles; CLI Chairman, President and CEO Jose Soberano III; CLI Director and EVP Ma. Rosario Soberano; CLI Director and COO Jose Franco Soberano; and CLI Senior Vice President Stephen Tan. Standing at the back are officers from DBP and CLI.

DEVELOPMENT LENDING

In strategically addressing the financing needs of crucial sectors—infrastructure and logistics; micro, small, and medium enterprises (MSME); environment and climate change; and social services and community development—DBP further establishes itself as the development partner of both the government and the citizenry.

Infrastructure and Logistics

Seamlessly transitioning into the country's infrastructure bank, DBP is now more than ever at the forefront of the government's masterplan for "a golden age of infrastructure," and a major player in the Administration's flagship "Build, Build, Build" initiative.

Comprising the bank's infrastructure and logistics agenda are four flagship programs: Connecting Rural Urban Intermodal Systems Efficiently (CRUISE); Infrastructure Contractor Support (ICONS); Financing Utilities for Sustainable Energy Development (FUSED) targeted at the energy sector; and Water for Every Resident (WATER) geared at increasing people's access to water services.

CRUISE is the umbrella initiative for connectivity infrastructure, which supports investments in the transport, logistics and tourism sectors. Likewise, it covers information technology and climate-change adaptation or risk mitigation requirements of both public and private sectors. Moreover, it actively promotes the use of different investment modalities that encourage private-sector participation.

At the close of 2018, CRUISE has supported a total of 113 projects, which comprises an aggregate loan portfolio of Php11.6 billion.

In support of the implementation of the National Government's Public Utility Vehicle Modernization Program (PUVMP) and its Omnibus Franchising Guidelines (OFG) under Department Order No. 2017-011 issued by the Department of Transportation

(DoTr), in 2017, DBP crafted the DBP Program Assistance to Support Alternative Driving Approaches (PASADA) Program for transport cooperatives and corporations. It is a special funding program for the acquisition of brand new, energy efficient public transport vehicles to replace among others old jeepneys. It also includes funding assistance to support facilities necessary of the proper operations and maintenance of public utility vehicles (PUVs). A relatively new program, as of December 2018, it has a total loan portfolio of Php67.5 million supporting modernized jeepneys of 5 transport cooperatives.

ICONS aims to provide credit assistance to contractors in the completion of their projects; and to contractors who intend to expand their capacities through capital investments. The program was created in support of the infrastructure thrust of the National Government. As of December 2018, the total loan portfolio under ICONS has reached Php16.7 billion.

The awarded contracts include the construction of flood control facilities and slope protection works, as well as disaster-resilient multi-purpose buildings and evacuation centers; upgrading of health centers in rural areas; and building schools up to three-floors high.



The DBP PASADA Program supports the government's PUV Modernization Program (PUVMP)

DBP DEVELOPMENT LENDING PROGRAMS

	NO. OF BORROWERS	APPROVED AMOUNT (Php)	OUTSTANDING PRINCIPAL BALANCE (Php)
Infrastructure and Logistics			
1. Connecting Rural Urban Intermodal Systems Efficiently (CRUISE) Program	113	22,129,183,305.76	11,582,092,157.67
• Program Assistance to Support Alternative Driving Approaches (PASADA)	5	156,132,000.00	67,507,000.00
2. Financing Utilities for Sustainable Energy Development Program (FUSED) Program	60	53,088,287,482.16	32,038,193,696.91
3. Water for Every Resident (WATER) Program	74	22,265,906,301.89	11,257,714,483.02
4. Infrastructure Contractors Support (ICONS) Program	289	31,236,630,000.00	16,719,724,971.28
Micro, Small and Medium Enterprises			
1. Sustainable Enterprises for Economic Development (SEED)	1,560	29,160,505,483.52	20,625,552,668.25
2. Sustainable Agribusiness Financing Program (SAFP)	185	3,774,972,321.67	2,362,996,228.83
• Broiler Contract Growing Program (BCGP)	54	2,700,039,857.65	1,027,575,956.36
3. Tree Plantation Financing Program (TPFP)	2	13,000,000.00	9,332,579.55
Environment and Climate Change			
1. Green Financing Program (GFP)	126	54,759,127,351.72	30,124,527,422.10
• Energy Efficiency Savings (E2SAVE) Financing Program	2	47,450,000.00	38,005,761.40
Social Services and Community Development			
1. Residential Real Estate Financing Program (RREFP)	190	30,768,311,568.66	22,874,596,258.55
2. Strategic Healthcare Investments for Enhanced Lending & Development (SHIELD)	85	16,094,367,744.59	8,818,294,315.86
3. DBP Educational Fund Program (DEFP)	89	3,696,785,311.49	2,102,690,133.39

FUSED is DBP's platform for the power-generation and distribution sectors, aimed at contributing to an increase in access to electricity services. Aligned with the Philippine Energy Plan 2012-2030 of the Department of Energy (DOE), the program is envisioned to fund Php40.0 billion of the estimated investment requirement for power generation and power distribution. The loan portfolio attributed to FUSED Program totaled Php32.0 billion, 80% of which was channeled to power generation projects with total generating capacity of 1,402.63 MW. A total of 991.99 MW generation capacity is now operational. In terms of the loan portfolio, renewable energy has Php15.5 billion while conventional energy was at Php10.3 billion. Overall, the bank's total loan portfolio in 2018 for electricity, gas, steam and air-conditioning supply amounted to Php38.3 billion.

WATER, the bank's umbrella financing program for water supply projects, is designed to contribute in the provision of safe and affordable water supply to the farthest reach of the government. The program targets a total disbursement of possible Php25.0 billion by 2025 and as of end 2018, has achieved a loan portfolio of Php11.3 billion. 23% of the projects under WATER were funded by Official Development Assistance (ODA) funds from the Japan International Cooperation Agency (JICA), while the rest were funded by DBP's internally generated funds.

Among the highlights of DBP's infrastructure and logistics initiatives in 2018 is its involvement in the development of the Mactan-Cebu International Airport (MCIA)—the second largest and busiest airport facility in the country. Filipino-led developer GMR MEGAWIDE Cebu Airport Corporation (GMCAC) took over



Mactan-Cebu International Airport

the development of all landside facilities of the MCIA in 2014, under a 25-year Public-Private Partnership (PPP) concession agreement with the Philippine government. DBP is among the consortium of banks that provided developmental and financial support towards the construction of MCIA's Terminal 2 and the ongoing transformation of the existing Terminal 1—the Phase 1 of which will be completed by 31 August 2019. The collaboration between GMCAC, DBP, and other members of the consortium enabled MCIA to increase its operational efficiency—made possible with the infusion of investment into new technology, including automated boarding pass scanners and automated tray retrieval system (ATRS), which are being used for the first time in the Philippines. Today, the air connectivity of MCIA has grown from 23 to 29 domestic; and seven to 22 international destinations, respectively.

Micro, Small and Medium Enterprises

Through a sustainable and inclusive development financing system, the bank consistently proves itself as a champion of the Filipino entrepreneur. To generate growth and enable expansion for local businesses, DBP offers these two programs: Sustainable Enterprises for Economic Development (SEED) and Sustainable Agribusiness Financing Program (SAFP).

SEED's total loan portfolio of Php20.6 billion was made available to 1,560 MSMEs in 2018, a 65.41% uptick from the previous year. As DBP's umbrella program for MSMEs, SEED adopts a two-pronged approach: first, providing financial assistance to local businesses and, second, empowering Filipino communities through job generation and the support of domestic products. The program aims to enhance access of MSMEs to credit facilities and fast-track the credit process; bring MSMEs in the mainstream of banking by implementing alternative ways of securing MSME loans; and maximize the bank's lending reach.

SEED effectively addresses the needs of the entire entrepreneurial sector by providing access to the following loan facilities: Retail Lending for Micro and Small Enterprises (RLM); Medium Enterprise (ME) and Other Business Enterprise (OBE) Lending; DBP Credit Surety Fund (CSF) Credit Facility; Inclusive Lending for Aspiring Women Entrepreneurs (ILAW) Program; DBP Bankability Enhancement for SETUP Technopreneurs (DBP BEST); and OFW Reintegration Program (OFW-RP). As of end 2018, an aggregate Php29.2 billion has been approved under SEED.

SAFP, an assistance program for agriculture-related enterprises, has extended credit totaling Php6.5 billion to 239 businesses across the agri-sector. This includes Php2.7 billion allotted for the Broiler Contact Growing Program (BGCP), a sub-program under SAFP, which benefited 54 local entrepreneurs.

Environment and Climate Change

Being one of the first banks in the Philippines to integrate environment and climate change initiatives into its operations, DBP is at the forefront of the government's efforts to protect the environment and effect sustainable development. The bank is the first bank in the country to be ISO 14001-certified since 2002. Under this initiative are three main loan facilities: Green Financing Program (GFP); Energy Efficiency Savings Financing Program (E2SAVE); and Lending Initiative for Sanitation Program (LINIS).

GFP is an umbrella program designed to extend financial assistance to strategic sectors, industries, and LGUs in adapting environment-friendly processes and technologies. Likewise, it is intended to provide technical assistance to MSMEs toward incorporating climate change adaptation and mitigation (CCA/M) and disaster risk reduction (DRR) measures into their operations. In 2018, the aggregate loan portfolio under the Program reached Php30.1 billion. Projects eligible under GFP are air pollution prevention and control; water pollution prevention and control; solid and hazardous waste management; resource conservation, resource efficiency and cleaner production; CCA/M and DRR; and other environmental/green projects and initiatives.

E2SAVE is aimed at providing financial assistance to public and private firms in enhancing their productivity by adopting new technologies promoting optimal power consumption. Launched in 2018, E2SAVE is DBP's response to the Department of Energy's (DOE) directive to minimize the monthly consumption of electricity and petroleum products by government agencies nationwide. It covers the replacement and installation of highly efficient mechanical and electrical equipment such as lighting, room air-conditioning, motors, chillers, refrigeration units, pumps, and heating and ventilation equipment. As of year end, total loan portfolio under this facility reached Php38.0 million.

LINIS is DBP's new financing facility aimed at assisting private firms and public entities—including LGUs, water districts, and cooperatives—in the development of water treatment and sanitation facilities to comply with existing environmental regulations. Prior to the approval of this program, DBP has already financed several water sanitation projects including the Boracay waste water treatment facility of Boracay Island Water Company, Inc. and the Paranaque sewerage treatment plant of Maynilad Water Services, Inc.—for which, to date, a total of Php5.3 billion has been released. LINIS features a cost-sharing scheme for septic and sewerage projects of LGUs under the National Sewerage and Septage Management Program (NSSMP), where DBP could finance up to 100% of the validated total project cost of the LGU counterpart. The target beneficiaries are the 17 highly urbanized cities (HUCs) outside Metro Manila, all non-HUCs, and first-class municipalities.

Social Services and Community Development

At the heart of DBP's developmental mission and initiatives is its commitment to social protection and, as such, it allot a significant share of financing to health care, education, housing, and community development—the very pillars of Philippine society. The bank provides access to shelter for the underprivileged while supporting the development of infrastructure and community facilities in cities and municipalities. The loan facilities under this initiative are Residential Real Estate Financing Program (RRFP); Strategic Healthcare Investments for Enhanced Lending & Development (SHIELD); DBP Educational Fund Program (DEFP); and DBP Rehabilitation Program for Agriculture and Industry Responsiveness (DBP-REPAIR).

RRFP is the umbrella program for social development through the provision of accessible financing to support shelter production and secure tenure delivery. As of end 2018, it has a total loan portfolio of Php22.9 billion, providing financing support to 190 projects, including affordable housing projects of Megaworld Corp. and Ayala Land Inc.

In the same year, 85 projects were granted SHIELD assistance, with a total loan portfolio of Php8.8 billion. Healthcare investment projects covered by this program are civil works such as the construction, upgrade, and rehabilitation of medical facilities; acquisition of equipment to meet government standards; and working capital for medical supplies, feasibility studies, and environmental risk mitigation, among others.

DEFP is DBP's flagship program for education, benefitting LGUs and public or private educational institutions (EI), as well as students. DEFP has provided funding assistance to 89 EIs, with a total loan portfolio amounting to Php2.1 billion.

Geared at addressing immediate needs for rebuilding calamity-affected areas, DBP REPAIR extends assistance to projects adversely affected by calamities or events arising from the occurrence of such calamities.



BRANCH BANKING

The Branch Banking Sector (BBS) is charged with ensuring the accessibility of the DBP's deposit products and transaction banking services, especially to the underserved and the unbanked. To this end, BBS is entrusted with the continual expansion of the bank's network of local offices and banking facilities. Likewise, it ensures that deposits and the total salary loan portfolio are kept at healthy levels.

As part of the DBP's continuing efforts to promote financial inclusion, two branches and seven Branch Lite Units (BLU) in 2018. The new branches are located in Placer in Masbate and Dolores in Eastern Samar while the seven recently added BLUs

are in Banga, South Cotabato; Naga, Cebu; Siaton, Negros Oriental; Tumauini, Isabela; San Jose del Monte, Bulacan; Tayabas, Quezon; and M'lang, Cotabato. To date, the bank has a network of 127 branches and 10 BLUs.

The DBP has also expanded access to electronic channels with the addition of 154 automated teller machines (ATMs) last year—bringing the total DBP ATMs to 789—183 on-site and 606 off site.

As for deposit levels, current and savings accounts (CASA) reached Php199.8 billion in 2018 while term deposits pulled off a strong performance at Php274.6 billion. While CASA slightly outpaced term deposits in terms of growth, term deposit exhibited a high-volume increase. Total deposits rose 15.05% year-on-year, totaling Php474.4 billion at the close of the year. An overall deposit growth of 15% was achieved amidst a cumulative 175-basis-point interest rate hike in five meetings by the BSP to ease inflation pressures and a highly competitive interest rate environment.

Meanwhile, the DBP's salary loan portfolio contracted slightly, following the tightening of its credit standards in response to stricter financial system regulations. From Php8.8 billion in 2017, the portfolio dipped to Php8.76 billion in 2018.

Several milestones marked 2018 making financial inclusion a reality for more Filipinos through DBP.

The Commission on Elections (COMELEC) partnered with the Bank through the DBP Manila Branch for the electronic disbursement of honoraria and travel allowance to persons rendering election service during the 14 May 2018 Barangay and Sangguniang Kabataan Elections (BSKE). This compensation is prescribed under Republic Act No. 10756 or the Election Service Reform Act (ESRA) of 2016. DBP issued 448,671 EMV-compliant cash cards in sealed card kits nationwide. These color-coded card kits were delivered to the 81 provinces of the 16 regions covering 853 municipalities and 34 NCR cities/districts. Highlights of the project implementation include 100% card delivery on election day, no reported lacking cards, only 227 (0.05%) validated card issues/complaints. DBP likewise provided complete and comprehensive cardholder support including manning the DBP area at the COMELEC Command Center in Intramuros from 13 to 24 May 2018.



Signing of Memorandum of Agreement between COMELEC and DBP. From left to right: Acting Chairperson Mr. Christian Robert S. Lim and Chief Accountant Ms. Zita Buena-Castillon of COMELEC with DBP's EVP Susan Z. Prado and VP Madeleine F. Aldana.

In June 2018, the DFA ePassport Portal was launched at DBP Parañaque Branch through an agreement with the Department of Foreign Affairs (DFA) and APO Production Unit, Inc. to provide services, including collection settlement arrangements via an online portal, and acting as payment consolidator.

Also under BBS initiatives, the first ATM was installed in August 2018 at Sibuyan Island in the Province of Romblon, which was formerly entirely unbanked.



San Fernando, Romblon mayor Salem Tansingco (middle) poses in front of the DBP ATM installed at the municipal hall of the coastal town. The DBP ATM is the first to be installed in the fourth-class municipality with an estimated population of over 23,000 and comprised of 12 barangays. Also in photo are DBP Romblon branch staff led by branch head Jose Gilbert Rabuel (second from right).

Meanwhile, the online payment system was launched in October 2018 by the Legazpi City Government, assisted by USAID, as the only LGU in the Bicol Region that accepts real property tax and business permit payments through its online partnership with DBP, the bank's internet payment gateway.

Pag-IBIG Fund recognized DBP as its top performing bank partner for electronic disbursement of Short Term Loan (STL) Program releases. For 2018, Pag-IBIG has disbursed Php19.5 billion (40% of the total STL amount disbursed) through the DBP Prepaid Visa Card helping 1.4 million members (60% of total STL member-borrowers) gain electronic access to their loans for convenient ATM cash withdrawals and in-store payments utilizing the more secure EMV chip-card technology.

In line with DBP's environment initiatives, on the other hand, is its partnership with the LGUs of the Province of Palawan and Municipality of Taytay, and the Municipal Farmers Federation of Taytay for the reforestation of Lake Manguao.

True to its mandate, DBP remains focused in providing for the development financing needs of key sectors even as it ensures the growth of its assets, all the while integrating and implementing social consideration into all aspects of its operations and services, asset management, and business decisions.

TREASURY

Treasury Group (TG), comprising four departments - Asset and Liability Management Department (ALMD); Foreign Exchange Trading Department (FXTD); Fixed Income Trading Department (FITD); and Treasury & Corporate Finance Marketing

Department (TCFMD) is responsible for the proper management of the bank's funds, aiming to find balance between liquidity and profitability. Its main function is to ensure that pricing for both the supply of funds (i.e., deposits and other borrowings) and the uses of funds (i.e., loans and investments) is geared towards achieving the bank's objectives on profitability, liquidity and growth. It seeks the proper matching of the bank's assets and liabilities to ensure a stable liquid position. It manages the bank's balance sheet, through the guidance of the Asset Liability Management Committee (ALCO), to maintain a structure that promotes the achievement of the desired ratio targets. Treasury is responsible in generating incremental income for the bank via prudent trading activities in foreign exchange, fixed income securities and, prospectively, equities trading and through marketing of various treasury products to generate funding volume and profit. Treasury Group also manages the bank's investment books with the objective of maximizing accrual income and coordinates efforts to improve profits through reduction of financial cost.

ALMD performs balance sheet management and manages the daily liquidity position for both regular booking unit (RBU) and Foreign Currency Deposit Unit (FCDU). In 2018, ALMD recorded Php11.3 billion gross income and Php7.0 billion net income. As part of its implementation of the Philippine Financial Reporting Standards 9 (PFRS9), DBP had undertaken Model Development Documentation (MDD) for ECL calculation, for which it engaged the services of SGV and Co.

FETD generates incremental income for the bank through foreign exchange trading in the local and global spot, swap and forward markets. Foreign exchange volatility, brought about by rising interest rate movement by the Federal Reserve and the Bangko Sentral ng Pilipinas (BSP), translated to increased trading volume in both spot and swap markets. Last year, FETD generated Php163.0 million in income. Servicing of client FX requirements likewise grew due to a more focused organizational structure.

FITD is tasked with generating incremental income for the bank through active proprietary trading of fixed income securities in its trading books. It manages trading positions in both local and foreign currency denominated securities. Last year, FITD performed as one of 10 Government Securities Eligible Dealer-Market Maker (GSED-MM) under the Enhanced GSED Program. FITD contributed Php69.0 million in incremental revenues for 2018 despite the adverse fixed income environment.

TCFMD manages the sale of treasury and corporate finance products, including the sale and distribution of government and corporate securities. TCFMD continually seeks to expand the distribution platform of DBP and aims to intensify customer retention through its support to branch banking and development lending.

CORPORATE FINANCE

DBP provides appropriate debt-financing solutions for clients looking to embark on new projects, further expand their business, refinance existing loans, or meet general corporate requirements. The bank's Corporate Finance Group, through its Capital Markets Department (CMD) and Investment Banking Department (IBD), continued to provide fund-raising services to public and private sector clients through arrangement, issue management, project structuring, and financial and transaction advisory services.



Investor's Briefing on Retail Treasury Bonds. In Photo: DBP Chairman Alberto G. Romulo and President Cecilia C. Borromeo with National Treasurer Rosalia V. De Leon

CMD surpassed its target for the year, posting gross income of Php53.4 million, equivalent to realization rate of 134%. Major deals closed include a Php9.5 billion term loan facility for MTD Clark, Inc. for the construction of the National Government Administrative Center, which include world-class sports facilities to be used for the 2019 SEA Games to be held in New Clark City in Capas, Tarlac. Other deals include, a Php5.0 billion participation in the Php19.0 billion syndicated term loan for Cebu Cordova Link Expressway Corporation for the construction of an 8.5km toll bridge that will connect Cebu City and Cordova; and a Php3.0 billion participation in the Php6.0 billion syndicated term loan facility for Atlantic Gulf and Pacific Company of Manila.

DBP was also the Joint Lead Arranger, Bookrunner and Selling Agent for Philippine Bank of Communication's Php2.8 billion long-term negotiable certificate of deposit; and was a Joint Issue Manager for the Bureau of the Treasury (BTr) Retail Treasury Bonds (RTB) Tranche 21, which raised Php121.8 billion for the National Government.

Meanwhile, IBD performed satisfactorily in 2018, topping its performance in the past two years with gross income of Php37.0 million. Notable mandates during the year include advisory and arranger services for three power-related transactions of Citicore Power Inc.; financial advisory services to LBP for a proposed acquisition; and continued financial advisory assistance to two key government agencies, namely, the Bureau of the Treasury (BTr) for the consolidation of guarantee corporations and programs of the National Government, and the Bases Conversion and Development Authority (BCDA) for certain projects. IBD also assisted in structuring several project finance transactions mainly in renewable energy on a bilateral basis with DBP as sole lender.

The IBD team continued to be an adviser of choice on PPP projects not only by the national government but also by private proponents. IBD was tapped to provide crucial inputs on structuring of proposed development of properties owned by the sovereign, with the primary objective of maximizing the value of their assets. This may be attributed to its performance as general financial advisor to the BCDA for the last two years. To highlight this achievement, IBD is currently in negotiation with several government agencies in relation to their plans to privatize or develop certain assets.

Insofar as the private sector is concerned, DBP was likewise tapped by a potential bidder in their preparation for a bid to construct and operate an infrastructure facility. IBD also continued to assist another private entity in their proposal to provide a transport solution under the Build Operate Transfer (BOT) Law.

TRUST BANKING

DBP's trust banking business comprises unit investment trust funds, such as Unlad Kawani Money Market Fund and Unlad Panimula Multi-class Money Market Fund, and other trust and fiduciary services. The Trust Banking Group (TBG) ended the year with a fee-based income of Php88.5 million. Net income in 2018 was higher vis-à-vis 2017 due to continued streamlining initiatives.

TBG's 2018 year-end assets under management stood at Php42.6 billion, exceeding its target for the year. The increase is mainly attributable to the substantial portfolio growth in Investment Management Accounts through TBG's marketing efforts and focus on its government clientele.

The Unlad Kawani Money Market managed by TBG is one of 2018's Best Performing Money Market Funds in the Philippines. The fund grew by 41% as a result of the continued implementation of the ATM top-up facility and the increase in the amount allotted for the automated regular subscription of fund investors. Moreover, TBG expanded its safekeeping client base by developing processes that meet the specific requirements of its target government clientele.

INFORMATION AND COMMUNICATIONS TECHNOLOGY

DBP upgraded its SWIFT and Treasury Management System in 2018 with the help of the Information and Communications Technology Management Group (ICTM) – thereby enhancing security and improving risk management in its transactions. Likewise, to improve productivity and reduce cost, the bank fully migrated its on-premise email system to a cloud-based email facility.

The bank also implemented the iLearn e-Learning facility that allows its employees to attend training without physically being present, thereby reducing travel and other related expenses. To improve DBP's security posture against cyber-security, a security appliance was acquired and implemented to minimize if not, totally eliminate unauthorized flooding in our web/internet affecting related services.

SPECIAL ASSETS

The DBP Special Assets Group (SAG) made significant accomplishments for 2018 in the areas of past due loans reduction and monetization of the bank's Real and Other Properties Acquired (ROPA). This was due to various remedial and disposal strategies that the SAG implemented to achieve substantial reduction of past due loans and ROPA portfolio.

During the year-end review, the group's overall performance is, as follows:

Amount of cash collected from past due loans/ restructured loans	Php353.7 million
Outstanding Principal Balance (OPB) of Accounts Restructured	Php561.3 million
OPB of Accounts Foreclosed	Php254.7 million
Amount of cash collected from Miscellaneous Assets	Php11.0 million
ROPA Sold	Php192.0 million
Income from sale of ROPA	Php128.4 million



Mr. Rene C. Pedroche of Acquired Assets turns over the certificate of title of a DBP ROPA located in San Antonio, Quezon to the buyer, Mr. Iris Bryne Perez

INTERNAL AUDIT

DBP established an internal audit system to enhance and safeguard its organizational integrity and add value to its operations. To this end, the Internal Audit Group (IAG) provides risk-based and objective assurance, advice, and insight using a systematic and disciplined approach in evaluating and improving the bank's overall effectiveness.

The IAG is composed of three departments, namely the Operations Review Department; Credit Review Department and Information Systems Audit Department; and Quality Assurance Team—all under the Office of the Group Head. To ensure its independence, the IAG's Chief Audit Executive (CAE) reports functionally to the Audit and Compliance Committee (ACC) and administratively (i.e. day-to-day operations) to the bank's President and CEO. The ACC is responsible for the CAE's appointment, annual performance review, and replacement.

Formally defined in the Board-approved Internal Audit Charter, the IAG's purpose, authority, and responsibility covers all of DBP's processes, systems, units, and activities (including outsourced activities). It is authorized to have full, free,

and unrestricted access to any and all functions, records, properties, and personnel of the bank, its affiliates, and its subsidiaries, especially those pertinent to carrying out any engagement, subject to accountability for confidentiality and safeguarding of records and information.

IAG's repetitive audit engagements involve the objective examination of evidence for the purpose of providing an independent assessment on risk management, control, and governance processes. Likewise, it provides consulting services (i.e., counsel, facilitation, advice, training) to assist DBP's Management in meeting its objectives. IAG's purpose, authority, responsibility, and performance conform to the bank's Code of Ethics and standards at all times.

Reporting periodically to the ACC, the CAE conducts reporting on significant risk and control issues, including fraud risks, governance issues, and other matters that require the attention of Senior Management and/or the Board and ACC. It is also within the purview of the IAG to provide results of internal/external assessments and relevant action plans to address any significant conformance issues the bank may have.

Within the scope of internal audit activities in 2018 and corrective actions implemented by DBP's Management, the IAG concluded that the bank's risk management, governance, compliance system, and controls are generally adequate. Pertinent programs, risk limits, policies and processes and compliance therewith have been evaluated by the IAG as generally adequate to manage the risks related or applicable to the institution's core businesses. Further, the results of IAG's testing procedures—as reported in the Annual CAE Report presented to and approved by the ACC in March 2019—showed generally satisfactory compliance with controls incorporated in the processing, review, and approval functions. An exception to this, however, is IT risk management, which requires closer oversight from the Board and Senior Management.

PROCUREMENT AND FACILITIES MANAGEMENT

The bank's Procurement and Facilities Management Group (PFMG), in conjunction with Branch Banking Sector (BBS) and IT Department, assisted in the opening and relocation of branches. The group also embarked on several refurbishing of branches, Branch-Lite Units (BLUs) and cash centers the DBP Head Office (HO) to increase the bank's efficiency in service delivery.

Among its milestones for the year are the floor movement and re-layout of offices at the HO to be consistent with the implementation of the Governance Commission for GOCCs-approved re-organization plan of DBP. It had also undertaken the disposal of unneeded and unserviceable equipment and furniture, contributing a net income of Php940.8 thousand.

PFMG efficiently managed DBP office spaces for lease, translating to Php35.4 million in collections. Realized total savings of Php1.3 million from early payment of 2019 real property tax of 49 branches and bank-owned properties. Earnings of Php100.4 million were recorded from procurement via public bidding and other alternative modes, net of actual value of awarded contract.



ENDURING PARTNERSHIPS

DBP's strong partnership with its valued clients has allowed the bank to successfully fulfill its mandate and translate its vision and mission into reality. Hand in hand, the bank and its partners work together to enrich communities, create jobs, and increase the social mobility in the countryside.

As a development partner, DBP not only provides financial assistance but also shares its expertise to the companies and businesses it serves. Together, the bank and its clients create ripples of progress steadily spreading across the strategic sectors that DBP supports. Ultimately, DBP measures its success by the growth of its partners.

On its 71st year, DBP continues to strengthen its ties with its partners. Moving forward, DBP vows to further strengthen these partnerships as it revs up for change. The continued success of its partners inspires the bank to soldier on in its initiatives toward sustainable development and inclusive growth.

LIONHEART FARMS (PHILIPPINES) CORPORATION EMPOWERING LOCALS FOR GREATER INCLUSIVITY

Upon the encouragement of the Provincial Government of Palawan and the Philippine Coconut Authority (PCA), Lionheart was formed in 2015 as a private sector manager of coconut farming in a South Palawan municipality with a high poverty incidence. Today, with DBP as its partner, Lionheart continues to grow—both as a business and as an agent of inclusive growth for its host community.

Hybrid coconuts are a phenomenal tool in reducing poverty: the hybrid coconut farm provides 10 times more jobs than for example oil palm plantations and requires no damaging pesticide and fungicide, which is often an issue with other crops. Lionheart currently employs about 1,200 people and expect to add plenty more jobs once the trees are ready for harvest.

For Lionheart, the environment is the key to sustainable development. Each mature tree soaks up the equivalent of 375kg CO₂ per year, and at its peak operational level, the farm captures and stores the equivalent of all the power-related CO₂ emissions in all of Palawan.

Lionheart is also exploring renewable energy projects, which is one of DBP's priority sectors. The bank through its Davao office has kept up a productive dialogue to build mutually beneficial financing models. The first loan was granted to finance direct planting operations, but the partnership is poised to expand moving forward. Lionheart and DBP will grow into banking the unbanked as virtually everyone in its host community has no bank account, much less use financial services. Likewise being arranged is a facility wherein DBP lends to Lionheart, which in turn will finance motorbikes for the staff. Payments are managed by Lionheart through payroll deduction, thereby reducing default risk and collection cost.

Previously, many of the young adults in the area have left their families to seek employment in Manila or abroad. Now they can earn a decent living without leaving behind their home. More businesses have appeared when the local economy started flourishing, including bio-fertilizer production and pig- and chicken-raising to serve Lionheart's needs.



VPO ROSARIO AGRO-INDUSTRIAL DEVELOPMENT CORP. EMPOWERING INDIGENOUS COMMUNITIES

VPO Rosario Agro-Industrial Development Corp. (VPO RAIDC) is the brainchild of Vivencio P. Ocite Jr., a Municipal Tribal Chief of the Manobo Tribe of Rosario. Large-scale food production was uncommon in his community in the Caraga Region, where food security was an issue. Ocite started farming to augment the family income, all the while seeking ways to develop the agricultural area in his community.

He started with crop production, moved on to food processing, then feeds production for livestock. He also tried his hand at small-scale mining sustained by reforestation and, as an added income source, planting rubber trees and intercropping coffee and cacao. Expanding the business was a challenge because no one was willing to commercialize agricultural products in Caraga. Mr. Ocite took up the challenge and, two years ago, he found a partner in DBP. Today, VPO RAIDC is the first and only large-scale agro-industrial company in the region to adopt a Farm-to-Consumer business model.

"I am really thankful for DBP for providing the financial help that enabled me to establish a strong foundation for our company. I feel comfortable with DBP, they understand our business

model," said the chief. Since then, the business has played a key role in providing livelihood to the indigenous Manobo communities of Agusan Del Sur, generating more than 3,000 jobs.

Aside from supplying agri products to the locality, the company promotes the use of advanced technology in its facilities. More importantly, it creates an opportunity for the Manobo and other farmers in the community to adapt to industry standards of work and to utilize technology in their farming methods. Likewise, it has launched a foundation to provide for the education of less-privileged children in the area.

At present, VPO RAIDC has 13 meat shops and retail store all over Caraga Region, distributing products from its own farm. Its properties also include grain silos, rice and corn mills, a slaughter house, dressing plants, rubber processing plants, poultry and hog tunnel vents, a chocolate factory, and biogas facilities.





PROVINCIAL GOVERNMENT OF NUEVA ECija CONNECTING PEOPLE, MOVING GOODS

Nueva Ecija is a first-class province populated by more than 2.15 million. Having the biggest land area among all provinces in Central Luzon, it has become the region's biggest producer of rice—earning the title “Rice Bowl of the Philippines.” With the region even known for being the top producer of onion in the country. However, in the early 2000s, the economy was heavily dependent on agriculture and there were not many livelihood alternatives. DBP stepped in with financial assistance for roads, school buildings, and other infrastructure projects; and continues to help sustain the province's economic centers. Another project in collaboration with the LGU and DBP to further support the farmers of Nueva Ecija is the Onion Cold Storage Facility.

Today, Nueva Ecija is among the bank's top customers in the region. The partnership resulted in the opening of new roads, connecting provincial thoroughfares to the main expressways. In 2018, DBP granted an omnibus loan to the provincial government for the purpose of boosting trade and facilitating the movement of goods and people across Nueva Ecija. The infrastructure project will provide an alternative route for motorists coming from Bulacan and Metro Manila, thereby reducing travel time. The bulk of the amount has been channeled into the construction of a two-lane road that will link the towns of Peñaranda, San Isidro, and Cabiao; and the city of Gapan in the southern part of the province. The remainder of the loan will be used for other development projects of the provincial government, including the purchase of medical equipment.

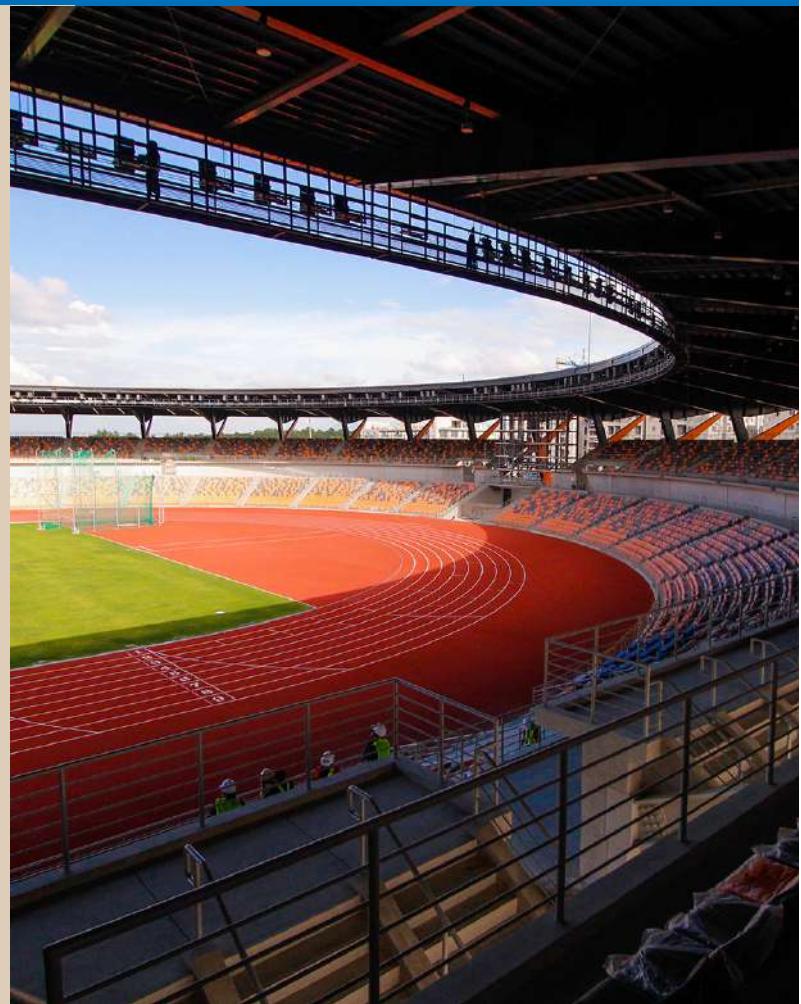
MTD CLARK

PAVING THE WAY TO PROGRESS

MTD is a multinational company and infrastructure developer based in Kuala Lumpur, Malaysia with an active presence in 15 countries across Asia, Europe and the Middle East. Their first project in the Philippines was the construction, operation and maintenance of the 36-Kilometer South Luzon Expressway (SLEX) which was successfully completed in 2010. Other significant projects include the development of regional government centers in Luzon with the aim of bringing efficient and quality public service to Filipinos.

MTD is currently working with the National Government, through the Bases Conversion Development Authority, in building the first phase of New Clark City, the National Government Administrative Center. This complex features disaster-resilient back-up offices of various government agencies as well as world-class sports facilities that will enable the country to host the 2019 Southeast Asian Games.

By providing much-needed financing, DBP "lives up to its name as the country's premiere development bank," said Engr. Isaac S. David, Chairperson of MTD's Philippine subsidiaries. Now, as DBP transitions into the country's foremost infrastructure bank, it is better equipped to serve the needs of MTD and other planners, builders, engineers, and operators of facilities that ultimately benefit its host country.



PREMIUM MEGASTRUCTURES INC. BUILDER OF A BETTER WORLD

With the philosophy, "Builder of a Better World," Premium Megastuctures Inc. (PMI) was among the DBP assisted contractors under the ICONS program. PMI was formed in 2012 as an engineering and construction company with an "AAA" license specializing in the areas of heavy civil, design-build and general construction.

As one of the leading Department of Public Works and Highways (DPWH) - accredited contractor, PMI has completed various projects ranging from road widening, road construction and rehabilitation, highway pavement, construction of bridges, port reclamation, and flood mitigation structures. Apart from horizontal developments, PMI is also engaged into the business of shipping vessel and equipment rentals, supply of construction aggregates and hot/mix asphalt. PMI has existing fleet of 30 vessels that continue to support the delivery and sale of its construction aggregates.

The partnership between PMI and DBP started in 2015, when very few banks were willing to finance infrastructure projects, according to PMI President Francis Lloyd Chua. The Bank also provided advice on business growth opportunities, and financing to its affiliate, Megaship Builders Inc. – the first and only shipyard in Eastern Visayas, and MAC Builders – another Triple "AAA" license contractor.

PMI has more than 3,000 employees, mostly from Ormoc, which is home to the Chua – the very reason why the company's CSR programs are firmly focused on the community. Such CSR projects include tree-planting programs, school development programs in Leyte, partnerships with maritime schools, and even selling vessels to local fishermen.

8990 HOLDINGS, INC.

BUILDING HOMES FOR THE FILIPINO PEOPLE

Recent studies show that by 2030, the Philippines would need 12.3 million houses. But between 2001 and 2015, the backlog is already at 6.7 million. It is the vision of 8990 Holdings Inc. (HOUSE) to help address this backlog so that every Filipino will have a decent house to call home. Registered with the SEC in 2013, the company is now one of the country's top housing developers, with 52 completed and 13 ongoing projects to date.

HOUSE has 452 employees at present—a number expected to increase with the recent funding infusion from DBP. The loan that HOUSE secured from DBP will be used to increase its operational capacity and generate employment at the same time.

The company's choice of bank is inevitable, said President and CEO Willibaldo Uy. "DBP is well-known for its involvement in countryside and infrastructure development, which are the same things we believe in. We plan to continue extending our reach in fast-growing urban areas and second-tier provinces, hoping to spur the economy and create a positive impact on the community."



METRO ILOILO HOSPITAL AND MEDICAL CENTER, INC.

EXCELLENT CARE WITHIN REACH

Iloilo's existing hospitals cannot cope with the rising demand for quality health care; at present, there is a deficit of 855 beds. During periods of heavy confinement, patients can be seen lying along corridors and crowding even the hospitals' conference rooms. Recognizing this present and urgent need, Metro Iloilo Hospital and Medical Center, Inc. (MIHMCI) established a six-storey Level 2 hospital building with 110 beds.

MIHMCI was an idea hatched in 1997 between Dr. Danilo Encarnacion and his classmates in medical school, Dr. Ma. Mercedita and Dr. Angelo Alcala. However, the idea of a hospital owned by Iloilo doctors began to take shape only 14 years later. Dr. Encarnacion put together 75 local medical practitioners, including on-call doctors from Manila. Through a partnership with DBP, the hospital project was completed in 2018.

Collaborating with Philhealth and LGU health centers, MIHMCI is one of the first in the region to implement a program for school teachers—now benefitting 1,800 individuals. The affordable bank financing also reduced cost of investment which enabled the hospital to offer affordable health care within reach of the public.



MEDICUS CANCER INSTITUTE, INC. BRIDGING HEALTH CARE GAPS FOR THE UNDERSERVED

Based on the 2010 Philippine Health Statistics by the Department of Health, cancer is the third leading cause of death among Filipinos. In Western Visayas, there were 241 cancer cases recorded per 100,000 individuals or 0.24% of the population. Thus, in 2013, Medicus Cancer Institute, Inc. (MCII) was established as a state-of-the-art cancer facility and provider of advanced radiation treatment. With the region's population of 4.48 million as of 2015 and an annual growth rate of 1.25%, existing cancer facilities utilizing cobalt and tomotherapy technology cannot cope with the present and potential demand. Patients there have to seek treatment in Cebu and Manila, which push the cost of healthcare even higher.

DBP took on the cancer institute project in 2017 during the facility's construction. The bank also financed medical equipment, including a Varian Clinac Linear Accelerator

an effective and reliable treatment currently available only in Manila, Southern Luzon, Cebu, Davao, and Cagayan De Oro. The equipment can perform multi-services such as conventional, IMRT, and 3DRT procedures at a faster turnaround time.

Today, Medicus has expanded its facilities to include a dialysis center and a radiation treatment facility, which also received funding from DBP. Most of the center's patients receive financial aid from the Philippine Charity Sweepstakes Office (PCSO). Moving forward, President and CEO Vincent Joseph Villareal wants to put up medical centers in hard-to-reach places where people need it the most. Medicus will soon have radioactive isotope treatment services for thyroid cancer patients.

Mr. Villareal is also eyeing a dormitory for patients from other areas who have no place to stay in Iloilo. "The big picture is a fully integrated medical system to fill the gap in health care, especially for the underserved," he said.

LIVINGHOPE HOSPITAL INC. NURTURING LIFE, EXTENDING HOPE

Livinghope Hospital Inc. has partnered with DBP for a project to address the Level 1 healthcare needs of residents in its service areas. It is a referral hospital for nearby lower-level healthcare facilities, and a key contributor to the rationalized hospital referral system in Southern Leyte. More significantly, the project helps reduce the incidence of morbidity and mortality in the region, while promoting the use of PHIC-accredited health packages.

Livinghope is a privately-owned stock corporation registered with SEC in 2013. With financing from DBP, the corporation was able to establish a Level-1, 50-bed hospital facility in Maasin City, the hospital's immediate catchment area. Its secondary service area includes the nearby municipalities of Tomas Oppus, Malitbog, Padre Burgos and Macrohon.

Prior to Livinghope, Maasin had no proper hospital to speak of. What health facilities existed there are ill-equipped to treat patients, much less provide an excellent quality of service to the community. With the project's implementation, the bed-

to-population ratio in Maasin improved from 1:748 in 2014 to 1:504 in 2018. The hospital also provides dialysis and CT Scan services and conducts medical missions in line with its CSR initiatives.

Through the merits of the partnership with DBP, Livinghope was able to hurdle the challenges of putting up a business for which they have no prior experience. The bank's financial assistance and technical aid have given the hospital the means to provide high-quality facilities to its patients.

Since its opening in June 2016, Livinghope has provided employment to around 200 individuals. The corporation's founders and board members, who come from a family of doctors, also serve in the hospital. It is their hope to enjoin more doctors to work with the hospital in bridging the gaps in health care, especially for the underserved.



RIZWOODS COLLEGES MAKING INCLUSIVE EDUCATION POSSIBLE

Rizwoods Colleges is the Tabanao family corporation formed in Cebu in 2010 while they were still operating their own school and hospital in Lanao del Norte. As a non-sectarian institution, it offers pre-school, elementary, secondary, and tertiary education in three campuses across Cebu located in Cabreros, Barangay Basak; Natalio Bacalso Avenue; and Barangay Maribago, Lapu-lapu City. It aggressively supports the government in implementing the CHED's Unified Financial Assistance System for Tertiary Education (UniFAST), DepEd's K-12 Program; DOLE's Special Program for Employment of Students (SPES); TESDA's Vocational Programs; and the Cebu City Government Scholarship Program.

The school was founded by the family matriarch, Dr. Rizalyn M. Tabanao, who believes that education is the key to eradicating poverty. Rizwoods traces its origins to the Lanao School of Science and Technology, Inc. (LSSTI), established in 1998. Its partnership with DBP started in 2016 when the bank—the only one to grant a loan for such a project at low interest rates—provided financing for the construction of the school.

Today, Rizwoods has more than 2,600 students from nursery to college. "We are continually inspired by the graduates we produce every year, knowing that they now have the tools to help the country," said Dr. Tabanao.



ILOILO SCHOLASTIC ACADEMY, INC. EXPANDING GLOBAL ACADEMIC COMPETENCY

Iloilo Scholastic Academy (ISA) is a Filipino-Chinese pre-school, elementary, and high school education in Iloilo where many students enroll, including those from Mainland China, to develop their English-speaking skills. Peter Chan is the Executive Director. From the start of operations in 2004, it has now made a name not only in academic excellence but also in the specialized fields of journalism, sports, music, and arts.

ISA was initially registered as a non-stock corporation. The board pooled Php11 million for construction, mostly from donations. In 2003, it broke ground and opened with 267 enrollees. Into the fifth year, the board bought the land on which the school stands using a high-interest loan of Php35 million from a rural bank.

ISA had to expand to accommodate incoming senior high school students under DepEd's K-12 program, and so it turned to DBP. Through DBP's funding, the school added one section per grade level. "Without them, our other building will never be built," said Chan. For the past 15 years, the school has produced well-equipped and talented students ready for tertiary education. Aside from various awards and recognitions, the school is proud to have graduates who were also among the Top Ten Most Outstanding Students of Iloilo.



SUPREME POWER CORPORATION

GENERATING POWER FOR COMMUNITY DEVELOPMENT

Supreme Power Corporation (SPC) is owned by siblings Juanita Siy, company president; Romeo Siy, operations manager; Manuel Siycha, managing director; and Jose Siycha, director. It is part of the Siycha Group of Companies, which started in 1986 as a rice milling business in Sultan Kudarat, Cotabato.

The Siycha Group already has a long-standing relationship with DBP, which provided the Group the financing to buy DBP's foreclosed rice mill.

Faced with the constant brownouts in the area, the family, in 2013, proposed to DBP a power plant that will not only benefit their business but also address the needs of the community.

SPC, the Group's first venture into the power industry, received DBP's full backing in 2015. The bank likewise provided assistance in securing compliance documents and permits to convert the agricultural lands for industrial use.

Today, SPC supplements the power supply in Koronadal and half of South Cotabato. "We feel it is our obligation to fill the gaps in social services in our community, and not just wait for the government to address these problems." In the same vein, SPC has built roads, provided water supply, and a chapel in a nearby barangay of the plant.

UNIVERSITY OF SOUTHERN PHILIPPINES FOUNDATION INC.

BRIGHTENING THE FUTURE FOR INTERCULTURAL STUDENTS

The University of Southern Philippines Foundation Inc. (USPF) has been in existence as an academic institution for 92 years and as a university for 70 years. A non-stock, non-profit organization, USPF constantly strives to provide the highest quality of instruction for a fraction of the tuition in other universities of its kind.

It is one of the most notable educational institutions in the region—sought after by local and international enrollees alike. To date, it has more than 6,000 students of at least 15 different nationalities. With a globally competitive curriculum and a culturally diverse learning environment, USPF the school infuses the workforce with professionals in various fields of specialization.

USPF's partnership with DBP is founded on a shared commitment: the pursuit of excellence in effecting total human development. With financial assistance and technical advisement from the bank, the foundation is able to enhance its services and build more facilities to accommodate its growing population. Likewise, the bank's low interest rates also allow the foundation to award more scholarships to the youth in marginalized sectors.





SABANG RENEWABLE ENERGY CORPORATION (SREC) COLLABORATION TOWARDS ELECTRIFICATION

Sabang Renewable Energy Corporation (SREC) is a consortium comprised of WEnergy Global; Vivant Energy Corp.; and Gigawatt Power, Inc. (GPI). For SREC, climate change is an issue that must be addressed immediately, through alternative power sources with minimal environmental impact. "Our mission is to electrify the Cabayugan community, clean and quick," said Atem Ramsundersingh, SREC Director and WEnergy Global Pte. Ltd. President.

The project was conceptualized as early as 2012 and is the first hybrid-powered microgrid operating as a Qualified Third Party (QTP) being approved by the Department of Energy (DOE) and the Energy Regulatory Commission (ERC). QTP performs missionary electrification in Sabang, Palawan which was declared unviable by the DOE. It is likewise the first microgrid in the entire Southeast Asia. A Hybrid PV-Battery/Diesel Power Plant and Mini Power Grid with a combination of solar- (60%) and diesel-powered (40%) generators, will provide 24/7 electricity at a reasonable and affordable cost for the community of Barangay Cabayugan where the Sabang project lies. It is within the same community as the Puerto Princesa Subterranean National Park, which depends on diesel generators and where most remote rural areas have no

electricity. The current level of electrification in the area is at 36%, where the service situation is costly due to the individual and unregulated system. The most important aspect of the project however, is the distribution network channeled through the 210 electrical posts built throughout the vicinity. With the implementation of the Sabang project, level of electrification will increase to 99%.

While SREC met with other financial institutions to discuss the future of micro-grids in centralized electrification, "DBP pushed its own limits in considering our loan proposal," said GPI President, Walden Tantuico. On the advice of local partners, SREC applied for a loan with DBP in early 2018. "DBP's involvement has been one of the key factors to implement this project next to SREC's team obtaining regulatory approvals by the DOE and the ERC," added Ramsundersingh.

SREC's drive "to wake up other industries into embracing hybrid-rural electrification" incited the interest not only of the national government but also international organizations such as the World Bank. With the project currently 95% complete, the Sabang power plant is soon expected to electrify Barangay Cabayugan, providing uninterrupted and cost-effective power supply.

ASTRONERGY DEVELOPMENT GENSAN, INC. BRINGING LIGHT, FUELING LIVES

Astronergy Development Gensan, Inc. (ADGI) is a solar-electric project that aims to produce 25MW of power for off-grid areas in General Santos City, South Cotabato. It was founded by Geronimo Bella Jr. and Rodrigo Bella, the company's president and director/vice-president, respectively. ADGI's mother company is Harbor Star Shipping Services, Inc., which is also affiliated with Harbor Star Energy Corp.—the Bella brothers' first venture into the power generation segment.

While Harbor Star has long been established in the shipping industry, it was only in 2017 that the company ventured into the renewable energy segment. The brothers' relationship with the bank, however, began way back in the 1980s, in terms of financing for their shipping company. Complying with industry regulations and securing permits would have been a gargantuan task if it were not for the helping hand that DBP extended, the

siblings attest. "Without DBP, we could not have started this project," said Mr. Geronimo Bella Jr. More importantly, the partnership has lent the company the credibility and eligibility to tap into other renewable energy projects.

Aside from providing a more stable supply of electricity, ADGI has generated employment for the province. It also provides water supply sources to many barangays in GenSan as part of the company's CSR programs. Moreover, many establishments in the area have approached the Bellas for assistance on self-generating power for their businesses. Moving forward, ADGI is looking into converting solid waste into energy and expanding its services to Laguna and Palawan. With the help of the bank, the Bella brothers hope to become effective agents of nation building and development.





APO AGUA INFRASTRUCTURA, INC. DELIVERING SAFE AND SUSTAINABLE WATER

Apo Agua Infrastructura, Inc. (Apo Agua) is a joint venture company between Aboitiz Equity Ventures and J.V. Angeles Construction Corporation incorporated in 2014. The company is building one of the Philippines' largest private bulk water supply facilities that will supply over 300 million liters per day of safe and sustainable water to the Davao City Water District for the people of Davao City. Apo Agua is committed to developing a sustainable bulk water supply for Davao City. This will help shift the dependence of the city's main water supply from groundwater to surface water from the Tamugan River. A first in the country, the project's water treatment facility will be powered by renewable energy sourced from its own two (2) megawatt run-of-river hydroelectric power plant.

To finance the construction and operations phases of the Davao City Bulk Water Supply Project (DCBWSP) of the Davao City Water District (DCWD), Apo Agua signed on November 29, 2018, a Php 9 billion Omnibus Notes Facility and Security Agreement with a consortium of lender-banks.

"DBP, along with other core members - BPI, China Bank, and Bank of Commerce - was able to provide financing in the midst of the Philippines' high inflation rate last year. That shows

commitment, that shows partnership," said Apo Agua President Roman Azanza III.

Upon signing of the Omnibus Notes Facility and Security Agreement, Apo Agua's initial loan release was effected in December of the same year. As a project lender for Apo Agua, DBP bagged the "Utility Project of the Year" for the financing of one of the largest private bulk water supply projects in the country.

Sharing DBP's commitment to environmental stewardship and community development, Apo Agua takes pride in serving the communities in the areas directly affected by the construction and pipe laying works through projects like medical missions, educational programs, and scholarship funding. One of the project's priorities is to generate a thousand jobs for the members of these communities. The company will continue helping out these communities in the next 30 years and hopefully more.

Apo Agua began its three-year construction phase with engineering design works in 2018 and targets to commence operations by the first half of 2021.

RICHLI CORP. NOURISHING LIVES WITH PURE WATER

Over the years, Panglao Island has become one of the top tourist destinations in the Philippines. Like many areas in Bohol, the island's main source of water are deep wells. The fact not only mars the popularity of Panglao but, more importantly, puts both tourists and locals at risk for water-borne diseases. True-blue Boholanos that they are, the Lim Family saw it as their responsibility to find a solution.

Hence began the mission of Richli Corp., a private company founded by Richard Enerio Lim. The quality of water from deep wells is poor, often causing residents to be sick, attested Richli Corp. President Ralph Miguel Lim.

As conscientious business owners and part of the community itself, the Lim Family believes in investing in water development and distribution, even if it means digging into their own hard-earned money. Their partnership with DBP started in the late 1990s for a project under their Bohol Agro Aquatic Resources Corporation.

In May 2018, the bank approved a loan to partly finance the development of a water supply and distribution project under Richli Corp. It will deliver initially 10 million liters per day to Tagbilaran City and the municipalities of Daus and Panglao in Bohol whose residents, for decades now, are provided with water from deep wells with consequential environmental detriments like aquifer depletion, pollution and salt water intrusion.

Richli Corp. is the first and only water supplier which utilizes surface water from Malingin River. The water treatment facility to rise in Patrocinio Cortes, Bohol will be the first of its kind in the province, equipped with the latest hydro-process control technology. The plant will benefit some 13,500 households and addresses 19.42% of the demand in the areas. Richli Corp. dreams to tap other sources and close the gaps in the entire province of Bohol while being keen at replicating the same business model and technology in nearby provinces as well.





REVITALIZED GOVERNANCE

As a government instrumentality for development and as enabler of progress for the people, DBP remains committed to the philosophy and values on which it was built. Since its inauguration

more than 70 years ago, DBP continues to live by the principles of good governance, steadfastly injecting integrity, wisdom and prudence into its actions and initiatives as a government financial institution.

With the risks inherent in the banking industry, DBP's resolve to consistently observe good governance practices ensures that key interests of stakeholders are protected, full compliance with laws and regulations is assured, while the overall performance of the bank is secured.

DBP is proud to remain fully compliant with various regulations on governance practices, such as the Code of Corporate Governance (GCG Memorandum Circular No. 2012-07), as well as all the Good Governance Conditions prescribed by the Governance Commission for GOCCs (GCG) and the Inter-Agency Task Force on Harmonization of National Government Performance Monitoring, Information, and Reporting Systems (IATF). In its overall corporate governance structure and practices, the DBP sets forth its business strategies and operations supported by the pillars of participative management, good governance, transparency, and people development.

CORPORATE GOVERNANCE INITIATIVES

Good governance is the underlying foundation of every decision made by the board of directors and the management. Thus, the DBP institutionalized the observance of good governance principles across the organization through the adoption of the DBP Corporate Governance Framework. The framework provides the balance among the elements that comprise the bank's governance ecosystem. Guided by the core principles of integrity, love for the Filipino, excellence, teamwork, and service to others, the governance elements work together to manage risks and identify gaps for improved performance and effective corporate governance. It also provides the framework in achieving robust and transparent board governance and sound decision making.

In 2018, the DBP held its 5th Good Governance Forum with the themes, "Integrity: Doing the Right Thing All the Time" and "Women Empowerment Adopting the Nurturing Role of Women in the Workplace". Keynote speeches were delivered by the Chairman of the Board, Chairman Alberto G. Romulo and President and CEO Cecilia C. Borromeo. One of the main highlights of the forum is the commitment ceremony on Good Governance led by the members of the Board of Directors and senior officers wherein they selected their own commitment cards according to their personal governance values and posted them in the Good Governance Commitment Pledge board. All officers and employees in the head office were invited to witness this event. Likewise, a scaled-down good governance forum by all business units are being conducted to achieve the ultimate objective of the Governance Forum which is to instill in all Bank officers and employees a culture of governance and integrity in the workplace.

Various governance policies were formulated and reviewed in 2018. Among those which were adopted is the Personal Investment Policy prescribing appropriate procedures to avoid conflict of interest in instances when officers and employees avail of the bank's investment products. Moreover, the Board of Directors approved the Charter of the Related Party Transactions Committee and established the guidelines in the performance appraisal of the DBP Board of Directors. On the other hand, the Related Party Transactions Policy, Citizen's Charter for Credit and Non-Credit Services, the Freedom of Information Manual, and the Charter of the Governance Committee were likewise revised and updated by the Board of Directors as part of the Corporate Governance Framework.

Consistent with the National Government's policy to promote a high standard of ethics in public service, DBP has adopted a Code of Ethics setting forth the core values every bank director, officer, and employee must uphold in the performance of their duties. More than a mandate, it also serves as a reminder of their accountability to the people as public servants. Members of the Board, officers and employees are required to comply with the Code. Concomitantly, violations of the Code will be meted with appropriate administrative disciplinary sanctions against the erring directors, officers or employees. In addition to the Code of Ethics, the DBP No-Gift Policy - a reiteration of Republic Act No. 6713 or the Code of Conduct and Ethical Standards for Public Officers and Employees - prohibits acceptance or solicitation of gifts that are in violation of existing laws, rules, and regulations. This strengthens DBP's resolve to fight corruption in the workplace. The DBP Code of Ethics, No Gift Policy, and all governance issuances of the Board of Directors are readily accessible through the bank's intranet system. To ensure bank-wide implementation, a Module on Corporate Governance, Code of Ethics, and Accountability is integrated in the mandatory Corporate Governance seminar and in the DBP-Orientation for New Employees.

As internal feedback mechanism is an important tool in reinforcing a culture of integrity in the Bank, an internal reporting mechanism - the DBP Whistleblower Protection Policy (WPP) embodied in DBP Circular No. 16 dated 19 July 2013 - was institutionalized to provide a methodology for reporting illegal activities, including provisions for the protection of whistleblowers and confidential information. The WPP applies to all disclosure of any Illegal Activity considered as grave or less grave offenses defined under applicable laws, rules and regulations committed against the bank by any Employee, Members of the Board of Directors, and /or Third Parties. An Illegal Activity may be reported to the President and CEO, Chief Legal Counsel, Chief Compliance Officer, Internal Audit Head and the Human Resource Management Group Head.

Bank personnel involved in a Whistleblowing case as well as the documents and proceedings undertaken relative thereto are treated with utmost confidentiality. Whistleblowers and witnesses are likewise protected from retaliation and are given the opportunity to transfer to another department or branch. Should the circumstances warrant, they may also be endorsed to a witness protection program in coordination with local or national government enforcement agencies.



BOARD OF DIRECTORS



ROGELIO V. GARCIA
Director

MARIA LOURDES A. ARCENAS
Independent Director

LUIS C. BONGUYAN
Independent Director

EMMANUEL P. GALICIA, JR.
Director

ALBERTO G. ROMULO
Chairman of the Board
Independent Director



ROLANDO L. METIN
Director

TEODORO M. JUMAMIL
Director

CECILIA C. BORROMEO
Vice Chairman
President and
Chief Executive Officer

MIGUEL C. ABAYA
Independent Director

BOARD OF DIRECTORS

As stewards that look after the long-term success of DBP, the Board of Directors ("Board") must steer the bank towards greater heights as it keeps up with the changing business environment. It must strive to achieve sustained competitiveness, while ensuring fiduciary responsibility in order to best serve the interest of its most important stakeholders, the Filipino people.

The Board holds general responsibility in the approval and oversight of the bank's management and implementation of its strategic objectives, risk strategy, corporate governance, and corporate values, among others. Likewise, the Board established DBP's mission and vision and defined the bank's values and standards through Charter Statements and Strategy Maps in accordance with the Revised DBP Charter and the Philippine Development Plan.

Members of the board and senior management reviewed DBP's Vision, Mission, Values, and Strategic Objectives during the Annual Board Retreat held on 4 October 2018 at Taal Vista Hotel, Tagaytay City. Resultantly, and in line with the National Government's "Build, Build, Build" Program, the bank's vision was recrafted to strengthen its commitment to be a world-class infrastructure and development financial institution.

The Board is composed of nine members—who must all be Filipino citizens—appointed by the President of the Philippines, as required under Section 8 of the Revised DBP Charter. From among the appointed board members, the President of the Philippines then selects the Chairman—a role currently held by Mr. Alberto G. Romulo since he assumed office in February 2017. The Chairman ensures that there is an appropriate balance of power, increased accountability, and greater capacity of the board to make independent decisions. The Chairman also sees to it that the board can exercise supervisory function over Management.

BOARD LEADERSHIP

The Chairman provides leadership to the Board by ensuring its effective functioning, including the continuance and sustenance of the relationship of trust among its members. He or she ensures that the board makes informed action through the observance of a sound decision-making process and the promotion of critical discussions during board meetings. It is also the Chairman's responsibility to call for board meetings and approve the agenda, in consultation with the President and CEO and the Corporate Secretary; exercise control over quality, quantity, and timeliness of the flow of information between Management and the Board; and assist in ensuring compliance with the bank's guidelines on corporate governance. [see Schedule of Board Meetings for CY 2018 on p. 45].

Meanwhile, the President and CEO of the bank is also the Vice-Chairman of the Board. Currently, Ms. Cecilia C. Borromeo holds these two roles since she assumed office in December 2016. In the absence of the Chairman, the Vice-Chairman takes on the task of presiding over meetings of the board. As President and CEO, she exercises general supervision and authority over the regular course of business of the bank. The President and

CEO is primarily accountable to the Board for implementing the strategies and appropriate conduct and behavior that seek to promote the long-term interest of the bank. These actions are guided by the strategic direction and risk appetite approved by the Board.

DBP is fully compliant with the Code of Corporate Governance (GCG Memorandum Circular No. 2012-07). On multiple board seats pertaining to the DBP Board, DBP adheres to its Circular No. 6, series of 2015, prescribing the omnibus guidelines on the nomination of DBP representatives to subsidiaries, affiliates, and other related entities. There was no change in the Board composition in CY 2018, except for the reversion of Director Teodoro M. Jumamil's status from Independent Director to Regular Director as noted by BSP in Letter dated 16 March 2018. [see Directors' Attendance at Board and Board-Level Committee Meetings for CY 2018 p. 45].

Under the DBP Revised Charter, the term of office of the Chairman, President and CEO, and members of the Board of Directors shall be for a period of one year, or until such time as their successors are appointed and have qualified.

The board is assisted by SVP Perla Melanie C. Caraan, the Corporate Secretary, who is a lawyer by profession. In addition to the duties and responsibilities under the DBP By-Laws, the Corporate Secretary regularly conducts orientation briefings for the members of the Board on recently issued guidelines by regulators.

BOARD PERFORMANCE

The appraisal of the effectiveness of the performance of Board Committees is measured through the annual performance appraisal system conducted within the first quarter of each year, or on a date decided upon by the Board. The questions in the assessment are based on the duties and responsibilities of the Board as provided in the BSP Manual of Regulations for banks, the Fit and Proper Rule of the GCG, and the DBP Revised Manual of Corporate Governance. Only those who have served the Board for three months are qualified to rate the performance of the Board. On the other hand, a peer assessment of the effectiveness of each Director has also been established and being conducted annually.

In addition to the Board Appraisal System and Peer Assessment of Directors, an appraisal of the effectiveness of all Board-level committees is likewise conducted using the criteria and rating system approved by the Board. The raters are regular members of the specific committee, except for the Executive Committee where the raters shall be all members of the Board with at least three months of incumbency prior to the rating date.

The criteria and rating system for the Board and Board-level Committee assessments focus on their structure and composition (20%), duties and responsibilities (60%) and performance of individual members (20%). For the Peer Assessment, the criteria are Competence, Independence, Preparedness as a Director, Practice as a Director, and Development Process of the Corporate Enterprise. For CY 2018, the appraisal systems were conducted within the first quarter of 2019.

BOARD OF DIRECTORS PROFILE

ALBERTO G. ROMULO

Chairman

Independent/

Non-executive Director

Age: 86



Mr. Romulo currently sits as Chairman of DBP, a position he assumed in February 2017. In addition, he serves one year in the governing boards of DBP subsidiaries—as the Chairman of DBP Leasing Corporation and as Director of both DBP Data Center, Inc. and DBP Insurance Brokerage, Inc.

In the span of his long career in public service, Mr. Romulo has occupied several national government positions, both elected and appointed. From 1987 to 1998, he was elected Senator and served as Senate Majority Leader from 1991 to 1996. His contribution to the development of the banking industry cannot go unnoticed. Mr. Romulo either authored or sponsored the following laws: The New Central Bank Act, The Social Security Law, The Philippine Veterans Bank Act, and the Joint Legislative-Executive Development Council (LEDAC) Law.

As a member of the Cabinet, Mr. Romulo lent his talents serving as Executive Secretary, Secretary of Finance, Secretary of Budget and Management, and Secretary of Foreign Affairs. He was appointed as a Member of the Monetary Board during the time of President Corazon Aquino and again when President Gloria Macapagal-Arroyo assumed power.

As Secretary of Foreign Affairs, he paved the way for the passage of the Philippine Archipelagic Baseline Law in 2009 and the Veterans Benefit Enhancement Act. Mr. Romulo is a lawyer and Certified Public Accountant. He obtained his Doctor of Laws degree from the University of Madrid in Spain.

CECILIA C. BORROMEO

Vice Chairman

President and

Chief Executive Officer/

Executive Director

Age: 59



Backed by her wealth of experience in banking and management, President and CEO Cecilia Borromeo was appointed to the Board of Directors in January 2017. Ms. Borromeo also served as the Chairman of DBP-Daiwa Capital Markets Philippines, Inc. and as Director of LGU Guarantee Corporation and Bancnet, Inc. Under her leadership, she led the DBP in significantly growing its key financial indicators with an increase of 36% in net income, 20% in loans and 33% in deposits.

She began her almost thirty years of illustrious banking career with the Land Bank of the Philippines (LBP) where she rose from the ranks to serve as the Officer-in-Charge just prior her appointment to the DBP. She handled various posts including head of Agricultural and Development Lending Sector. She also has experience in treasury and investment banking, public

sector lending, corporate banking, global banking, wholesale banking and lending program management.

Ms. Borromeo graduated with a Bachelor of Science degree in Agribusiness from the University of the Philippines Los Banos and underwent the Master in Business Administration program of De La Salle Business School. She completed the Asian Institute of Management's Advanced Bank Management Course, as well as the Pacific Rim Bankers Program of the University of Washington Executive Education Foster School of Business. She also studied International Study on Rural Banking and Finance at the Massey University in New Zealand.

MIGUEL C. ABAYA

Independent/

Non-executive Director

Age: 83



Bringing his military know-how to the fore, Brigadier General Abaya (AFP, Ret.) was appointed to the Board in November 2016. Contributing two years of experience to the Institution, Brigadier General Abaya's expertise continues to guide the Board in making sound decisions, given DBP's substantial involvement in the modernization programs of the Armed Forces and the Police. He currently serves as Director of Al Amanah Islamic Investment bank of the Philippines and DBP Service Corporation.

Brigadier General Abaya is a graduate of the Philippine Military Academy and a holder of a Masters in Public Management degree from the University of the Philippines Cebu. He also obtained a post-graduate degree in International Defense Management from the Naval Post Graduate School in Monterey, California.

Since 1982, Brigadier General Abaya has been a member of the Pi Gamma Mu International Honor Society in Social Sciences—University of the Philippines Diliman Alpha Chapter. He also served as Regional Commander of the Philippine Constabulary—Integrated National Police (PC-INP).

MARIA LOURDES A. ARCENAS

Independent/

Non-executive Director

Age: 68



Ms. Arcenas is a clinical psychologist by profession and training. A specialist in resiliency and competence-building, her extensive career includes psychodiagnostics, human resource development, crisis communication, team building, and resource governance. She was appointed to the Board in November 2016. She serves as independent director of DBP Service Corporation, Al Amanah Islamic Investment Bank of the Philippines, and DBP representative to the Natural Resource Development Corporation board.

She graduated cum laude from St. Scholastica's College major in Psychology. She obtained her Masters of Arts degree in Clinical-Counseling Psychology from the Ateneo De Manila

University. She was a recipient of the Rotary Ambassadorial Scholarship at Stanford University, California, where she received a Master of Science in International Development Education. Ms. Arcenas has accreditation certificates in Partnership Brokering for Sustainable Development from Deakins University in Australia and in Conflict Resolution and Peace Building from Chulalongkorn University in Thailand.

She currently acts as Senior Advisor on Corporate Social Responsibility to local and international organizations in the energy, mining, forestry and infrastructure sectors. She is a strong advocate of women empowerment as Chairperson, Women Institute for Social Entrepreneurship that focuses on women in peace-building roles providing opportunities for sustainable livelihoods.

LUIS C. BONGUYAN

Independent/
Non-executive Director

Age: 70



Director Luis C. Bonguyan graduated with a Commerce degree from the University of Mindanao in 1970, and earned his Masters Degree in Business Administration from the University of the East-University of Mindanao Joint Consortium in 1981. He was a recipient of a study grant on Local Government Administration sponsored by the US State Department in 1991.

Director Bonguyan began his sterling career as a certified public accountant (CPA) in 1972 at LC Bonguyan & Co. CPAs. Inspired by a need to serve the public, he entered government service as city councilor from 1988 to 1991, and as Vice Mayor from 1991 to 1995 and 1998 to 2007 of the City Government of Davao. Since November 2016, Director Bonguyan has been serving as a Member of the Board of Directors of the Development Bank of the Philippines (DBP). He is also the Chairman of the Board of DBP Data Center, Inc., and Member of the Board of Directors of DBP Insurance Brokerage, Inc.

Director Bonguyan has been involved in several organizations that enabled him to exhibit his exemplary skills in leadership. He currently serves as the Vice President of the American Chamber of Commerce Mindanao since 2015. He also served as President of the Davao Jaycee Senate from 2008 to 2009, National Director of JCI Senate Philippines from 2008 to 2009, National President of the Ambassador Club of the Philippines from 2005 to 2006, President of Rotary Club of West Davao, and President of the Philippine Institute of Certified Public Accountants Davao Chapter.

Noted for his successful professional career, Director Bonguyan is a recipient of numerous awards and/or recognitions, including Most Outstanding Certified Public Accountant in public practice in 1983; Tambuli Award, which is the highest award from the University of Mindanao Alumni Association in 2001; and Most Outstanding JCI Senator of Mindanao, among others.

In addition to his various professional accomplishments, Director Bonguyan is blessed with a loving and close-knit family. He is married to Teresita J. Bonguyan who is also a CPA.

They have four children, namely: Marriane, a senior CPA in the City of San Francisco, California; Louie John, a city councilor of the 2nd district of Davao City; Charles Brian, a businessman; and Tessa Mae, an obstetrician-gynecologist.

EMMANUEL P. GALICIA JR.

Regular/
Non-executive Director

Age: 48



With a steady career in the legal profession, Atty. Galicia was appointed to the Board in October 2016. For two years now, he has been serving as the President and Chief Executive Officer of the DBP Data Center, Inc.

Atty. Galicia is a senior partner at LG Law and a retained lawyer of the Department of Social Welfare and Development in Davao City. He is also the President of the Independent Baptist Churches in the Philippines.

Atty. Galicia finished his Bachelor of Arts in Communication and obtained his Bachelor of Laws degree from the Ateneo de Davao University and was admitted to the Philippine Bar in 1996.

ROGELIO V. GARCIA

Regular/
Non-executive Director

Age: 70



With 45 years of illustrious legal career, Atty. Garcia was appointed to the Board in January 2017. For over a year, the San Beda College alumnus is also a Director of Al Amanah Islamic Investment Bank of the Philippines, DBP Leasing Corporation, and DBP Insurance Brokerage, Inc.

Atty. Garcia has served as a public servant in various capacities. He was a member of Parliament in the Batasang Pambansa and Deputy Minister of the Department of Labor and Employment. His proven track record garnered Atty. Garcia various positions at the Integrated Bar of the Philippines, including IBP South Cotabato Chapter President, Governor for IBP Western Mindanao Region, and Deputy Director of IBP Commission on Bar Discipline. He was also the JCI Senate Philippines national president in 2016, as well as JCI Senate - TOFIL Foundation President from 2016 until the present.

Currently, Atty. Garcia is a member of the Junior Chamber International Senate ASEAN and Region XII President of PDP Laban.

TEODORO M. JUMAMIL

Regular/
Non-executive Director
Age: 65

Atty. Jumamil is a Director of DBP since December 14, 2016. He also holds the position of Director of DBP Data Center, Inc. and DBP Insurance Brokerage, Inc.



Prior to joining the DBP, he was actively engaged in the practice of law. He assumed various positions in the government and held top level management posts in private corporations. He served as Deputy Administrator of the National Food Authority and was also elected as Board Member of the Province of Northern Samar. He was a former President & CEO of several corporations.

Atty. Jumamil obtained his Bachelor of Arts degree from the University of Eastern Philippines, and his Bachelor of Laws degree from San Beda College. He passed the 1978 Bar Examinations (87.375%) and was admitted to the Philippine Bar in 1979. Atty. Jumamil also earned his Masters Degree in National Security Administration from the National Defense College of the Philippines. He is a Master of Laws candidate from San Beda College of Law and a seasoned Bar Reviewer in Criminal Law and Political Law in leading law schools.

ROLANDO L. METIN

Regular/
Non-executive Director
Age: 74

Dr. Metin brings his wealth of expertise in the area of development work and the environment to the Board. He was appointed in October 2016 and has since served as a Director of LGU Guarantee Corporation, Chairman of the DBP Provident Fund, Provident Fund Representative to DBP Insurance Brokerage, Inc., and an Alternate Representative to Philippine International Trading Corporation and National Development Company.



He is a consultant for the World Bank on climate finance, sustainable sanitation, and the environment. He is also a board member of the Career Executive Service Board and a member of the Academic Council of the Development Academy of the Philippines. As a public servant, he served as Assistant Secretary, Undersecretary, and consultant on project management and institutional development for forestry, biodiversity, and coastal resources at the Department of Environment and Natural Resources.

A proud UP Alumnus, Dr. Metin graduated with a degree in Political Science, a Masters in Public Administration, and a Doctorate in Public Administration from the University of the Philippines in Diliman.



BOARD COMMITTEES

As authorized by the bank's Amended By-Laws, certain authority and discretion exercised by the Board of Directors are delegated to Board-level committees that were created to increase efficiency, allow a deeper focus in specific areas of banking operations, and oversee the bank's compliance with the principles of good governance. In the face of rapid transformation, the board-level committees contribute in addressing the requirements and issues relating to governance, compliance, internal audit, strategy, risk oversight, and human resource, among others. The following are the bank's board-level committees: Executive Committee (ExCom); Audit and Compliance Committee (ACC); Risk Oversight Committee (ROC); Trust Committee (TC); IT Governance Committee (ITGC); Governance Committee (GC); Human Resource Committee (HRC); Development Advocacy Committee (DAC); and Related Party Transactions Committee (RPTC).

Composition and qualifications of the members of the board-level committees follow the Bangko Sentral ng Pilipinas' (BSP) pertinent standards and requirements, especially on independent directors. The bank's independent directors were chosen from among the nine directors based on their qualifications vis-avis the BSP requirements under Subsection X141.1.g of the Manual of Regulations for Banks (MORB). Independent directors are tasked to promote an independent oversight of management. The bank's independent directors are Chairman Alberto G. Romulo, Director Miguel C. Abaya, Director Maria Lourdes A. Arcenas, and Director Luis C. Bonguyen. They were nominated by the board to serve as independent directors and approved by the Monetary Board.

Executive Committee (ExCom)

The ExCom is a scaled down version of the Board. The ExCom is tasked with reviewing the short and long-term plans prepared by Management prior to submission to the board. It also reviews progress against plan, with emphasis on activities or units within an activity that are not performing up to the agreed-upon standards—excluding areas of Management that fall within the responsibilities of the ACC and HRC. It is within the purview of the ExCom to ensure a complete review of all management practices at least once a year.

The ExCom is composed of the Chairman, the President and CEO and three other members of the Board of Directors. The regular attendees of the Executive Committee are Chairman Alberto G. Romulo, and President and CEO Cecilia C. Borromeo. The three other members of the ExCom are designated by the Board from among the other board members on a rotation basis.

ExCom	Name	Period Covered
Chairman	Alberto G. Romulo	January 1 - December 31, 2018
Vice Chairman	Cecilia C. Borromeo	January 1 - December 31, 2018
Members (on a rotation basis)	Miguel C. Abaya	January 1 - December 31, 2018
	Maria Lourdes A. Arcenas	January 1 - December 31, 2018
	Luis C. Bonguyen	January 1 - December 31, 2018
	Emmanuel P. Galicia, Jr.	January 1 - December 31, 2018
	Rogelio V. Garcia	January 1 - December 31, 2018
	Teodoro M. Jumamil	January 1 - December 31, 2018
	Rolando L. Metin	January 1 - December 31, 2018

Audit and Compliance Committee (ACC)

The ACC provides oversight over the institution's financial reporting and control, and external and internal audit functions, including the bank's Internal Audit Group (IAG) and Compliance Monitoring Group (CMG). IAG provides an independent and objective assurance and consulting activity design to add value and improve the bank's operations. On the other hand, CMG identifies and disseminates laws and regulations to provide guidance and direction to the Bank on compliance matters, oversees the implementation of the Board-approved Money Laundering and Terrorist Financing Prevention Program and ensures that the Bank complies with all regulatory reportorial requirements. ACC reviews the reports of internal and external auditors and regulatory agencies; and monitors Management's compliance with regulatory requirements, as well as corrective actions taken on identified control deficiencies. Pursuant to its Charter, the ACC approves the appointment and dismissal of the bank's Chief Audit Executive. The ACC is made up of three members of the board, two of whom are independent directors, including the Chairman of the Committee.

In the exercise of its oversight function, the committee held 12 meetings during the year, discussing various matters on financial, credit, operations, information systems, monitoring, and accomplishments—which are contained in 62 reports (65 audits and 10 monitoring and accomplishment matters). The ACC noted, reviewed, approved, and endorsed the annual business plans, recommendations on credit policy enhancements, independent testing frameworks, compliance and related activities, and performance of both IAG and CMG. It also reviewed and affirmed the effectiveness of internal controls, risk management, compliance, systems, governance processes, and the overall AML assessment of the bank based on the assurance and reports provided by the Chief Audit Executive and Chief Compliance Officer, respectively.

ACC	Name	Period Covered
Chairman	Luis C. Bonguyen	January 1 - December 31, 2018
Vice Chairman	Alberto G. Romulo	January 1 - April 30, 2018
	Rogelio V. Garcia	May 1 - December 31, 2018
Members	Rolando L. Metin	January 1 - April 30, 2018
	Maria Lourdes A. Arcenas	May 1 - December 31, 2018

Risk Oversight Committee (ROC)

ROC is principally responsible for overseeing the adequacy and effectiveness of existing risk policies, procedures, and controls; as well as ensuring that such policies, procedures, and controls are implemented. It also reviews and revises the plans and strategies of the bank to ensure its relevancy, adequacy, and effectiveness in the face of changing risk exposures. The committee is composed of the members of the Board, two of whom are independent directors, including the Committee Chairman.

The ROC has remained at the forefront of the bank's risk management initiatives and activities. In CY 2018, as part of the PFRS 9 Project, all ICRRS models were enhanced and validated; and crafting of implementing guidelines are in process. The ROC also provided oversight in the completion of the bank-wide Risk and Control Self-Assessment. Furthermore, the ROC played a critical role in the formulation of the IS Risk Management Strategy, which complements the bank's five-year ISSP. In furtherance of these initiatives, the ROC, through the Enterprise Risk Management Group (ERMG), has continued to be the strategic partner of the business units in accomplishing the bank's goals and targets.

ROC	Name	Period Covered
Chairman	Teodoro M. Jumamil	January 1 – April 30, 2018
	Miguel C. Abaya	May 1 – December 31, 2018
Vice Chairman	Emmanuel P. Galicia, Jr.	January 1 – April 30, 2018
	Teodoro M. Jumamil	May 1 – December 31, 2018
Member	Luis C. Bonguan	January 1 – December 31, 2018

Trust Committee (TC)

The TC is composed of at least five members, including the President and CEO and the Trust Officer. The remaining members, including the chairman, may be any of the following: (a) non-executive directors or independent directors who are both not part of the audit committee; or (b) those considered as "qualified independent professionals".

This committee is a policy-making body tasked with overseeing the investment activities of DBP's Trust Banking Group (TBG) and formulating broad investment strategies for the TBG through the establishment of major policy criteria for investment decisions and the determination of areas of investments for trust funds. It is in charge of periodically reviewing TBG's operating policies and procedures, as well as overall assets held in trust. The Revised Trust Committee Charter was approved per Board Resolution (BR) No. 0068 dated 8 March 2017. Pursuant thereto, the Mid-Year Performance Appraisal of the Trust Committee was conducted.

TC	Name	Period Covered
Chairman	Emmanuel P. Galicia, Jr.	January 1 – December 31, 2018
Vice Chairman	Teodoro M. Jumamil	January 1 – December 31, 2018
Members	Cecilia C. Borromeo	January 1 – December 31, 2018
	Corazon D. Conde	January 1 – December 31, 2018
	Ma. Teresa T. Atienza	January 1 – December 31, 2018

IT Governance Committee (ITGC)

The ITGC strongly advocates the strategic importance of IT in the context of the bank's operations. Composed of four members of the board, the ITGC ensures that the directions set for IT are aligned with, and will sustain, the bank's goals and objectives. The committee also ensures that the bank's Information Systems Strategic Plan (ISSP) is appropriately developed to reflect the business requirements for IT; and that the same is reviewed periodically. Ensuring that the bank's IT's performance is measured, its resources managed, and its risks mitigated are the key functions of this committee.

ITGC	Name	Period Covered
Chairman	Rogelio V. Garcia	January 1 – April 30, 2018
	Teodoro M. Jumamil	May 1 – December 31, 2018
Vice Chairman	Luis C. Bonguan	January 1 – April 30, 2018
	Emmanuel P. Galicia, Jr.	May 1 – December 31, 2018
Members	Teodoro M. Jumamil	January 1 – April 30, 2018
	Miguel C. Abaya	January 1 – December 31, 2018
	Rolando L. Metin	May 1 – December 31, 2018

Governance Committee (GC)

GC is composed of three members of the Board, two of whom are independent directors including the Chairman of the Committee. The GC ensures the Board's effectiveness in fulfilling its corporate governance responsibilities. It is tasked with the review and evaluation of the qualifications of all persons nominated to positions requiring appointment by the board. In addition, it oversees the periodic performance evaluation of the board and its committees; and subsequently makes recommendations to the board on matters regarding the continuing education of the bank's directors and their

assignment to board committees. In 2018, the Governance Committee approved the Revised Governance Committee Charter pursuant to BSP Circular No. 969, series of 2017 or the Enhanced Corporate Governance Guidelines and the GCG approved the Interim DBP Reorganization Plan. The GC, through the Corporate Governance Technical Working Group, successfully conducted the 5th DBP Good Governance Forum and continuously monitors the implementation of the scaled down forum series by all Sectors, Groups and Departments of the bank.

GC	Name	Period Covered
Chairman	Miguel C. Abaya	January 1 – April 30, 2018
	Maria Lourdes A. Arcenas	May 1 – December 31, 2018
Vice Chairman	Rogelio V. Garcia	January 1 – April 30, 2018
	Emmanuel P. Galicia, Jr.	May 1 – December 31, 2018
Members	Teodoro M. Jumamil	January 1 – April 30, 2018
	Alberto G. Romulo	May 1 – December 31, 2018

Human Resource Committee (HRC)

It is the mandate of the HRC to review, screen, and formalize Management's recommendations on HR-related matters as approved by the Board. It is also tasked with the review of bank-wide compensation and benefits programs; organization plans and structure; management development programs; and personnel manuals, among others. It also handles the review of the bank's manpower plan, including endorsing proposals to the Board for enhancements and promotions to meet the growing needs of the DBP organization. The HRC is composed of the President and CEO and two members of the Board.

HRC	Name	Period Covered
Chairman	Maria Lourdes A. Arcenas	January 1 – April 30, 2018
	Rolando L. Metin	May 1 – December 31, 2018
Vice Chairman	Cecilia C. Borromeo	January 1 – December 31, 2018
	Rolando L. Metin	January 1 – April 30, 2018
Members	Rogelio V. Garcia	May 1 – December 31, 2018

Development Advocacy Committee (DAC)

The DAC is the unifying and focal body in spearheading the bank's drive towards accomplishing its development mandate. It takes the lead in generating ideas, promoting awareness of development issues, advocating development programs and projects, and expanding and strengthening linkages within and outside the bank towards a unified and distinct approach to fulfilling DBP's mandate.

The DAC is composed of six members of the Board, consisting of the DBP Chairman, the President and Chief Executive Officer, and four incumbent members of the Board, .

DAC	Name	Period Covered
Chairman	Rolando L. Metin	January 1 – April 30, 2018
	Rogelio V. Garcia	May 1 – December 31, 2018
Vice Chairman	Miguel C. Abaya	January 1 – April 30, 2018
Members	Rolando L. Metin	May 1 – December 31, 2018
	Alberto G. Romulo	January 1 – December 31, 2018
	Cecilia C. Borromeo	January 1 – December 31, 2018
	Emmanuel P. Galicia, Jr.	January 1 – April 30, 2018
	Maria Lourdes A. Arcenas	January 1 – December 31, 2018
	Miguel C. Abaya	May 1 – December 31, 2018

Related Party Transactions (RPT) Committee (RPTC)

The RPT Committee evaluates existing relations between and among businesses and counterparties. Its main tasks are to ensure that all related parties are continuously identified; RPTs are monitored; subsequent changes in relationships with counterparties are captured; and all material RPTs are conducted at arm's length. The Committee is composed of three members of the Board, two of whom are independent directors, including the Committee Chairman.

The RPT Committee further ensures that appropriate disclosures are made, and/or information is provided to regulating and supervising authorities relating to the bank's exposures, and that policies on conflict of interest and potential

conflict of interest are duly observed. The RPT Committee was formally constituted under B.R. No. 0313, series of 2017. On 15 August 2018, the Charter of the RPT Committee was approved by the Board under Resolution No. 0371.

RPTs Com	Name	Period Covered
Chairman	Alberto G. Romulo	January 1 – December 31, 2018
Vice Chairman	Miguel C. Abaya	January 1 – April 30, 2018
	Luis C. Bonguyan	May 1 – December 31, 2018
Members	Rogelio V. Garcia	January 1 – December 31, 2018

DIRECTORS' ATTENDANCE AT BOARD AND BOARD-LEVEL COMMITTEE MEETINGS FOR CY 2018

Name of Director	REGULAR BOARD MEETINGS – 24			APPROVAL BY REFERENDUM – 21			EXECUTIVE COMMITTEE 21 Meetings			TRUST COMMITTEE 12 Meetings		
	HELD SINCE ASSUMPTION	ATTENDED	%	HELD SINCE ASSUMPTION	ATTENDED	%	HELD SINCE ASSUMPTION	ATTENDED	%	HELD SINCE ASSUMPTION	ATTENDED	%
Alberto G. Romulo	24	24	100%	21	21	100%	21	21	100%	-	-	-
Cecilia C. Borromeo	24	23 ¹	96%	21	21	100%	21	21	100%	12	11 ²	92%
Miguel C. Abaya	24	24	100%	21	21	100%	7	7	100%	-	-	-
Maria Lourdes A. Arcenas	24	24	100%	21	21	100%	11	11	100%	-	-	-
Luis C. Bonguyan	24	24	100%	21	21	100%	10	10	100%	-	-	-
Emmanuel P. Galicia, Jr.	24	24	100%	21	21	100%	6	6	100%	12	12	100%
Rogelio V. Garcia	24	24	100%	21	21	100%	9	9	100%	-	-	-
Teodoro M. Jumamil	24	24	100%	21	21	100%	10	10	100%	12	12	100%
Rolando L. Metin	24	24	100%	21	21	100%	10	10	100%	-	-	-

¹On official travel on November 7, 2018. ²On official travel on October 25, 2018.

Name of Director	RISK OVERSIGHT COMMITTEE 12 Meetings			DEVELOPMENT ADVOCACY COMMITTEE 12 Meetings			AUDIT AND COMPLIANCE COMMITTEE 12 Meetings			GOVERNANCE COMMITTEE 15 Meetings		
	HELD SINCE ASSUMPTION	ATTENDED	%	HELD SINCE ASSUMPTION	ATTENDED	%	HELD SINCE ASSUMPTION	ATTENDED	%	HELD SINCE ASSUMPTION	ATTENDED	%
Alberto G. Romulo	-	-	-	12	12	100%	4	4	100%	10	10	100%
Cecilia C. Borromeo	-	-	-	12	11 ³	92%	-	-	-	-	-	-
Miguel C. Abaya	7	7	100%	12	12	100%	-	-	-	5	5	100%
Maria Lourdes A. Arcenas	-	-	-	12	12	100%	8	8	100%	10	10	100%
Luis C. Bonguyan	12	12	100%	-	-	-	12	12	100%	-	-	-
Emmanuel P. Galicia, Jr.	5	5	100%	4	4	100%	-	-	-	10	10	100%
Rogelio V. Garcia	-	-	-	8	8	100%	8	8	100%	5	5	100%
Teodoro M. Jumamil	12	12	100%	-	-	-	-	-	-	5	5	100%
Rolando L. Metin	-	-	-	12	12	100%	4	4	100%	-	-	-

³On official business on July 10, 2018

Name of Director	IT GOVERNANCE COMMITTEE 13 Meetings			HUMAN RESOURCE COMMITTEE 15 Meetings			RPT COMMITTEE 2 Meetings		
	HELD SINCE ASSUMPTION	ATTENDED	%	HELD SINCE ASSUMPTION	ATTENDED	%	HELD SINCE ASSUMPTION	ATTENDED	%
Alberto G. Romulo	-	-	-	-	-	-	2	2	100%
Cecilia C. Borromeo	-	-	-	15	15	100%	-	-	-
Miguel C. Abaya	13	13	100%	-	-	-	-	-	-
Maria Lourdes A. Arcenas	-	-	-	5	5	100%	-	-	-
Luis C. Bonguyan	5	5	100%	-	-	-	2	2	100%
Emmanuel P. Galicia, Jr.	8	8	100%	-	-	-	-	-	-
Rogelio V. Garcia	5	5	100%	10	10	100%	2	2	100%
Teodoro M. Jumamil	13	13	100%	-	-	-	-	-	-
Rolando L. Metin	8	8	100%	15	15	100%	-	-	-

Schedule of Board Meetings for CY 2018

As early as December 2017, the schedule of Board Meetings and Board-level Committee had already been approved. Under the DBP Manual of Corporate Governance, the Board must meet at least twice a month. For 2018, the Board held regular meetings twice a month as scheduled. All or 100% of Board and Board-level committee meetings scheduled for 2018 were held

and attended by the members of the Board of Directors, except those on official travel. On the other hand, the Board held a meeting without the President and CEO on 7 November 2018. As a policy, the bank ensures that board papers and materials to be presented and discussed during the board meeting are provided by the Office of the Corporate Secretary at least five days prior to the scheduled meeting.

SCHEDULE OF BOARD MEETINGS FOR CY 2018

The schedule of the Board and Board-level Committee meetings for CY 2018 was approved by the Board of Directors per Board Resolution No. 0450 dated 20 December 2017.

I. BOARD MEETING

A. REGULAR MEETING

January 10 & 24, 2018
February 7 & 21, 2018
March 7 & 21, 2018
April 4 & 18, 2018
May 4 & 16, 2018
June 6 & 20, 2018
July 4 & 18, 2018
August 1 & 15, 2018
September 12 & 26, 2018
October 3 & 17, 2018
November 7 & 21, 2018
December 5 & 19, 2018

B. APPROVAL AD REFERENDUM

January 17, 2018
February 6, 19 & 23, 2018
March 26 & 27, 2018
April 27, 2018
May 9, 23 & 24, 2018
June 27, 2018
July 5, 10 & 25, 2018
August 30, 2018
September 18, 24 & 25, 2018
October 12 & 22, 2018
December 4, 2018

SCHEDULE OF BOARD-LEVEL COMMITTEE MEETINGS FOR CY 2018

I. EXECUTIVE COMMITTEE MEETING

January 17 & 31, 2018
February 14 & 28, 2018
March 14 & 28, 2018
April 11 & 25, 2018
May 9 & 23, 2018
June 13 & 27, 2018
July 10 & 25, 2018
August 8 & 23, 2018
September 19, 2018
October 10, 2018
November 14 & 28, 2018
December 12, 2018

II. TRUST COMMITTEE MEETING

A. REGULAR MEETING

January 31, 2018
March 7, 2018
April 25, 2018
May 23, 2018
June 27, 2018
August 14, 2018
September 26, 2018
October 25, 2018
November 28, 2018

B. APPROVAL AD REFERENDUM

April 2 & 11, 2018
October 4, 2018

III. IT GOVERNANCE COMMITTEE MEETING

A. REGULAR MEETING

January 10, 2018
February 7, 2018
March 28, 2018
April 18, 2018
May 3, 2018
June 6, 2018
July 4, 2018
August 1, 2018
September 5, 2018
October 3, 2018
November 7, 2018
December 5, 2018

B. NOTATION AD REFERENDUM

February 28, 2018

IV. GOVERNANCE COMMITTEE MEETING

A. REGULAR MEETING

January 10, 2018
February 7 & 14, 2018
March 7, 2018
April 4, 2018
May 9, 2018
June 13, 2018
July 10, 2018
August 8, 2018
September 12, 2018
October 10, 2018
November 21, 2018
December 12, 2018

B. APPROVAL AD REFERENDUM

May 23, 2018
October 3, 2018

V. AUDIT AND COMPLIANCE COMMITTEE MEETING

January 24, 2018
February 21, 2018
March 21, 2018
April 18, 2018
May 16, 2018
June 20, 2018
July 18, 2018
August 15, 2018
September 19, 2018
October 17, 2018
November 21, 2018
December 19, 2018

VI. DEVELOPMENT ADVOCACY COMMITTEE MEETING

January 7, 2018
February 14, 2018
March 14, 2018
April 11, 2018
May 9, 2018
June 13, 2018
July 10, 2018
August 8, 2018
September 12, 2018
October 10, 2018
November 14, 2018
December 12, 2018

VII. RISK OVERSIGHT COMMITTEE MEETING

A. REGULAR MEETING
January 31, 2018
February 28, 2018
March 28, 2018
April 25, 2018
May 23, 2018
June 27, 2018
July 25, 2018
August 23, 2018
September 26, 2018
October 24, 2018
November 27, 2018

B. APPROVAL AD REFERENDUM

February 21, 2018

VIII. HUMAN RESOURCE COMMITTEE MEETING

A. REGULAR MEETING
January 17, 2018
February 14, 2018
March 14, 2018
April 11, 2018
May 3, 2018
June 6, 2018
July 4, 2018
August 1, 2018
September 5, 2018
October 3, 2018
November 14, 2018
December -5, 2018

B. APPROVAL AD REFERENDUM

April 27, 2018
May 15, 2018
September 3, 2018

IX. RELATED PARTY TRANSACTIONS COMMITTEE MEETING

August 8, 2018
December 19, 2018

TRAINING PROGRAMS ATTENDED BY BOARD OF DIRECTORS MEMBERS

(as of 31 December 2018)

Attendee	Training Course	Date	Trainor / Facilitator
Romulo, Alberto G. Chairman Independent / Non-executive	Orientation on the Enhanced Corporate Governance Guidelines for the Board	5 December	DBP Office of the Corporate Secretary; Enterprise Risk Management Group; and Compliance Management Group
	Developing an Integrated Anti-Fraud Compliance and Ethics Program	7 November	DBP Internal Audit Group
	Executive Session on Credit Decision Making	5 July	Ateneo Center for Continuing Education
	Executive Session on Credit Decision Making	17 May	Ateneo Center for Continuing Education
Borromeo, Cecilia C. Chairman and President / CEO	Orientation on the Enhanced Corporate Governance Guidelines for the Board	5 December	DBP Office of the Corporate Secretary; Enterprise Risk Management Group; and Compliance Management Group
	Asian Development Bank (ADB) "Technology for Inclusion" Conference	27 April	Asian Development Bank
	DBP Women's Luncheon Forum	13 April	Employee Relations Department-HRMG
	Tax Reform Acceleration and Inclusion (TRAIN) Law Briefing	29 January	SGV & Co.
	Executive Briefing on 2017 Omnibus Rules on Appointments and Other Human Resource Actions (OHRA) and Revised Rules on Administrative Cases in the Civil Service (RRACCS)	12 January	Civil Service Commission
Abaya, Miguel D. Director Independent / Non-executive	Orientation on the Enhanced Corporate Governance Guidelines for the Board	5 December	DBP Office of the Corporate Secretary; Enterprise Risk Management Group; and Compliance Management Group
	Professional Directors Program (Monitoring Module)	28 November	Institute of Corporate Directors
	Developing an Integrated Anti-Fraud Compliance and Ethics Program	7 November	DBP Internal Audit Group
	Enhanced Corporate Governance Guidelines	20 September	Bankers Institute of the Philippines, Inc.
	Professional Directors Program (Strategy Module)	6 September	Institute of Corporate Directors
	Executive Session on Credit Decision Making	5 July	Ateneo Center for Continuing Education
	Executive Session on Credit Decision Making	17 May	Ateneo Center for Continuing Education
	Information Security Awareness	4 May	DBP Information Security Risk Management Department
Arcenas, Ma. Lourdes A. Director Independent / Non-executive	Orientation on the Enhanced Corporate Governance Guidelines for the Board	5 December	DBP Office of the Corporate Secretary; Enterprise Risk Management Group; and Compliance Management Group
	Professional Directors Program (Monitoring Module)	28 November	Institute of Corporate Directors
	Developing an Integrated Anti-Fraud Compliance and Ethics Program	7 November	DBP Internal Audit Group
	Professional Directors Program (Strategy Module)	6 September	Institute of Corporate Directors
	Executive Session on Credit Decision Making	5 July	Ateneo Center for Continuing Education
	Information Security Awareness	4 May	DBP Information Security Risk Management Department
	Corporate Governance and Risk Management for Banks and Quasi-Banks	8 March	Ateneo Center for Continuing Education

Attendee	Training Course	Date	Trainor / Facilitator
Bonguyan, Luis C. Director Independent / Non-executive	Orientation on the Enhanced Corporate Governance Guidelines for the Board	5 December	DBP Office of the Corporate Secretary, Enterprise Risk Management Group and Compliance Management Group
	Developing an Integrated Anti-Fraud, Compliance and Ethics Program	7 November	DBP Internal Audit Group
	Executive Session on Credit Decision Making	5 July	Ateneo Center for Continuing Education
	Executive Session on Credit Decision Making	17 May	Ateneo Center for Continuing Education
	Information Security Awareness	4 May	DBP Information Security Risk Management Department
	Auditcom and CEO Forum	24 April	Institute of Internal Auditors-Philippines
Galicia, Emmanuel P. Jr. Director / Non-executive	Orientation on the Enhanced Corporate Governance Guidelines for the Board	5 December	DBP Office of the Corporate Secretary; Enterprise Risk Management Group; and Compliance Management Group
	Developing an Integrated Anti-Fraud Compliance and Ethics Program	7 November	DBP Internal Audit Group
	Executive Session on Credit Decision Making	5 July	Ateneo Center for Continuing Education
	Executive Session on Credit Decision Making	17 May	Ateneo Center for Continuing Education
	Information Security Awareness	4 May	DBP Information Security Risk Management Department
Garcia, Rogelio V. Director / Non-executive	Orientation on the Enhanced Corporate Governance Guidelines for the Board	5 December	DBP Office of the Corporate Secretary; Enterprise Risk Management Group; and Compliance Management Group
	Developing an Integrated Anti-Fraud Compliance and Ethics Program	7 November	DBP Internal Audit Group
	Executive Session on Credit Decision Making	5 July	Ateneo Center for Continuing Education
	Executive Session on Credit Decision Making	17 May	Ateneo Center for Continuing Education
	Information Security Awareness	4 May	DBP Information Security Risk Management Department
Jumamil, Teodoro M. Director / Non-executive	Orientation on the Enhanced Corporate Governance Guidelines for the Board	5 December	DBP Office of the Corporate Secretary; Enterprise Risk Management Group; and Compliance Management Group
	Developing an Integrated Anti-Fraud Compliance and Ethics Program	7 November	DBP Internal Audit Group
	Updated Guidelines on Sound Credit Management	5 October	Bankers Institute of the Philippines, Inc.
	Executive Session on Credit Decision Making	5 July	Ateneo Center for Continuing Education
	Executive Session on Credit Decision Making	17 May	Ateneo Center for Continuing Education
	Information Security Awareness	4 May	DBP Information Security Risk Management Department
Metin, Rolando L. Director / Non-executive	Executive Session on Credit Decision Making	5 July	Ateneo Center for Continuing Education
	Information Security Awareness	4 May	DBP Information Security Risk Management Department

MANAGEMENT COMMITTEES



Cecilia C. Borromeo

President and Chief Executive Officer

Age: 59/Filipino

Ms. Borromeo was appointed as DBP's President and CEO in January 2017. Apart from growing DBP's key financial indicators, her extensive banking career experience is likewise marked by her supervision of LBP's Agricultural and Development Lending which resulted to 74% growth in regular loan portfolio and 44% in revenue. She worked her way up to various key positions in LBP including Treasury and Investment Banking, Public Sector Lending, Corporate Banking, Global Banking, Wholesale Banking and Lending Program Management. Ms. Borromeo completed her BS Agribusiness degree at the University of the Philippines and MBA from De La Salle Business School. She also took Asian Institute of Management's Advanced Bank Management course; University of Washington Executive Education Foster School of Business's Pacific Rim Bankers Program; and Massey University's International Study on Rural Banking and Finance.



Jose Gabino L. Dimayuga

Executive Vice President

Head, Treasury and Corporate Finance Sector

Age: 58/Filipino

Mr. Dimayuga, Head of the Treasury and Corporate Finance Sector, brings with him three decades of experience in banking and finance. Prior to DBP, he headed the Corporate and Financial Institutions Lending Unit of the Manila branch of ING Bank NV; was the Director of Hong Kong-based Citicorp International Limited (focusing on the power/utilities and the telecommunications/media sectors); and was the former Assistant Secretary heading the International Finance Group of the Department of Finance. Mr. Dimayuga obtained his Bachelor of Science degree in Business Management from the Ateneo de Manila University.



Marietta M. Fondevilla

Executive Vice President

Head, Operations Sector

Age: 63/Filipino

Ms. Fondevilla is Head of DBP's Operations Sector, covering Comptrollership, Bank Operations, and ICT Management groups. With her BS Statistics degree from the University of the Philippines, and as an MBA degree candidate, she is well prepared for the needs of her job. Ms. Fondevilla was previously assigned to Institutional Banking and Capital Markets, Marketing Services and Strategic Planning in DBP. She has more than 10 years' experience in the private sector, handling corporate finance, investing in environmentally-friendly SMEs, and project finance. Ms. Fondevilla is a Career Executive Eligible since 1995.



Benel D. Lagua

Executive Vice President

Head, Corporate Service Sector

Age: 62/Filipino

Mr. Lagua, CESO III is the Head of DBP's Corporate Services Sector (CSS). He is also the CEO and Governing Board Member of the Industrial Guarantee and Loan Fund (IGLF), a credit program for Filipino entrepreneurs administered by DBP under NEDA. He sits in the Board of Small Business Corporation as DBP's representative. Mr. Lagua teaches part-time at Ateneo and La Salle. He has a Bachelor of Science degree in Management Engineering and two post graduate degrees, Masters in Public Administration (from the Harvard University's John F. Kennedy School of Government) and Masters in Business Management (from the Asian Institute of Management), respectively.



Fe Susan Z. Prado

Executive Vice President

Head, Branch Banking Sector

Age: 61/Filipino

Ms. Prado has over 30 years' experience in corporate and investment banking, capital markets, and fund management. She joined DBP's Marketing Head Office Sector (now Development Lending Sector) in 2007 and rose through the ranks to become Head of the Financial Resources Sector until 2012. Re-joining DBP in 2013, Ms. Prado now heads the Branch Banking Sector. She obtained her Bachelor of Science degree in Business Management from Ateneo de Manila; and passed the CSC's Career Executive Service Board Examination and the Bankers Association of the Philippines' Treasury Certification Program.



Anthony T. Robles

Executive Vice President

Head, Development Lending Sector

Age: 64/Filipino

Mr. Robles, Head of the Development Lending Sector, joined DBP in 2013, bringing with him more than three decades of experience and expertise within the Banking/Finance Industry from various local and multinational banks, and provide product/service innovation, customer centricity, and value differentiations. He was once an EVP for an ASEAN based multinational bank; Country Head for Banking Services and Wealth Management at Standard Chartered; and Sector Head of Branch Banking at Union Bank. Mr. Robles developed the syllabus on enterprise risk management at Ateneo Graduate School of Business. He is also a Certified Public Accountant, a Master's degree holder in Finance, and a cum laude graduate of BS Accountancy.

**Jorge R. Almoro**

Senior Vice President
Chief Legal Counsel

Age: 59/Filipino

Mr. Almoro is DBP's Head of the Legal Services Group. Joining DBP in 2005, he steadily rose up the ranks starting as a Documentation Lawyer with the Office of the Legal Counsel then the Head of the Documentation and Opinion and Research Department, before becoming Vice President and Head of the Legal Services Group. His banking career started with the Philippine National Bank in 1980. He took his BS Accountancy and Bachelor of Laws at the Far Eastern University and became a CPA Lawyer when he passed the Board in 1979 and the Bar in 1986.

**Carolyn S. Infante-Olfindo**

Senior Vice President
Head, Human Resource Management Group

Age: 53/Filipino

Ms. Olfindo joined DBP in June 2017, where she oversees operations of the HR Administration Department (HRAD), Employee Relations Department (ERD), and the Learning and Development Department (LLD). She has more than 27 years of experience in government service, mainly with Land Bank where she assumed various roles in lending, remittances, facilities management, procurement, emergency preparedness, business continuity planning and support activities involving her in bankwide organizational alignment and several HR Committees. Ms. Olfindo has an MBA; a Diploma in Business Administration and Development from Concordia International College of Vancouver; and a Bachelor of Science degree in Agricultural Business from the University of the Philippines Los Baños.

**Edgar Richard B. Trono**

Senior Vice President
Head, Strategic Planning Group

Age: 61/Filipino

Currently the Head of DBP's Strategic Planning Group, Mr. Trono has been in the banking industry for more than 20 years. He has held positions in various financial institutions, including Citibank Philippines (as Head of Public Sector); Standard Chartered (in the Philippines and Vietnam); and ING Bank Philippines. Prior to banking, he worked at the Department of Environment and Natural Resources and the National Development Company. Mr. Trono has Masters degrees in Engineering and Business Administration, from the University of the Philippines; and completed his BS Geodetic Engineering studies at the same university.

RESOURCE PERSONS

**Auralyn S. Torres**

Senior Vice President
Head, Enterprise Risk Management Group

Age: 65/Filipino

**Soraya F. Adiong**

First Vice President
Head, Compliance Management Group

Age: 45/Filipino

**Luis J. Rodriguez**

Vice President
Head, Information and Communications Technology Management Group

Age: 55/Filipino

**Ma. Cristina C. Malab**

Vice President
Chief-of-Staff

Age: 51/Filipino

MANAGEMENT COMMITTEE

The Management Committee—DBP's highest approving authority at the Management level—bears the collective responsibility of vetting and deliberating on all matters brought before it based on the decision of the majority of its members. There are currently three sub-committees under the ManCom, all of which have been established by the Board, namely: Asset Liability Management Committee (ALCO), Credit Committee (CreCom), and IT Steering Committee (ITSC).

Each of these committees has its own charters delineating their respective duties, responsibilities, and authority. The members of ALCO, CreCom, and ITSC are designated by the President and CEO, who acts as the Chairperson of these committees; and select members of the bank's Senior Management. Policies and proposals approved by each of these groups are endorsed to Board for final approval. Accordingly, decisions and actions undertaken by these committees must be aligned with regulatory requirements and management directives.

The ManCom is chaired by the President and CEO and the members are select Senior Officers. The Committee Chairperson may invite other members of senior management to sit in at deliberations as non-voting members or observers. Further, the ManCom has the authority as an approving body only when it is chaired by the President and CEO or by a bank executive acting as Chairperson in the absence of the President and CEO.

Policy and operational matters presented to the ManCom for approval include all matters of policy, whether administrative or credit in nature, for determination of Management's official position prior to Board submission and approval; and administrative or operational matters that are within the approving authorities of any of its members but, because of their nature, would benefit from the collective wisdom and deliberation of the ManCom as a collegial body; and all other matters as may be delegated by the Board.

ManCom Meetings/Attendance Record/Duration of Membership

	No. of Meetings Upon Assumption	No. of Meetings Attended	Duration
Members			
PCEO Cecilia C. Borromeo	56	56	Jan. - Dec.
EVP Anthony T. Robles	56	50	Jan. - Dec.
EVP Susan Z. Prado	56	54	Jan. - Dec.
EVP Benel D. Lagua	56	50	Jan. - Dec.
EVP Marietta M. Fondevilla	56	47	Jan. - Dec.
EVP Jose Gabino L. Dimayuga	56	54	Jan. - Dec.
SVP Carolyn I. Olfindo	56	47	Jan. - Dec.
VP Minerva M. Virtucio*	11	11	Jan.- Feb./May 15/May 18
SVP Jorge R. Almoro	56	41	Jan. - Dec.
SVP Edgar B. Trono	48	36	Mar. - Dec.
SVP Roda T. Celis*	2	2	Nov. 20/Nov. 27
VP Rene A. Gaerlan*	10	10	Oct. 9/Oct. 16/Oct. 23/Oct. 30/Nov. 6/Nov. 12/Nov. 13/Nov. 20/Nov. 27/Dec. 4
VP Nenita R. Dy*	2	2	Jan. 23/Mar. 13
FVP George S. Inocencio*	1	1	Dec. 20
VP Ma. Cristina C. Malab*	4	4	Dec. 11/Dec. 18/Dec. 18 by ad ref/Dec. 20
SVP Lilia G. Baun*	5	5	Mar. 27/Jun. 28/Sep. 4/Sep 11/Oct. 9
VP Rolando U. Tepora*	3	3	Jul. 17/Sep. 19/Sep. 25
VP Ma. Virginia M. Tipace*	6	6	Feb. 6/Sep. 19/Oct. 2/Oct. 9/Oct. 16/Nov. 6
VP Vicente S. Pagdatoon II*	1	1	Oct. 2
SVP Lutgarda C. Baquiran-Peralta*	2	2	Oct. 9/Oct. 16
SAVP Veronica C. Ernacio*	2	2	Oct. 23/Oct. 30
SVP Antonio Owen S. Maramag*	1	1	Jan. 30
VP Ruby R. Roderos*	1	1	Jan. 30
Observers			
SVP Auralyn S. Torres	56	48	Jan. - Dec.
FVP Soraya F. Adiong	56	48	Jan. - Dec.
VP Luis J. Rodriguez Jr.	21	17	May 15/Aug. 14/Aug. 29 - Dec.
VP Catherine T. Magana	2	2	Mar. 13/May 2
AVP Eugenio S. dela Cruz*	1	1	Mar. 27
AVP Patricia R. San Agustin*	1	1	Aug. 9
VP Allan C. Geronimo*	4	4	Aug. 29/Nov. 6/Dec. 18/Dec. 20

* Officer-in-charge

ASSET LIABILITY MANAGEMENT COMMITTEE

The ALCO bears on its shoulder the task of ensuring that liquidity, market, and interest rate risks are adequately managed day to day and in the long term. Its initiatives are directed at optimizing the bank's income and sustaining profitable operations. This, by striking a balance between maximizing yields and minimizing cost in keeping with current market trends and opportunities. The committee is the approving authority and pre-clearing body as regards pricing policies, interest rate setting, investments in financial instruments, and risk-management matters that include limits on market, liquidity, and interest rate.

In 2018, the ALCO Charter was revised to include the Comptrollership Group Head as a regular member of the committee. Under the revised charter, the ALCO adopts a structured agenda in its regular weekly meetings. It also undertakes the notation of reports on regulatory compliance ratios; profitability and financial performance indicators; sources and uses of funds; and market developments and economic review. Monitoring the bank's capital position and capital-management activities are also the purview of ALCO.

Members	No. of Meetings Upon Assumption	No. of Meetings Attended
Chairperson:		
President & CEO Cecilia C. Borromeo	43	42
Members:		
EVP Anthony T. Robles	43	38
EVP Susan Z. Prado	43	38
EVP Benel D. Lagua	43	41
EVP Jose Gabino D. Dimayuga	43	40
EVP Marietta M. Fondevilla	43	39
SVP Roda T. Celis	43	37
SVP Edgar Richard B. Trono	26	20
SVP Auralyn S. Torres ^{a/}	43	41
VP Minerva M. Virtucio ^{b/}	26	22

^{a/}DESIGNATED AS RESOURCE PERSON ^{b/}MEMBER EFFECTIVE JUNE 19, 2018

CREDIT COMMITTEE

The CreCom is the implementing body as regards DBP's comprehensive and effective credit risk management system, and the approving authority for all bankwide credit matters. It ensures that the bank's credit risk-taking activities are aligned with the strategies and inclinations of the Board. The CreCom key functions include credit risk evaluation and endorsement and/or approval; it serves as the conduit for all credit and credit-related matters requiring higher approval by the Board and Executive Committee.

Furthermore, the CreCom deliberates and acts on all credit proposals within its authority as provided by the Delegated Authorized Credit Limits set by the Board. It also evaluates and approves investment proposals for new and/or existing issuers and issues, as may be submitted by the bank's Treasury and Corporate Finance Sector. Overall, the CreCom is responsible for the development, implementation, and review of credit policies, procedures, and guidelines, as well as appropriate lending programs in support of the bank's development thrusts. It issues instructions arising from the credit approval to the concerned Lending Units and ensures their compliance during the loan implementation process.

Members	No. of Meetings Upon Assumption	No. of Meetings Attended
Chairperson:		
President & CEO Cecilia C. Borromeo	48	47
Members:		
EVP Benel D. Lagua	48	43
EVP Marietta M. Fondevilla	48	43
EVP Anthony T. Robles	48	42
EVP Fe Susan Z. Prado	48	42
EVP Jose Gabino D. Dimayuga	48	45
VP Jorge R. Almoro	48	37
EVP Mario B. Palou, OIC, DLS		1
VP Nenita R. Dy, OIC, OPS		1
SVP Antonio Owen S. Maramag, OIC, BBS		4
SVP Lulgarda B. Peralta, OIC, CSS		3
SVP Lilia G. Baun, OIC DLS		5
SVP Roda T. Celis, OIC, CFS		3
SVP Carolyn I. Olfindo, OIC, CSS		1
VP Rene A. Gaerlan, OIC, LSG		9
VP Luis J. Rodriguez, Jr., OIC, OPS		3
SAVP Elvie N. Ullaran-Albano, Acting Head-LSG Documentation, Opinion and Research Department (Alternate per Office Order No. 362 dated November 26, 2018)		2
VP Ma. Cristina C. Malab, OIC, LSG		1

IT STEERING COMMITTEE

The ITSC is guided by a governance framework that provides a formal structure and documented process—ensuring that the bank makes informed decisions on all matters regarding information technology. The responsibility of charting the strategic direction and making sound decisions for the bank's computerization projects rests on the committee. These include establishing the business case for system development and the planning principles; defining the overall scope of the project; communicating with all the business units; developing a decision framework; and providing management oversight throughout the development and implementation of the initiative.

IT STEERING COMMITTEE

Members	No. of Meetings Upon Assumption	No. of Meetings Attended
Chairperson:		
President & CEO Cecilia C. Borromeo	13	13
Members:		
Dir. Rogelio V. Garcia	4	4
Dir. Teodoro M. Jumamil	9	9
EVP Anthony T. Robles	13	12
EVP Benel D. Lagua	13	12
EVP Susan Z. Prado	13	10
EVP Marietta M. Fondevilla	13	9
EVP Jose Gabino L. Dimayuga	13	12
SVP Jorge R. Almoro	13	9
VP Luis J. Rodriguez, Jr.	13	11
Resource Persons/Observers:		
SVP Auralyn S. Torres	13	11
FVP Soraya F. Adiong	11	10
SVP Ryan R. Gabinete	11	8

Total no. of meetings held during the year: 13 Approval via referendum: 3

SENIOR OFFICERS



CECILIA C. BORROMEO
PRESIDENT &
CHIEF EXECUTIVE
OFFICER

EMMANUEL G. HERBOSA
2019 INCOMING PRESIDENT
& CHIEF EXECUTIVE OFFICER



DIMAYUGA, JOSE GABINO L.
Treasury and Corporate Finance Sector
EXECUTIVE VICE PRESIDENT



FONDEVILLA, MARIETTA M.
Operations Sector
EXECUTIVE VICE PRESIDENT



LAGUA, BENEL D.
Corporate Services Sector
EXECUTIVE VICE PRESIDENT



PRADO, FE SUSAN Z.
Branch Banking Sector
EXECUTIVE VICE PRESIDENT



ROBLES, ANTHONY T.
Development Lending Sector
EXECUTIVE VICE PRESIDENT



ALMORO, JORGE R.
Legal Services Group
SENIOR VICE PRESIDENT



ATIENZA, MA. TERESA T.
Trust Banking Group
SENIOR VICE PRESIDENT



**BAQUIRAN-PERALTA,
LUTGARDA C.**
Property and Facilities Management Group
SENIOR VICE PRESIDENT



BAUN, LILIA G.
Corporate Banking Group
SENIOR VICE PRESIDENT



CARAAN, PERLA MELANIE C.
Office of the Corporate Secretary
SENIOR VICE PRESIDENT



CELIS, RODA T.
Treasury Group
SENIOR VICE PRESIDENT



CHAVES, NEOGEN M.
Branch Banking Group
Northern Mindanao
SENIOR VICE PRESIDENT



GABINETE, RYAN R.
Internal Audit Group
SENIOR VICE PRESIDENT



GOCUAN, JANE K.
Visayas Lending Group
SENIOR VICE PRESIDENT



INFANTE-OLFINDO, CAROLYN S.
Human Resource Management Group
SENIOR VICE PRESIDENT



LAGAHIT, FERNANDO G.
Branch Banking Group
Central & Eastern Visayas
SENIOR VICE PRESIDENT



LAZARO, PAUL D.
Lending Program Management Group
SENIOR VICE PRESIDENT



MARAMAG, ANTONIO OWEN S.
Corporate Services Sector
SENIOR VICE PRESIDENT



MONARQUIA, ABELARDO L.
South Luzon Lending Group
SENIOR VICE PRESIDENT



NARISMA, SISINIO S.
Northern Mindanao Lending Group
SENIOR VICE PRESIDENT



SERONAY, EDGAR N.
Branch Banking Group
Western Mindanao
SENIOR VICE PRESIDENT



TORRES, AURALYN S.
Enterprise Risk Management Group
SENIOR VICE PRESIDENT



TRONO, EDGAR RICHARD B.
Strategic Planning Group
SENIOR VICE PRESIDENT



ADIONG, SORAYA F.
Compliance Management Group
FIRST VICE PRESIDENT



BAUTISTA, MA. VERONICA B.
Office of the Chairman
FIRST VICE PRESIDENT



CHUA, FRANCIS NICOLAS M.
Corporate Finance Group
FIRST VICE PRESIDENT



GONZALES, DANIEL M.
Small and Medium Enterprise
Department
FIRST VICE PRESIDENT



GUMBA, MA LOURDES B.
Corporate Banking I Department
FIRST VICE PRESIDENT



INOCENCIO, GEORGE S.
Branch Marketing Group
FIRST VICE PRESIDENT



QUILANTANG, ROSE MARIE Q.
Special Assets Group
FIRST VICE PRESIDENT



TAN, MARK DENNIS S.
Consumer Finance Department
FIRST VICE PRESIDENT



TERESA, RAINIER C.
Branch Operations Support Group
FIRST VICE PRESIDENT



AGUILAR, ROMEO A.
Property and Facilities Management
Department
VICE PRESIDENT



ALDANA, MADELEINE F.
Branch Banking Group - Metro Manila
VICE PRESIDENT



AQUINO, SUZANNE S.
Financial Institutions Department
VICE PRESIDENT



AVILA, CATALINA R.
Branch Banking Sector
VICE PRESIDENT



BANDAL, RICARDO JOSEF II S.
Cash Management and Transaction
Banking Department
VICE PRESIDENT



BONTO, JOSE MARIE A.
Data Center Management Department
VICE PRESIDENT



CAMARAO, CATHERINE T.
North and Central Luzon
Lending Group
VICE PRESIDENT



CASAS, MADELEINE M.
Customer Experience Management
Department
VICE PRESIDENT



**CRISOLOGO, GERONIMO
ALFREDO GERALD S.**
Corporate Services Sector
VICE PRESIDENT



DELOS REYES, FRANCIS S.
ICT Planning and Project Management
Department
VICE PRESIDENT



GAERLAN, RENE A.
Litigation Department
VICE PRESIDENT



GERONIMO, ALLAN C.
IT Application and Software
Development Department
VICE PRESIDENT



GOMEZ, ARDY D.
Operations Review Department
VICE PRESIDENT



JUATCHON, NOMERLITO A.
Compliance Management Group
VICE PRESIDENT



LOPEZ, ISABELITA S.
Corporate Services Sector
VICE PRESIDENT



MAGANA, CATHERINE T.
Market Risk Management Department
VICE PRESIDENT



MALAB, MA. CRISTINA C.
Office of the President
VICE PRESIDENT



MORALES, ROXANN D.
Public Sector Department
VICE PRESIDENT



MOTA, CHRISTINE G.
Foreign Exchange Trading Department
VICE PRESIDENT



PAGDATOON, VICENTE II S.
Quality Management Department
VICE PRESIDENT



PAGARAGAN, MARIO JR. P.
Knowledge Management Department
VICE PRESIDENT



PURUGGANAN, ERNESTO R.
Acquired Assets Department
VICE PRESIDENT



REALINA, CRISTOPHER C.
Information Systems Audit Department
VICE PRESIDENT



RODEROS, RUBY R.
Bank Operations Group
VICE PRESIDENT



RODRIGUEZ, LUIS JR. J.
Information and Communications
Technology Management Group
VICE PRESIDENT



SAMPAYAN, STELLA A.
Trust Marketing Department
VICE PRESIDENT



SISON, ZANDRO CARLOS P.
Corporate Affairs Department
VICE PRESIDENT



TEPORA, RONALDO U.
Corporate Planning Department
VICE PRESIDENT



TIPACE, MARIA VIRGINIA M.
HR Administration Department
VICE PRESIDENT



VELOSO, ANA MARIE E.
Southern and Western Mindanao
Lending Group
VICE PRESIDENT



VERAN, MARIE CIELO T.
Credit and Appraisal Management
Department
VICE PRESIDENT



**VILLACORTA-CASTAÑEDA,
MENCHIE D.**
Credit Review Department
VICE PRESIDENT



VIRTUCIO, MINERVA M.
Comptrollership Group
VICE PRESIDENT

ENHANCED RISK MANAGEMENT

Pursuing sustained financial strength and viability to sustain its development efforts, DBP continued to exhibit profitable operations in 2018, posting a Capital Adequacy Ratio (CAR) of 13.91 percent on a consolidated basis—the BSP's regulatory minimum of 10 percent. Likewise, it posted Common Equity Tier 1 (CET 1) and Tier 1 Ratios of both 11%, also above regulatory thresholds.

The bank places emphasis in maintaining adequate capital ratios to ensure availability of sufficient resources in pursuing its mandate. Overall risk positions and capital levels are regularly reviewed and monitored to ensure that the bank is sufficiently capitalized. Integrated stress testing provides a comprehensive enterprise-wide assessment of the bank's vulnerabilities, which serves as a basis for determining capital buffer for shocks.

In compliance with BSP Circular No. 639 s. 2009 which requires banks to adopt the Internal Capital (ICAAP), the bank utilizes the "Pillar I Plus" approach to account for capital provisions for identified major risks. The ICAAP is integrated into DBP's Strategic Planning Exercise and Enterprise Risk Management (ERM) framework.

The responsibility of risk management resides in all levels of the organization with the Board being ultimately responsible for the overall risk management of the bank. The Board sets the tone and risk tolerance by articulating the bank's risk appetite and establishing the risk management strategy for the bank. The Board takes the lead in promoting a culture of risk-awareness throughout the institution. The leadership of the Board ensures that the bank has a robust framework of internal controls and risk management systems addressing the needs of the organization and in compliance with regulatory requirements.

The Enterprise Risk Management Group (ERMG) is primarily responsible for ensuring that the bank's risk profile is aligned with business strategies as approved by the Board of Directors. ERMG develops

and implements an effective risk management framework from which emanates recommended policies, procedures, controls and methodologies. Risk and capital management are then performed at all levels of the organization, instituting a culture of risk awareness and a risk-based approach to decision-making. Management of risk is guided, implemented, and monitored by DBP's board-level committees: Risk Oversight Committee (ROC), the lead risk management unit; Governance Committee (GC); Development Advocacy Committee (DAC); Audit and Compliance Committee (ACC); Trust Committee (TC); Human Resource Committee (HRC); and IT Governance Committee (ITGC), together with the management committees: Credit Committee; Asset Liability Management Committee (ALCO); Management Committee; and IT Steering Committee. Overall, the Bank's Risk Management System is adequate as noted by the Board. "Overall, the Bank's Risk Management System is adequate as noted by the Board.

The bank follows an ERM framework which integrates Strategic Planning, the ICAAP and Business Continuity Planning (BCP). The ERM framework involves risk assessment and identification from which formulation of risk management strategies emanates. Strategies consider capital implications and other requirements to ensure continuity of developmental service to the nation. These risk strategies, when implemented, are subject to monitoring and further evaluation with the aim of continually improving the risk management process. Capital adequacy rounds these up as it is needed to ensure financial stability as objectives are achieved even as risk management is enhanced.

CREDIT RISK

Credit risk is the bank's biggest risk exposure arising mainly from its lending, trade-financing, treasury, and underwriting businesses. Past Due and Non-Performing Loan ratios have consistently been kept at single-digit levels of 1.92% and 1.9%, respectively, which are reflective of its ability to manage credit exposure effectively.

The bank manages its credit risk at all relevant levels of the organization. It has an established credit limit structure that provides safeguards to manage credit concentration risk. Credit

risk mitigation is likewise employed through the acceptance of eligible collaterals and guarantees. An enhanced internal credit risk rating system (ICRRS) enables monitoring of the portfolio quality and risk level, individual credit profile, remedial accounts, and adequacy of reserves for loan losses. DBP's total credit risk-weighted assets as of 31 December 2018 amounted to Php355.2 billion.

Credit Risk-Weighted Assets As of December 31, 2018 (In Php millions)	Group	Parent
Total Risk-Weighted On-Balance Sheet Assets (Schedule A)	331,350	327,410
Total Risk-Weighted Off-Balance Sheet Assets (Schedule B)	23,012	23,012
Total Counterparty Risk-Weighted Assets in Banking Book (Derivatives and Repo-Style Transactions) (Schedule C)	682	682
Total Counterparty Risk-Weighted Assets in Trading Book (Derivatives and Repo-Style Transactions) (Schedule D)	149	149
Total Risk-Weighted Amount of Credit Linked Notes in the Banking Book	-	-
Total Risk-Weighted Securitization Exposures	-	-
Total Gross Risk-Weighted Assets	355,193	351,253
Deductions	-	-
TOTAL CREDIT RISK-WEIGHTED ASSETS	355,193	351,253

Schedule A ASSETS – Group* As of December 31, 2018 (In Php Millions)	Total Credit Risk Exposure after Risk Mitigation	20%	50%	75%	100%	150%	Total Credit Risk- Weighted Assets
Cash on Hand	5,436	-	-	-	-	-	-
Checks and Other Cash Items	21	21	-	-	-	-	4
Due from Bangko Sentral ng Pilipinas (BSP)	86,006	-	-	-	-	-	-
Due from Other Banks	26,125	4,811	19,132	-	2,181	-	12,710
Financial Assets Designated at Fair Value through Profit or Loss	-	-	-	-	-	-	-
Financial Assets at Fair Value through Other Comprehensive Income (FVOCI)	44,553	2,060	11,689	-	6,707	-	12,964
Financial Assets at Hold to Collect (HTC)	154,364	-	18,857	-	52,989	-	62,417
Loans and Receivables	248,666	11,394	8,370	18,746	207,204	2,953	232,156
Loans and Receivables Arising from Repurchase Agreements, Certificates of Assignment/Participation with Recourse, and Securities Lending and Borrowing Transactions	25,060	-	-	-	-	-	-
Sales Contract Receivable	2	-	-	-	-	2	2
Real and Other Properties Acquired	1,435	-	-	-	-	1,435	2,153
Total Exposures, Excluding Other Assets	591,668	18,287	58,048	18,746	269,081	4,390	322,406
Other Assets	14,569	-	-	-	8,944	-	8,944
Total Exposures, Including Other Assets**	606,237	18,287	58,048	18,746	278,025	4,390	331,350
Total Risk-Weighted On-Balance Sheet Assets not covered by CRM	606,237	3,657	29,024	14,059	278,025	6,585	331,350
Total Risk-Weighted On-Balance Sheet Assets covered by CRM	56,383						
TOTAL RISK-WEIGHTED ON-BALANCE SHEET ASSETS	662,620	3,657	29,024	14,059	278,025	6,585	331,350

Schedule A ON-BALANCE SHEET ASSETS – Parent* As of December 31, 2018 (In Php Millions)	Total Credit Risk Exposure after Risk Mitigation	20%	50%	75%	100%	150%	Total Credit Risk-Weighted Assets
Cash on Hand	5,428	-	-	-	-	-	-
Checks and Other Cash Items	21	21	-	-	-	-	4
Due from Bangko Sentral ng Pilipinas (BSP)	85,754	-	-	-	-	-	-
Due from Other Banks	26,122	4,812	19,132	-	2,178	-	12,706
Financial Assets Designated at Fair Value through Profit or Loss	-	-	-	-	-	-	-
Financial Assets at Fair Value through Other Comprehensive Income (FVOCI)	44,553	2,060	11,689	-	6,707	-	12,964
Financial Assets at Hold to Collect (HTC)	154,343	-	18,857	-	52,989	-	62,417
Unquoted Debt Securities Classified as Loans	-	-	-	-	-	-	-
Loans and Receivables	245,139	11,394	8,370	18,746	203,679	2,949	228,627
Loans and Receivables Arising from Repurchase Agreements, Certificates of Assignment/Participation with Recourse, and Securities Lending and Borrowing Transactions	24,910	-	-	-	-	-	-
Sales Contract Receivable	2	-	-	-	-	2	2
Real and Other Properties Acquired	1,435	-	-	-	-	1,435	2,153
Total Exposures, Excluding Other Assets	587,707	18,287	58,048	18,746	265,553	4,386	318,873
Other Assets	14,146	-	-	-	8,537	-	8,537
Total Exposures, Including Other Assets**	601,853	18,287	58,048	18,746	274,090	4,386	327,410
Total Risk-Weighted On-Balance Sheet Assets not covered by CRM	601,853	3,657	29,024	14,059	274,090	6,579	327,410
Total Risk-Weighted On-Balance Sheet Assets covered by CRM	56,387						
TOTAL RISK-WEIGHTED ON-BALANCE SHEET ASSETS	658,240	3,657	29,024	14,059	274,090	6,579	327,410

Schedule B OFF-BALANCE SHEET ASSETS (In Php Millions)	Group	Parent
Direct credit substitutes (e.g. general guarantees of indebtedness and acceptances)	2,207	2,207
Transaction-related contingencies (e.g., performance bonds, bid bonds, warranties and stand-by LCs related to particular transactions)	20,750	20,750
Trade-related contingencies arising from movement of goods (e.g., documentary credits collateralized by the underlying shipments) and commitments with an original maturity of up to one (1) year	55	55
Other commitments which can be unconditionally cancelled at any time by the bank without prior notice and those not involving credit risk	-	-
TOTAL RISK-WEIGHTED OFF-BALANCE SHEET ASSETS	23,012	23,012

Schedule C COUNTERPARTY ASSETS IN THE BANKING BOOK (In Php Millions)	Group	Parent
A. Derivative Exposures		
1. Interest Rate Contracts	-	-
2. Exchange Rate Contracts	-	-
B. Counterparty Exposures arising from Financial Assets Sold/Lent under Repurchase Agreements, Certificates of Assignment/ Participation with Recourse, Securities Lending and Borrowing Agreements (Repo-style Transactions)	682	682
TOTAL COUNTERPARTY RISK-WEIGHTED ASSETS IN THE BANKING BOOK	682	682

Schedule D COUNTERPARTY ASSETS IN THE TRADING BOOK (In Php Millions)	Group	Parent
A. Derivative Exposures		
1. Interest Rate Contracts	-	-
2. Exchange Rate Contracts	149	149
TOTAL COUNTERPARTY RISK-WEIGHTED ASSETS IN THE TRADING BOOK	149	149

The bank uses its own Loan Loss Methodology (LLM) based on the Expected Credit Loss Model (ECL), incorporating Probability of Default (PD), Loss Given Default (LGD), and Exposure at Default (EAD) measures to comply with the requirements of BSP Circular No. 855, s. 2014. The bank assesses the PD of individual borrowers/counterparties using the internal rating tools tailored to the various categories of counterparties. The rating tools were enhanced in 2018 to ensure the robustness of the system. These rating tools are reviewed and upgraded as necessary. The bank's estimation approaches for each portfolio segmentation are as follows:

Portfolio	Estimation Approach
Corporate Loans	Calibrated PD based on Internal Credit Risk Rating (Quantitative and Qualitative factors)
Loans to Government Units	Calibrated PD based on Internal Credit Risk Rating (Quantitative and Qualitative factors)
Electric Cooperatives	Qualitative assessment based on nature of instrument, financial performance and regulatory scorecard
Water Districts	Qualitative assessment based on nature of instrument, financial performance and regulatory scorecard
Salary Loans	Vintage analysis based on historical loss dataset
Universal and Commercial Banks	External rating-based approach
Rural Banks and Cooperatives and Microfinance	Expert Judgment based on Qualitative Assessment
Others	Vintage analysis

In compliance with PFRS 9, the bank undertook advisory and knowledge-transfer activities, such as Expected Credit Loss model development and enhancement of ICRR models, with an external consulting party. Towards the end of 2018, the approval of the Management Committee and Board were obtained for the newly developed ICRR and ECL models and the formulation of relevant policies governing the models. The bank performed calculation of ECL on a semi-annual basis as required under BSP Circular No. 855. On the other hand, ECLs were derived from the developed PFRS 9 models (i.e., PD, LGD, EAD, and Overlay) with consideration of the staging assessment criteria.

The bank was guided by policy in performing an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition (for reclassification from Stage 1 to Stage 2) and/or if actual evidence of default occurred (for reclassification to Stage 3). For regulatory reporting in accordance with BSP Circular No. 1011, s. 2018, the bank treated Stage 1 ECL as General Provisions (GP) while Stage 2 and 3 ECLs were treated as Specific Provisions (SP). The bank has set up a floor of 1.00% General Loan Loss Provision (GLLP) for all Stage 1 on-balance sheet loans, except for accounts considered as credit risk-free.

MARKET RISK

A major source of market risk for the bank is in the form of price and foreign currency risks from its treasury activities. Trading and investments activities are carried out mainly to manage residual funds from the bank's lending activities. DBP makes use of Value-at-Risk (VaR) calculations and stress tests and scenario analysis to monitor its risks arising from trading

positions to determine the bank's ability to withstand severe and prolonged adverse market conditions. The following table below provides a summary of Parent Company's VaR profile by risk class for 2018:

VALUE-AT-RISK PROFILE (In Php Millions)	2018 Year end	December 2017 - December 2018			2017 Year end
		Average	Min	Max	
Fixed Income Trading	102	300	80	656	221
Foreign Exchange Trading	-	17	0	72	9

As of end 2018, total market risk-weighted assets stood at Php5.0 billion, of which, 52% is accounted for by foreign exchange exposures while interest rate exposures make up for the remaining 48%.

MARKET RISK-WEIGHTED ASSETS (In Php Millions)	2018	2017
Using Standardized Approach		
1. Interest Rate Exposures	2,395	36,084
2. Equity Exposures	-	-
3. Foreign Exchange Exposures	2,610	636
4. Options	-	-
TOTAL MARKET RISK-WEIGHTED ASSETS	5,005	36,720

The Market Risk Management Department-Market and Liquidity Risk Unit (MRMD-MLRU) handles risk management for the bank's treasury operations. The controls implemented by the unit on treasury activities, including controls on a portfolio and on a per traderbasis, helps ensure that the risk tolerance defined by the Board is properly executed.

LIQUIDITY & INTEREST RATE RISKS

The bank's liquidity risk management focuses on portfolio management to maintain an adequate level of liquid assets and address interest rate gaps and fund sourcing underscoring dependencies on volatile funds and reduction of funding costs. DBP's liquidity risk management process has three elements: (1) Maximum Cumulative Outflow (MCO) and Liquidity Ratios; (2) Stress Testing; and (3) Contingency Funding Plan. This design helps ensure the bank's ability to meet its maturing obligations, which can be subject to uncertainty resulting from external events and changes in other risk factors.

The bank's current funding profile is comprised mainly of deposit liabilities. But, unlike other commercial banks, and being a development bank, DBP has access to ODA facilities from foreign governments and supranational development banks, as well as other agencies that provide funds characterized by stability, longer tenors, and lower interest rates. While majority of the bank's funds are deposits, additional risk measurement tools were developed in 2018 to address funding concentration risk or vulnerabilities to sudden withdrawal of funds from depositors.

Moreover, the bank instituted liquidity risk controls taking into account its core measurement tool, the MCO, in both its domestic and foreign currency books. Also in place are MCO limits to reflect liquidity risk tolerance of the bank. With the approval of the Board and ROC, the bank established other liquidity risk limits in 2018 to provide more prudent liquidity risk management.

The bank's liquidity profile which includes MCO, liquidity ratios, large fund providers, and stress scenarios among others are reported to the ALCO and ROC on a regular basis.

The bank employs Liquidity Ratio analyses to determine significant changes in its liquidity profile and identify potential points of liquidity stress and serve as gauge for industry comparison. The Liquidity Coverage Ratio (LCR) is used to monitor and assess the bank's ability to withstand significant liquidity shocks that can last thirty (30) calendar days. On the other hand, while in its observation period ending December 2018, the Net Stable Funding Ratio (NSFR) is also calculated by the bank to address its long-term resilience. The bank's LCR is compliant with the prescribed minimum level by the BSP of 90%.

Liquidity Coverage Ratio (LCR) Single Currency	As of Dec. 31, 2017	As of Dec. 31, 2018
Solo	120.20%	152.74%
Consolidated	120.45%	151.81%

The bank's LCR is compliant with the prescribed minimum level by the BSP of 90%. The bank has sufficient stock of High-Quality Liquid Assets (HQLA) to cover for the next 30-day estimated net outflows.

	DBP Ratios	Industry Ratio ¹⁷
Liquidity Coverage Ratio	152.74%	
Net Stable Funding Ratio (Observation Period)	123.83%	
Stable Funding vs. Non-Liquid Assets	30%	12%
Liquid Assets vs. Volatile Funding	41%	24%
Liquid & Less Liquid Assets vs. Volatile Funding	48%	26%
Key Liquidity Provider Sourced Funding vs. Total Liabilities	17%	3%
Liquid Assets Ratio	30%	20%

¹⁷ Top 10 universal banks in terms of assets excluding DBP as of December 2018

DBP makes use of various tools in managing interest rate risk, which include the Interest Rate Gap (IR Gap) and Earnings-at-Risk (EaR) methodologies. The IR Gap is used to identify timing differences in the repricing of assets and liabilities to measure the effect on the bank's net interest income as a result of interest changes on the balance sheet. The greater these timing differences (commonly known as Repricing Mismatch), the greater the bank's risk of loss from interest rate shifts. The IR Gap is constructed on a monthly basis by slotting interest rate sensitive assets and liabilities according to their repricing dates or maturity, whichever comes first. However, there are a few specific assumptions used Time and savings deposits reprice at a certain period based on historical statistical analysis while repricing of demand deposits are broken down depending on its nature, either government or non-government accounts.

The bank also uses the EaR methodology to measure the potential earning impact on the bank's accrual portfolio. Similar to the VaR concept, it measures the potential loss as a result of adverse market movement under normal events but specific to interest rate shifts.

The bank's IR Gap and EaR is regularly reported to the Risk Oversight Committee. Interest rate risk is managed through a structure of limits which define the bank's tolerance to losses brought about by interest rate movements. This is complemented by regular stress testing which measures the bank's ability to absorb interest rate shocks.

The following table shows the impact of reasonable changes in interest rates to the bank's net income as of December 2017 and December 2018:

IMPACT OF CHANGE IN INTEREST RATE TO NET INCOME (In Php Millions)						
Currency	-200 bps	-100 bps	-50 bps	50 bps	100 bps	200 bps
2017						
PHP	2,227	1,114	557	(557)	(1,114)	(2,227)
USD	472	236	118	(118)	(236)	(472)
JPY	17	9	4	(4)	(9)	(17)
2018						
PHP	1,867	933	467	(467)	(933)	(1,867)
USD	1,233	616	308	(308)	(616)	(1,233)
JPY	19	9	5	(5)	(9)	(19)

MRMD-MLRU handles risk management for the bank's liquidity and interest rate risks exposures. Said business unit establishes the parameters for the liquidity and interest rate risk management tools such as MCO, EaR, and IR Gap. More importantly, analysis of the results of these monitoring tools is provided to Treasury Group, Senior Management, and Board to guide decision-making.

OPERATIONAL RISK

The bank's operational risk capital charge is determined using the Basic Indicator Approach (BIA). An analysis of the bank's historical loss experience, which is based on data reported and captured via the Enhanced Operational Loss Monitoring Module (eOLMM)—an automated system for tracking operational losses)—complements the results of the BIA.

The operational risk capital charge is obtained by multiplying the computed average gross income by a specified factor. Capital allocated for operational risk is currently at Php2.8 billion.

OPERATIONAL RISK-WEIGHTED ASSETS (In PHP Millions)	Group	Parent
Using Basic Indicator Approach (BIA)		
Year 3	2,109	2,092
Year 2	2,243	2,219
Year 1	2,459	2,435
Average	2,271	2,249
Adjusted Capital Charge	2,838	2,811
TOTAL OPERATIONAL RISK-WEIGHTED ASSETS	28,383	28,108

Risk and Control Self-Assessment (RCSA) is conducted across the institution to identify risk areas and vulnerabilities. Top level risk assessment is performed by the Board and Senior Management in its annual Strategic Planning exercise. This is complemented by a bottom-up RCSA conducted by business units, wherein high risk areas given the functions of the units are identified and risk responses are determined.

Recognizing the bank's vulnerability to losses resulting from operational disruptions due to internal factors such as power outage, system downtime and external factors such as natural disasters, terrorist attacks and pandemic illness, among others, the bank continually exerts efforts to improve its business continuity management including disaster preparedness. DBP regularly reviews and enhances its Business Continuity Management Program Manual to adopt industry best practices and ensure that the bank's core business operations continue to function in the event of business disruption or disaster. Regular tests are scheduled and performed to ensure the ability of all bank units to recover their business operations. Complementing the detailed contingency measures, the bank's disaster recovery facilities are regularly assessed and maintained with a view towards the bank's recovery requirements, including critical application systems, equipment, and supplies.

To ensure continuity in the implementation of the various regulatory requirements in incident reporting, operational loss monitoring, business continuity management and operational and information technology risks, the bank identified and designated an Operational Risk Coordinator from each business unit. The roles and responsibilities of the coordinator cover Business Continuity and Operational Risk Management. Office Order No. 063 was issued on 8 March 2018 for the implementation of the said designation.

INFORMATION SECURITY / INFORMATION TECHNOLOGY (IS/IT) RISK

Under BSP Manual of Regulations for Banks Section X177: Information Technology Risk Management (ITRM) and expanded under BSP Circular No. 982 s. 2017: Enhanced Guidelines on Information Security Management, BSP-Supervised Financial Institutions (BSFIs) should establish robust and effective technology risk management processes, governance structures, and cybersecurity controls in line with the growing technology usage and dependence at the back of a dynamic operating and cyber-threat environment. This is to ensure that the benefits derived from technological innovations can be fully optimized without compromising financial stability, operational resilience, and consumer protection. Moreover, information security risk including cyber-risk should be managed and integrated into the BSFI's information security program and enterprise-wide risk management system.

DBP also has an Information Security Risk Management Program that manages the bank's information security (IS) and information technology (IT)-related risks. It adheres to the bank's established risk management life cycle process, forming part of the overall enterprise risk management system. As such, information security risk may need to be viewed in the larger context of organizational risk, employing similar techniques, methods and metrics in defining IS/IT risk. By understanding and managing the risk that the bank is facing, the goal of information security is to manage the risks and maintain them at tolerable levels.

The bank's IS/IT risk capital charge is determined using the likelihood-impact analysis approach. An analysis of the bank's historical loss experience based on data reported and captured via eOLMM, supplements the result of the assessment.

The bank, through Information Security Risk Management Department's (ISRMD) Information Asset Profile-IS Risk Assessment (IAP-ISRA), defines an appropriate risk strategy and mitigation plan based on identified significant risks. The IAP-ISRA recommends strategies and recommendations to mitigate threats and associated vulnerabilities and place safeguards where necessary.

COMPLIANCE & LEGAL RISK

Meanwhile, legal risk is centrally managed, through the Legal Services Group, via control structures such as Legal Office sign-off procedures, issuance of legal opinions, regular monitoring of ongoing cases and continuous training and awareness campaigns.

DBP has adopted Know Your Customer (KYC) policies in an effort to prevent money laundering throughout the bank. Each business unit is required to validate the true identity of a customer based on reliable identifying documents/records before an account may be opened. For high networth individuals whose sources of funds are unclear, enhanced due diligence is exercised. Decisions to enter into a business relationship with a high-risk customer, such as a politically exposed person or an individual holding a prominent position, are made exclusively at the Senior Management level.

To assess the capital requirement for compliance risk, the bank considers the previous year total potential fines and penalties. Meanwhile, to assess the capital impact of compliance risk-related legal risk, the following were considered in the computation of capital charge: (1) amount involved, (2) probable result or the win-loss probability expressed in percentage, and (3) amount of possible liability/loss for ongoing cases that were identified by the litigation lawyers. No capital charge will be provided for cases with lesser probability of loss (or more than 30% winning probability). The estimated capital charges for Compliance and Legal Risks are part of the annual ICAAP.

REPUTATION RISK

Risk identification is crucial in successfully managing reputation risk, which is not easily measurable. Thus, it is important for the bank to be aware of the venues where possible threat or danger to the good name of DBP may be present. Regular media scanning of publications as well as news coverage involving and relevant to the bank is undertaken to immediately identify any negative publicity which could create misimpressions about DBP and its operations.

As effective communication is a foundation of an excellent reputation, the bank actively implements an external communications campaign to maintain its image as a proactive development financial institution with a lineup of responsive products and services. The campaign includes advertising, marketing and promotions activities, and public relations events. Sustaining DBP's positive image is expected to result in deepened existing customer relationships and an expanded customer base.

Vigilant about keeping its good name and reputation, the bank continually strives to further manage and improve its services and operations. Should negative publicity involving the bank arise, the Corporate Affairs Department immediately undertakes appropriate actions that will protect the bank's good name and interest. DBP also created the Customer Experience Management Department (CEMD), a business unit responsible for the receiving and monitoring of the resolution of inquiries, requests, feedback, and complaints made by clients. The CEMD also provides necessary support to the implementation of the BSP's Financial Consumer Protection regulations.

Risk to the bank's reputation are managed thru good corporate governance. Members of the Board and Senior Management set the tone of good governance and cascade this to the officers and employees of the bank.

DBP stands proud to serve as a beacon of good governance while sustaining its growth momentum for its role as the catalyst for a progressive and more prosperous Philippines.

STRATEGIC RISK

The bank, a government financial institution (GFI), pursues the strategic direction of the National Government, encapsulated in the DBP Balanced Scorecard. This contains DBP's commitment

to deliver its core development mandate that supports the national agenda of inclusive growth and poverty reduction. The scorecard also highlights the bank's continued pursuit of financial strength and viability to sustain its developmental efforts.

Strategic risk, the potential risk to earnings and capital of inappropriate business decisions and implementation and/or inability to adequately respond to the changing business environment, is qualitatively assessed, and its management involves setting the strategy, deploying resources, monitoring implementation, and being aware of opportunities and threats.

Business plans are aligned with the bank's strategic thrusts and directions as determined by the Board of Directors and Senior Management, with the associated risk assessments taken into consideration in the formulation of risk management strategies and determination of capital requirements. Periodic review of actual performance versus set objectives is done by the Management Committee and the Board of Directors. Responsiveness to macroeconomic and industry changes is provided by continuous awareness by various bank units to opportunities and threats, resulting in tactical revisions of specific business plans.

CAPITAL ADEQUACY (Amounts in PHP Millions)	Group	Parent
Qualifying Capital		
Common Equity Tier 1 (CET1) Capital	42,739	41,682
Tier 1 Capital	42,739	41,682
Tier 2 Capital	11,324	10,813
TOTAL QUALIFYING CAPITAL	54,063	52,495
CAPITAL CONSERVATION BUFFER	9,715	9,609
COUNTERCYCLICAL CAPITAL BUFFER	-	-
SURPLUS / (SHORTFALL) CET1 CAPITAL	9,710	9,011
Risk-Weighted Assets (RWA)		
Credit RWA	355,193	351,253
Market RWA	5,005	5,005
Operational RWA	28,382	28,108
TOTAL RWA	388,580	384,366
Qualifying Capital Requirements (10.0% of RWA)		
Credit Risk	35,519	35,125
Market Risk	501	501
Operational Risk	2,838	2,811
TOTAL QUALIFYING CAPITAL REQUIREMENT	38,858	38,437
CET1 Ratio (CET1 Capital ÷ Total RWA)	11.00%	10.84%
Tier 1 Ratio (Tier 1 Capital ÷ Total RWA)	11.00%	10.84%
Capital Adequacy Ratio (CAR) (Qualifying Capital ÷ Total RWA)	13.91%	13.66%
Exposure Measure		
On-Balance Sheet Exposures	627,004	622,770
Derivative Exposures	181	181
Securities Financing Transaction (SFT) Exposures	40,291	40,141
Off-Balance Sheet Exposures	30,299	30,299
TOTAL EXPOSURE MEASURE	697,775	693,391
Leverage Ratio (Tier 1 Capital ÷ Total Exposure Measure)	6.13%	6.01%

CAPITAL STRUCTURE AND CAPITAL ADEQUACY

Effective January, 2014, the bank and its subsidiaries complied with BSP Circular No. 781 s. 2013 or the Basel III Implementing Guidelines on Minimum Capital Requirements. This provides the implementing guidelines on the revised risk-based capital adequacy framework particularly on minimum capital and disclosure requirements for universal banks and commercial banks, as well as their subsidiary banks and quasi-banks, in accordance with the Basel III standards. In addition, the bank and its subsidiaries complied with BSP Circular No. 881 s. 2015 or the Implementing Guidelines on the Basel III Leverage Ratio Framework. Said circular provides the implementing guidelines on the Leverage Ratio framework in accordance with the Basel III standards.

BSP Circular No. 781 sets out a minimum Common Equity CET1 Ratio of 6.00% and Tier 1 Capital Ratio of 7.50 % and also introduced a capital conservation buffer of at least 2.50% comprised of CET 1 Capital. The existing requirement for CAR remains unchanged at 10.00% and these ratios shall be maintained at all times. Meanwhile, BSP Circular No. 881 stipulates that the Leverage Ratio must not be less than 5.00%.

At present, the bank has one issuance that is fully compliant with Basel III regulations, which is the Php10.0 billion Unsecured Unsubordinated Notes issued by the bank in 20 November 2023. These notes are eligible as Tier 2 Capital and will mature on 20 November, 2023, if not redeemed earlier. Pursuant to BSP Circular No. 781 on treatment as regulatory capital, the notes were subject to a 20% discount by end-2018. The notes shall be subject to a discount of 20% applied annually starting November 2018 until its maturity.

The bank and its subsidiaries have complied with all externally imposed capital requirements throughout the year.

On a consolidated basis, the bank's Total Qualifying Capital amounted to Php54.1 billion as of 31 December 2018. Tier 1 Capital, wholly consisting of Common Equity Tier 1, accounted for 79% at Php42.7 billion and Tier 2 Capital at 21% or Php11.3 billion.

Capital requirement (equivalent to 10.00% of risk-weighted assets) for credit risk is at Php35.5 billion, Php50 million for market risk and Php2.8 billion for operational risk. The risk-based CAR of 13.91% is well above the 10.70% internal and 10.00% regulatory minimum levels, while CET1 and Tier 1 ratios are calculated at 11.00%. The bank and its subsidiaries maintained the minimum Capital Conversation Buffer (CCB) and Countercyclical Capital Buffer (CCyB) as required. Similarly, the Leverage Ratio of 6.13% is well above the 5.40% internal and 5.00% regulatory minimum levels.

Likewise, DBP posted solo CAR, CET1 Ratio, Tier 1 Ratio, and Leverage Ratio of 13.66%, 10.84%, 10.84%, and 6.01% respectively as of end-2018.

Common Equity Tier 1 Capital, Tier 1 Capital and Qualifying Capital are computed in accordance with the provisions of Part II of BSP Circular No. 781. Further, risk-weighted assets (RWA) is the sum of (1) credit risk-weighted assets, (2) market risk-weighted assets, and (3) operational risk-weighted assets. RWA consist of total assets less non-risk assets such as the following: 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 determined by the Monetary Board (MB) of the BSP.

As of end December, 2018, the bank and its subsidiaries have no exposures to securitization structures, contracts that provide credit protection through credit derivatives and investments in other types of structured products. Credit risk mitigants on risk-weighted assets were based on collateralized transactions (margin deposits and hold-out on deposits), as well as guarantees by the national government and guarantors and exposures with highest credit rating. Standardized credit risk weights were used in the credit assessment of asset exposures. Third party credit assessments were based on the ratings by S&P, Moody's, and Fitch on exposures to Sovereigns, Multilateral Development Banks, Banks, Local Government Units, Government Corporations, and Corporates. Operational RWA is computed using the Basic Indicator Approach.

The Php1.5 billion difference between the bank's Qualifying Capital of Php52.5 billion and the total capital of Php50.9 billion reported in the Audited Financial Statements (AFS) was mainly due to the following:

In Php Millions	
Unsecured Subordinated Debt Classified as Tier 2 Capital	8,000
General Loan Loss Provision	2,813
Regulatory Adjustments to CET 1 Capital	(9,264)
	1,549

Exposure Measure is computed in accordance with the provisions stated in BSP Circular No. 881. It is composed of on-balance sheet exposures, derivative exposures, securities financing transaction (SFT) exposures, and off-balance sheet exposures.

The Php46.7 billion difference between the bank's On-Balance Sheet Exposures of Php622.8 billion and the total resources of Php669.4 billion per published financial statements was mainly due to the following:

In Php Millions	
Loans and Receivables arising from RRP	40,141
Derivatives Exposure (Replacement Cost)	80
Regulatory Adjustments to CET1 Capital	9,264
General Loan Loss Provision	(2,813)
	46,672



RE-ENERGIZED ORGANIZATION

At the heart of any and all successful organizations is its people. At DBP, the fulfillment of its mission to spur countrywide development rests on the shoulders of its dedicated officers and employees. Their tireless efforts at ensuring that the bank stays the course, and remaining responsive to the needs of the citizenry it is sworn to serve, have proven instrumental over the years. These came from its people who are the indispensable cogs that make up the organization.

The bank considers its officers and employees as invaluable assets that power DBP. As such, the Human Resource Management Group (HRMG) has heightened its collaboration with the bank's leaders and business managers in pursuing strategic priorities concerning its human capital. This thrust is especially evident in the bank's learning and development programs for officers and employees, as well as its approach to succession management.



DBPEU Annual National Convention with the theme "Reload, Recharge, Reboot...Conquer the Challenge of New Technologies." Held on October 2018 at the DBP Training Center in Baguio City, Chairman Alberto G. Romulo and President and CEO Cecilia C. Borromeo graced the event and delivered their inspirational messages. The event was led by DBPEU President Rudelito L. Tirado, Jr. with their National Directorate, Shop Stewards, and Chapter Presidents.

LEARNING AND DEVELOPMENT

In 2018, the Board of Directors (per BR No. 0591) approved the DBP Learning and Career Development Plan (LCDP), which integrates existing guidelines and practices on training, scholarships, and other HR interventions. The plan incorporates new programs and initiatives attuned to recent trends and updates on learning and development. In general, the LCDP is aimed at strengthening the bank's organizational capability and sustaining a high-performing culture.

Pursuant to the policies of the Bangko Sentral ng Pilipinas (BSP) and the Governance Commission for GOCCs (GCG) as adopted by the bank under the Continuing Education of the Directors, all newly appointed directors are required to undergo an 8-hour orientation seminar on Corporate Governance facilitated by an accredited institution. Incumbent directors also complied with at least 4 hours of continuing training on Corporate Governance or other topics relevant to their duties and responsibilities as directors. All newly appointed directors are likewise furnished with an onboarding kit and are informed of their respective duties and responsibilities under the BSP Manual of Regulations for Banks (MORB) and the DBP Manual on Corporate Governance. For CY 2018, the Orientation on the Enhanced Corporate Governance Guidelines for the Board was conducted by the Corporate Secretary, together with the Chief Compliance Officer and Chief Risk Officer, on 5 December 2018.

Anchored on critical business needs and designed based on the 70-20-10 philosophy of learning, the plan covers major learning and development programs. In-service training helps address competency gaps and enhances the knowledge and skills of employees through short-term seminars or workshops.

These included the orientation program for new employees; various functional, specialized, or technical programs (e.g. Account Officers Development Program, Branch Operations Re-tooling Program, Customer Associate Mandatory Courses); Management and Leadership Development Courses; Gender and Development. Other learning opportunities for DBP employees include coaching, mentoring, job rotation, professional certification programs, scholarship grants, and the DBP Professional Advancement and Continuing Education Support (PACES) Program.

CONTINUING EDUCATION AND TRAINING

DBP conducts the Competency Assessment and Profiling and Individual Development Planning (IDPs) to establish the competency requirements and training needs of the officers and employees. Using these internally-developed HR processes and tools that are enabled by the Bank's Integrated Human Resource Information System, the Bank provides wide opportunities for learning and career growth. Being a responsive organization, the Bank has already systematized many of its core HR processes to upgrade the skills and competencies of its people at par with industry standards. A major L & D initiative of the Bank was the launch of iLearn, an internal e-learning platform to complement in-service training.

Directors and senior management lead the bank's commitment to continuing education and training by ensuring that they participate in any two (2) priority training every year on Corporate Governance, Public/Good Governance, Anti-Money Laundering/Counter-Terrorist Financing, IT Risk, Credit Risk Management, Business Continuity Management and Information Security Awareness. Access to learning and career development opportunities also upholds the bank's

TRAINING PROGRAMS/COURSES

	MALE	FEMALE
ORIENTATION PROGRAM	112	236
DBP Orientation for New Employees (DBP - ONE)		
Corporate Governance Orientation for Banks and Quasi-Banks		
Customer Service and Consumer Protection		
Information Security and Data Privacy Awareness		
FUNCTIONAL/SPECIALIZED/TECHNICAL PROGRAM/COURSES	2032	3870
Account Officers Development Program		
Annual Conferences and Conventions		
Anti-Money Laundering Act Training		
Blockchain Technology and FinTech Education		
Branch Operations Training		
Certification Programs - Trust, Treasury, Internal Audit, Risk and IT		
Continuing Professional Education for licensed professionals		
Cybersecurity Resilience		
Digital Transformation		
Information Security Management		
Signature Verification and Counterfeit Money Detection		
Technical and Systems Training for functional groups		
MANAGEMENT AND LEADERSHIP DEVELOPMENT COURSES	360	608
7 Habits of Highly Effective Government Leaders		
Coaching and Mentoring		
Ethical Leadership		
Managerial Leadership		
Strategy Execution		
Supervisory Development Course Tracks		
GENDER AND DEVELOPMENT (GAD)	284	923

SUCCESSION MANAGEMENT SYSTEM

Based on the bank's Manual of Corporate Governance, the term of office of each director shall be one year, however, each incumbent director shall continue to hold office until a new successor is appointed.

While attrition risk is inevitable ensuring leadership continuity has always been a key consideration for the bank. DBP has put in place a Succession Management System (per DBP Circular No. 50 s. 2018), which is carried out through a systematic process of identifying the most critical leadership roles across the organization; finding and matching the right people who could assume these roles; and preparing potential successors to assume these roles within a set timeframe.

The review of potential successors shall be done every two years or as may be initiated by the Board of Directors or the Human Resource Management Group (HRMG). In addition, the bank's Succession Plan for critical roles, which include the Sector, Group Heads, and Department Head; is outlined in the Board Resolution No. 0498 approved by the DBP Board on 17 October 2018.

HEALTHY WORKING ENVIRONMENT

Management recognizes the changing working conditions that generate new types and patterns of hazards, exposures

and risks. Embracing a more responsible and long-term business management, it signifies its strong commitment to its employees by enabling safe working conditions as well as promoting safety and health measures to safeguard physical and financial resources.

DBP has been disseminating safety, health and wellness information to employees via email infographics, seminars on lifestyle diseases and videos on how to safeguard oneself against threats to health and life. However, it is the installation of a Safety and Health Committee in 2018 that underscores Management's resolve to a protected and conducive working environment. In addition, a Chief Occupational Safety and Health Officer work with safety focal persons from key business units to promote greater participation within the organization. With this, it is ensured that its safety and health programs are developed, planned, and monitored.

DBP also promotes holistic health and wellness for its employees, empowering them to make informed decisions regarding work-life balance. Medical professionals attend promptly to employees and qualified dependents seeking consultation with utmost care, accurate diagnosis, and appropriate management. Consultations attended covered admissions for medical and surgical cases, referrals to private doctors and hospitals, and infirmary services. Meanwhile, more than 10,000 medical claims were processed for 2018, well within the maximum of five days turnaround time.

Meanwhile, disease prevention activities for employees include regular blood pressure interpretation and blood chemistry monitoring for staff, and executive checkup for bank officials, annual flu vaccination and annual physical exams for rank and file employees. Dental activities comprise of intercept progression of dental caries, annual performance of oral examination, prophylaxis and fluoride treatment on bank employees and qualified dependents. Other health promotion activities include provision of gym spaces in the head office and regional or provincial offices alike, and recreational fitness activities such as yoga, boot camp, dance fusion, zumba, and cardio kickboxing. To this date, a sports fest is held yearly, further contributing to the health of all employees in both mind and body.

As DBP implements a safe, healthy and conducive working environment for its employees, safety measures are also provided for its customers while in the building premises. Health services and immediate medical attention are provided as the need arises. Also in place is a comprehensive general liability insurance to protect the insured against legal liability in case of any bodily injury and/or property damage to third party or parties while doing its business within DBP premises.

All these to advocate and nurture the well-being and healthy lifestyle of employees, sustaining productive personnel of the bank to continue serving our clients when they need us most.

RESTRUCTURING AND REORGANIZATION

Currently underway is DBP's Interim Reorganization Plan, which gained interim approval of GCG. The bank's enhanced structure will institutionalize five sectors and 34 groups, loan administration units and accounting centers, 22 provincial lending centers, credit and appraisal field teams in 22 lending centers, and 10 Corporate Services Sector (CSS) teams.

The reorganized structure is hinged on the following objectives: (1) strengthening DBP as an Infrastructure Bank, (2) process streamlining, (3) consolidation of related functions, and (4) implementation of an unified Lending Sector.

The staffing parameters of DBP's business units were completed in the last quarter of 2017, accordingly corresponding office orders were issued for internal job placement of the concerned officers and employees effective January 2018.

PERFORMANCE AND REWARDS MANAGEMENT

The performance of all DBP employees including senior management is evaluated using the CSC-approved Strategic Performance Management System (SPMS).

Performance of Senior Executives are assessed and rated on the basis of their delivery of the office and individual commitments/ targets aligned with the Bank's Performance Agreement with the GCG. Assessment also includes full compliance with the requirements prescribed by the bank's regulating agencies i.e BSP, COA, and GCG.

For the members of the Board of Directors, the bank adopts the guidelines of the GCG for the performance assessment of members of Governing Board prescribed under GCG MC No. 2014-03 "Performance Evaluation for Directors".

REMUNERATION

DBP developed its own Compensation Plan in view of its exemption from the Salary Standardization Law (SSL) of 1999, wherein the bank's salary structure was aligned with the market. On top of the monthly basic salary, employees are entitled to standard SSL benefits and allowances, as prescribed by the GCG or DBM. Other Board-approved emoluments, benefits, and allowances over and above SSL benefits are also given.



Basic salaries of employees, including senior management, are within the range of their respective salary levels. Salaries of the President and CEO and senior management are determined by relevant factors such as market and industry data; internal reference from peers; and the incoming executive's current compensation, competencies, and accomplishments. Furthermore, remuneration of the President and CEO is subject to the approval of the Board while remuneration of the Board are guided by the provisions of EO No. 24, s. 2011, GCG MC 2016-01, and other relevant regulations. Annual salary increases are granted through the Merit Increase Program (MIP) based on the individual's performance as measured against the SPMS. The existing Compensation Plan was submitted and noted by the GCC in compliance with Executive Order No. 36, s. 2017.

Remuneration for DBP's board of directors is governed by EO No. 24 dated 10 February 2011. Pursuant to EO 24, the classification of DBP as an "A"-rated government financial institution based on asset size and revenue criteria, entitles the members of the board to the following per diems: (a) Php40,000 for every board meeting actually attended but not to exceed the maximum annual amount of Php960,000; and (b) Php24,000 for every committee meeting actually attended but not to exceed the maximum annual amount of Php576,000.

Additionally, under GCG Circular No. 2016-01 series of 2016, appointive Board Chairpersons and Committee Chairpersons may receive at most 20% more than the per diem rate set for the

other appointive Directors. Also, the members of the board are entitled to representation and travel allowance consistent with the latest Department of Budget and Management guidelines.

PUTTING PEOPLE FIRST

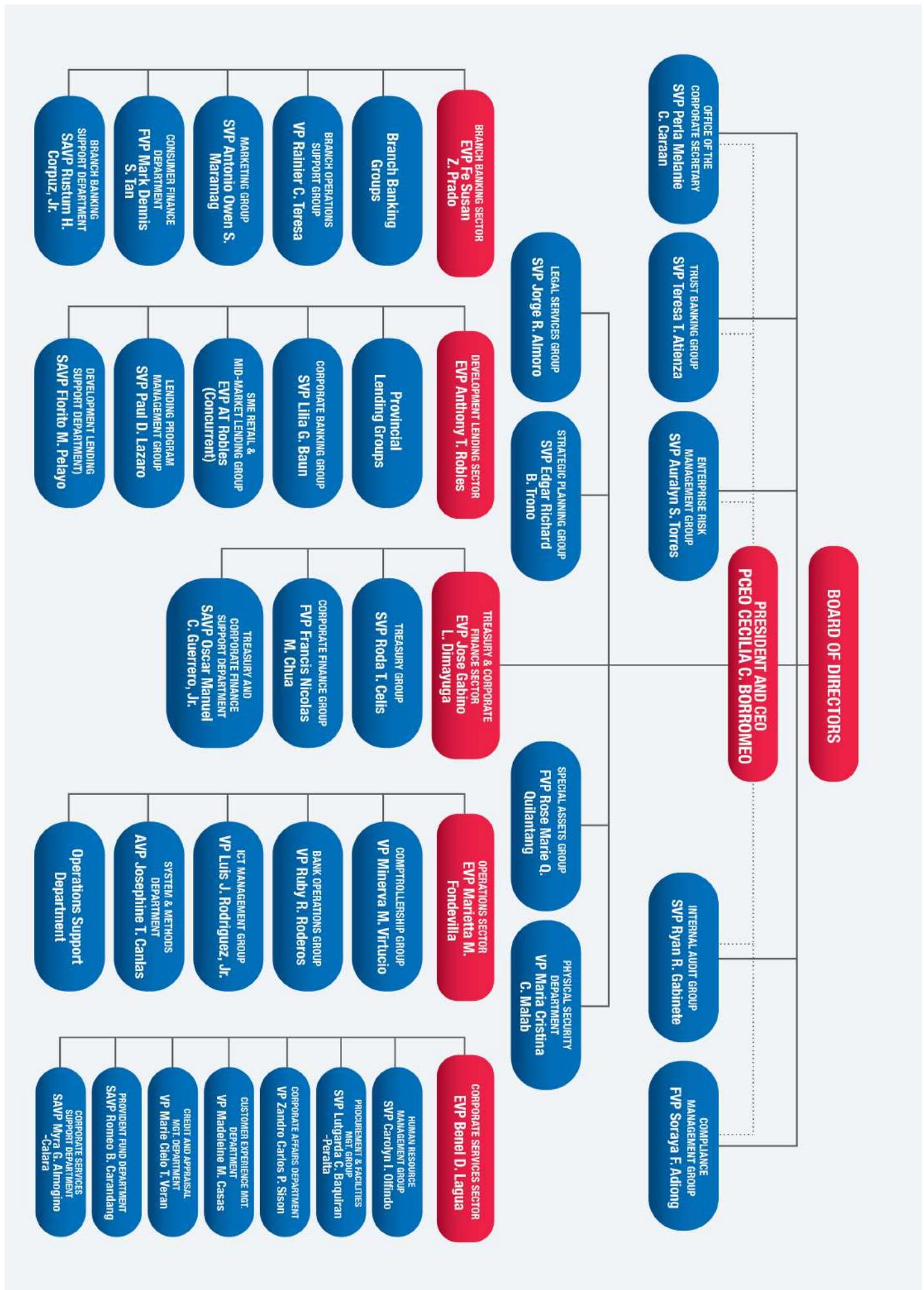
True to its vision of maintaining DBP as an inspiring workplace where high-performance employees thrive, HRMG exercises good governance first and foremost by taking care of its own. The bank provides for a defined benefit plan for its employees under its Provident Fund (PF). In 2018, total PF loan portfolio amounted to Php3.3 billion, channeled through general purpose, individual housing, car, real estate, calamity, educational, and emergency loans.

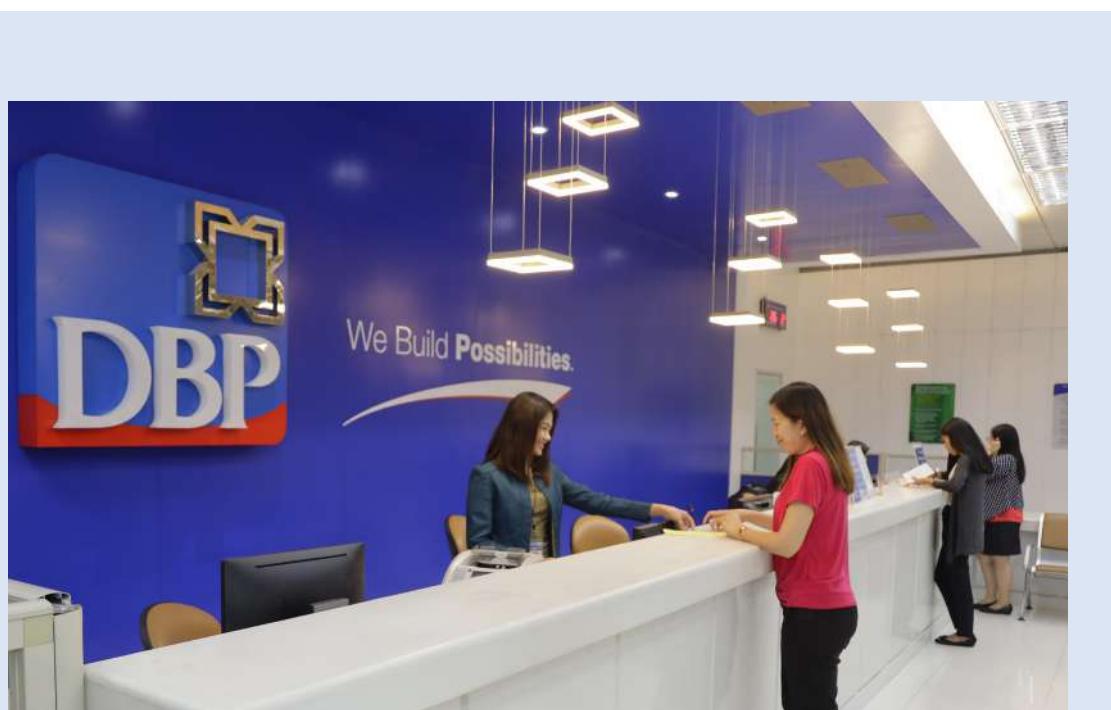
The overall welfare of DBP's employees are continually looked after as exhibited in the following enhancements on PF benefits: reduction of interest rates, collection fees and additional charges, inclusion of Mortgage Redemption Insurance (MRI) coverage for emergency education and calamity loans, Christmas token to members, and increased in loanable amount.

New loan facilities were also put in place under the Fund, namely: miscellaneous loan and housing maintenance loan to tide PF members over in times of funding needs.



ORGANIZATIONAL STRUCTURE





RESPONSIVE CUSTOMER CARE

Ensuring its commitment to the welfare and needs of its customers, DBP designed the Financial Consumer Protection Framework (FCPF) as prescribed by BSP. The FCPF embodies the bank's standards of conduct as guided by the EVALUATE–RESPOND–ASSESS cycle—the bank's call to action when it comes to customer care.

The cycle warrants a point-to-point response to the customer's requirements while guaranteeing that their issues or concerns are brought to Management's attention.

The framework covers BSP stipulations on key areas such as (1) disclosure and transparency; (2) protection of client information; (3) fair treatment; (4) effective recourse; and (5) financial education. It specifically provides for the establishment and implementation of a bank-wide consumer protection culture and awareness initiative. Engagement of all DBP employees with customers and stakeholders, including depositors, investors, and borrowers, are guided by this framework.

To safeguard the rights of its stakeholders and effectively address their concerns, DBP adopted the Consumer Protection Rating System in 2014. Throughout 2018, the bank sustained its efforts to reinforce the bank's institutionalization of consumer protection policies and procedures; customer information handling; product promotions; customer-employee business relationship; and other customer-centric regulations and practices.

DBP strictly adheres to the BSP Regulation on Financial Consumer Protection (BSP Circular No. 857) in providing "an enabling environment that protects the interest of financial consumers and institutionalizes the responsibilities of all stakeholders." It subscribes to the basic tenet of providing financial and banking services in an efficient and responsive manner with emphasis on the following consumer rights as provided under the Banking Code for Consumer Protection: the right to information, right to choose, right to redress, and right to education.

- Right to information—the customer has the right to be protected against fraudulent, dishonest or misleading advertising, labeling, promotion and the right to be given the facts and information needed to make an informed choice and to guide him in his dealing with the bank.
- Right to choose—the consumer has the right to choose products at competitive prices with an assurance of satisfactory quality.
- Right to redress—the customer has the right to seek redress for misrepresentation, breach of contractual obligations, shoddy goods or unsatisfactory services.
- Right to education—the customer has the right to be adequately educated regarding features, terms, systems and procedures, and inherent risks of bank products and services and his responsibilities as well.

In implementing its customer health and safety policies, DBP's management recognizes the changing working conditions that generate new types and patterns of hazards, exposures, and risks. Embracing a more responsible and long-term business management approach, the bank continues to exhibit a strong commitment to its consumers by promoting measures that safeguard DBP's physical and financial resources. The development of consumer protection strategies and establishment of an effective oversight over the consumer protection programs are the primary responsibilities of the Board and Senior Management.

CONSUMER PROTECTION

DBP's Board and Senior Management bear the responsibility for the development of the bank's consumer protection strategy and establishment of an effective oversight over its consumer protection programs. The Board is tasked with the oversight of the DBP Consumer Assistance Management System (CAMS) policies and procedures, confirmation/approval of risk assessment strategies, policy direction to ensure Management's effectiveness in the implementation and compliance of applicable customer assistance principles and guidelines, and provision of adequate resources to fully support the requirements of the bank's CAMS.

On the other hand, the Management Committee is responsible for providing strategic direction in the implementation and continual improvement of the DBP CAMS; and guidance in the resolution of escalated/major complaints received. It is likewise tasked with reviewing monthly enterprise report on customer feedback and complaints submitted by the Customer Experience Management Department (CEMD). The evaluation of recommendations on the resolution of recurring complaints, process improvements; and enhancements to the CAMS form part of the functions of the committee. Further, the committee sees to it that effective monitoring of negative feedback is in place so that the concerned Business Units effectively undertake appropriate actions.

The scope of the review includes:

- a. General category of complaints received
- b. Statistics/frequency of said complaints
- c. Aging of complaints or requests
- d. Recurring complaints
- e. General description of resolutions and actions taken to resolve complaints/requests

CUSTOMER-FOCUSED RESULTS

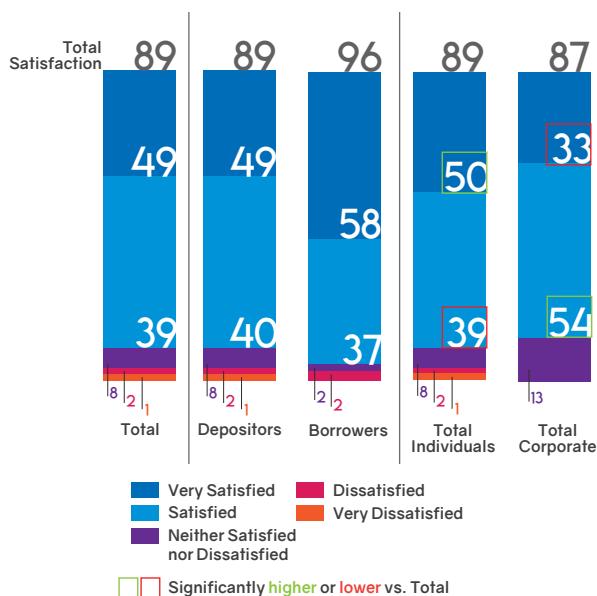
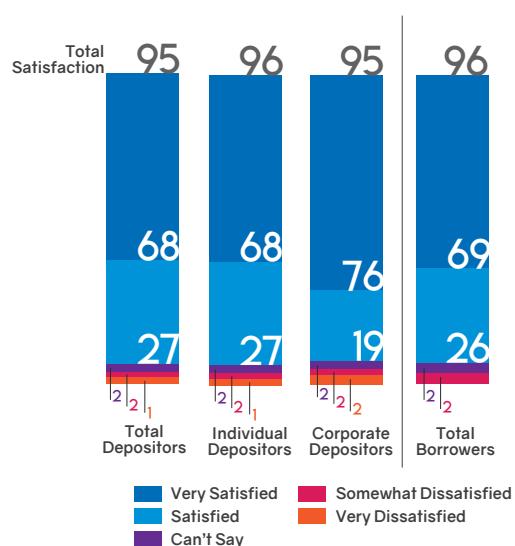
The latest results of DBP's external customer satisfaction (CSat) survey showed that the bank garnered an overall satisfaction rating of 89%. The bank engaged a third-party research agency to undertake the survey, across business units nationwide. The data showed a sustained increase in ratings for the past two years.

The 2018 average satisfaction level of 89% may be perceived, at face value, as a decline in satisfaction levels when compared to the 95% rating in 2017. However, based on the metrics below, the bank performed better year-on-year, with an equivalent of 98.9%. In terms of the average satisfaction level, customers were found to be very satisfied with DBP's products and services in both surveys.

2017-2018 Comparative DBP Rating

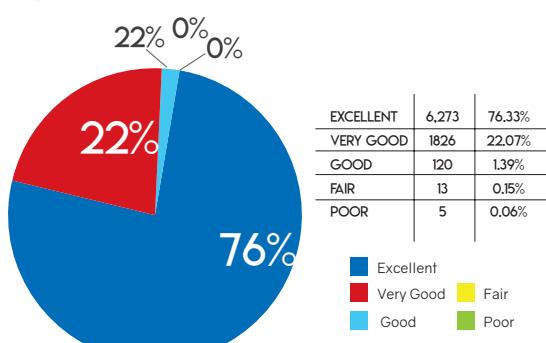
Year	GCG Point System KPI	DBP Rating		
		Survey Result Level of Satisfaction	Point Equivalent	Percentile Equivalent
2017	100% satisfaction = 5	95%	4.75	95%
2018	90% satisfaction = 10	89%	9.89	98.9%

Internal survey through customer feedback solicitations garnered 95% and 96% satisfaction ratings in 2017 and 2018, respectively. The figures show an uptrend in customer satisfaction, which in both cases were equivalent to an adjectival rating of excellent.



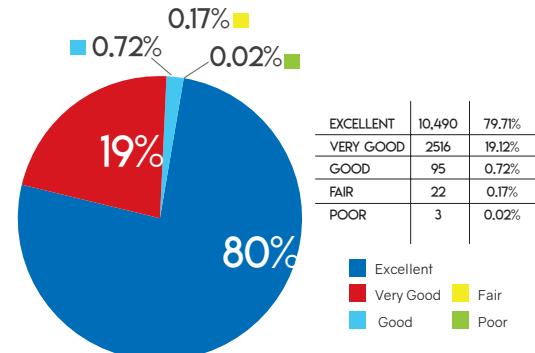
2017 Internal Survey

Percentage (General Rating)
January–December 2017



2018 Internal Survey

Percentage (General Rating)
January–December 2017



Beyond lending, DBP puts a premium on capability-building for SMEs in pursuit of the bank's commitment to provide adequate, responsive, and inclusive financial services. To this end, an agreement for the Mentor ME Program was signed on 14 June 2018 with the Bureau of Small and Medium Enterprise Development of the Department of Trade and Industry.

To address the gaps and further enhance its consumer protection practices, DBP launched the E2SAVE program in 2018—designed to help public and private institutions improve their productivity and operational efficiency by harnessing available new technologies in the market for their energy efficiency projects.

CUSTOMER CONTACT POINTS

DBP consumers and clients may file their feedback and complaints from Mondays thru Fridays, from 8:30AM to 5:30PM through the following contact details:

Customer Experience Management Department
7th Floor DBP Building
Telephone Numbers: 818-9511 to 20, 683-8324
Email: customerservice@dbp.ph

Consumers who opt to personally file their complaints through their DBP branch of account may approach the Public Assistance and Complaints Desk or the Customer Service Officer (CSO). For customer of Head Office Business Units may proceed to the CEMD office to file their complaint; or they may send an e-mail to customerservice@dbp.ph

For ATM-related concerns after business hours and/or weekends and holidays, customers may contact the 24/7 ATM Hotline at 02) 818-9511 locals 2580 and 2542.

For ATM related concerns:
Electronic Channels Operations Department
(02) 818-9511 local 2580 and 2542
Direct Line: (02) 812-2265
Mobile No: 0917-8328557
Domestic Toll - Free Number
1-800-10-3278888
Email: ecod-chu@dbp.ph



RE-INVIGORATED CORPORATE CITIZENSHIP

DBP was created to spur the growth of the nation's economy and stand firmly alongside the National Government in fulfilling the ultimate goal of serving the people. This makes it imperative for the bank to be socially accountable at all times—to itself, to its stakeholders, and to the public. As such, the bank adheres to a brand of corporate citizenship that deliberately impacts all aspects of society positively; operating in ways that enhance the economy, the environment, and the society as a whole.

The bank's Corporate Social Responsibility (CSR) Statement not only serves as a guideline for operations but, more importantly, embodies its commitment to the Filipino people: "As a catalyst for a progressive and poverty-free Philippines, the DBP is committed to upholding its corporate citizenship program through initiatives that promote the welfare of the Filipino people particularly the underprivileged."

Through the years, the bank has engaged its industry and community partners to effectively implement its CSR programs. DBP harnesses the collective knowledge and expertise of its partners and collaborators—state colleges and universities; NGOs and people's organizations; and private groups and LGUs; among others—in managing and monitoring the implementation of said programs.

Aside from programs targeted at the education and environment sectors, DBP likewise conducts outreach activities in various communities across the country. The bank likewise provides assistance to areas that are adversely affected by calamities and disasters, in the form of relief resources and, in some cases, human resources and technical aid.

DBP ENDOWMENT FOR EDUCATION PROGRAM

In 2018, the DBP Endowment for Education Program (DEEP) marked its 10th year of implementation. The program has successfully disbursed Php8.3 million to eight partner schools nationwide, benefitting more than 276 academically talented but financially-challenged students; providing them with the tools to author their own social mobility.

It was also in 2018 that DEEP produced 172 graduates who have all been given the opportunity to acquire the necessary skills and get a college degree in their chosen field. By partnering with other institutions and through proper course selection, the program has secured employment for more than 150 scholars during the year. These DEEP beneficiaries come mostly from farming and fishing communities in the provinces and other far-flung areas of the country. In total, DEEP has benefitted 3,613 from 39 partner schools since 2008. As of 31 December 2018, the number of graduates reached 3,257; 3,055 of which are gainfully employed in their respective areas of expertise.



The DBP launched its Adopt-A-School Program in partnership with the Department of Education (DepEd) on 18 December 2018, with T.S. Cruz High School (TSCHS) in Las Piñas City as its pioneer beneficiary. The program launch featured distribution of school supply kits to a total of 300 indigent students and the ceremonial signing of Memorandum of Agreement between the Bank and TSCHS. Photo shows student - beneficiaries from TSCHS with the DBP Corporate Services Sector Head Executive Vice President Benel Lagua.

DBP RESOURCES FOR INCLUSIVE AND SUSTAINABLE EDUCATION

Another notable program is the DBP Resources for Inclusive and Sustainable Education (RISE). It is the second tranche of DEEP, which provides scholarships to qualified and deserving high school graduates in accredited partner schools.

The program was launched on 21 September 2018, and was designed as a tertiary scholarship program aligned with the government's poverty reduction strategy. For its first year of implementation covering School Year 2018-2019, DBP accredited eight State Universities and Colleges and five private higher educational institutions under the DBP RISE program. The first batch of 350 scholars enrolled in engineering, accountancy, real estate management, education, agriculture and forestry, environmental science, and technical and service-oriented courses. As of December 2018, a total of Php6.3 million has been disbursed to two DBP RISE partner schools to support the education of deserving students from indigent families.

DBP ENVIRONMENTAL ADVOCACIES

DBP's Environmental Policy

In pursuit of the bank's development mandate, DBP plays a pivotal role in promoting sustainable development. DBP has taken upon itself the strategic task of influencing and accelerating sustainable economic growth, through the provision of resources and by integrating social and environmental concerns in every aspect of the bank's operations, services, and business decisions.

DBP's Environmental Policy speaks of its commitment to environmental protection and sustainable development through the application of sound environmental management practices in its operations and services, asset management, and business decisions. It serves as the basic framework from which every environmental undertaking of DBP emanates spanning both the internal operation, and lending and investment activities of the bank.

To demonstrate its environmental commitments, DBP focuses its efforts in the following goals:

- Minimize the environmental impact of its internal operation thru efficient use of resources.

Through the bank's Environmental Management System (EMS), environmental management practices are institutionalized and integrated in the standard operating procedures of the bank. Among these are: scheduled operation of lights, air-conditioning (AC) units and elevator; thermostat setting of AC units to required working temperature of 25°C; auto shut off setting of personal computer monitors when idle for 20 minutes; regular preventive maintenance of AC units, vehicles and power generating sets; and waste segregation. Initiatives on energy efficiency, on the other hand, include replacement of non-LED lights to LED lights and old AC units to inverter type.

- Identify and manage environmental and social risks of the business.

DBP conducts due diligence as part of its lending process to ensure that potential environment and social

adverse impacts including natural and climate-induced hazards associated with the proposed projects are identified. Corresponding mitigation measures and required environmental and social related permits/ clearances are also determined.

- Promote projects that contribute to environmental protection through its lending and Corporate Social Responsibility (CSR) programs.

Being a development bank, DBP is in a unique position to influence the industry's environmental performance by providing financial credits and assistance for environmental investments projects.

Also part of the bank's environmental advocacy is to influence its suppliers and service providers to pursue environmental practices. As applicable, environmental requirements are included in the technical specification of materials to be procured. Hazardous wastes generated by the bank such as used oil, busted lamps, used batteries, etc. are disposed thru a Treatment, Storage, and Disposal (TSD) facility accredited by the Department of Environment and Natural Resources (DENR).

DBP FOREST PROGRAM

Heeding the global call for climate change mitigation and environmental protection, the bank created the DBP Forest Program (DFP) as a means to contribute to the restoration of the country's forest cover. However, the DFP is not only for the benefit of the environment. In keeping its commitment to development, DFP projects also aim to create livelihood opportunities for the forest partners and their families through harvest, sale, or processing of fruits and other tree products.

The reforestation program is being carried out in collaboration with forest partners composed of people's organizations, indigenous people, students, farmers, fishermen, as well as LGUs, State Universities and Colleges (SUCs), and other government agencies, including the DENR.

A total of 45 forest projects covering around 7,254.77 hectares have been undertaken as of end 2018. Out of the total area, more than 5,992.28 hectares are planted, which has a 58.52% survival rate. DBP has also committed over Php146.3 million in funding assistance, and more than Php104.4 million has been released to forest partners.

Reaping the benefits of these reforestation initiatives are about 7,108 beneficiaries, including the Palaw'enos, T'boli, Igorot, Manobos, Mangyan, Aeta, Mandaya, and B'lao tribes. Those previously involved in kaingin and illegal logging have also become allies of DBP in forest rehabilitation, as well as in raising environmental awareness and skills training.

Partner communities also stand to benefit from the program through improved community interaction and enhanced employment opportunities, which, in turn, helped some beneficiaries provide education for their children.

In line with DBP's environmental initiatives, the bank has partnered with the LGUs of the Province of Palawan, Municipality of Taytay, and the Municipal Farmers Federation of Taytay towards the reforestation of Lake Manguoa.

True to its mandate, DBP remains focused on providing for the development financing needs of key sectors even as it ensures the growth of its assets, all the while integrating and implementing social considerations into all aspects of its operations and services, asset management, and business decisions.



Officials and employees from DBP and the DENR at the launching of the DBP Forest Project in Besang Pass.





REPUBLIC OF THE PHILIPPINES
COMMISSION ON AUDIT
Corporate Government Sector
Cluster 1- Banking and Credit

INDEPENDENT AUDITOR'S REPORT

The Board of Directors
Development Bank of the Philippines
Makati City

Report on the Consolidated and Parent Corporation Financial Statements

Opinion

We have audited the consolidated financial statements of the Development Bank of the Philippines (DBP) and its subsidiaries (the "Group"), and the parent corporation financial statements of DBP (Parent), which comprise the consolidated and parent corporation statements of financial position as at December 31, 2018 and 2017, and the consolidated and parent corporation statements of profit or loss, consolidated and parent corporation statements of comprehensive income, consolidated and parent corporation statements of changes in equity and consolidated and parent corporation statements of cash flows for the years then ended, and notes to the consolidated and parent corporation financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated and parent corporation financial statements present fairly, in all material respects, the financial position of the Group and parent corporation as at December 31, 2018 and 2017, and their financial performance and their cash flows for the years then ended in accordance with Philippine Financial Reporting Standards (PFRS).

Basis for Opinion

We conducted our audits in accordance with International Standards of Supreme Audit Institutions (ISSAI). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the DBP in accordance with the ethical requirements that are relevant to our audit of the financial statements in the Philippine Public Sector, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

In our report dated June 8, 2018, we expressed a qualified opinion on the financial statements of DBP for the years ended December 31, 2017 and 2016 because the government securities holdings classified as Available for Sale (AFS) with face amount of P29.081 billion were sold to one and the same counterparty at a loss totaling P876.712 million in 2014. The same government securities were bought back by the Bank at the same price and were booked under Held to Maturity (HTM). Such derecognition and reclassification are contrary to Philippine Accounting Standard (PAS) 39 since the comparison of the present value of net cash flows before and after the sale showed no significant change. Management did not implement previous years' audit recommendation to reclassify the securities back to AFS. Had the government securities been classified as AFS, the Bank's assets, liabilities and equity accounts would have decreased by P2.102 billion, P0.232 billion and P1.870 billion, respectively, as at December 31, 2017.

As disclosed in Note 2 to the financial statements, the Bank applied PFRS 9 effective January 1, 2018 which replaced PAS 39. This new standard contains three principal classification categories for financial assets, i.e., amortized cost, fair value through other comprehensive income and fair value through profit or loss. With the implementation of PFRS 9, the classification and measurement of DBP's financial assets are based on its business model in managing financial instruments. The Bank opted to classify the government securities subject of the modified opinion in 2017 as financial assets at amortized costs. Essentially, the said classification following PFRS 9 has rendered the previous year's recommendation for derecognition and reclassification to HTM being contrary to PAS 39, no longer applicable. The financial statements for 2017 were not restated as allowed under the transition provisions of PFRS 9, however, the opening balance of Retained Earnings for 2018 was restated to conform to the 2018 adoption of PFRS 9.



Responsibilities of Management and Those Charged with Governance for the Consolidated and Parent Corporation Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with PPSAS/PFRS, 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.

In preparing the financial statements, management is responsible for assessing the Agency's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Agency or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated and Parent Corporation Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAI will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISSAIs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Agency's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Agency's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Agency to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit observations, including any significant deficiencies in internal control that we identify during our audit.

COMMISSION ON AUDIT



MARILYN C. BRIONES
Supervising Auditor

STATEMENT OF FINANCIAL POSITION

As at December 31, 2018 and 2017
(In thousand pesos)

Note	Group		Parent	
	Audited 2018	Restated 2017	Audited 2018	Restated 2017
<u>Assets</u>				
Cash and other cash items	8	5,450,261	5,235,397	5,442,223
Due from Bangko Sentral ng Pilipinas	8,9	86,005,940	75,288,023	85,754,330
Due from other banks	8	26,124,728	19,850,387	26,122,305
Interbank loans receivable	8,10	20,338,041	13,237,444	20,338,041
Securities purchased under agreement to resell	8,11	40,333,954	60,917,405	40,183,935
Financial assets at fair value through profit or loss (FVTPL)	12	4,763,677	3,710,544	4,763,677
Financial assets available for sale - net		0	67,142,940	0
Financial assets at fair value through other comprehensive income (FVOCI)	13	49,361,630	0	49,358,835
Financial assets held to maturity		0	87,794,170	0
Financial assets at amortized cost (Held to Collect)	14, 20	154,276,623	0	154,255,777
Loans and receivables - net		0	245,811,860	0
Financial assets at amortized cost (Loans and receivables, net)	15,20	265,778,213	0	263,217,785
Bank premises, furniture, fixtures and equipment - net	16,20	2,831,155	2,850,597	2,815,004
Investment property - net	17,20	1,218,641	1,153,098	1,218,641
Equity investment in subsidiaries - net	18	0	0	1,657,050
Equity investment in associates and joint ventures - net	19,20	329,138	378,992	44,290
Non-current assets held for sale - net	20	277,505	197,274	277,505
Deferred tax assets	21	2,551,246	2,399,931	2,551,022
Intangible assets - net	22	440,228	465,784	433,129
Other assets - net	20,23	11,637,114	7,782,212	11,154,471
Total Assets		<u>671,718,094</u>	<u>594,216,058</u>	<u>669,588,020</u>
				<u>592,355,104</u>
<u>Liabilities and Equity</u>				
<u>Liabilities</u>				
Deposits liabilities	24	<u>474,867,742</u>	<u>412,676,037</u>	<u>474,443,723</u>
Bills payable	25			
Official Development Assistance (ODA)		54,903,202	54,260,535	54,903,202
Non-ODA		50,514,223	44,091,239	49,036,753
		<u>105,417,425</u>	<u>98,351,774</u>	<u>103,939,955</u>
				<u>97,081,730</u>
Bonds payable	26	15,750,099	14,948,201	15,750,099
Due to Bangko Sentral ng Pilipinas/other banks	27	5,346	628	5,346
Manager's checks and demand drafts outstanding	28	572,560	500,019	563,979
Accrued taxes, interests and expenses	29	5,257,470	4,423,533	5,160,032
Unsecured subordinated debt	30	10,000,000	9,995,686	10,000,000
Deferred credits and other liabilities	31	8,352,542	5,105,800	8,006,747
Total Liabilities		<u>620,223,184</u>	<u>546,001,678</u>	<u>617,869,881</u>
				<u>544,057,511</u>
<u>Equity</u>				
Capital Stock	32	19,500,000	17,500,000	19,500,000
Retained earnings		34,326,986	31,888,836	34,564,022
Retained earnings reserves	33	254,738	251,849	234,738
Accumulated other comprehensive income/(loss)	34	(2,586,043)	(1,425,626)	(2,580,621)
		51,495,681	48,215,059	51,718,139
		<u>(771)</u>	<u>(679)</u>	<u>0</u>
Non-controlling interest				<u>0</u>
Total Equity		<u>51,494,910</u>	<u>48,214,380</u>	<u>51,718,139</u>
Total Liabilities and Equity		<u>671,718,094</u>	<u>594,216,058</u>	<u>669,588,020</u>
				<u>592,355,104</u>

See accompanying Notes to Financial Statements

STATEMENT OF PROFIT OR LOSS

For the Years Ended December 31, 2018 and 2017
(In thousand pesos, except per share amounts)

	Note	Group		Parent	
		Audited 2018	Restated 2017	Audited 2018	Audited 2017
Interest income					
Loans and receivables		12,371,676	13,018,717	12,352,326	13,006,373
Financial assets - debt securities		9,447,242	6,283,902	9,446,022	6,283,146
Deposits with banks		485,432	525,404	380,461	424,032
Interbank loans receivable/Securities purchased under agreement to resell		1,051,688	650,222	1,044,644	641,973
		<u>23,356,038</u>	<u>20,478,245</u>	<u>23,223,453</u>	<u>20,355,524</u>
Interest expense					
Bills payable and other borrowings					
ODA Borrowings		2,480,503	2,225,590	2,480,503	2,225,590
Other Borrowings		2,212,238	2,307,858	2,157,173	2,260,222
Deposits		4,182,571	2,947,590	4,183,129	2,948,186
		<u>8,875,312</u>	<u>7,481,038</u>	<u>8,820,805</u>	<u>7,433,998</u>
Net interest income		14,480,726	12,997,207	14,402,648	12,921,526
Provision for impairment	20	610,674	505,315	503,557	497,059
Net interest income after provision for impairment		<u>13,870,052</u>	<u>12,491,892</u>	<u>13,899,091</u>	<u>12,424,467</u>
Other income					
Profit/(loss) from investment and securities trading		220,812	174,430	220,812	174,430
Foreign exchange profit/(loss)		340,965	115,742	340,965	115,742
Service charges, fees and commissions		1,064,920	808,167	1,062,044	805,786
Dividends - equity investments		844,709	829,703	847,168	838,502
Miscellaneous	35	555,252	640,694	362,117	503,054
		<u>3,026,658</u>	<u>2,568,736</u>	<u>2,833,106</u>	<u>2,437,514</u>
Other expenses					
Compensation and fringe benefits		4,187,665	3,369,140	3,995,841	3,164,686
Taxes and licenses	37, 45	2,116,254	1,772,493	2,097,806	1,755,897
Occupancy expenses		177,645	146,305	160,316	133,739
Other operating expenses	36	3,294,700	2,855,192	3,267,593	2,915,325
		<u>9,776,264</u>	<u>8,143,130</u>	<u>9,521,556</u>	<u>7,969,647</u>
Profit before tax		7,120,446	6,917,498	7,210,641	6,892,334
Provision for income tax	37	1,510,993	1,426,175	1,487,991	1,403,030
Profit for the year		<u>5,609,453</u>	<u>5,491,323</u>	<u>5,722,650</u>	<u>5,489,304</u>
Attributable to:					
Equity holder of DBP		5,609,545	5,491,394		
Non-controlling interest		(92)	(71)		
		<u>5,609,453</u>	<u>5,491,323</u>		
Earnings per share for net income attributable to the equity holder of DBP during the year		28.77	31.38	29.35	31.37

See accompanying Notes to Financial Statements

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the Years Ended December 31, 2018 and 2017
(In thousand pesos)

	Group		Parent	
	Audited 2018	Restated 2017	Audited 2018	Audited 2017
Profit for the Year	5,609,453	5,491,323	5,722,650	5,489,304
Other comprehensive income/(loss)				
Items that may be reclassified subsequently to profit or loss:				
Debt instruments at Fair Value through Other Comprehensive Income (FVOCI)				
Net change in fair value during the year	(2,007,969)	0	(2,007,956)	0
Reclassification adjustments on the adoption of PFRS 9	847,552	0	847,552	0
Net unrealized gains/(losses) on financial investments at FVOCI	(1,160,417)	0	(1,160,404)	0
Available-for-Sale Securities				
Net change in fair value during the year	0	460,807	0	460,838
Reclassification adjustments to the income statement	0	0	0	0
Net unrealized gains/(losses) on securities	0	460,807	0	460,838
Total items that may be reclassified subsequently to profit or loss	(1,160,417)	460,807	(1,160,404)	460,838
Total Comprehensive Income for the Year	<u>4,449,036</u>	<u>5,952,130</u>	<u>4,562,246</u>	<u>5,950,142</u>
Attributable to:				
Equity holder of DBP	4,449,128	5,952,201		
Non-controlling interest	(92)	(71)		
	<u>4,449,036</u>	<u>5,952,130</u>		

STATEMENT OF CASH FLOWS

For the Years Ended December 31, 2018 and 2017
(In thousand pesos)

Note	Group		Parent	
	Audited 2018	Restated 2017	Audited 2018	Restated 2017
CASH FLOWS FROM OPERATING ACTIVITIES				
Interest income received	28,570,077	18,787,925	28,453,221	18,443,422
Interest expense paid	(9,127,392)	(7,596,080)	(9,072,978)	(7,549,007)
Bank commission, service charges and fees received	1,064,920	808,168	1,063,904	805,786
Profits from investment and securities trading	130,943	188,891	130,943	188,891
Dividend and other income/(loss)	1,735,455	1,124,889	1,541,729	992,275
General and administrative expenses paid	(8,619,042)	(7,782,072)	(8,115,055)	(7,004,168)
Changes in operating assets and liabilities:				
(Increase) Decrease in operating assets:				
Financial assets - FVTPL	1,476,711	7,244,859	1,476,711	7,244,859
Loans and receivables, net	0	(17,756,500)	0	(17,908,379)
Financial assets at Amortized Cost (Loans and receivables, net)	(49,443,203)	0	(48,804,956)	0
Non-current assets held for sale	(78,855)	(81,040)	(78,855)	(81,040)
Other assets	(2,120,727)	3,812,144	(2,380,212)	3,944,853
Increase (Decrease) in operating liabilities:				
Deposit liabilities	59,621,917	52,452,462	59,510,179	52,317,248
Due to Bangko Sentral ng Pilipinas/other banks	4,718	(954)	4,718	(1,006)
Manager's checks and demand drafts outstanding	66,025	(446,331)	58,221	(446,432)
Accrued taxes, interest and expenses	1,320,957	150,146	1,303,965	179,935
Deferred credits and other liabilities	2,499,107	417,344	2,166,880	318,802
Cash provided/(used) in operating activities	27,101,611	51,323,851	27,258,415	51,446,039
Income taxes paid	(1,765,944)	(1,333,629)	(1,742,907)	(1,309,749)
Payment for PERA/ADCOM allowance	0	(231,505)	0	(231,505)
Net cash provided/(used) in operating activities	<u>25,335,667</u>	<u>49,758,717</u>	<u>25,515,508</u>	<u>49,904,785</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
(Increase) Decrease in:				
Financial Assets Available for Sale	0	(4,281,322)	0	(4,281,322)
Financial assets - FVOCI	(5,585,259)	0	(5,585,259)	0
Financial Assets Held to Maturity	0	601,282	0	602,664
Financial assets at Amortized Cost (HTM)	(21,851,188)	0	(21,849,493)	0
Equity investment in subsidiaries	0	0	3,093	0
Equity investment in associates and joint ventures	29,816	2,787	46,615	0
Bank premises, furnitures, fixtures and equipment	(315,044)	(251,062)	(308,008)	(247,415)
Investment properties	(77,304)	195,948	(58,792)	195,948
Intangible assets	(41,349)	(116,159)	(36,588)	(115,502)
Net cash provided/(used) in investing activities	<u>(27,840,328)</u>	<u>(3,848,526)</u>	<u>(27,788,432)</u>	<u>(3,845,627)</u>
CASH FLOWS FROM FINANCING ACTIVITIES				
Increase (Decrease) in:				
Borrowings	5,483,828	(4,088,098)	5,276,401	(4,301,470)
Bonds Payable	312,761	0	312,761	0
Cash dividends paid	(985,844)	(2,524,273)	(959,038)	(2,516,158)
National Government Capital Infusion	2,000,000	0	2,000,000	0
Net cash provided/(used) in financing activities	<u>6,810,745</u>	<u>(6,612,371)</u>	<u>6,630,124</u>	<u>(6,817,628)</u>
EFFECTS ON EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS				
NET INCREASE IN CASH AND CASH EQUIVALENTS	<u>(619,028)</u>	<u>(2,120,064)</u>	<u>(619,028)</u>	<u>(2,120,064)</u>
Cash and cash equivalents	8			
Beginning of year	<u>174,495,496</u>	<u>137,317,740</u>	<u>174,032,327</u>	<u>136,910,861</u>
End of year	<u>178,182,552</u>	<u>174,495,496</u>	<u>177,770,499</u>	<u>174,032,327</u>

See accompanying Notes to Financial Statements

STATEMENT OF CHANGES IN CAPITAL FUNDS

For the Years Ended December 31, 2018 and 2017
(In thousand pesos, except per share amounts)

	GROUP				PARENT	
	Attributable to Equity holder of DBP				Accumulated Retained Earnings Reserves (Note 33)	Accumulated Other Comprehensive Income/(Loss) (Note 34)
	Retained Earnings	Other Comprehensive Income/(Loss) (Note 34)	Non- Controlling	Total	Capital Stock	Retained Earnings
Capital Stock	28,961,559	250,570	(1,886,433)	44,825,087	17,500,000	29,040,365
BALANCE AT DECEMBER 31, 2016	17,500,000	28,961,559	(1,886,433)	44,825,087	17,500,000	29,040,365
Total comprehensive income net of tax						
Net Income	5,491,394			(71)	5,491,323	5,489,304
Net Unrealized gain on available for sale investments				460,807	460,807	460,838
Total comprehensive income	5,491,394			460,807	0	460,838
Dividends						
Cash dividends - CY 2016 (₱14.38 per share)	(2,524,272)					
Reclassification to (from) Surplus Free Trust reserve	(1,279)	1,279		0	(1,279)	1,279
Adjustments						
Payment of PERA & Additional Compensation covering CYs 2006 to 2016	(231,505)				(231,505)	
Reclassification of Semi-Expendable Items per COA Circular 2016-006	(7,516)				(7,516)	
Other Adjustments	0	(238,904)	0	0	0	0
BALANCE AT DECEMBER 31, 2017	17,500,000	31,688,498	251,849	(1,425,626)	(680)	48,014,041
Cumulative effect of prior period adjustments					1	200,339
RESTATED BALANCE AT DECEMBER 31, 2017	17,500,000	31,688,836	251,849	(1,425,626)	(679)	48,214,380
Impact on adoption of PFRS 9						31,985,961
BEGINNING BALANCE, UNDER PFRS 9	17,500,000	29,706,245	251,849	(578,074)	(679)	46,879,341
Total comprehensive income net of tax						
Net Income	5,609,545			(92)	5,609,453	5,722,650
Net change in fair value of debt instrument at FVOCI					(1,841,380)	(1,841,367)
Net change in fair value of equity instrument at FVOCI					(166,589)	(166,589)
Total comprehensive income					3,601,484	3,714,694
Dividends						
Additional cash dividends for CY 2016						
Cash Dividends for CY 2017	(959,038)				(959,038)	(959,038)
Issuance of shares during the year	2,000,000				2,000,000	2,000,000
Reclassification to (from) Surplus Free Trust reserve	(2,889)	2,889		0	(2,889)	2,889
Adjustments						
Reclassification of Semi-Expendable Items per COA Circular 2016-006	0	(71)			(71)	
BALANCE AT DECEMBER 31, 2018	19,500,000	34,326,986	254,738	0	51,494,910	34,564,022
See accompanying Notes to Financial Statements						

DBP SUBSIDIARIES

As its subsidiaries, DBP Data Center, Inc. (DCI); Al-Amanah Islamic Bank (AAIIBP); DBP Leasing Corporation (DBP-LC); and DBP Management Corporation support the Bank in its mission to enrich the life of the Filipino people and chart an inclusive and sustainable future for the Philippines. By performing their respective specialized services, DBP's subsidiaries play a key role in establishing the parent bank's presence and extending its reach.



DBP DATA CENTER, INC.

True to its mission of empowering the country's premier development bank, DBP Data Center, Inc. (DCI) has maintained the stability and sustained the growth of the Bank's information technology infrastructure for the past 36 years. In 2018, DCI continued to focus primarily on assisting the Bank's initiatives on its various products by providing the workforce for the development and maintenance of the bank's systems and applications.

DCI also started to seek opportunities to increase revenues by expanding its customer base to include government agencies and instrumentalities via an Agency-to-Agency Agreements. Aligned with its strategic plan, the DCI pursues an aggressive business plan to deliver high-quality services, build an excellent team, and capture a larger market share. Moreover, DCI has started working on various solutions and applications such as the Fixed Asset Management System and Travel Assignment Order System. Below are some of the company's notable accomplishments in 2018:

(A) DBP Opportunities

DBP IT Staffing – Among DCI's core competencies is identifying the right people suitable for augmenting the IT staffing needs of the Bank to fulfill its IT requirements. As of 31 December 2018, DCI's workforce totals 29.

(B) Non- DBP Opportunities

The company has started opportunities and negotiations on non-DBP projects focusing on government agencies and instrumentalities such as:

1. Zamboanga Del Norte Medical Center—on an ongoing project (5-year contract) where DCI provides Hospital Information Systems (HIS) for LGU hospitals.
2. Bureau of Customs—on a project related to Cyber Security package solution, which was completed in 2016.
3. Jose B. Lingad Memorial Regional Hospital—a DOH hospital where DCI offered the HIS BPO project with a contract of five (5) years. Live-Production started in 14 July 2016, implementing changes to hospital processes and workflows and monitoring End-User compliance to ensure the correctness of data gathered by the system.
4. Dr. Jose N. Rodriguez Memorial Hospital—a DOH hospital where DCI offered the HIS BPO project with a contract of seven years, signed in February 2018.

5. James L. Gordon Memorial Hospital—a DOH hospital where DCI offered the HIS BPO project with a contract of five years.
6. PNP Online Police Clearance (Cebu City)—for an Online Application platform for PNP Clearance. The project, which piloted in Cebu City, is a system provided to PNP Cebu City at no cost to the agency through a servicing partner that DCI engaged via Direct Contracting. The project ended in October 2018.
7. Bangko Sentral ng Pilipinas—on an ongoing engagement that entails the supply, delivery, installation, configuration, testing, and implementation of the Human Resource Information System (HRIS).
8. Bureau of Treasury (BTr) —wherein consulting services were acquired to enhance the IT infrastructure and strengthen ICT capacity. This project aims to address BTr's IT requirements and gaps to effectively and efficiently support the Bureau's thrust to enhance its Information Management Infrastructure (IMI), address critical requirements in Application Systems Deployment, assist in the formulation of its Information Systems Strategic Plan (ISSP), and develop and implement a Back Up and Disaster Recovery framework.
9. Bureau of Treasury (BTr) Panay—on the Data Center Operation of BTr Panay for a period of one year.
10. Philippine International Trading Corporation (PITC)— on a consulting service for the design and development of Trading Management Information System (TMIS) – Business Process Automation. The contract was signed in May 2018.
11. Department of Information and Communication Technology (DICT)—for the provision of FireEye Helix for Tradenet.
12. Tourism Infrastructure and Enterprise Zone Authority (TIEZA) —for the provision of Electronic Payment Services for the collection of travel taxes.
13. Food and Drug Administration (FDA) —on a cloud migration project.
14. Department of Energy—for the development of Web-based application system and online processing of application.



Al-Amanah Islamic Investment Bank of the Philippines (AAIIBP) has been a universal bank since 1990 authorized to perform and provide Islamic banking, financing, and investment services pursuant to R.A. 6848, otherwise known as the Charter of the Al-Amanah Islamic Bank of the Philippines. In 2008, AAIIBP became a subsidiary of DBP, owning 99.88% of its capital stock, after which its current logo and name became Amanah Islamic Bank.

In 2018, Amanah Islamic Bank relocated and re-opened its Marawi branch on the commemoration of the first anniversary of the Marawi Siege. The branch once again opened its doors on 23 May 2018, a year after its former office, located in the battle zone, was reduced to rubble. The grand relaunch was held on 18 June 2018 at the Mindanao State University-Marawi campus. With the reopening of the branch, Amanah Islamic Bank was able to recover most of its deposits, and even increased its market since it is strategically located inside the University, thereby attracting more clients.

In the same year, ATM operations went underway. AAIIBP has finally put in place ATM units in three of its branches during the last quarter of 2018. At the moment, the bank has signed a co-branding with Nationlink pending the bank's application to BSP as Issuer. This is just a step to a full implementation of its ATM operations. The bank is hopeful to reach this milestone by 2019.



The lease and loan portfolio of DBP Leasing Corporation's (DBP-LC) continued on its growth path, ending at Php2.8 billion in 2018—a 6.51% increase year-on-year. As of year end, total assets rose by 7.12% to Php2.9 billion, from Php2.7 billion in 2017.

Gross revenues of Php179.7 million slightly decreased by 3.24% because of lower business volume as the steep rise in interest rates caused a slowdown in the customer utilization of approved credit facilities.

At the same time, past due level went up, which required higher loan loss provisions. This, coupled with the increase in interest expense, resulted in a net loss of Php51.7 million for the year, thus stalling DBP Leasing's three consecutive years of profitable run since 2015.

Cash flow-wise, however, DBP Leasing maintained its profitability as EBITDA stayed positive at Php129.1 million, while net income before income tax and loan-loss provision, a non-cash charge, was likewise positive at Php47.5 million. As such, the company still paid income tax of Php21.5 million and remitted dividends of Php25.3 million to the national treasury despite the negative bottom line in 2018.

The public sector and SMEs accounted for 22.43% of total credit portfolio, while private priority sectors comprised 62.34%. Financing activities also expanded in scope and coverage, with DBP Leasing now serving clients numbering more than 50 corporations from 28 industry sub-sectors. The major sub-sectors whose projects were financed by the company are the land and sea transportation, construction, government, and manufacturing.

The total number of productive equipment and assets the company has financed grew to 621 units deployed all over the

country. These assets are composed mostly of transportation units for the logistics industry, medical equipment, new buses, construction/heavy equipment, and industrial machinery.

In the area of organizational improvement, the DBP-LC Quality Management System (QMS) has passed the two-stage Certification Audit conducted by a third-party certifying body. With the consequent issuance of the certificate, DBP-LC will achieve a milestone in being the first leasing and financing company in the country to be certified to ISO 9001:2015.



DBP MANAGEMENT CORPORATION

The DBP Management Corporation (DBPMC) was created in 1981 primarily to assist DBP in the management of its distressed accounts and disposal of acquired assets. DBPMC's mandate was to purchase, or otherwise dispose of real and personal property of every kind and description, including shares of stock, bonds, debentures, notes, evidences of indebtedness, and other securities or obligations of any corporation or corporations, association or associations, domestic or foreign and to carry on and to manage the general business of any company.

In 2006, the Monetary Board has granted approval for the DBPMC to establish a foreign subsidiary in Hong Kong under the name DBP Remittance Center Hong Kong Ltd. (DBP-RCHL). It was subsequently operated as a licensed Money Service Operator (MSO) servicing the remittances of OFWs. However, in 2014 after conducting an evaluation assessing both the operational risks and business conditions in Hong Kong, the DBP management made the decision to shift business strategy from having direct operational presence to simply appointing authorized and licensed MSO partners in Hong Kong. The office was closed in December 2014 following the shift in the bank's strategy and business model for its remittance business.

On 20 April 2016, the Governance Commission for GOCCs (GCG) has classified DBPMC as "inactive," wherein the Corporation functions mainly as a support unit of the parent corporation, DBP. As such, DBPMC's operations are now limited to investing in low-risk investment outlets like time deposit and special savings.

On April 26, 2017, the DBP Board approved the amendment of DBPMC's Articles of Incorporation mainly for shortening its corporate life. The Board likewise gave instruction for DBP to initiate the dissolution of DBPMC and subsequent transfer of the remaining assets to the parent bank subject to final approval of the GCG.

As of 31 December 2018, DBPMC's assets amounted to Php72.1 million, with a net income of Php0.76 million for the year, derived mainly from interest on time deposits.

DBP PRODUCTS AND SERVICES

BRANCH BANKING SECTOR

1. Deposit

- a. **Savings Account.** An interest earning deposit account which comes with an ATM or an ATM with Passbook. Provides both interest income and liquidity to accountholder. Funds may be accessed via over-the-counter (OTC), online, ATM or Point-of-Sale (POS) terminals (for Peso Accounts) and OTC (for US Dollar accounts).
- b. **Current Account.** Provides easy access to funds of corporates and individuals for payment of their financial transactions. Choice between maintaining a non-interest or interest bearing Peso checking account at low initial deposit, minimum monthly ADB and ADB to earn interest requirement.
- c. **Young Earner's Savings Account.** A Peso and US Dollar Savings Account for kids 0-19 years old (In trust for Account for 7 years old and below) to encourage the habit of saving. Offers low initial deposit which allows a one year grace period from account opening date to build up the balance up to the required ADB to earn interest. The YES account earns an interest of a regular savings account + premium.
- d. **Zero Balance Account.** A zero opening and maintaining balance Savings or Current Account available for corporates and individuals performing online settlement of government contributions/payments to SSS, PhilHealth, Pag-IBIG through the bank's online payment system. It is also available to clients of Trust Banking Group (TBG), both individuals and corporates, to serve as TBG's settlement facility for the interest income and any proceeds from its Clients' investment funds.
- e. **Payroll Account.** For payroll requirements of local institutional clients.
- f. **Pensioner's Account.** A Peso savings account for PVAO and SSS pensioners. Accountholders enjoy priority servicing.
- g. **Wisdom Account.** Peso or US Dollar Savings or Time Deposit account for senior citizens 60 years old and above. It offers a premium over savings and time deposit rates and priority processing.
- h. **Electronic Cash (EC) Card.** A special ATM savings intended for OFWs & OFW beneficiaries that has the following features: (i) no initial deposit required to open the account; (ii) minimum of P500.00 ADB to earn interest; (iii) no maintaining balance required; and (iv) the EC Card is EMV-compliant, can be used for bills payment, POS transactions, and can be enrolled online. The accountholder can also withdraw OTC at any DBP branches nationwide.
- i. **Time Deposit.** Peso and US Dollar Time Deposit Account for individual and corporate clients which earn higher interest than the regular savings account.
- j. **Special Savings.** A high yield Peso fixed term deposit for individual and corporate clients. With passbook for easy tracking of investment.
- k. **Option Savings Account.** A high yield Peso fixed term deposit for individual and corporate clients with temporary short term liquidity. Client may opt for a shorter term and still enjoy a higher interest rate. With passbook for easy tracking of investment.
- l. **High Earner Time Deposit.** A Peso or US Dollar Time Deposit for individual and corporate clients with long term placement requirements. Offers higher interest rate than a Time Deposit. Interest earning is paid upon placement which may be used for liquidity or reinvestment.
- m. **Special Investor's Resident Visa (SIRV).** A Peso Time Deposit for foreign investors who intend to reside and invest in the Philippines acceptable to the Board of Investments.

2. **DBP EC Salary Loan.** A short-term to mid-term multi-purpose unsecured personal loan to employees of accredited participants.

3. **Electronic Banking**

- a. **DBP Debit Visa Card.** The card is equipped with EMV/chip technology linked to a deposit account. It allows cardholders to make ATM, POS and online transactions. It is BancNet-affiliated and Visa-branded enabling both local and international transactions.
- b. **DBP ATM ID Debit Card.** A specialized EMV card issued for the payroll servicing and other disbursements of partner institutions. It serves as both an identification and an ATM debit card for ATM, POS and online transactions accepting BancNet-affiliated cards. The ATM ID can be customized to suit the client's design and functional requirements including an optional RFID capability for attendance and time-keeping purposes.
- c. **DBP Prepaid Visa Card.** A reloadable prepaid card product with EMV/chip technology linked to an electronic money/stored value account. It is not a deposit account and non-interest earning with a maximum balance limit of PhP100,000.00. It is a disbursement solution for institutional clients as well as a transaction card for individual clients. The card product allows cardholders (whose name is printed on the card) to make ATM, POS and online transactions. It is BancNet-affiliated and Visa-branded enabling both local and international transactions.
- d. **DBP Cash Card.** A nameless EMV card with a highly customized design issued in partnership with institutions for their specific disbursement needs. The DBP Cash Card can be transacted locally at any BancNet ATM and POS terminal.
- e. **DBP Visa Gift Card.** A non-reloadable nameless prepaid Visa card. An all-occasion gift solution issued in the following denominations: PhP500.00, PhP1,000.00, PhP2,000.00 and PhP5,000.00. Can be used for POS and online purchases until the balance is consumed. It is BancNet-affiliated and Visa-branded enabling both local and international transactions.
- f. **DBP Digital Banking Portal (DBP²).** A facility that enables institutional clients to access their accounts and perform banking transactions via the internet. It provides a full suite of cash management solutions that includes disbursements, collections, account and liquidity management services.
- g. **Bancnet e-Gov.** An on-line facility that enables employers from both the private and government sectors to facilitate payments to Government agencies like SSS, PhilHealth and HDMF (Pag-IBIG). This 24-hour facility provides a convenient way of remitting government contributions and loan payments.
- h. **Cash@POS.** Expands the functions of a POS terminal to include processing of withdrawal transactions using ATM cards of participating Banks through DBP's partner institutions. This service aims to provide ATM accountholders access to their funds even in areas without Automated Teller Machines (ATM).
- i. **DBP Internet Payment Gateway (IPG).** A web-based collection solution for institutions with interactive or transactional websites. DBP serves as the enabler for card payment acceptance through the websites of these accredited institutions.
- j. **Bills Payment Facility.** Enables a Biller to collect online through the BancNet Online website.
- k. **DBP Point of Sale (POS) Facility.** A stand-alone collection facility that enables clients to accept Prepaid, Debit and Credit cards payments over-the-counter.
- l. **ATM Piggybacking Partnership.** DBP provides convenient ATM services thru installation of ATMs at partner rural banks especially in remote areas with limited access to banking services.
- m. **Proprietary Bills Payment.** Bills Payment via ATM for partner Electric Cooperatives and Water Districts. DBP's electronic banking solution as the industry gears toward cashless transactions.

4. **Foreign/Domestic Inward Remittance**

- a. **Bank to Bank Credit.** Fast and worry-free credit of remittances to any Peso or US Dollar-denominated bank accounts in the Philippines through the BSP PESONet, InstaPay and Philippine Domestic Dollar Transfer System (PDDTS) channels and through Society for Worldwide Interbank Financial Telecommunication (SWIFT)/Real Time Gross Settlement (RTGS).
- b. **Cash Pick-up Anywhere.** Claim remittances at any DBP branches or any of the more than 5,000 accredited/authorized pay outlets nationwide accessible to the beneficiary. Payout partners include M.Lhuillier, Cebuana Lhuillier, and selected rural banks.

c. **Payment to Institutions (Overseas Collection Arrangement).** Collection of premiums and loan amortizations for payment to Social Security System (SSS), Pag-IBIG Fund, PhilHealth and other government and private institutions.

d. **Send Money to the Philippines:**

- Overseas Remittance Partners. Remit and send remittances to beneficiary in the Philippines through accredited remittance partners located in Kingdom of Saudi Arabia, UAE, Japan, Canada, USA, Australia, Europe, Hong Kong, Cambodia, Korea, Bahrain, Singapore and other countries.
- SWIFT (Society for Worldwide Interbank Financial Telecommunication). Send remittances through any bank overseas for credit to you and your beneficiary's account in the Philippines.

5. **Fund Transfer**

- a. Manager's Check
- b. Foreign Currency Denominated Bank Draft
- c. Philippine Domestic Dollar Transfer System (PDDTS)
- d. Society for Worldwide Interbank Financial Telecommunication (SWIFT)
- e. Real Time Gross Settlement Domestic (RTGS)
- f. PESONet
- g. Instapay

6. **Special/Other Services**

- a. Bills Payment Acceptance for
 - BIR
 - SSS
 - PhilHealth
 - PLDT
 - SMART
- b. Deposit Pick-up and Cash Delivery Service
- c. Payroll Servicing
- d. Servicing of Government's Modified Disbursement Scheme (MDS)
- e. NCO collection for the Bureau of Treasury
- f. Central posting of Internal Revenue Allotment (CePIRA)
- g. Debit to One Credit to All Deposit Facility (DOCA)
- h. Credit to One Debit to All Deposit Facility (CODA)
- i. Remote Deposit Service on Checks (RDSC)
- j. Foreign Currency Exchange Dealership (Non-Trade)

CORPORATE FINANCE SERVICES

1. **Issue Management**

Tailored solutions to corporate and public sector clients who are looking to tap the investing public and institutional investors to raise funds. DBP offers innovative financing structures that cater to the unique requirement of issuers and investors alike, as government regulators, to ensure a successful issuance on a timely and cost-effective manner.

2. **Fixed-income Underwriting**

DBP capitalizes on its experience with various fund-raising activities in the credit evaluation of investment securities and loan arrangements to determine appropriate distribution channels to ensure the success of the arrangement.

3. **Loan Syndication/Arrangement**

DBP lends its expertise in coming up with appropriate financing structures via syndicated loans, wherein DBP manages the fund raising on behalf of the client and acts as the central point of contact to facilitate information sharing among lenders and other parties for more cost- and time-efficient fund-raising process.

4. **Structuring/Project Finance**

DBP assists in developing appropriate financing structures, particularly with a view of the financing being a limited or non-recourse facility to the sponsors.

5. **Transaction and Financial Advisory Services**

DBP helps clients realize their strategic objectives by providing advisory services for public private partnerships or joint ventures (either solicited or unsolicited), privatizations, and for mergers and acquisitions, among others. DBP can also provide tailor-fit solutions required by clients.

DEVELOPMENT LENDING PROGRAM LOANS

1. **Financing Utilities for Sustainable Energy Development Program (FUSED Program)**

DBP's platform for power generation and distribution sectors that aims to contribute in the increased access to electricity services through financing in order to help achieve inclusive growth and poverty reduction. FUSED Program is aligned with the Philippine Energy Plan 2012-2030 of the Department of Energy.

2. **Connecting Rural Urban Intermodal Systems Efficiently (CRUISE Program)**

An umbrella program for connectivity infrastructure in the transportation, logistics, tourism sectors and their related information technology (IT) and climate change adaptation/risk mitigation requirements.

3. **Waterfor Every Resident (WATER) Program**

An umbrella program for the financing of water supply projects. It aims to contribute in the provision of safe and affordable water supply through financing in order to help achieve inclusive growth and poverty reduction.

4. **Infrastructure Contractors Support (ICONS) Program**

A financing program in support of the infrastructure thrust of the National Government. It aims to provide credit assistance to contractors in the completion of their projects and to contractors who intend to expand their capacities through capital investments.

5. **DBP PASADA (Program Assistance to Support Alternative Driving Approaches) Program**

In support of the implementation of the National Government's Public Utility Vehicle Modernization Program (PUVMP) and its Omnibus Franchising Guidelines (OFG) under Department Order No. 2017-011 issued by the Department of Transportation (DoTr), DBP PASADA Program is a special funding program for the acquisition of brand new, energy efficient public transport vehicles to replace old jeepneys. It also includes funding assistance to support facilities necessary of the proper operations and maintenance of public utility vehicles (PUVs).

6. **Green Financing Program (GFP)**

An umbrella program to support the Bank's strategic thrust of environmental protection and the country's green growth strategy. It was designed primarily to assist strategic sectors, industries and local government units in adopting environment-friendly processes and technologies and incorporating climate change adaptation and mitigation and disaster risk reduction measures by providing financing and technical assistance.

7. **Residential Real Estate Financing Program (RREFP)**

DBP's umbrella program to support the Bank's strategic thrust of social development through the provision of accessible financing to support shelter production and secure tenure delivery.

8. **Strategic Healthcare Investments for Enhanced Lending & Development (SHIELD)**

Formerly called Sustainable Health Care Investment Program (SHCIP), SHIELD is a program that responds to the financing needs of the country's health sector. It extends credit facility for health care investment projects with the aim of making health services more available, accessible and affordable to communities throughout the country, especially to people belonging to the lowest income group.

9. **DBP Educational Fund Program**

DBP's umbrella program to support the Bank's strategic thrust of contributing to the improvement of lives of Filipinos across the nation to make available the highest possible standards of quality education.

10. **Sustainable Agribusiness Financing Program**

A credit assistance program for agribusiness projects engaged in the production, harvesting, processing and marketing of crops, poultry, livestock and fishery.

11. **Inclusive Lending for Aspiring Women Entrepreneurs (ILAW)**

A lending program designed specifically to cater to women-owned and managed enterprises for the establishment of viable income-generating activities.

12. **DBP Bankability Enhancement of SETUP Technopreneurs (DBP BEST) Program**

A program that aims to further support the development and growth of the various business endeavors of entrepreneurs who have been assisted by the Department of Science and Technology under their Small Enterprise Technology Upgrading Program (SETUP) Technopreneurs Program.

13. Broiler Contract Growing Program

A sub program under the Sustainable Agribusiness Financing Program (SAFP), it is designed to encourage contract growers to expand their business by facilitating the financing of poultry broiler contract growing projects through shortened loan processing.

It likewise aims to finance the promotion of agribusiness for countryside development while responding to the food requirements of the country.

14. Tree Plantation Financing Program

A credit assistance program for the expansion, harvesting, maintenance and protection of existing tree plantations with at least 4-year-old standing trees in at least 1% of the plantation area of qualified private and public land.

15. OFW Reintegration Program (OFW-RP)

A financing program extended to Overseas Filipino Workers for the establishment of viable income-generating activities.

16. DBP - Credit Surety Fund (CSF) Credit Facility

A facility providing financial assistance to the members of the Credit Surety Fund.

17. Sustainable Enterprises for Economic Development

An umbrella program for the micro, small and medium enterprises, it aims to spur the contribution of MSMEs to sustainable economic development. It likewise aims to enhance access of MSMEs to credit facilities and fast track the credit process.

Under this program are the following credit facilities:

- Retail Lending for Micro and Small Enterprises (RLM)
- Medium Enterprise (ME) and Other Business Enterprise (OBE) Lending
- DBP-Credit Surety Fund (CSF) Credit Facility
- Inclusive Lending for Aspiring Women Entrepreneurs (ILAW)
- DBP Bankability Enhancement of SETUP Technopreneurs (DBP BEST) Program
- OFW Reintegration Program (OFW-RP)

18. Energy Efficiency Savings (E2SAVE) Financing Program

Designed to help public and private institutions in improving their productivity by harnessing the available new technologies in the market for their energy efficiency projects, E2SAVE will allow loan repayment based on electricity savings to make investment affordable to end-users.

The Program aims to provide credit assistance based on electricity savings to both private and public sectors' energy efficiency projects to enable them to harness the available new technologies and thus contribute in the effort of reducing greenhouse gas emissions. It likewise aims to provide credit assistance to Energy Service Companies to further promote the development of energy efficiency projects.

19. Lending Initiative for Sanitation (LINIS) Program

Cognizant of the pressing problem on sanitation and the need to shift from a thematic to a market based approach program, the LINIS Program is crafted to contribute to solutions in addressing challenges in specific market segments of the sanitation sector.

It aims to contribute in the National Government's goal of achieving universal access to sanitation through provision of credit assistance to local government units, water districts & private companies and thus help them address compliance to:

- Clean Water Act of 2014 (R.A. 9275)
- Order of the Supreme Court for the clean-up, rehabilitation & preservation of several bodies of water (all LGUs in Metro Manila, Bataan, Bulacan, Cavite, Laguna, Pampanga & Rizal)
- Presidential Directive No. 2018-0081 dated February 12, 2018 requiring all resorts to have a water treatment facility

TRADE FINANCE PRODUCTS**1. Import Letter of Credit (ILC)**

A payment instrument issued by a bank, at the request of the applicant (importer), in which the bank promises to pay a specified amount of money to the named foreign beneficiary (exporter) upon his presentation of documents as stipulated in the credit.

2. Domestic Letter of Credit (DLC)

A payment instrument issued by a bank, at the request of the applicant (buyer), in which the bank promises to pay a specified amount of money to the named local beneficiary (seller) upon his presentation of documents as stipulated in the credit.

3. Foreign Standby Letter of Credit (FSLC)

- A guarantee of payment issued by a bank to a foreign beneficiary on behalf of its client (applicant) that is used as "payment of last resort" should the client fail to fulfill a contractual commitment with a third party
- Called/drawn upon only if there is default

4. Domestic Standby Letter of Credit (DSDLC)

- A guarantee of payment issued by a bank to a local beneficiary on behalf of a client (applicant) that is used as "payment of last resort" should the client fail to fulfill a contractual commitment with a third party
- Called/drawn upon only if there is default

5. Document Against Acceptance (DA)

The seller ships the goods directly to the buyer and sends the shipping documents and bill of exchange or time draft drawn on the buyer through a bank, which shall release the documents to the buyer upon the buyer's acceptance of the draft and confirmation of the draft's maturity date.

6. Document Against Payment (DP)

The seller ships the goods to the buyer and sends the shipping documents and a sight draft drawn on the importer through a bank for purposes of handling the release of documents to the importer only upon payment of the import bill. The bank shall only release the shipping documents to the buyer if the latter has paid the import bill amount plus the charges.

7. Open Account (OA)

Exporter/seller ships the goods and sends shipping documents directly to the buyer without courting the shipping document through the bank, upon the importer's promise to pay at some future date after shipment

8. Direct Remittance (DR)

- Exporter/seller ships the goods and sends shipping documents directly to the buyer without courting the shipping document through the bank, upon the importer's promise to pay at some future date after shipment
- A supplier-buyer arrangement where payment is made within 29 calendar days after delivery or BL/AWB shipment date.

9. Advance Payment

The buyer/importer pays, either partial or full, the seller/exporter in advance for goods/services ordered. Seller ships out the goods/ performs the services only upon receipt of good funds

10. Trust Receipt (TR) Financing

A loan facility given to the buyer/importer where the goods are released to him allowing him physical possession of the goods as a trustee. When a TR loan is availed, the bank retains title to the goods. The buyer/importer is obliged to remit proceeds of sale of these goods to the bank.

11. Collection of Customs Duties

DBP is one of the Authorized Agent Banks (AAB) of the Bureau of Customs (BOC) to collect and remit the payment of customs duties of its importer/exporter clients.

12. Shipside Bond/Shipping Guaranty Issuance

Issued by the applicant's bank at the importer's request, in favor of the shipping company authorizing them to release the goods to the importer without an original BL. This relieves the shipping line of any liability for releasing the goods to the importer without the original BL.

13. Air Waybill Endorsement/Advance Release

Issued by the applicant's bank at the importer's request, in favor of the airline company authorizing them to release the goods to the importer without an original Air Waybill (AWB). This relieves the airline of any liability for releasing the goods to the importer without the original Air Waybill (AWB)

14. Export Bills Purchase (EBP)

The handling of export documents and discounting/advancing the value of the draft/bill of exchange, which are presented to the Bank by the exporter.

15. Outward Bills for Collection (OBC)

This is not a trade financing method but simply a collection process which the bank may offer to exporters who do not need financing of a particular shipment at a particular period of time. The export documents are presented for collection purpose only.

16. Export LC/SBLC Advising (LA)

It is a service provided by DBP wherein it merely advise the arrival of the LC/SBLC, but holds no obligation on the part of the bank.

The original Export LC/SBLC will only be released to the exporter/beneficiary upon payment of bank advising fees.

17. Inward Trade Remittance

The Bank credits the export proceeds to the exporter client's peso/dollar account based on the received SWIFT MT103.

TREASURY

1. Government Securities

A product or service for individual or corporate clients who wish to buy/sell Government Securities (GS).

GS are unconditional obligations of the Republic of the Philippines. These are relatively free from credit risk because the principal and interest are guaranteed by the National Government, backed by the full taxing power of the sovereignty. However, there may be market risks due to changes in the interest rates.

2. Corporate Bonds/Bank Notes

A product or service for individual or corporate clients who wish to buy/sell Corporate Bonds/Bank Notes

PSE-listed corporations with relatively strong credit ratings. Compared to Government Securities, Corporate Bonds/Bank Notes offer better yield to maturity. However, it is not covered by the PDIC insurance since it is not a deposit product.

3. Foreign Exchange

Involves buying and selling of foreign currencies to service FX trade and non-trade requirements

4. DBP Issues

Product not regularly served. Can be processed upon client's request.

5. Outright FX Forward

Contractual obligation to exchange one currency against another on a pre-determined rate, amount and time.

TRUST BANKING GROUP

1. Investment Management Account (IMA)

An Investment Management Account (IMA) is an agency arrangement which enables principals to enjoy their tailor-fit portfolio based on their liquidity and growth needs. For a minimum of P5M, investment outlets they can tap include deposit products, government securities, investment grade bonds and promissory notes.

2. Employee Benefit

Institutional clients can entrust the management of their retirement funds to TBG which can manage and administer it to maximize its earnings for the benefit of their qualified employees.

3. Escrow

Assets can be held by TBG on behalf of at least two parties until the occurrence of agreed conditions / events.

4. Safekeeping

TBG can provide security for documents (ex. TCTs, securities, titles, etc.) through safekeeping and regular inventory.

5. Personal Management Trust (PMT)

The Personal Management Trust (PMT) enables clients to set aside funds for a particular purpose while having the opportunity to invest it in a suitable outlet. Minimum investment is at P3M and investment outlets include deposit products, government securities and corporate notes.

6. Directors' and Officers' Liability Fund (DOLF)

A DOLF is a trust fund intended to indemnify the directors and officers of GOCCs against the cost of litigation and liability in the course of performing their fiduciary duties and obligations.

7. Unlad Kawani Money Market Fund

Launched on September 12, 2014, the Unlad Kawani UITF is open to DBP employees with a minimum maintaining balance of P25.00. It allows its investors to access rates higher than regular term deposits.

8. Unlad Panimula Multiclass Money Market Fund (Unlad Panimula)

Launched on June 14, 2016, the Unlad Panimula UITF allows its

investors to access rates higher than regular term deposits. It is open to all individual and institutional investors.

9. Credit Surety Fund (CSF)

TBG manages funds from contributions of cooperatives, NGOs and LGUs which can serve as security for loans obtained by MSMEs in the area.

10. Special Purpose Trust (SPT)

TBG can act as Special Purpose Trust (SPT) in monetizing regular cash flow streams (e.g. real estate loan receivables) through securitization.

11. Mortgage/Collateral Trust Indenture

For corporate loans secured by a pool of assets / collateral, TBG can monitor the Borrower's compliance with the collateral requirements for and on behalf of the various lenders.

12. Facility / Loan Agency

In syndicated loans, TBG can act as an agent / intermediary between the borrower and the lenders and perform acts indicated in the relevant loan agreement. This service assures creditors that their interests are protected and provides convenience to the borrower by centralizing transactions with TBG.

13. Public Trusteeship

The Public Trustee is an agency arrangement necessary in any public issuance of an Unsecured Subordinated Debt (USD).

14. Transfer and Paying Agency

The Stock Transfer and Paying Agency handles the registration and issuance of stocks of a corporation known as the Issuer. It is tasked to pay cash or stock dividends or both, send out notices to stockholders, cancel and replace stock certificates, as requested.

WHOLESALE CREDIT FACILITY

Wholesale Credit Facility/ies made available for qualified financial institutions include the following:

1. Omnibus Line (OL)/Omnibus Facility

A multi-purpose credit accommodation, which offers clients the flexibility of credit financing in various forms/types. A sublimit may be provided for specific types for control purposes.

2. Revolving Promissory Note Line (RPNL)

Line via short-term PN with interest payable in arrears monthly or at maturity of the PN. The line is used for retail lending/direct lending.

3. Rediscounting Line Facility (RDL)

A credit facility on short-term or long-term basis offered to wholesale borrowers available for rediscounting of promissory notes of eligible sub-borrowers.

4. Term Loans

Credit transactions with a specific stipulated limit and expiry date of more than one year. It is not reusable, is liquidating in nature through a repayment program and payable in full at maturity date. Financing may either be bilateral or syndicated; may also be in the form of Bonds and Corporate Note issuances.

5. Back to Back Deals

Loans secured by placements or deposits (1:1 loans)

EXPANDED NETWORK FOR GROWTH

BRANCH BANKING

FINANCIAL CENTER

DBP Head Office, Sen. Gil Puyat corner Makati Avenue, Makati City
Email: fc@dbp.ph
Tel: (02) 815 1450; 818 9511 local 2106

METRO MANILA BRANCH BANKING GROUP

METRO MANILA GROUP
DBP Bldg., Commonwealth Ave., Diliman, Quezon City 1121
Email: mmbg@dbp.ph
Tel.: (02) 920-4889
Fax: (02) 920-4732

Alabang Branch
Unit 101 Grd Flr.
Admiralty Realty Corp.
1101 Madrigal Business Park,
Alabang-Zapote Road
Alabang, Muntinlupa City 1799
Email: alabang@dbp.ph
Tel.: (02) 552-9216 Loc. 102
Fax: (02) 552-9215

Antipolo Branch
JKM Bldg. Circumferential Road Cr., P. Oliveros St., Antipolo City 1870
Email: antipolo@dbp.ph
Tel.: (02) 661-8112
Fax: (02) 661-8113

Caloocan Branch
Units 913 & 914 Caloocan Commercial Complex (C-Cube), along 8th Avenue Corner 8th Street, Caloocan City 1403
Email: caloocan@dbp.ph
Tel.: (02) 294-0075
Fax: (02) 294-9329

Camp Aguinaldo Branch
Ground Floor
Hen. Antonio Luna Hall
Veterans Compound, Camp Emilio Aguinaldo EDSA, Quezon City 1110
Email: caguinaldo@dbp.ph
Tel.: (02) 995-0383
Fax: (02) 913-6005

Commonwealth Branch
DBP Bldg., Commonwealth Ave. Diliman, Quezon City 1121
Email: cmwealth@dbp.ph
Tel.: (02) 926-1686
Fax: (02) 920-4898

Makati-F. Zobel Branch
GF Lasala Building II, Lot 12 Block 1, F. Zobel Street, Brgy. Poblacion, Makati City 1210
Email: makati@dbp.ph
Tel.: (02) 556-1100

Mandaluyong Branch
Jo-Cel Building
29 San Roque St.
Mandaluyong City 1550
Email: mandaluyong@dbp.ph
Tel.: (02) 516-6427
Fax: (02) 576-6430

Manila Arroceros Branch
Ground Floor W. Godino Bldg.
No. 350 A. Villegas St.
Ermita, Manila 1000
Email: manila@dbp.ph
Tel.: (02) 525-8669
Fax: (02) 525-8672

Manila Nakpil Branch
1804 Leticia Bldg.
Julio Nakpil St. cor Taft Avenue,
Malate, Manila 1000
Email: nakpil@dbp.ph
Tel.: (02) 523-3412
Fax: (02) 523-2854

Marikina Branch
No. 37 cor. Dragon and
Gil Fernando Avenue
Midtown Subdivision, San Roque
Marikina City 1801
Email: marikina@dbp.ph
Tel.: (02) 477-6924
Fax: (02) 477-6925

Muntinlupa Branch
34 National Rd., Putatan
Muntinlupa City 1702
Email: muntinlupa@dbp.ph
Tel.: (02) 861-5935
Fax: (02) 861-5398

Parañaque Branch
Unit 14 & 15
G/F Aseana Power Station,
Macapagal Blvd cor Bradco Ave.
Parañaque City 1701
Email: paranaque@dbp.ph
Tel.: (02) 519-0645
Fax: (02) 478-6783

Pasay Branch
Centro Buendia Building,
Sen. Gil Puyat Cor. Tramo St.
Pasay City 1303
Email: pasay@dbp.ph
Tel.: (02) 219-5066

Pasig Branch
Pacific Center Building
Unit 102 No. 33 San Miguel Avenue, Ortigas Center,
Pasig City 1600
Email: pasig@dbp.ph
Tel.: (02) 576-6274
Fax: (02) 576-6272

Quezon Avenue Branch
Ground Floor, RR7 BIR Bldg.
Cor. Sct. Santiago St. and
Quezon Ave., Quezon City 1104
Email: quezonave@dbp.ph
Tel.: (02) 371-2308
Fax: (02) 371-2395

Quezon City Branch
Ground Floor, Medical Arts Bldg.
Phil. Heart Center for Asia
East Avenue, Quezon City 1104
Email: quezoncity@dbp.ph
Tel.: (02) 928-6188
Fax: (02) 928-0120

San Juan Branch
Unit GF-1 Harmonia Center
Ortigas Avenue, Greenhills West
San Juan City 1500
Email: sanjuan@dbp.ph
Tel.: (02) 621-9803
Fax: (02) 621-9813

Taguig Branch
G/F Unit 5, The Trade &
Financial Tower, 7th Avenue
corner 32nd Street
Bonifacio Global City,
Taguig 1630
Email: taguig@dbp.ph
Tel.: (02) 478-6905
Fax: (02) 478-6906

Taguig Tuktukan Branch
BSJE Building,
No. 9 Gen. Luna Street,
Barangay Tuktukan,
Taguig City 1637
Email: taguig-tuktukan@dbp.ph
Tel.: (02) 532-7661
Fax: (02) 532-7667

NORTHERN LUZON BRANCH BANKING GROUP

NORTHERN LUZON GROUP
Session Road cor. Perfecto St.,
Baguio City 2600
Email: bbg-nl@dbp.ph
Tel.: (074) 442-5308

Aparri Branch
DBP Building, Maharlika Highway, Macanaya District,
Aparri, Cagayan 3515
Email: aparri@dbp.ph
Tel.: (078) 888-2066
Fax: (078) 888-2066

Baguio Branch
Session Road cor. Perfecto St.,
Baguio City 2600
Email: baguio@dbp.ph
Tel.: (074) 442-5305
Fax: (074) 442-5307

Bangui Branch
Legislative Bldg.,
Brgy. San Lorenzo, Bangui,
Ilocos Norte 2920
Email: bangui@dbp.ph
Tel.: (02) 401-6568

Cabarroguis Branch
First Floor, Provincial Capitol Commercial Building,
Capitol Hills, San Marcos,
Cabarroguis, Quirino 3400
Email: cabarroguis@dbp.ph
Tel.: (0917) 700-5045

Dagupan Branch
M. H. del Pilar St., Dagupan City,
Pangasinan 2400
Email: dagupan@dbp.ph
Tel.: (075) 522-0986
Fax: (075) 522-2696

Ilagan Branch
Ground Floor, DBP Building,
Maharlika Highway corner
Arranz Street, Osmena,
City of Ilagan, Isabela 3300
Email: ilagan@dbp.ph
Tel.: (078) 624-2145
Fax: (078) 624-2145

Lal-Lo Branch
Solomon Hotel, Brgy. Magapit
Lal-Lo, Cagayan 3509
Email: lal-lo@dbp.ph
Tel.: (078) 377-0947
Fax: (078) 377-0947

Laoag Branch
A.G. Tupaz Ave.
Laoag City, Ilocos Norte 2900
Email: laoag@dbp.ph
Tel.: (077) 772-0234
Fax: (077) 772-1503

San Fernando, La Union Branch
Lueco Bldg II, Quezon Ave.
San Fernando, La Union 2500
Email: sfdo@dbp.ph
Tel.: (072) 700-0101
Fax: (072) 242-1049

Santiago Branch
Purok 7, Maharlika Highway,
Villasis, Santiago City,
Isabela 3311
Email: santiago@dbp.ph
Tel.: (078) 305-0916
Fax: (078) 305-0905

Solano Branch
DBP Building, Burgos Street,
Quezon, Solano,
Nueva Vizcaya 3709
Email: solano@dbp.ph
Tel.: (078) 326-6087
Fax: (078) 326-6087

Tabuk Branch
DBP Building, Provincial Road,
Dagupan Centro, Tabuk City,
Kalinga 3800
Email: tabuk@dbp.ph

Tuguegarao Branch
DBP Building, Burgos Street
corner Arellano Street,
Centro, Tuguegarao City,
Cagayan 3500
Email: tuguegarao@dbp.ph
Tel.: (078) 844-1957

Tuguegarao Rgc Branch
Enrile Boulevard Carig Sur,
Tuguegarao City, Cagayan 3500
Email: tuguegaraorgc@dbp.ph
Tel.: (078) 377-1044

Vigan Branch
 L. Florentino St., Vigan City
 Ilocos Sur 2700
 Email: vigan@dbp.ph
 Tel.: (077) 674-2502
 Fax: (077) 674-2501

Cabugao Branch-Lite Unit
 National Highway, Brgy. Rizal,
 Cabugao, Ilocos Sur 2372
 Email: cabugao@dbp.ph
 Tel.: (077) 604-1151
 Fax: (077) 604-1152

Naguillan Branch-Lite Unit
 Barangay Ortiz, Naguillan,
 La Union 2511
 Email: naguillan@dbp.ph
 Tel.: (072) 888-0620

Tumauini Branch-Lite Unit
 National Highway,
 Brgy. Maligaya, Tumauini,
 Isabela 3325
 Email: tumauini@dbp.ph

CENTRAL LUZON BRANCH BANKING GROUP

CENTRAL LUZON GROUP
 2/F Doña Isa Fel Bldg.
 Dolores McArthur Highway
 City of San Fernando,
 Pampanga 2000
 Email: bbg-cl@dbp.ph
 Tel.: (045) 961-0003
 Fax: (045) 963-1231

Balanga Branch
 Don Manuel Banzon Ave.
 Balanga, Bataan 2100
 Email: balanga@dbp.ph
 Tel.: (047) 237-6654
 Fax: (047) 237-2073

Baler Branch
 National Highway,
 Brgy. Suklayin
 Baler, Aurora Province 3200
 Email: baler@dbp.ph
 Tel.: (042) 722-0065

Cabanatuan Branch
 Burgos Ave., cor Gabaldon St.
 Cabanatuan City,
 Nueva Ecija 3100
 Email: cabanatuan@dbp.ph
 Tel.: (044) 463-1252
 Fax: (044) 464-3536

Clark Branch
 Pavillion 1, Berthaphil III
 Clark Center
 Jose Abad Santos Avenue
 Clark Freeport Zone 2023
 Email: clark@dbp.ph
 Tel.: (045) 499-1650 or 51
 Fax: (045) 499-1652

Guagua Branch
 Mary the Queen Building,
 San Matias, Guagua,
 Pampanga 2003
 Email: guagua@dbp.ph
 Tel.: (045) 432-0098

Malolos Branch
 Paseo Del Congreso,
 Brgy. Catmon,
 City of Malolos, Bulacan 3000
 Email: malolos@dbp.ph
 Tel.: (044) 796-0325
 Fax: (044) 796-0324

Palayan Branch
 Provincial Capitol Compound,
 Barangay Singalat, Palayan City,
 Nueva Ecija 3132
 Email: palayan@dbp.ph
 Tel.: (044)-463-0151

San Fernando Pampanga Branch
 Dona Isa Fel Bldg. Dolores
 McArthur Highway
 City of San Fernando,
 Pampanga 2000
 Email: sanfernando-pampanga@
 dbp.ph
 Tel.: (045) 961-8059
 Fax: (045) 961-5845

Subic Branch
 G/F Hee-Mang Bldg, Lot 3
 Greenwoods Park, CBD Area
 Subic Bay Freeport Zone 2222
 Email: subic@dbp.ph
 Tel.: (047) 252-3093
 Fax: (047) 252-3090

Tarlac Branch
 Macabulos Drive
 Tarlac, Tarlac 2300
 Email: tarlac@dbp.ph
 Tel.: (045) 982-6024
 Fax: (045) 982-0885

Valenzuela Branch
 253-A McArthur Hiway
 Karuhatan, Valenzuela City 1441
 Email: valenzuela@dbp.ph
 Tel.: (02) 294-9823
 Fax: (02) 294-9906

San Jose Del Monte Branch-Lite Unit
 St. Vivian's Plaza,
 M. Villarica Rd. Muzon,
 City of San Jose Del Monte,
 Bulacan 3023
 Email: sanjosedelmonte@dbp.ph

SOUTHERN LUZON BRANCH BANKING GROUP

SOUTHERN LUZON GROUP
 2nd Flr. DBP Bldg. Merchan St.,
 Lucena City, 4301
 Email: slbg@dbp.ph
 Tel.: (042) 373-0190

Bacoor Branch
 Unit 2 Sidcor Bldg. Molino Blvd.,
 Bayanan, Bacoor City,
 Cavite 4102
 Email: bacoor@dbp.ph
 Tel.: (046) 435-0442
 Fax: (046) 435-0445

Batangas City Branch
 Sambat, Kumintang Ibaba,
 Batangas City 4200
 Email: batangas@dbp.ph
 Tel.: (043) 702-3400
 Fax: (043) 702-3378

Calapan Branch
 Roxas Dr., Sto. Nino
 Calapan City,
 Oriental Mindoro 5200
 Email: calapan@dbp.ph
 Tel.: (043) 288-4399
 Fax: (043) 441-0217

Dasmariñas Branch
 Km. 30 E.Aguinaldo Highway,
 Dasmariñas, Cavite 4114
 Email: dasmarina@dbp.ph
 Tel.: (046) 416-1389
 Fax: (046) 416-1390

Lipa Branch
 No. 2 C.M. Recto Ave.
 Lipa City, Batangas 4217
 Email: lipa@dbp.ph
 Tel.: (043) 756-4216
 Fax: (043) 756-4217

Lucena Branch
 Merchan St. Lucena City 4301
 Email: lucena@dbp.ph
 Tel.: (042) 373-0190
 Fax: (042) 373-0134

Puerto Princesa Branch
 GF Empire Suites Hotel.,
 Rizal Avenue, Puerto Princesa
 City , Palawan 5300
 Email: ptoprincesa@dbp.ph
 Tel.: (048) 433-2358
 Fax: (048) 433-2538

Romblon Branch
 Zaragoza St., Capaclar,
 Romblon, Romblon 5500
 Email: romblon@dbp.ph
 Tel.: 0917-8391916

San Jose Branch
 Rizal St. cor. Quirino St.
 San Jose, Occ. Mindoro 5100
 Email: sanjose@dbp.ph
 Tel.: (043) 491-2073

Sta. Cruz (Laguna) Branch
 A. Bonifacio cor. F. Sario Sts.,
 Poblacion IV, Sta. Cruz,
 Laguna 4009
 Email: stacruz@dbp.ph
 Tel.: (049) 501-5142
 Fax: (049) 501-5132

Sta. Rosa Branch
 Maerix Terrace Bldg., Rizal Blvd.
 Brgy. Tagapo, City of Santa Rosa
 Laguna 4026
 Email: starosa@dbp.ph
 Tel.: (049) 534-2821
 Fax: (049) 534-2820

Taytay-Palawan Branch
 Ground Floor RIKC Building
 corner Sto. Domingo Street &
 National Highway, Poblacion,
 Taytay, Palawan 5312
 Email: taytay-palawan@dbp.ph
 Tel.: (048) 244-2087

Tayabas Branch-Lite Unit
 46 Nadera St. San Diego Zone 1
 Tayabas City,
 Quezon Province 4301
 Email: lrlorica@dbp.ph

BICOL BRANCH BANKING GROUP

BICOL GROUP
 2F DBP Building Panganiban
 Drive Naga City 4400
 Email: bbg-bicol@dbp.ph
 Tel.: (054) 472-4728
 Fax: (054) 472-4727

Daet Branch
 Magallanes Iraya St.
 Daet, Camarines Norte 4600
 Email: daet@dbp.ph
 Tel.: (054) 440-0762

Guinobatan Branch
 SB Building, Rizal Street,
 Guinobatan, Albay 4503
 Email: guinobatan@dbp.ph
 Tel.: (052) 826-0284

Iriga Branch
 Groud Flr. LRDC Building,
 Msgr. Lanuza St., San Francisco,
 Iriga City 4431
 Email: iriga@dbp.ph
 Tel.: (054) 299-7570
 Fax: (054) 881-7364

Legazpi Branch
 Quezon Ave., Legazpi City 4500
 Email: legazpi@dbp.ph
 Tel.: (052) 480-7843
 Fax: (052) 480-7081

Masbate Branch
 Cor. Danao & Mabini Sts.
 Brgy Bapor, Masbate City,
 Masbate 5400
 Email: masbate@dbp.ph
 Tel.: (056) 333-2947
 Fax: (056) 333-2236

Naga Branch
 Panganiban Drive
 Naga City 4400
 Email: naga@dbp.ph
 Tel.: (054) 472-0641
 Fax: (054) 472-4766

Placer Branch
 Corner Avenido & Balangawan
 Streets, Centro Placer,
 Masbate 5408
 Email: placer@dbp.ph

Sorsogon Branch
 ACM Bldg., Cor. Burgos
 & Rizal Sts. Sorsogon City 4700
 Email: sorsogon@dbp.ph
 Tel.: (056) 421-6876
 Fax: (056) 421-6876

Virac Branch
 Old Capitol Bldg.
 Rizal Avenue cor. Eustaquio St.,
 Sta. Elena, Virac,
 Catanduanes 4800
 Email: virac@dbp.ph

CENTRAL & EASTERN VISAYAS BRANCH BANKING GROUP

EASTERN VISAYAS GROUP
 Ground Floor, DBP Bldg.,
 Osmeña Blvd. Cebu City 6000
 Email: bbg-cev@dbp.ph
 Tel.: (032) 412-3505
 Fax: (032) 255-6325

Bogo Branch
 Martinez Bldg. cor. Sor D. Rubio
 & San Vicente Sts., Bogo City
 Cebu 6010
 Email: bogo@dbp.ph
 Tel.: (032) 251-2241
 Fax: (032) 251-2241

Borongan Branch
 E. Cinco St., Brgy. C
 Borongan City,
 Eastern Samar 6800
 Email: borongan@dbp.ph
 Tel.: (055) 560-9080
 Fax: (055) 560-9080

Carcar Branch
 Awayan, Poblacion III,
 Carcar City, Cebu 6090
 Email: carcar@dbp.ph
 Tel.: (032) 487-7038
 Fax: (032) 487-7138

Catarman Branch
 390 J.P. Rizal St.
 Barangay Lapu-Lapu
 Catarman, Northern Samar 6400
 Email: catarman@dbp.ph
 Tel.: (055) 500-9065
 Fax: (055) 251-8615

Catbalogan Branch
 G/F Tia Anita's Commercial,
 Mabini St., Catbalogan City,
 Samar 6700
 Email: catbalogan@dbp.ph
 Tel.: (055) 251-2046
 Fax: (055) 251-2687

Cebu Branch
 Osmeña Boulevard
 Cebu City 6000
 Email: cebu@dbp.ph
 Tel.: (032) 412-3423
 Fax: (032) 253-7988

Dolores Branch
 LGU Dolores Building. Cor.
 Real & San Jose Streets,
 Barangay 10, Dolores,
 Eastern Samar 6817
 Email: dolores@dbp.ph

Maasin Branch
 RK Kangleon St.
 Tunga-Tunga, Maasin City
 Southern Leyte 6600
 Email: maasin@dbp.ph
 Tel.: (053) 381-2084
 Fax: (053) 570-9954

Mandaue Branch
 Bridges Town Square
 Plaridel St., Brgy. Alang-Alang
 Mandaue City 6014
 Email: mandaue@dbp.ph
 Tel.: (032) 344-4992
 Fax: (032) 344-4993

Ormoc Branch
 G/F WLC Bldg., Lopez Jaena St.
 Ormoc City, Leyte 6541
 Email: ormoc@dbp.ph
 Tel.: (053) 561-6017
 Fax: (053) 561-6017

Tacloban Branch
 Cor. Zamora & Paterno Sts.
 Tacloban City, Leyte 6500
 Email: tacloban@dbp.ph
 Tel.: (053) 523-0094
 Fax: (053) 325-5996

Tagbilaran Branch
 DBP Bldg.
 0533 Carlos P. Garcia Ave.,
 North Tagbilaran City 6300
 Email: tagbilaran@dbp.ph
 Tel.: (038) 412-3103
 Fax: (038) 412-4033

Talisay Branch
 South Coast Center
 Linao, Talisay City,
 Cebu 6045
 Email: talisay@dbp.ph
 Tel.: (032) 516-0459

Toledo Branch
 Barcenas Bldg., Poloyapoy St.,
 Poblacion, Toledo City 6038
 Email: toledo@dbp.ph
 Tel.: (032) 367-7313
 Fax: (032) 367-7314

Tubigon Branch
 Holy Cross Academy Bldg.
 Poblacion, Tubigon 6329
 Bohol
 Email: tubigon@dbp.ph
 Tel.: (038) 508-8683
 Fax: (038) 508-8684

Ubay Branch
 Cornelio Uy Bldg.
 Poblacion, Ubay 6315
 Bohol
 Email: ubay@dbp.ph
 Tel.: (038)-518-8861
 Fax: (038)-518-8862

Naga-Cebu Branch-Lite Unit
 Unit 32 & 39, Naga People's
 Market, N. Bacalso,
 South National High Way,
 Naga City, Cebu 6037
 Tel.: (032) 516-0459

WESTERN VISAYAS BRANCH BANKING GROUP

WESTERN VISAYAS GROUP
 Mezzanine Floor, DBP Bldg.
 Cor. South Capitol Road and
 Lacson Sts. Bacolod City 6100
 Email: bbg-wv@dbp.ph
 Tel.: (034) 433-4284
 Fax: (034) 709-6094

Antique Branch
 AVP Bldg., T. A. Fornier St.
 San Jose, Antique 5700
 Email: antique@dbp.ph
 Tel.: (036) 540-9993
 Fax: (036) 540-7848

Bacolod Branch
 Cor. South Capitol Road
 and Lacson Sts.
 Bacolod City 6100
 Email: bacolod@dbp.ph
 Tel.: (034) 433-4283
 (034) 433-2303

Dumaguete Branch
 Rizal Blvd. Dumaguete City 6200
 Email: dumaguete@dbp.ph
 Tel.: (035) 225-4723
 Fax: (035) 225-5919

Iloilo Branch
 I. de la Rama St., Iloilo City 5000
 Email: iloilo@dbp.ph
 Tel.: (033) 336-2092
 Fax: (033) 337-2224

Jaro Branch
 E. Lopez St., Iloilo City 5000
 Email: jaro@dbp.ph
 Tel.: (033) 508-8900
 Fax: (033) 329-5233

Kabankalan Branch
 Cor. Lirazan & Bonifacio Sts.
 Kabankalan City 6111
 Email: kabankalan@dbp.ph
 Tel.: (034) 471-3170
 Fax: (034) 471-2402

Kalibo Branch
 DBP Bldg. Capitol Site
 Kalibo, Aklan 5600
 Email: kalibo@dbp.ph
 Tel.: (036) 268-5126
 Fax: (036) 268-5792

Pototan Branch
 Milagros Building,
 RY Ladrido Street
 San Jose Ward, Pototan,
 Iloilo 5008
 Email: pototan@dbp.ph
 Tel: (033) 332-1485
 Fax: (033) 332-1485

Roxas Branch
 Ground Floor, Capiz
 Government Business Center
 Provincial Park, Roxas City 5800
 Email: roxas@dbp.ph
 Tel.: (036) 621-5096
 Fax: (036) 621-2438

San Carlos Branch
 F. C. Ledesma Avenue
 San Carlos City, Negros
 Occidental 6127
 Email: sancarlos@dbp.ph
 Tel.: (034) 312-5591
 Fax: (034) 312-5158

Siquijor Branch
 Mabini St., Poblacion Siquijor,
 Siquijor 6225
 Email: siquijor@dbp.ph
 Tel.: (035) 480-9761
 Fax: (035) 480-9761

Siaton Branch Lite Unit
 Brgy. Poblacion I,
 Municipality of Siaton,
 Negros Oriental 6219
 Email: siaton@dbp.ph
 Tel.: (035) 527-3539

NORTHERN MINDANAO BRANCH BANKING GROUP

NORTHERN MINDANAO GROUP
 3rd Floor DBP Bldg.
 Corrales Ave. cor. Tirso Neri St.
 Cagayan de Oro City 9000
 Email: nmbg@dbp.ph
 Tel.: (088) 857-2087
 818-9511 loc. 1940

Butuan Branch
 J. C. Aquino Ave. cor.
 J. Rosales Ave.
 Butuan City 8600
 Email: butuan@dbp.ph
 Tel: (085) 815-3827
 Fax: (085) 815-3826

Bayugan Branch-Lite Unit
 Kim Lope A. Asis Gymnasium
 Poblacion, Bayugan City,
 Agusan del Sur, 8502
 Email: bayugan@dbp.ph
 Tel.: (085) 830-5893

Cagayan De Oro Branch
 DBP Bldg.
 Corrales Ave. cor. Tirso Neri St.
 Cagayan de Oro City 9000
 Email: cagayandeoro@dbp.ph
 Tel: (08822) 722-649
 Fax: (088) 856-4517

Capistrano-CDO Branch
 Capistrano cor. J. R. Borja Sts.
 Cagayan de Oro City 9000
 Email: capistrano-cdo@dbp.ph
 Tel: (088) 856-6154
 Fax: (088) 856-7776

Claver Branch
 Clarin Street, Tayaga, Claver,
 Surigao del Norte 8410
 Email: claver@dbp.ph
 Tel.: (02) 359-9746

Iligan Branch
 Picardal Road, Mahayahay
 Iligan City 9200
 Email: iligan@dbp.ph
 Tel.: (063) 221-2858
 Fax: (063) 221-3124

Malaybalay Branch
 Bonifacio Drive
 Caul, Malaybalay City 8700
 Email: malaybalay@dbp.ph
 Tel.: (088) 813-3831
 Fax: (088) 813-3682

Mangagoy Branch
 Saren Bldg., Espiritu St.
 Mangagoy, Bislig City 8311
 Email: mangagoy@dbp.ph
 Tel.: (086) 853-5044
 Fax: (086) 853-2245

San Francisco Branch
 Orange St. cor. Rotunda
 San Francisco,
 Agusan del Sur 8501
 Email: sanfrancisco@dbp.ph
 Tel.: (085) 839-0436
 Fax: (085) 839-0439

San Jose-Dinagat Branch
 P-7 Poblacion, San Jose,
 Dinagat Island 8412
 Email: sanjosedinagat@dbp.ph
 Tel.: (02) 359-9541

Siargao Branch
 Sto. Niño cor. Mabini Street,
 Brgy 9, Dapa, Surigao
 del Norte 8417
 Email: siargao@dbp.ph
 Tel.: (02) 359-9548

Surigao Branch
 Narciso St., Surigao City 8400
 Email: surigao@dbp.ph
 Tel.: (086) 826-0289
 Fax: (086) 826-1118

Tandag Branch
 Purok Napo,
 Brgy. Bagong Lungsod,
 Tandag City,
 Surigao Del Sur 8300
 Email: tandag@dbp.ph
 Tel.: (086)-211-5801
 Fax: (086)-211-5803

Trento Branch
 Poblacion, Along National
 HighWay Trento
 Agusan Del Sur 8505
 Email: trento@dbp.ph
 Tel.: (085)-255-2057
 Fax: (085)-255-2969

Valencia Branch
 Tamay Lang Park Lane
 G. Laviña Avenue, Poblacion
 Valencia City, Bukidnon
 Email: valencia@dbp.ph
 Tel.: (088) 828-3316

Villanueva Branch
 National Highway
 Barangay Katipunan, Villanueva
 Misamis Oriental 9002
 Email: villanueva@dbp.ph
 Tel.: (088) 890-4761

SOUTHERN MINDANAO BRANCH BANKING GROUP

**SOUTHERN MINDANAO
GROUP**
 Roxas Ave.,
 General Santos City 9500
 Email: bbg-sm@dbp.ph
 Tel.: (082) 552-2953
 Fax: (083) 552-1488

Cotabato Branch
 Don Rufino Alonzo St.
 Cotabato City 9600
 Email: cofabato@dbp.ph
 Tel.: (064) 421-2367
 Fax: (064) 421-8216

Davao Branch
 DBP Bldg., C. M. Recto Ave.
 Davao City 8000
 Email: davao@dbp.ph
 Tel.: (082) 227-7285
 Fax: (082) 221-2572

Digos Branch
 DBP Bldg., Quezon Ave.
 Digos City 8002
 Email: digos@dbp.ph
 Tel.: (082) 553-2933
 Fax: (082) 553-3943

General Santos Branch
 Roxas Avenue,
 General Santos City 9500
 Email: gensan@dbp.ph
 Tel.: (083) 554-7821
 Fax: (083) 552-4514

Kidapawan Branch
 DBP Bldg., Quezon Blvd.
 corner J.P. Laurel Sts.
 Kidapawan City 9400
 Email: kidapawan@dbp.ph
 Tel.: (064) 577-1450
 Fax: (064) 577-1581

Marbel Branch
 Alunan Avenue,
 Koronadal City 9506
 Email: marbel@dbp.ph
 Tel.: (083) 228-2429
 Fax: (083) 228-3667

Mati Branch
 DBP Bldg., Limatoc St.
 Mati City 8200
 Email: mati@dbp.ph
 Tel.: (087) 388-3489
 Fax: (087) 388-3911

Polomolok Branch
 National Highway
 corner Juan Bayan,
 Barangay Magsaysay,
 Polomolok,
 South Cotabato 9504
 Email: polomolok@dbp.ph
 Tel.: (083) 553-1567

**Sta. Cruz ,
Davao Del Sur Branch**
 Stall No. 1 Sta Cruz Public
 Market, Poblacion, Zone III,
 Sta. Cruz, Davao del Sur
 Email: stacruzdavao@dbp.ph
 Tel.: (082) 286-1925

Tacurong Branch
 National Highway cor.
 Del Corro Sts.
 Tacurong City 9800
 Email: tacurong@dbp.ph
 Tel.: (064) 200-3485
 Fax: (064) 200-3060

Tagum Branch
 DBP Bldg., Apokon Road
 Tagum City 8100
 Email: tagum@dbp.ph
 Tel.: (084) 216-7097
 Fax: (084) 655-9287

Banga Branch-lite Unit
 Banga, Display Center
 Banga Municipality, Compound,
 Quezon Avenue, Poblacion
 Banga, South Cotabato 9511
 Email: bang@dbp.ph
 Tel.: (083) 239-1338
 Fax: (083) 239-1339

M'lang Branch-lite Unit
 1st Floor Brgy. Hall Building,
 Magsaysay Street,
 Brgy. Poblacion, Mlang,
 North Cotabato 9402
 Email: mlang@dbp.ph

WESTERN MINDANAO BRANCH BANKING GROUP

WESTERN MINDANAO GROUP
 Don P. Lorenzo St. (Port Area)
 Zamboanga City 7000
 Email: wmbg@dbp.ph
 Tel.: 062-992-7365

Basilan Branch
 J. S. Alano St., Isabel City,
 Basilan 7300
 Email: basilan@dbp.ph

Dipolog Branch
 National Highway, Turno,
 Dipolog City 7100
 Email: dipolog@dbp.ph
 Tel.: (065) 212-3404
 Fax: (065) 212-4290

Ipil Branch
 Corner Succang Avenue
 & Gethsemane St., Ipil,
 Zamboanga Sibugay 7001
 Email: ipil@dbp.ph
 Tel.: (062) 333-2279
 Fax: (062) 333-2279

Jolo Branch
 Gen. Arrola St. cor. Buyon St.
 Jolo, Sulu 7400
 Email: jolo@dbp.ph
 Tel.: (085) 341-8911
 Fax: 818-9511 loc 1982

Ozamis Branch
 Burgos cor. Zamora Sts.
 Ozamis City 7200
 Email: ozamis@dbp.ph
 Tel.: (088) 521-0027
 Fax: (088) 521-0032

Pagadian Branch
 Rizal Avenue,
 Balangasan District
 Pagadian City 7016
 Email: pagadian@dbp.ph
 Tel.: (062) 214-1448
 Fax: (062) 214-1450

Zamboanga Branch
 DBP Bldg., Don Pablo
 Lorenzo St. (Port Area) 7000
 Email: zamboanga@dbp.ph
 Tel.: (062) 992-7366
 Fax: (062) 991-2617

Zamboecozone Branch
 Zamboanga Ecozone,
 Sitio San Ramon, Talisayan,
 Zamboanga City 7000
 Email: zamboecozone@dbp.ph
 Tel.: (062) 983-0413

DEVELOPMENT LENDING

HEAD OFFICE
 3/F DBP Building,
 Sen. Gil J. Puyat Ave. corner
 Makati Avenue, Makati City
 Email: dlssector@dbp.ph
 Tel.: (02) 848-1958

Corporate Banking Group
 Email: cbg@dbp.ph Tel.:
 (02) 812-6536

Corporate Banking I Department
 Email: cbd1@dbp.ph
 Tel.: (02) 893-8940

Corporate Banking II Department
 Email: cbd2@dbp.ph
 Tel.: (02) 892-8369

Public Sector Department
 Email: psd@dbp.ph
 Tel.: (02) 828 6319
 Fax: (02) 815-1520

Financial Institutions Department
 Email: fid@dbp.ph
 Tel.: (02) 810-0340
 Fax: (02) 815-2269

SME Retail & Middle Market Group
 Email: smermmlg@dbp.ph
 Tel.: (02) 815-1611
 Fax: (02) 815-1611

Middle Market I Department
 Email: mm1@dbp.ph
 Tel.: (02) 815-1611
 Fax: (02) 815-1611

Middle Market II Department
 Email: mm2@dbp.ph
 Tel.: (02) 815-1611
 Fax: (02) 815-1611

SME - NCR Department
 Email: smed@dbp.ph
 Tel.: (02) 840-0735

**NORTH & CENTRAL LUZON
LENDING GROUP**
 2nd Floor DBP Building, Paseo
 del Congreso, Brgy. Catmon,
 City of Malolos, Bulacan
 Email: nc-lg@dbp.ph
 Tel.: (044) 796-0325

Bulacan Lending Center
 2nd Floor DBP Building, Paseo
 del Congreso, Brgy. Catmon,
 City of Malolos, Bulacan
 Email: bulacan-lc@dbp.ph
 Tel.: (044) 796-0325

Benguet Lending Center
 2/F DBP Building, Session Road
 corner Perfecto Street, Baguio
 City 2600
 Email: benguet-lc@dbp.ph
 Tel.: (074) 442-7109

Ilocos Norte Lending Center
 DBP Building, A.G. Tupaz
 Avenue Laoag City,
 Ilocos Norte 2900 Email:
 ilocos-lc@dbp.ph
 Tel.: (02) 401-6571;
 (02) 401-6568

Cagayan Lending Center
 2/F DBP Building, Maharlika
 Highway corner Arranz Street
 Osmeña, Ilagan City, Isabela
 Email: cagayan-lc@dbp.ph
 Tel.: (378) 323-1482

Nueva Ecija Lending Center
 Burgos Avenue corner
 Gabaldon Street,
 Cabanatuan City,
 Nueva Ecija 3100
 Email: nuevaecija-lc@dbp.ph
 Tel.: (044) 464-3536

SOUTH LUZON LENDING GROUP

2/F DBP Building, Merchant Street, Lucena City 4300
Email: sllg@dbp.ph
Tel.: (042) 373-1917
Fax: (042) 373-4404;
(042) 373-4274

Quezon Lending Center
2/F DBP Building, Merchant Street, Lucena City 4300
Email: quezon-lc@dbp.ph
Tel.: (042) 373-4404
Fax: (042) 373-4404;
(042) 373-4274

Cavite Lending Center
2/F DBP Building, KM 3 E. Aguinaldo Highway, Dasmariñas, Cavite 4114
Email: cavite-lc@dbp.ph
Tel.: (046) 416-1389
Fax: (046) 416-1389

Mindoro Lending Center
G/F DBP Building, Roxas Dr. Sto. Niño Calapan City, Oriental Mindoro 5200
Email: mindoro-lc@dbp.ph
Tel.: (043) 288-4399
Fax: (043) 288-4399

Camarines Sur Lending Center
2/F DBP Building, Panganiban Drive, Naga City 4400
Email: camsur-lc@dbp.ph
Tel.: (054) 472-4728
Fax: (054) 472-4728;
(054) 472-4727

Albay Lending Center
G/F DBP Building, Quezon Avenue, Legaspi City 4500
Email: albay-lc@dbp.ph
Tel.: (052) 480-7843
Fax: (052) 480-7843

VISAYAS LENDING GROUP

Osmeña Blvd., Cebu City 600
Email: v-lg@dbp.ph
Tel.: (032) 255-6312;
(032) 255-6323-24
Fax: (032) 255-6323

Cebu Lending Center
Osmeña Blvd., Cebu City 600
Email: cebu-lc@dbp.ph
Tel.: (032) 255-6312;
(032) 255-6323-24
Fax: (032) 255-6323

Bohol Lending Center
G/F DBP Building, 0533 Carlos P. Garcia North Avenue, Booy District, Tagbilaran City 6300
Email: bohol-lc@dbp.ph
Tel.: (038) 411-2714-15

Leyte Lending Center
2/F DBP Building, corner Zamora & Paterno Streets, Tacloban City, Leyte 6500
Email: leyte-lc@dbp.ph
Tel.: (053) 325-2959;
(053) 325-2961-62

Negros Occidental Lending Center
Mezzanine Floor, DBP Bldg, Corner South Capitol Road and Lacson Streets, Bacolod City 6100
Email: negrosoccidental-lc@dbp.ph
Tel.: (034) 434-9377

Panay Lending Center
Iloilo, Jaro, Kalibo, Antique, Roxas, Pototan G/F DBP Building, I. Dela Rama Street, Iloilo City 5000
Email: panay-lc@dbp.ph
Tel.: (033) 509-9509

SOUTHERN & WESTERN MINDANAO LENDING GROUP

2/F DBP Building, C.M. Recto Avenue, Davao City 8000
Email: swm-lg@dbp.ph
Tel.: (082) 222-3477;
Fax: (082) 227-2891

Davao del Sur Lending Center
2/F DBP Building, C.M. Recto Avenue, Davao City 8000
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Tel.: (082) 222-3477
Fax: (082) 227-2891

Davao del Norte Lending Center
DBP Building, Apokon Road, Tagum City 8100
Email: davaodelnorte-lc@dbp.ph
Tel.: (084) 216-7096;

South Cotabato Lending Center
3/F DBP Building, Roxas Avenue, General Santos City 9500
Email: southcotabato-lc@dbp.ph
Tel.: (083) 552-2328

Zamboanga del Sur Lending Center
2/F DBP Bldg., Don Pablo Lorenzo St. (Port Area), Zamboanga City 7000
Email: zamboanga-lc@dbp.ph
Tel.: (062) 991-1316

NORTHERN MINDANAO LENDING GROUP

2nd Floor DBP Building, J.C. Aquino Avenue corner J. Rosales Avenue, Butuan City 8600
Email: nm-lg@dbp.ph
Tel.: (085) 341-5136

Misamis Oriental Lending Center
2nd Floor DBP Building, Corrales Avenue corner Tirso Neri Street, Cagayan de Oro City 9000
Email: misamisoriental-lc@dbp.ph
Tel.: (088) 881-6273

Agusan del Norte Lending Center
2nd Floor DBP Building, J.C. Aquino Avenue corner J. Rosales Avenue, Butuan City 8600
Email: agusandelnorte-lc@dbp.ph
Tel.: (085) 341-5136

Lanao del Norte Lending Center
Ground Floor DBP Building, Picardal Road, Mahayahay, Iligan City 9200
Email: lanaodelnorte-lc@dbp.ph
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