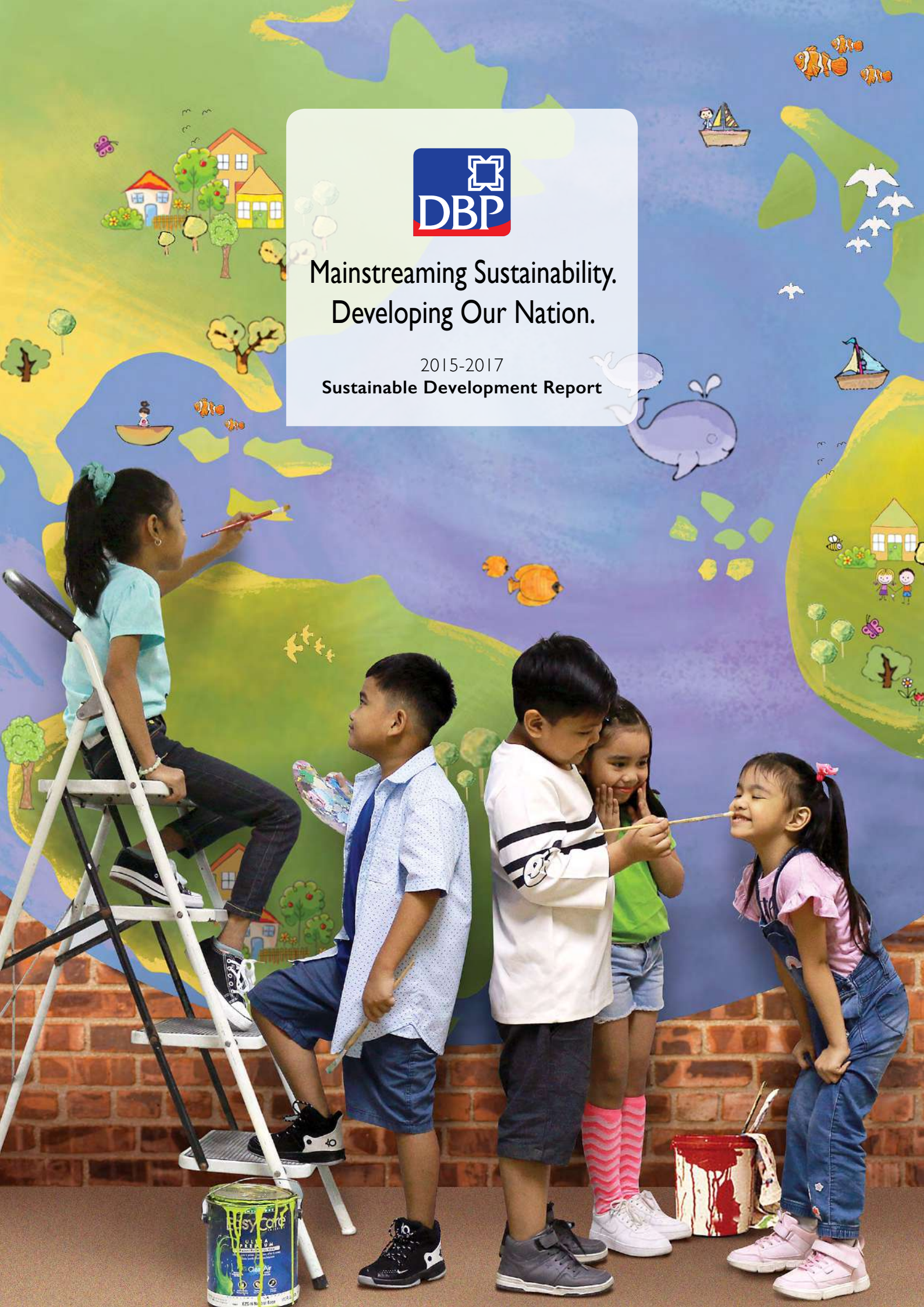




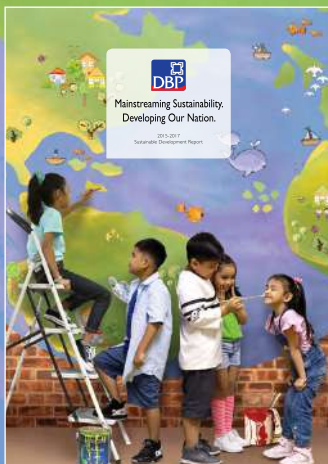
Mainstreaming Sustainability. Developing Our Nation.

2015-2017
Sustainable Development Report



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About the Cover

The cover portrays an ideal world as painted by five young children – an environment with clean air, crystal clear water, and a colorful life in vibrant hues – thanks to the sustainability initiatives of the generation before them.

The Development Bank of the Philippines (DBP) endeavors to be a “bank for the environment” through its programs and projects that improve and help conserve the Philippines’ natural resources. This is part of the Bank’s commitment to the global advocacy for sustainable development.

“Mainstreaming Sustainability, Developing our Nation.” is DBP’s consolidated sustainable development report (SDR) for the years 2015 to 2017. It highlights the Bank’s achievements and ongoing endeavors in the areas of profit, people, and planet.

About this Report

DBP has been voluntarily disclosing its sustainability performance since 2008, guided by the Global Reporting Initiative (GRI) framework and a goal to provide stakeholders a clear, accurate, and balanced view of the Bank's overall performance.

"Mainstreaming Sustainability. Developing Our Nation" is DBP's 7th Sustainable Development Report (SDR) and showcases the Bank's continuous commitment to uphold the principles of transparency and accountability.

This report covers the Bank's performance across three years: 2015, 2016, and 2017.

Through this report, DBP also transitions to the latest GRI Standards framework and reports in accordance with the GRI Standards "Core" option.

This report covers activities that are material to DBP's key stakeholders such as Bank clients (depositors and borrowers), funding agencies, banks and other financial institutions, employees (officers and rank and file), government agencies (National Government and Local Government Units),

professional development organizations, accreditation companies, suppliers, and Corporate Social Responsibility (CSR) beneficiaries. Recognizing the significance of stakeholder inputs, their feedback have been incorporated in the development of this SDR. This report also includes national development issues that have been impacted by DBP and its services.

Report Profile:

Report Framework: GRI Standards

102-46 Reporting Scope: DBP Parent only

102-48 Restatements of information - no major restatements

102-49 Transitioned from GRI G4 to Standards; change in material topics

102-50 Reporting Period: January 2015 – December 2017

102-51 Previous Report: Measures of Progress: Beyond Numbers, Beyond Banking – 2013 Sustainable Development Report

102-52 Reporting Cycle: Typically Annually

102-53 For further information on this report as well as any queries or comments, kindly email Ronaldo U. Tepora, Vice President – Head, Strategic Planning Group at spg@dbp.ph

102-54 This report has been prepared in accordance with the GRI Standards: Core Option

102-56 No external assurance was conducted for this report

Reporting Process

DBP has built its sustainability framework in line with the comprehensive GRI reporting process and the Bank's strategy map. The report addresses the GRI General Disclosures and the relevant topic-specific disclosures based on the results of the Bank's materiality exercise.



1. DBP SDR TWG Material Topic Identification

- The Technical Working Group (TWG) brings together its various departments to identify the material topics for the Bank



2. Stakeholder Assessment

- DBP invites representatives from its key stakeholder groups for a stakeholder engagement session
- Stakeholders rate the bank-identified topics based on how these topics impact them
- The stakeholders share their feedback by responding to a survey and participating in focus group discussions



3. Prioritization and Validation

- TWG reviews the sustainability framework, the material topics and the relevant Core Performance Indicators (CPIs)
- TWG finalizes and signs off the material topics for the SDR



4. Review

- DBP engages a sustainability advisor for the entire reporting process and specific data sets

The Bank conducts the following sustainability reporting activities:

- GRI Awareness Sessions
- Periodic meetings between the Chief Sustainability Officer and the TWG
- Stakeholder Engagement Sessions along with Focus Group Discussions
- Feedback sessions
- Feedback sessions with SDR TWG



Materiality

DBP's materiality exercise entails bringing together the Bank's SDRTWG to identify and rate relevant topics to DBP and its various stakeholders. These topics are presented to the Management Committee for approval for disclosure in the report.

The following are the Material Topics deemed important by the stakeholders of the Bank, and enclosed in parentheses are the GRI Index Reference and Disclosure Number:

- Economic Performance (201)
- Market Presence (202)
- Indirect Economic Impacts (203)
- Procurement Practices (204)
- Anti-corruption (205)
- Monitoring of Resource Consumption: Energy (302); Water (303); Emissions (305)

- Environmental Compliance (307)
- Employment and Compensation/ Benefits (401)
- Training and Education (learning and development); Management Succession - Training of in-house talents (404)
- Security Practices (410)
- Local Communities (413)
- Financial Literacy (formerly FS15)
- Customer Data Privacy (418)
- Socioeconomic Compliance (419)
- Business Continuity & Disaster Preparedness (Non-GRI)
- Financial Inclusion (formerly Sector Supplement FS13 and FS14)
- Customer Satisfaction (non-GRI)
- Transparency and Accountability (102-16)

- Good Governance (102-18)
- Consideration of Social Safeguards of all Projects for Financing (formerly Financial Services Sector Supplement FS1, FS2, FS3, FS4, and FS5)
- Innovation and Efficient and Responsive Products and Services (Non-GRI)

Stakeholder Engagement Approach and Plan

DBP considers its relationship with its stakeholders fundamental in fulfilling the Bank's mandate. To deepen this relationship, the Bank conducted surveys, advisory panels, one-on-one meetings and focus group discussions to seek feedback on how the Bank is able to serve them and address their concerns.

Relationship with Stakeholders			
National Government <ul style="list-style-type: none"> • Fulfills the Bank's mandate rooted from the objectives of the Philippine Government. • Supports job creation, poverty alleviation, and improvement of the country's productive capacity. 	Regulatory Agencies <ul style="list-style-type: none"> • Promptly submit accurate reports and disclosures to the appropriate regulatory agencies and bodies such as the Bangko Sentral ng Pilipinas (BSP), Governance Commission for GOCCs (GCG), Securities and Exchange Commission (SEC), Anti-Money Laundering Council (AMLC), Commission on Audit (COA), Department of Finance (DOF), and Office of the Government Corporate Counsel (OGCC). • Regard them as partners in the Bank's upgrade for its systems, procedures, and policies. 	Funders, Bilateral and Multilateral Agencies <ul style="list-style-type: none"> • Acknowledge fiduciary nature of the funds entrusted by funders. • Administer the resources responsibly with respect to lending contracts; • Establish partnerships with mission teams in drawing up project details, • Negotiate mutually-acceptable loan terms for the subsequent evaluation of project accomplishments. 	Depositors and Borrowers <ul style="list-style-type: none"> • Deliver high quality and reliable service through excellent customer relations. • Provide the highest professional standards of service through an efficient system of lending, project and product management.
Investors Offer competitive investment alternatives with useful information for sound decisions and judicious balancing of risks and returns.	Local Government Units (LGUs) Work closely with LGUs on their growth possibilities and development path. Supply information on environmental risk evaluation, social safeguards, and the procurement process to ensure the integrity of projects and sustainability of initiatives.	State Universities and Colleges (SUCs), Non-Governmental Organizations (NGOs), and People's Organizations (POs) Establish partnerships in undertaking DBP's corporate social responsibility programs and other social projects.	Private Sector Adhere to initiatives and best practices of the private sector in good governance and in accordance with the Unified Code of Conduct for Business (UCC).
Entrepreneurs Promote business initiatives and private sector participation in developmental plans for entrepreneurs. Engage the latter in public fora which cover the latest technologies and business solutions.	Officials and Employees Periodically evaluate the competitiveness of the employee compensation package consistent with the DBP Charter and the GOCC and Compensation and Position Classification System (CPCS). Provide opportunities for training and value formation in order to elevate public service, develop employee career path, strengthen commitment to excellence, cultivate social and environmental awareness, and improve the quality of life of all employees.	Subsidiaries and Affiliates Align its operations with the principles relevant to other stakeholders. Responsibly perform its respective mandates.	

As the SDR TWG engages in the stakeholder activities, it molds the economic, environmental, and social topics to showcase in the report. It aims to produce a report that is inclusive and outlines a sustainability strategy that addresses the highly important topics for DBP and its stakeholders.

The 2015-2017 SDR takes on engagement sessions involving briefing stakeholders on sustainability reporting and letting them identify and rate topics that affect how they carry out their businesses with DBP. Further, the SDR TWG organizes separate focus group discussions to highlight specific concerns. These key topics appear on the SDR

– becoming inputs to decision making, influencing successful delivery of services, and giving a broader understanding of regional issues. The integration of stakeholders' feedback also helps the Bank improve its risk management practices because of its contribution to prompt risk identification and potential reduction of costs.

Stakeholder Management Approach and Plan

Stakeholder Group	Internal/ External	Engagement Type	Frequency	Key Concerns/Feedback	DBP's Response
Government Agencies	External	Discussions with regulatory bodies	Continuous	<ul style="list-style-type: none"> Compliance with laws/regulations Anti-corruption practices Transparency and accountability Customer satisfaction Access to financial services in low populated or low-income areas Competitive terms for loans at par with competitors 	<ul style="list-style-type: none"> DBP Strategic Roadmap Government policies Promotion of best practices in local governance Competitive rates for products and services Plans for increasing market presence and availability of DBP services Regulatory/policy issuances Customer satisfaction surveys
Senior Management and Employees	Internal	Notices, mails and newsletters, training, in-house publications, intranet and email, memos, public address system, bulletin boards	Continuous	<ul style="list-style-type: none"> Transparency and accountability Information security and data privacy Customer data privacy, compliance with laws/regulations Risk identification and management Business continuity, and disaster management Employee communication, training and education Compensation and benefits, Employee hiring, retention and turnover Financial performance 	<ul style="list-style-type: none"> Governance framework; Business Continuity Plan Employee training programs
Clients and other funders	External	Client meetings, client satisfaction surveys; Seminars, conferences, accreditation process, consultancy and outsourcing; Banking transactions, marketing blitz and business road shows,	Continuous	<ul style="list-style-type: none"> Security practices Information security and data privacy Customer data privacy Market presence Customer health and safety Online and/or mobile banking software (other digital services) Customer satisfaction 	<ul style="list-style-type: none"> Training and equipment for security Plans for increasing market presence and availability of DBP services Policies for data Better customer service Joint venture/ joint development agreements Development loans, technical assistance, technical training
Suppliers	External	MOA, contract negotiations; Conferences, news releases, advertising, column feeds, interviews, networking	Need-based	<ul style="list-style-type: none"> DBP suppliers' labor and human rights practices Security practices Interactions with investees/ business partners on environmental and social risks and opportunities Financial products and services designed for environmental and social benefits Customer satisfaction 	<ul style="list-style-type: none"> Procurement purchasing process Operations and logistics support
CSR Partners and Beneficiaries	External	Discussions with CSR partners and beneficiaries, project launching and implementation	Need-based	<ul style="list-style-type: none"> Transparency and accountability Information and communication Interactions with investees/business partners on environmental and social risks and opportunities Environmental impacts of DBP products and services (including recycling and reclamation) Information security and data privacy Customer privacy 	<ul style="list-style-type: none"> Development agreements, promotion of best practices, due diligence Implementing guidelines and policy issuances, regular coordination, partnership initiatives and personnel training





Message

On behalf of the Board of Directors, we present to you the Development Bank of the Philippines' Sustainable Development Report for the years 2015 to 2017 entitled, "Mainstreaming Sustainability. Developing Our Nation."

In this report, we look into the Bank's efforts to create a balanced approach in running its business vis-à-vis its sound economic, ecological and social initiatives that contribute to nation-building.


DBP believes that success goes well beyond creating profit and more into ensuring that concerns affecting people and the planet are well addressed--especially in terms of implementing the Bank's internal processes and fulfilling its mandate of aggressively supporting infrastructure development and inclusive growth.

Defying tough market conditions, DBP yielded healthy financial results from 2015 to 2017 as it generated average revenues of P22-billion, with

more than 5% increase year-on-year. Such growth is credited largely to the Bank's interest earnings from loans, expanding assets, and increasing deposits.

Our sustained performance as a government-owned financial institution also allowed DBP to garner a BBB and BBB- credit rating from Standard and Poor's and Fitch, respectively. The Bank was also recognized by award-giving bodies that include the Bangko Sentral ng Pilipinas, The Asset, and The Asian Banker.

With good corporate governance at the core of DBP's operations, the Bank ensures transparency, accountability, and fairness in all its endeavors. It was the first bank to establish a Corporate Governance Office that regularly monitors practices to comply with good corporate governance metrics. By applying good corporate governance principles in the workplace, DBP has earned honors from the Association of Development Financing Institutions in Asia and the Pacific (ADFIAP) during the awarding ceremonies held in



Ho Chi Minh, Vietnam. DBP was also presented with an award of excellence by GCG and ICD.

All these sustained achievements drive the Bank to more vigorously fulfill its mission of supporting the development initiatives of key industries and sectors which create the strongest impact in the lives of Filipinos. Over the three years covered in this report, the Bank has provided loan assistance to build infrastructure and facilities such as public markets, transport terminals, hospitals, schools, and roads, and many more.

As a bank for the environment, DBP continues to aid and roll out green financing projects as it underscores the importance of protecting and maintaining the country's natural resources. Through meaningful partnerships, the DBP Forest Program encourages the re-forestation of open and denuded areas by planting high value and forest trees, as well as mangroves to conserve coastal areas and increase biodiversity, while promoting rural livelihood opportunities at the same time.

For providing financial support to sustainable programs, such as forest projects in the Western Visayas State University and the Palawan State University, and for helping implement the Cebu Bulk Water Supply project for households in central and northern Cebu, the Bank has earned distinctions from the prestigious Karlsruhe Sustainable Finance Awards.

The same award-giving body also recognized DBP for its assistance to the development of an integrated resource recovery facility installed in Naga City, Cebu which composts large amounts of mixed waste into fuel. This way, the municipality can carry out a zero-waste, no landfill approach to solid waste management. The innovative feature of this project also earned for the bank another citation from ADFIAP.

With people as the Bank's lifeblood, DBP ensures that specific goals, strategies, and methods are implemented to improve the quality of life of its employees, clients, and the whole community.

To motivate employees to hone their skills and carry out best practices at work, DBP regularly provides Learning and Development programs through competency-based training sessions, eLearning, webinars, professional certification courses, and diploma programs. To determine each employee's career path, the Bank's staff and their supervisors discuss and agree on individual development plans at the start of the year. Further, DBP has begun implementing a new Integrated Human Resource Information System (iHRIS) as a means to upgrade bank facilities while boosting efficiency in the area of human resource management.

To ensure the security of clients' critical information, the Bank has designated a Data Protection Officer to look into data privacy concerns, while the Customer Experience Management Department is tasked to give more focused attention to addressing customer needs and concerns pertaining to the Bank's products and services.

DBP also unceasingly explores more ways to support clients' needs and entrepreneurial ventures through the sustained implementation of its Sustainable Enterprises for Economic Development (SEED) Program that provides different ways for small and medium enterprises (SMEs) to gain financial access and grow their business. For this endeavor, DBP was recognized by The Asian Banker-Philippine Country Awards in 2017 as the SME Bank of the Year.

DBP also recognizes its pivotal role in molding and looking after the welfare of the country's future leaders

and workforce. In this regard, the Bank continues to support the college and technical-vocational education of underprivileged yet deserving high school graduates. Through the DBP Endowment for Education Program (DEEP), DBP has supported 3,000 scholar beneficiaries who are enrolled in their chosen courses in 39 partner-schools.

At the end of the 10-year program duration of DEEP in 2018, the Bank strengthened its advocacy for youth education and empowerment through a revitalized DBP RISE (Resources for Inclusive and Sustainable Education). DBP RISE is envisioned to offer additional courses and expand opportunities to study in more state universities and technical-vocational training institutes across the country.

Seventy years since its establishment, DBP continues to be a prime mover of sustainable national development. In the years to come, DBP will continue to be the development bank of trust, fully committed to its mission of fostering the well-being of Filipinos by supporting infrastructure development, responsible entrepreneurship, efficient and responsive social services, and the protection of the environment. The Bank, together with its more than 2,000-strong workforce, will forge ahead to deliver on its mandate while living up to the principles of good corporate governance – ultimately in relentless pursuit of its overarching mission of nation-building and progress for all Filipinos.


ALBERTO G. ROMULO
Chairman

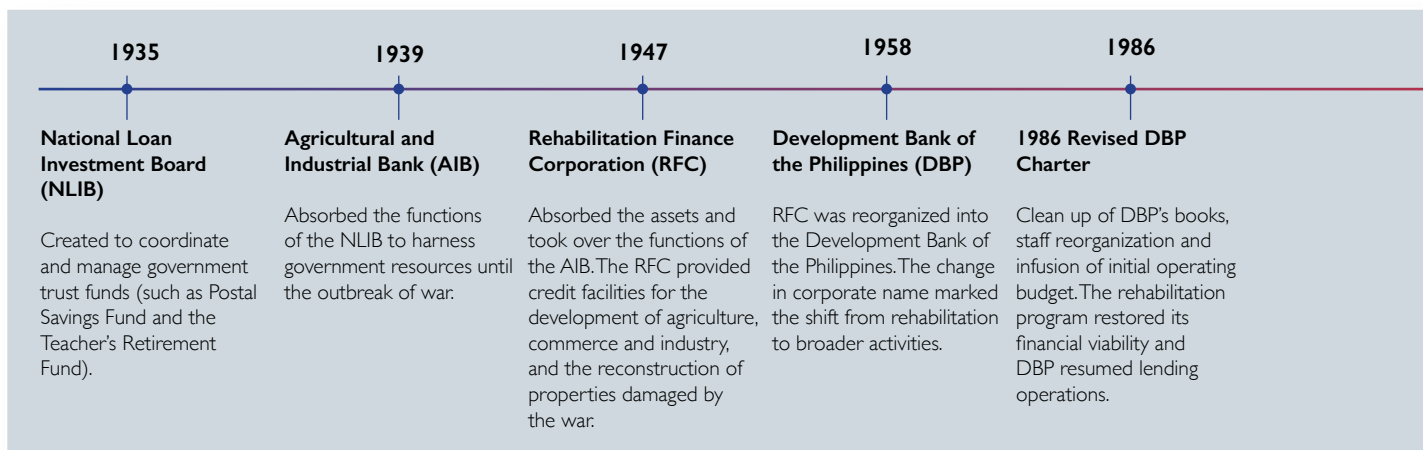

CECILIA C. BORROMEO
President and CEO



“DBP believes that success goes well beyond creating profit and more into ensuring that concerns affecting the people and the planet are well addressed--especially in terms of implementing the Bank’s internal processes and fulfilling its mandate of aggressively supporting infrastructure development and inclusive growth.”



About the Development Bank of the Philippines



The Development Bank of the Philippines began its journey in 1947, more than seven decades ago, as the Rehabilitation Finance Corporation, tasked to fund post-war rehabilitation and support national development initiatives and goals.

Today, DBP is embarking on more programs and projects to help usher in the envisioned "golden age of infrastructure" and accelerate economic growth in the country.

It gives special focus on priority sectors such as infrastructure and logistics, environment, social services and small and medium enterprises (SMEs.)

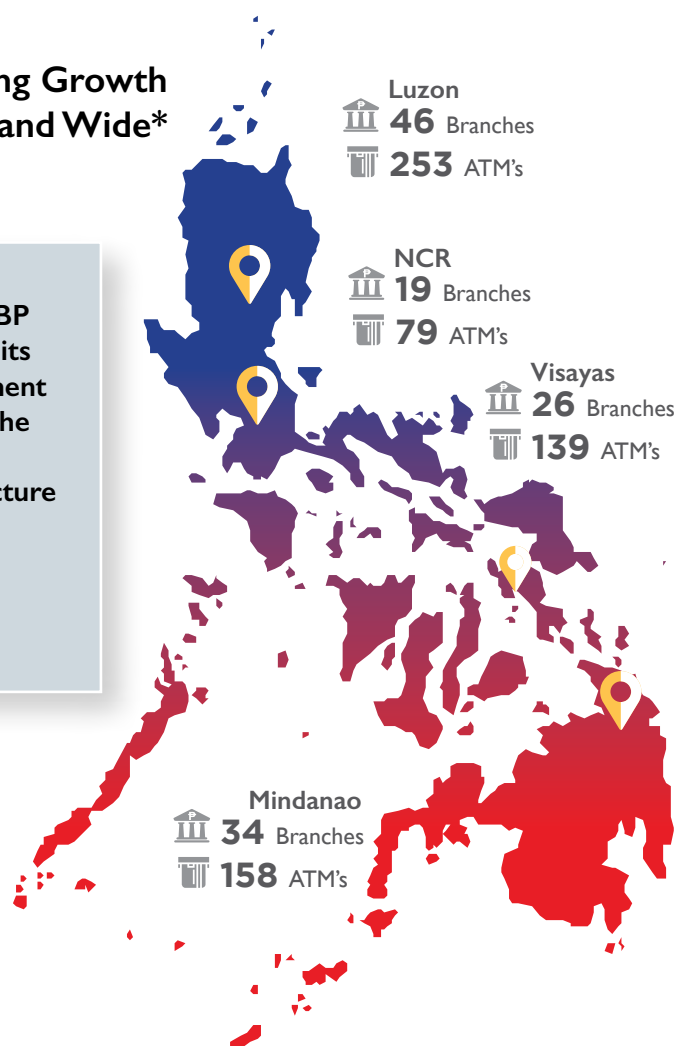
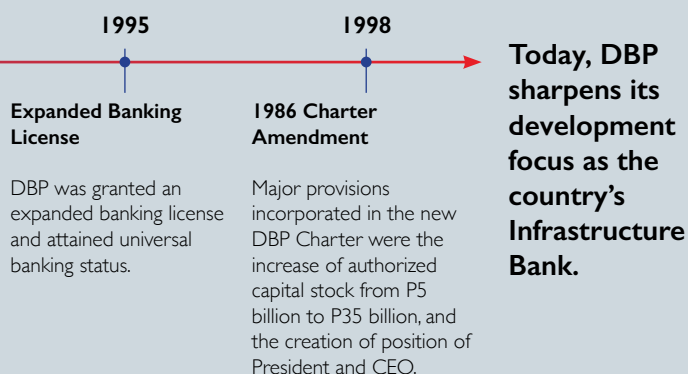
DBP is also accelerating its lending to the public sector, LGUs, water districts, and electric cooperatives.

DBP Subsidiaries

DBP is the country's major pipeline of international funds from multilateral and bilateral institutions for official development assistance (ODA) programs and grants. It has subsidiaries to assist in economic pump priming by lending to strategic sectors, among others.

- The **DBP Management Corporation (DBPMC)** assists in managing distressed accounts and disposing of acquired assets. It has now incorporated the Millennium Challenge Account- Philippines as its own subsidiary, which is an accountable entity granted by Millennium Challenge Corporation, a US government corporation that aims to reduce global poverty.
- The **DBP Data Center, Inc. (DBP DCI)** has been supporting the Bank's IT Infrastructure for over 30 years. Since 2012, DCI has been assisting the Bank in the former's initiatives on eBanking and other cashless transactions. It also provides the workforce for the development and maintenance of DBP's systems and applications.
- The **DBP Leasing Corporation (DLC)**, formerly the NDC Maritime Leasing Corporation, complements the Bank's maritime financing activities. It is engaged in the business in all aspects, and likewise arranges, underwrites or administers leases of real or personal properties. It also utilizes internally-generated funds and secures borrowing for the acquisition of secondhand and brand-new, locally-constructed RORO vessels to be leased to qualified operators.
- The **Al-Amanah Islamic Investment Bank of the Philippines (AAIIBP)**, established in 1973, is the first and only bank licensed to offer Islamic Banking in the country. It provides medium and long-term credit facilities to Muslim-dominated provinces and spearheads reconstruction work in Mindanao, Sulu, and Palawan. AAIIBP's remittance service through the Philippine Payments and Settlements System (PhilPass) also enables clients from Mindanao and OFWs to access real-time settlement and collection, divestment and privatization.

Spreading Growth Far and Wide*



* As of end-2017

Year	Net Income (after tax)	Total Capitalization	Total Number of Employees
2015	4,710,502	12,500,000	2,358
2016	4,436,471	17,500,000	2,550
2017	5,489,304	17,500,000	2,784

Year	Branches	Extension Offices	Onsite ATMS	Offsite ATMS
2015	101	0	135	293
2016	111	0	157	378
2017	125	3	171	458

As a Government-Owned and Controlled Corporation (GOCC), DBP branches throughout the country deliver substantial benefits by providing medium and long-term credit facilities to support key economic sectors including infrastructure, transportation, telecommunications, power generation and distribution, water utilities, education, health care, the environment and LGUs, to name a few. The Bank pioneered the development of new lending thrusts and re-opened its

lending windows for housing, agriculture, and SMEs.

Customers include the Government (including LGUs and National Government Agencies), corporations, schools, hospitals, associations, and even individuals.

DBP aggressively pursues its 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; and to promote and maintain the highest standards of good governance.

In 1995, DBP was granted an expanded banking license and attained universal banking status. This allowed the Bank to take on commercial banking activities such as consumer banking, treasury services, trust services, investment banking, and capital markets services.



Key Products and Services

DBP's primary objective is to cater to agricultural and industrial sectors with focus on rural areas and SME funding and banking needs. These range from project financing to a host of deposit and investment products and services.

The Bank also offers trade products and services, transfer and remittance services, and treasury products and services. Loans are available through DBP's retail and wholesale lending operations for capital assets investments and working capital.

- Investment Banking
- Deposit Products and Cash Services
- Trade Products and Services
- Treasury Products and Services
- Funds Transfer/ Remittance Services
- OFW Remittance Products and Services
- Trust Banking Services
- Electronic Banking
- Development Financing
 - Infrastructure and Logistics
 - Environment
 - Social Services
 - MSMEs

Additionally, retail products and services such as term loans, short term loans and credit lines, back-to-back deals and bills purchased line, are available through the utilization of both bank and Official Development Assistance (ODA) funds in order to meet the financing needs of different industries/ programs.

CORPORATE BANKING

1. Term Loans
2. Short Term Loans/ Credit Lines
3. Letter of Credit/ Trust Receipt
4. Standby Letter of Credit
5. Export Packing Credit Line
6. Export Advance
7. Export LC Advising
8. Back to Back Deals
9. Bills Purchased Line

DEVELOPMENT BANKING

1. Infrastructure and Logistics
2. Environment
3. Social Services
4. Micro, Small and Medium Enterprises

TRUST BANKING

1. Unit Investment Trust Funds
2. Trust and Other Fiduciary Services

CORPORATE FINANCE

1. Capital Markets
2. Investment Banking

TRADE PRODUCTS

1. Import
2. Export
3. Domestic
4. Other Trade Services
5. Trade Credit Facilities

TREASURY

1. Government Securities and Corporate Securities and Dealership
2. Outright FX Forward
3. Foreign Currency Exchange Dealership

BRANCH BANKING

1. Deposit
2. Term Deposit
3. Salary Loans
4. Electronic Banking
5. Fund Transfer
6. Remittance
7. Special/ Other Services

WHOLESALE BANKING

(for Banks/ Non-Banks including NGOs and Credit/ Multi-Purpose Cooperatives)

1. Revolving Credit Line for Relending
2. Revolving Promissory Note Line (RPNL)
3. Back-to-Back Loans
4. Domestic Bills Purchased Line
5. Omnibus Line
6. Participation/ Purchase in Notes/ Bonds



Vision, Mission & Values

Our Corporate Vision

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 Statement

- 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

Core Values



INTEGRITY



EXCELLENCE



TEAMWORK



**SERVICE TO
OTHERS**



**LOVE FOR THE
FILIPINO**

- **INTEGRITY** (Honesty, Truthfulness, Transparency)
- **EXCELLENCE** (Competence, Dedication to Work, Professionalism)
- **TEAMWORK** (Harmony, Cooperation, Synergy)
- **SERVICE TO OTHERS** (Customer-oriented)
- **LOVE FOR THE FILIPINO** (Love of country and its people everywhere)

Code of Conduct

DBP upholds the policy of the State to promote a high standard of ethics in public service. The members of the Board, officers and employees are at all times accountable to the people, and shall discharge their duties with utmost responsibility, integrity, competence and loyalty, act with patriotism and justice, lead modest lives, and uphold public interest over personal interest.



Strategy Map

DBP's Corporate Vision, Mission and Strategies are reviewed annually by the Board of Directors. This exercise triggers the yearly planning process wherein the strategic thrusts and directions of the Bank are defined. The Board has reviewed the Bank's vision, mission and strategic objectives during the Board Retreat, and these have now been included in the Bank's Refreshed Strategy Map for 2022. As part of its oversight function, the Board also monitors the implementation of this strategy.

		VISION 2040: By 2040, DBP will be a world-class infrastructure and development financial institution and proven catalyst for a progressive and prosperous Philippines VISION 2022: By 2022, a one -trillion Bank capable of supporting and spearheading development in half of the Philippine countryside	
DEVELOPMENT BANK OF THE PHILIPPINES STRATEGY MAP			
MISSION <ul style="list-style-type: none">• To support infrastructure development, responsible entrepreneurship, efficient social services and 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		Socio Economic Impact	10. Participate in the government's 10-point socio-economic agenda by supporting public and private participants in the government's infrastructure program
		Constituency	9. Support inclusive growth initiatives
MANAGEMENT PHILOSOPHY <ul style="list-style-type: none">• Participate Management• Good Governance• People Development		Finance	6. Reduce cost of funds 7. Grow and diversify loan portfolio and improve asset quality 8. Strengthen Balance Sheet through sustainable, efficient and profitable operations
		Internal Process	3. Streamline existing credit and operating processes to meet current and future customer demand 4. Develop and utilize and latest ICT that is at par with the best in the industry and in the region 5. Strengthen risk management and regulatory compliance
CORE VALUES <ul style="list-style-type: none">• Integrity• Love for the Filipino• Excellence• Teamwork• Service to others		Organization	1. Grow capable, motivated, committed and results-oriented professionals with market-driven competencies 2. Empower personnel for customer-centric decision making wider participation and delivery of services

Sustainability Approach Guided by DBP's Strategy 2022

Socio-Economic Impact	<ul style="list-style-type: none"> Participate in the government's 10-point socio-economic agenda by supporting public and private participation in the government's infrastructure program Direct & indirect economic impact
Constituency	<ul style="list-style-type: none"> Support inclusive growth initiatives Financial inclusion – access to financial services of developing communities or low-income areas, financial literacy to clients and/or CSR beneficiaries, interaction with investees/business partners on environmental and social risks and opportunities
Finance	<ul style="list-style-type: none"> Reduce cost of funds Grow and diversify loan and improve asset quality Strengthen Balance Sheet through sustainable, efficient and profitable operations Ethical operations and management (energy, water, GHG and waste)
Internal Process	<ul style="list-style-type: none"> Streamline existing credit and operating processes to meet current and future customer demand Develop and utilize the latest ICT that is at par with the best in the industry and in the region
Organization	<ul style="list-style-type: none"> Strengthen personnel for customer-centric decision making, wider participation and delivery of services Customer satisfaction, information security and customer data privacy, online and mobile banking Ethics and business conduct, transparency, compliance and audit, information and communication, anti-corruption DBP suppliers' labor and human rights practices

Strategy

Approach

Memberships and Associations

External Initiatives	Memberships
<ul style="list-style-type: none"> • Global Reporting Initiatives (GRI) • United Nations Sustainable Development Goals (UN SDGs) • Philippine Development Plan (PDP) • BancNet Identification Standards • Ad Standards Council (ASC Standards of Advertising) • Certification International Philippines (Guidelines on the Use of the Certification Mark) 	<ul style="list-style-type: none"> • Asian Bankers Association (ABA) • Association of Development Financing Institutions in Asia and the Pacific (ADFIAP) • Bank Marketing Association of the Philippines (BMAP) • Banker's Association of the Philippines (BAP) • Bankers Council for People Management (BCPM) • Banker's Institute of the Philippines (BAIPhil) • Employers Confederation of the Philippines (ECOP) • Financial Executives of the Philippines (FINEX) • Makati Business Club (MBC) • Management Association of the Philippines (MAP) • Maritime Industry Authority (MARINA) – Board Member • National Renewable Energy Board (NREB) • Personnel Management Association of the Philippines (PMAP) • Philippine Business for the Environment (PBE) • Philippine Chamber of Commerce and Industry (PCCI) • Philippine Payments Management, Inc. (PPMI) • The American Chamber of Commerce of the Philippines, Inc. (AMCHAM Philippines) • United Nations Environment Programme Finance Initiative (UNEP FI) • University of Asia & the Pacific (UA&P) – Business Economic Club



2015 Annual Awards Ceremony and Appreciation Lunch for BSP Stakeholders



2016 ADFIAP Development Awards



Awards and Citations

Worldwide, there is growing accountability on businesses to strike a balance between profitability and sustainability. DBP is one of the first banks in the country to pursue its economic agenda while addressing societal and environmental concerns, as affirmed by the following awards and recognitions.

Bangko Sentral ng Pilipinas (BSP)

- 2016 Pagtugon Award for Universal and Commercial Banks for Excellence in Responding to and Addressing Customer Concerns
- 2015 Outstanding Credit Surety Fund Partner Award – Industrial Guarantee and Loan Fund (DBP as fund administrator)

The Asset AAA Asian Infrastructure Awards

- 2017 Transport Deal of the Year for the Philippines and Regional Overall for the Light Rail Manila Corporation's P24-billion project loan facility for the Light Rail Transit 1 ("LRT1") PPP. DBP, through its Investment Banking Department, acted as co-financial advisor in the project.
- 2017 Power Deal of the Year – Philippines for GNPowr Dinginin Limited Company's US\$670-million and P7.5-billion project financing facilities for its 2x668MW Supercritical Coal-fired Power Plant. DBP, through its Capital Markets Department, acted as co-lead arranger and, through the Corporate Banking Group, acted as senior lender.



Association of Development Financing Institutions in Asia and the Pacific (ADFIAP)

- 2017 Certificate of Merit for its support of the FDR Integrated Resource Recovery Management, Inc. (FDR-IRRM) located in NAaga City, Cebu.
- 2016 Local Economic Development (Energy Generation Projects in Oriental Mindoro)
- 2015 Local Economic Development Category (Cebu Bulk Water Project)



- 2015 Outstanding Sustainable Project Financing Category for the Palawan State University Forest Project

Governance Commission for GOCCs/Institute of Corporate Directors

- 2017 Award of Excellence in the Corporate Governance Scorecard for GOCCs

National Economic and Development Authority (NEDA) Good Practice Award

- 2017 Institutionalizing Environmental, Social, and Climate Change Considerations in Project Evaluation and Monitoring for DBP's Credit Process through the Environmental Development Project

Institute of Solidarity in Asia

- 2015 Silver Trailblazer Award
- 2015 Performance Governance System - Proficiency Status

Construction and Real Estate Awards (CREA) – Gawad Sulo ng Bayan

- 2016 Bank – Real Estate Loans Category

Investment House Association of the Philippines (IHAP)

- 2016 Deal of the Year for DBP's participation in the Bureau of Treasury's RoP Liability Management deal

Visa Inclusive Growth Award

- 2017, in recognition of DBP's role in promoting financial inclusion in the country.

Araw Values Awards

- 2016 Silver Award under Concern for and Preservation of the Environment for the DBP 2014 Annual Report

IJGlobal Awards

- 2016 Asia Pacific Rail Deal of the Year for the Manila Light Rail Transit I (LRT I) Extension, Operations and Maintenance PPP Project, which was jointly advised by the DBP and the International Finance Corporation



- 2015 Corporate Governance Category (DBP's Corporate Governance Program)
- 2015 Plaque of Merit for "DBP Bankability Enhancement for SET-UP Technopreneurs (DBP-BEST)" and "Inclusive Lending for Aspiring Women Entrepreneurs (ILAW)" projects

Asian Banker Philippine Country Awards

- 2017 SME Bank of the Year

The Global Sustainable Finance Awards

- 2017 Outstanding Sustainable Project Category for the by FDR-Integrated Resource Recovery Management, Inc.
- 2016 Best Innovation in Financial Services Category (Certificate of Merit) for the DBP Forest Program
- 2015 Outstanding Sustainable Project Financing Category for the Cebu Bulk Water Project



Highlights 2015 - 2017

2015

- The Bank registered a 10% growth in gross income year-on-year to P21.509-billion, which contributed to a 6% rise in interest income on loans to customers to P10.525-billion from P9.939-billion
- Cost of funds increased by 17%, which further contributed to the bottom line 2% net profit growth
- Total assets grew by 8% or P36.5-billion from P467.5-billion in 2014 to P504-billion in

2015 due to the net loans and receivable build-up of 17%

- Assets expanded to P504-billion, which made DBP the 6th largest bank in terms of asset size.
- Deposits climbed by 10% for an increase of P30.5-billion while other liabilities decreased by 31% or P5.3-billion owing to the matured letters of credit and other payables
- The Bank successfully passed the Proficiency Stage of the Performance Governance System (PGS) on May 4, 2015
- The Bank hosted the "Workshop Series to Enhance the Business

and Investment Climate in the Bangsamoro: Capacity Building for Effective Fiscal Management"; the 5th in the Bangsamoro Workshop series organized by the Foundation for Economic Freedom (FEF) and the Philippine Center for Islam and Democracy (PCID). Participants included AAILBP, the Department of Finance, Bangsamoro Development Academy (BDA), Japan International Cooperation Agency, Development Academy of the Philippines, World Bank, Australian Embassy, Autonomous Region of Muslim Mindanao-Regional Government, Mindanao State University, Universiti Utara Malaysia, and Syiah Kuala niversity, Aceh, Indonesia



- The Bank held the 3rd annual Good Governance Forum with the theme “Good Corporate Governance: Building Inclusive Industries, Sectors and Regions,” with Securities and Exchange Commission Chairperson Teresita Herbosa as one of the guest speakers. She spoke about SEC’s initiatives to improve corporate governance such as incorporating changes to the revised Code of Corporate Governance, and the country’s participation in the ASEAN Corporate Governance Scorecard (ACGS).

markets. The alliance also provided Japanese business companies with professional advice for their entry into the Philippine market.

- The Bank granted a P130.5-million term loan in favor of CHMI Land, Inc. (CLI) to finance the construction of dormitory buildings and related components in Barangay Inosluban, Lipa City, Batangas. Called Kassel Residences Lipa, the project consists of seven 3-storey dormitory buildings and a one-storey commercial

building, benefitting around 35,000 employees of the nearby Lima Technology Center; students, as well as employees from nearby economic/ industrial zones hosting hotels, resorts, BPOs, hospitals, and malls. DBP also entered into an agreement with two cooperatives in the Province of Cebu under its Credit Surety Fund (CSF) facility, a special lending window in support of the Bangko Sentral ng Pilipinas’ own CSF program, which aims to support MSMEs that are short of acceptable collateral.

- The Board of Directors of AAILBP, a subsidiary of DBP, appointed Isidro Abas Sobrecarey as its new Chairman and Chief Executive Officer.
- DBP and Daiwa Securities Group Inc. signed a Memorandum of Understanding (MOU) that established a business alliance in the area of investment banking. Under the terms of the MOU, DBP and Daiwa would provide support to business companies in the Philippines for their financing needs from overseas capital



DBP Hosted Bangsamoro Workshop 2015



SSS Partnership with DBP



2016

- DBP achieved breakthrough goal of ten-fold increase in loans to core mandate sectors from P6.9-billion in 2013 to P60-billion in the three-year-period starting from 2014 thru 2016. Core mandate sectors include social infrastructure by LGUs like public markets, transport terminals, hospitals, schools, roads, sport and leisure facilities, and water and electricity distributed by water districts and electric cooperatives.
- In April 2016, DBP was accredited as a settlement bank of the Social Security System (SSS) for the latter's regular monthly pension funding and daily disbursements for Sickness, Maternity and Employee's Compensation (SMEC) and/or Death, Disability and Retirement Claim (DDR) to accredited disbursing banks. SSS also approved the use of DBP's Electronic Banking Facility covering Secure File Transfer Protocol (SFTP), BIR Electronic Filing and Payment System (BIR EFPS), and Bancnet eGov Services to enable SSS to enhance service delivery to its members.
- DBP welcomed three new members to its Board of Directors -- Luis C. Bonguyan, Atty. Emmanuel P. Galicia, Jr., and Dr. Rolando L. Metin -- vice Atty. Daniel Y. Laogan, Atty. Reynaldo G. Geronimo, and Cecilio B. Lorenzo.
- DBP and IFC jointly advised the Department of Transportation on the Manila Light Rail Transit I (LRT I) Extension, Operation and Maintenance PPP Project. Considered as the largest PPP of the Philippine Government then, the Project was awarded

the Asia-Pacific Rail Deal of the Year 2016 at the IJGlobal Awards Ceremony in Singapore.

The advisory services included the structuring, tendering and the eventual award of the PPP contract. The project encompassed the rehabilitation of the existing LRT I system to meet key performance standards; construction of an 11.7-km extension of the line from Baclaran to Niog in Bacoor, Cavite with 8 new stations; and operation and maintenance of the entire line for the 32-year concession. Further included is the fleet upgrading and necessary replacements to meet the contractual performance standards.

The LRT I System was turned over for operations and maintenance to the Light Rail Manila Corporation (LRMC) on 12 September 2015. The LRMC is composed of the Metro Pacific Investments Corporation, AC Infrastructure Holdings Corporation of the Ayala Group, and Macquarie Infrastructure

Holdings (Philippines) Pte. Limited—which brought in global experts in the field such as RATP Development S.A. that currently operates and maintains the Paris Metro composed of 16 lines, with 214-km of track and 300 stations.

As transaction advisor to the Department of Transportation, DBP and IFC safeguarded the interests of Government while at the same time ensured that the transaction remained commercially viable and bankable."

2017

- Veteran banker Cecilia C. Borromeo was sworn in as President and CEO of DBP. President Borromeo brought a wealth of experience in banking and management from Land Bank of the Philippines to her post in DBP.
- DBP celebrated its 70th anniversary. An estimated 100 guests from government, the private sector, funding agencies,



DBP-Supported LRT I PPP Project wins Asia-Pacific Rail Deal of the Year 2016



DBP 70th Anniversary Celebration

and other stakeholders joined the DBP Family during the program and cocktail reception. An exhibit featuring the highlights of DBP's 70-year history as a catalyst for national development was also unveiled -- depicting a testament to how the DBP story parallels the country's economic history.

- Chairman Alberto G. Romulo and Director Rogelio V. Garcia were sworn into office by Finance Secretary Carlos Dominguez III. Chairman Romulo and Director Garcia are both lawyers with impressive track record in the public sector:

- DBP boasted an impressive net income of P5.49-billion in 2017, a significant 24% increase from the P4.44-billion in 2016. The Bank attributed its marked increase in income to the sustained growth of its loan portfolio. In the first quarter of 2017 alone, DBP expanded its network to 116 branches. DBP is the only universal bank with a presence in Lal-lo, Cagayan; Cabugao, Ilocos Sur; Bangui, Ilocos Norte; and San Jose, Dinagat Islands.
- DBP was one of the joint issue managers (along with BDO Capital & Investment Corporation, BPI Capital Corporation, China Bank Capital

Corporation and SB Capital Corporation) of the three-year Retail Treasury Bonds (RTBs) issued by the Bureau of the Treasury (BTr). The 19th tranche of the RTBs was available to the general investing public between March 28 and April 6, 2017 with minimum denominations of Php5,000 and a coupon rate of 4.25%. BTR managed to successfully raise P70-billion in this latest RTB offering, the second under the Duterte Administration. DBP President and CEO Cecilia C. Borromeo highlighted the importance of RTBs in promoting financial literacy among Filipinos.



Governance

DBP believes that effective corporate governance is critical to the oversight, management, and operations of the Bank. Hence, the Bank sets forth its business strategy and principles guided by the following pillars:



Participative Management



Good Governance



Transparency



People Development

DBP's Corporate Governance Framework is anchored on the core principles of accountability, fairness, integrity, transparency, and discipline. These core principles, combined with the structures and processes set forth in the Bank's Manual for Corporate Governance, lay the pathway for effective management of risks and identification of gaps to improve performance and overall sound decision-making.

Key Governance Policies:

- **Respect for and Obedience to the Constitution and the Law** – act within the bounds of the Bank's charter
- **Duty of Extraordinary Diligence** – act in the best interest of the Bank
- **Duty of Loyalty** – conduct business with integrity and observe the No Gift Policy at all times
- **Avoid Conflict of Interest**
- **Commitment to Public Interest** – uphold the common good above personal interest
- **Transparency** – such as Whistleblower Protection Policy
- **Professionalism** – perform duties with the highest degree of excellence, intelligence and skill
- **Fairness and Sincerity** – do not discriminate against anyone
- **Political Neutrality** – provide fair service to all regardless of party affiliation or preference
- **Responsiveness to the Public** – extend prompt, courteous and adequate services
- **Nationalism and Patriotism** – loyalty to the Republic and to the Filipino people, promote locally-produced goods, recourse and technology
- **Commitment to Democracy** – manifest by deeds the supremacy of civilian authority over the military
- **Confidentiality and Protection of Intellectual Property** – respect all confidential and proprietary information of the Bank
- **Simple Living** – lead modest lives and not indulge in extravagant or ostentatious display of wealth

DBP's directors, officers, and employees endeavor to promote a culture of good corporate governance by faithfully observing and maintaining our vision, mission, and core values.

The Bank also promotes the adoption of global principles and best

practices to guide the Board in directing and governing the affairs of DBP with a view of maximizing its long-term value for the benefit of stakeholders and to ensure that a culture of ethics, compliance, and social responsibility pervade across all levels of banking operations.

Providing corporate leadership, the Board steers the Bank's vision, mission, purpose, values, and standards. These include policies, procedures, and controls for risk management and overall business sustainability. Focus areas are credit management, market liquidity, and operational, legal, and reputational risks, among others.



Board of Directors

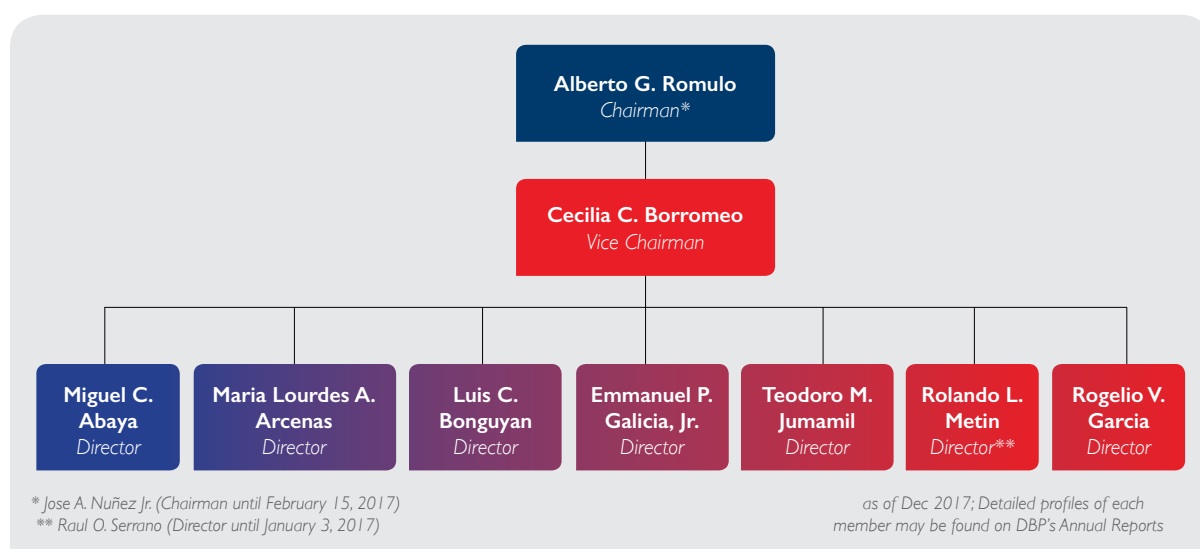
As the Bank's governing body, members of DBP's Board of Directors are selected based on their competence, experience, and integrity. Each Board Director must have adequate working knowledge of the statutory and regulatory requirements affecting the Bank and familiarity with critical industry issues and business trends.

The Board consists of nine (9) Directors appointed by the President of the Philippines. Each Director serves for one year; provided that each appointive Director shall continue to hold office until a successor is appointed.

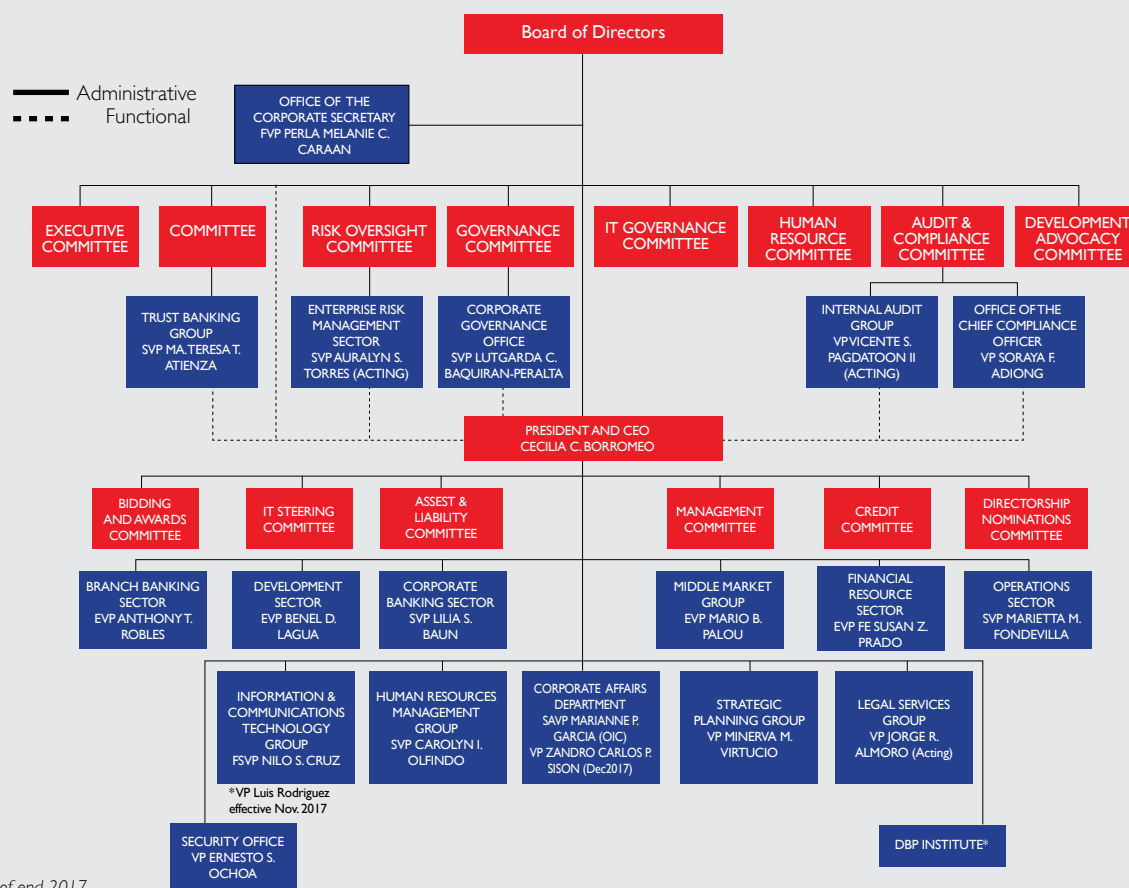
The Chairman, while not an executive officer or a member of the Management Committee, counsels and supervises the Management Team. The President and CEO, meanwhile, concurrently serves as the Vice Chairman of the Board and Executive Director.

Five of the Board Directors are designated as independent directors of DBP, duly (approved/confirmed) by the BSP and chosen among the nine directors appointed by the Philippine President pursuant to Subsection XI 41.1 of the Manual of Regulations for Banks.

Board Composition					
	Independent		Non- Independent		Total
	Male	Female	Male	Female	
Executive	0	0	0	1	1
Non-Executive	4	1	3	0	8
Total	4	1	3	1	9



ORGANIZATIONAL STRUCTURE



Per GCG Memorandum Circular No. 212-04 (4th issue), key stakeholders are also included in the formal nomination and selection of the Board of Directors.

Remuneration of the Board

The Bank complies with the provisions of E.O. No. 24, s. 2011, GCG MC 2016-01 and other relevant rules and regulations for matters concerning remuneration of the DBP Board Directors. Each member of the Board is entitled to per diems and other compensation.

For details, refer to the "Report on Salaries and Allowances" by the Commission on Audit.

Board-level Committees

Committees are set up to aid in ensuring compliance with the principles of good governance. As of 2017, there are nine (9) board committees:

1. Executive Committee

- composed of the Chairman, the President and CEO and three other members of the Board of Directors; approves and reviews in detail progress against plans, with emphasis on those activities or units that have not been performing within agreed standards.

2. Audit and Compliance Committee

- provides oversight over the adequacy, effectiveness and efficiency of the Bank's internal control framework, internal and external audit functions, and compliance functions/programs.

3. Risk Oversight Committee

- oversees the adequacy and effectiveness of existing risk policies, procedures and controls, identifies and evaluates risk exposure, and assesses the probability of each risk becoming reality. As part of its duties and responsibilities, it also ensures that there is adequate separation of duties in the risk management process to avoid potential conflict of interest.

4. Human Resource Committee

- formalizes management recommendations on HR-related matters, such as bank-wide compensation and benefits programs, executive remuneration, legacy costs, organization plans and

structures, manpower plans and other such activities.

5. Trust Committee

- oversees the investment activities and operating policies and procedures of the Trust Banking Group, and reviews overall assets held in trust to determine the safety, value, and advisability of such assets. The committee also ensures that recommendations on investments are elevated to the highest governing body.

6. Governance Committee

- addresses systemic breaches of the rules and regulations of good governance. It also reviews and evaluates the qualifications of all persons nominated to positions requiring appointment by the Board. It oversees the periodic performance evaluation of the Board and its committees and the Executive Management through peer assessment, including an annual self-evaluation of the Committee's performance. It reviews and vets

all the other committee actions from the standpoint of duty and care, and concurrently ensures that all actions and resolutions taken are within the purview of best practices.

7. IT Governance Committee

The ITGC strongly advocates the strategic importance of IT in the context of the Bank's operations and ensures that the directions set for IT are aligned to sustain the Bank's goals and objectives. It also ensures that the Bank's Information Systems Strategic Plan (ISSP) is appropriately developed to reflect the business requirements for IT and is reviewed periodically. Additionally, it ensures that IT's performance is measured, its resources are managed, and its risks mitigated.

8. Development Advocacy Committee

- takes the lead in generating ideas, promoting awareness on development issues, advocating development programs and projects, expanding and strengthening linkages within and outside the bank towards a unified and distinct approach to strengthen and accomplish DBP's development mandate.

9. Related Party Transactions Committee

- Evaluates all material RPTs to ensure that transactions with related parties are undertaken on an arm's length basis and are handled in a sound and prudent manner. It also ensures that all related parties of the Bank are continuously identified, all RPTs are monitored and are subject to independent review or audit process, as well as appropriate disclosure is made, and information is provided to regulators.

For more information on the Board, members and committees please refer to the DBP website or Annual Reports.

Key management committees complement the Board committees in further ensuring prudent levels of responsibility and accountability. These are:

- The **Management Committee**, which is the highest collective approving body for policy recommendations and operational matters that impact the Bank. The committee also ensures that employees are able to make recommendations on operational, credit, and administrative matters to the highest governing body.
- The **Credit Committee** develops and implements credit policies, procedures and guidelines, as well as appropriate lending programs in support of the Bank's development thrusts. It also deliberates and approves all credit-related matters beyond the authority of the regional offices.
- The **Asset-Liability Management Committee** is tasked to build and promote a stable funding structure while concurrently ensuring that there is a proper match of asset and liability maturities and ensuring liquidity for the institution.

Purpose, values, and strategy are reviewed and set during the annual board retreat of the Board of Directors. These are cascaded to the Management which will be discussed on the Bank-wide planning conference. The Board also oversees and monitors the implementation of the corporate strategy through Board committees, Mid-Year Review/Annual Planning, where Board and Senior Management review the results vis-à-vis objectives, evaluate the effectiveness of strategies and action plans, and formulate necessary corrective actions to ensure attainment of goals.

Pursuant to the Board-approved continuing education program for the members of the Board of Directors,

the Directors attended at least two of the following trainings/program: Professional Director's Program (Modules on Policy and Accountability), Corporate Governance Orientation for Government Owned- and Controlled Corporations, Finance for Directors, Public/Good Governance Forum, Updates on Anti-Money Laundering for Senior Officers; Executive Briefing on IT Risk, Credit Risk Management, Business Continuity Management; and Information Security Awareness, Corporate Governance and Risk Management for Banks and Quasi Banks, Finance for Directors Program, Audit and AMLA Seminars in 2017.

The complete list of training programs attended by members of the DBP Board of Directors for 2017 is available in the DBP 2017 Annual Report.

Although not explicitly stated, the DBP Board of Directors must ensure that the tone and risk tolerance must be in accordance with the risk appetite (which is based on strategic plans) which is prepared annually (short-term) and over the next five years (long-term).

The development and publication of the DBP SDR, although approved by the Board, is delegated to the DBP SDR TWG led by the Strategic Planning Group (SPG) with support from Corporate Affairs Department (CAD) and Corporate Services Support Department (CSSD).

The performance of the Board of Directors is carried out through an independent Annual Peer Assessment of Directors and GCG's Performance Evaluation for Directors.

The Office of the Corporate Secretary (OCS) facilitates the annual appraisal of the board committee's performance. The first performance appraisal of the DBP Board as a whole, for calendar year 2017, was conducted in June 2018.

The detailed backgrounds, roles and responsibilities of the DBP Board is available on the DBP website.





DBP Corporate Governance

DBP has established a permanent Corporate Governance Office with a full staff complement.

The Corporate Governance Office was created to ensure good governance is observed in the Bank's operations.

In fact, DBP was the first government bank in the Philippines to have such a department and is the first GOCC initiated into the Performance Governance System (PGS) of the Institute for Solidarity in Asia. The Bank has also since passed the Compliance and Proficiency stages of the PGS.

DBP is a signatory to the Integrity Initiative Pledge, which promotes transparency, ethical business practices, and good governance. It was the first bank to receive an "Advanced" rating in the Integrity Initiative's Self-Assessment Tool for mainstreaming integrity and demonstrating best practices bank-wide.

DBP's Governance Program also won in the Corporate Governance Category of the 2015 ADFIAP Awards held in Ho Chi Minh, Vietnam.

In 2017, DBP was presented with an award of excellence by GCG and ICD for achieving one of the highest scores on the Corporate Governance Scorecard (CGS) for government-owned and controlled corporations.

- ✓ DBP ranked 4th out of the 10 awardees with a score of 91.50% based on the 2016 Assessment for 2015 Operations.

- ✓ DBP posted the biggest leap among the awardees, jumping from 11th to 4th that year with a 28.8-point improvement.
- ✓ DBP earned a perfect score of 35% in the section on Disclosure and Transparency.

DBP's Advisory Council

Recognizing the crucial role of PGS mechanisms to monitor the Bank's performance relative to its strategy, the multisectoral DBP Advisory Council (AC) was created. The advisory board is composed of external stakeholders tasked to (1) monitor the performance of the organization in relation to PGS commitments; and (2) utilize resources and networks to help the organization move their strategy.

For the reporting period from January 2015 until December 2017, DBP was fully compliant with all the Good Governance Conditions of the GCG and the Inter-Agency Task Force. The Good Governance Conditions require all government agencies, including government financial institutions, to strictly observe disclosure and transparency rules pertaining to their operations, among others. Full compliance with these requirements is also a precondition for the grant of Performance-Based Bonus for Officers and Employees and Performance-Based Incentive for Directors.

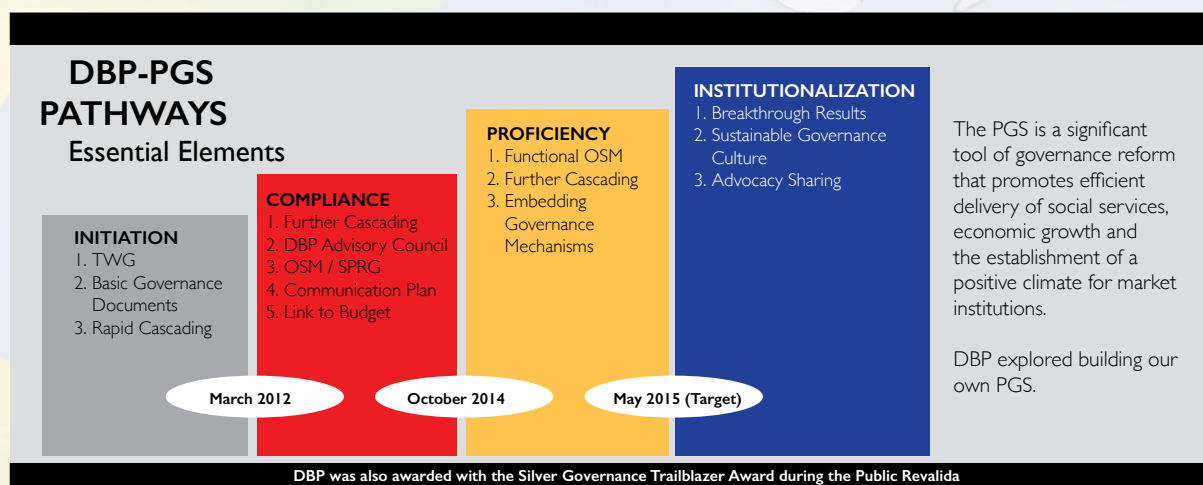
Other Key Governance Initiatives of the Bank

- DBP Good Governance Program (GGP) – an umbrella program to reinforce core

ethical values critical to corporate governance – integrity, excellence, teamwork, service to others, and love for the Filipino – values that dictate how the Bank deals with stakeholders including the National Government, clients, subsidiaries, regulatory agencies, and its own officials and employees.

- To ensure bank-wide implementation of the GGP, CGO is the first of its kind in all GOCCs and Government Financial Institutions (GFIs) in the country. It is headed by the Chief Governance Officer who oversees and coordinates implementation of the GGP.
- DBP's Revised Manual of Corporate Governance and Corporate Governance Framework further refined the DBP's governance framework, starting from the Board level down to employees. Good governance principles such as accountability, fairness, integrity, transparency, commitment to public interest, professionalism, and sincerity are enshrined in the Manual.
- DBP's "No-Gift Policy" in adherence with the Code of Conduct for Public Officers and Employees is against the solicitation or acceptance of gifts.
- Institutionalized internal reporting mechanism or the Whistleblower Protection Policy, provides a methodology for reporting illegal activities, including provisions for the protection of whistle-blowers and confidential information.

A Closer Look: DBP Performance Governance System



Process/Approach

DBP created the Performance Governance System (PGS) Technical Working Group (TWG), responsible for institutionalizing and incorporating PGS in the Bank's operations, formulating and cascading the strategy, as well as ensuring that the Bank is focused on this strategy and alerts potential disconnect to the same. Members of PGS TWG are the heads of various departments such as SPG, CGO, BBS-Marketing, Sales and Distribution, CAD, Development Banking Sector- Financing Infrastructure, Environment and Logistics Development Department, Credit Review and Policy Supervision, DBP Institute, Chief of Staff, OP including the Office of the Corporate Secretary.

SPG serves as the Office for Strategy Management (OSM) and takes on the over-all responsibility for the Bank's strategy. The department's main responsibilities for the PGS covers Strategy Development, Strategy Process Review, and Management of the scorecard, etc. SPG also acts as alignment and initiative managers.

The four-stage pathway covers initiation, compliance, proficiency and finally institutionalization. In 2014, the Bank attained a compliant status (second stage of PGS) and given the Silver Trailblazer Award during the Public Governance Forum Revalida.

The third stage, the Proficiency stage is composed of three parts:

- Strategic readiness test (SRT) survey – selected bank officers are required to answer an online survey regarding the Bank's implementation of its strategy and governance program; included focus group discussions and interviews
- Third party audit – the results of the survey and its components are audited by the National Competitiveness Council to determine the Bank's readiness
- Public revalida- a public presentation to a chosen panel group where it will be determined whether DBP has complied with the PGS elements and passed the stage

Outcomes/ Highlights

DBP was the first government financial institution to have been initiated into the PGS.

DBP achieved the Proficient Status in May 2015.

Organizations undergoing the PGS become Islands of Good Governance (IGG) and are highlighted on platforms such as the Asia Pacific Economic Cooperation (APEC) as organizations that have created real and lasting transformation that led to benefits for their internal and external stakeholders in all aspects of governance.



Risk Identification and Management

DBP faces risks related to credit which include conflict of interest, market, liquidity, interest rate, operations, compliance, strategy, and reputation. The Bank manages the first six risks quantitatively through risk limits while those related to strategy and reputation are managed through the Bank's policies and procedures.

Key Risks Identified between 2015-2017

2015	2016	2017
Credit, Market, Liquidity, Interest Rate, Operational, Information Technology	Credit, Market, Liquidity, Interest Rate, Operational, Information Technology, Compliance & Legal, Reputational, Strategic	Credit, Market, Liquidity, Interest Rate, Operational, Information Security & Information Technology, Compliance & Legal, Reputational, Strategic

* Definitions of these risks and mechanisms as to their identification and monitoring are indicated in the 2017 DBP Annual Report

The Bank continues to exhibit preparedness and ability to absorb shocks in its pursuit of financial strength and viability to sustain development efforts.

The Enterprise Risk Management Sector (ERMS) is primarily responsible for ensuring that the Bank's risk profile is aligned with business strategies as approved by the DBP Board of Directors. ERMS develops and implements an effective risk management framework from which emanates recommended policies, procedures, controls and methodologies. Risk and capital management is 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 the Board-level committees, such as the Risk Oversight Committee (ROC), the lead risk management unit of the Bank, as well as the other Board committees.

The Bank has undergone efforts to institutionalize the Internal Capital Adequacy Assessment (ICAAP) by successfully integrating it in its Strategic Planning Exercise, Enterprise Risk Management (ERM) framework, as well as Business Continuity Planning. The ERM 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. Capital adequacy rounds these up as it is needed to ensure financial stability as objectives are achieved even as risk management is enhanced.

The responsibility of risk management resides in all levels of the organization with the Board of Directors 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

appropriate risk management strategy. Further, DBP's Board of Directors takes the lead in promoting a culture of risk-awareness throughout the institution.

The Bank has developed its own Loan Loss Methodology (LLM) based on the Expected Credit Loss Model, incorporating Probability of Default, Loss Given Default and Exposure at Default measures to comply with the requirements of BSP Circular No. 855 s.2014. The Probability of Default (PD) models were developed by an external resource in the last quarter of 2016 for the Bank's distinct portfolio segments, namely: LGUs, water districts (WDs) and electric cooperatives (ECs), large, medium, small and micro enterprises, were subjected to a validation exercise conducted by an external consultant in the third quarter of 2017 as part of the Bank's classification and measurement process in readiness for International Financial Reporting Standards/Philippine Financial Reporting Standards 9 adoption.

Risk Type	How it may be managed
Credit Risk	It is the Bank's biggest risk exposure arising mainly from its lending, trade-financing, treasury and underwriting businesses. The Bank manages this risk at all relevant levels of the organization through its credit evaluation and assessment process, credit policies, and controls and monitoring structures. The Bank has an established credit limit structure which provides safeguards to manage credit concentration risk brought about by exposures to single name/group borrowers, industry sectors and Directors, Officers, Stockholders and Related Interests (DOSRI). Credit risk mitigation is likewise employed through the acceptance of eligible collaterals and guarantees. An 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.
Market Risk	A major source of this type of risk for the Bank is in the form of price and foreign currency risks from its treasury activities. While capital requirements are accounted for using the standardized approach, 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.

Risk Type	How it may be managed
Liquidity Risk	<p>The Bank designed the liquidity risk management process with three elements: (1) the Maximum Cumulative Outflow (MCO), (2) Stress Testing, and (3) the 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 has instituted liquidity risk controls taking into account the MCO in both its domestic and foreign currency books. The Bank also 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 Bank also uses the Liquidity Coverage Ratio to monitor and assess its ability to withstand significant liquidity shocks that can last 30 calendar days.</p>
Interest Rate Risk	<p>The Bank uses various tools to manage interest rate risk including 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 EaR methodology is used to measure potential earning impact on the Bank's accrual portfolio. This measures the potential loss as a result of adverse market movement under normal events but specific to interest rate shifts. DBP'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.</p>
Operational Risk	<p>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 of Directors 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.</p> <p>Recognizing DBP's vulnerability to losses resulting from operational disruptions due to internal and external factors, the Bank continually exerts efforts to improve its business continuity management including disaster preparedness. The Bank 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.</p>
Information Security / Information Technology Risk	<p>The Information Security Office ensures implementation of and monitors compliance with the bank-wide Information Security policy, standards, procedures and/or guidelines with the aim of achieving information confidentiality, integrity, availability, and accountability for the Bank.</p> <p>DBP, through the Information Asset Profile-IS Risk Assessment (IAP-ISRA), defines an appropriate risk strategy and mitigation plan based on identified significant risks. The assessment recommends a set of strategies/ recommendations to mitigate threats and associated vulnerabilities and place safeguards where necessary.</p> <p>The Bank developed the IT Risk Management Framework with the primary goal of strengthening the management of IT risks in DBP due to the evolving complexity of risks involved in using information technology in banking service delivery.</p>
Compliance and Legal Risk	<p>Through the Compliance Management Group (CMG), DBP implements a Compliance Program which includes regular compliance risk testing of business units to manage & monitor the bank's compliance to laws, rules & regulations for the management of compliance risks. Meanwhile, the legal risks are centrally managed-through the Legal Services Group-via control structures such as sign-off procedures, issuance of legal opinions, continuous training & awareness campaigns.</p>
Reputational Risk	<p>Reputational risk affects the Bank's ability to establish new relationships or services or continue servicing existing relationships. Risk identification is crucial in successfully managing reputation risk, which is not easily measurable. 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. Effective communication is a foundation of an excellent reputation; thus, the Bank actively implements an external communications campaign to maintain its image as a proactive development financial institution with a line-up of responsive products and services as part of its developmental mandate.</p>
Strategic Risk	<p>Strategic risk is the potential risk to earnings and capital of inappropriate business decisions and implementation and/or inability to adequately respond to changing business environment. 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 also conducted by the Management Committee and the Board of Directors.</p>

To maintain a strong capital position, DBP regularly reviews its capital levels and overall capital position. The Bank conducts an enterprise-wide risk assessment and integrated stress testing to be able to respond immediately to changes in the banking industry and regulatory environment, determine the required capital that serve as buffer for shocks, and determine vulnerabilities to be able to safeguard the Bank adequately.

Our risk management approach, definitions of these risks and mechanisms as to their identification and monitoring are indicated in the 2017 DBP Annual Report.



Business Continuity and Disaster Risk Management

DBP recognizes that climate change could aggravate natural calamities that pose risks to the Bank's business and operations. Floods, earthquakes, and typhoons may damage the Bank's physical assets and affect personnel that could, consequently, disrupt DBP's ability to provide banking services.

In this context, the Bank continually seeks 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 would 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 as soon as possible. The Bank's disaster recovery facilities are also regularly assessed and maintained with a view towards the recovery requirements, including critical application systems, equipment and supplies.

Since 2015, the Bank has designated an Operational Risk Coordinator from each business unit 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 also subjects its loans to frequent monitoring and evaluation which should assess the effects of environmental factors and related incidents to viability of projects. The Bank also carries out downgrade in portfolio quality where necessary, via increase in restructured loans and in Non-Performing Loans of customers in affected areas as clients who are unable to pay their obligations as scheduled.

Information Security and Data Privacy

At DBP, information security (IS) is one of the components of enterprise risk management. In this regard, IS needs to be viewed in the larger context of organizational risk, employing similar techniques, methods and metrics in defining IS risk. The ultimate goal of IS is to manage such risks and keep these at tolerable levels.

Under BSP MORB XI 77: Information Technology Risk Management (ITRM) and expanded under BSP Circular No. 982 s.2017: Enhanced Guidelines on Information Security Management, the Bank is required to 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.

Through DBP's Information Asset Profile-IS Risk Assessment (IAP-ISRA), an appropriate risk strategy and mitigation plan is arrived at based on identified significant risks. The assessment recommends a set of strategies to mitigate threats and associated vulnerabilities and place safeguards where necessary.

Customer Data Privacy

DBP respects customer privacy and takes reasonable measures to ensure the security of personal data. The Bank upholds data privacy rights and ensures that all personal data collected from the Bank's customers are processed pursuant to the privacy principles of transparency, legitimate purpose, and proportionality.

As a repository and processor of personal data, the Bank endeavors to institute fair information practices that conforms to the expectations of its customers. In 2017, pursuant to Republic Act

10173 (Data Privacy Act of 2012) and issuances by the National Privacy Commission, the Bank designated a Data Protection Officer tasked to facilitate data privacy matters within the organization. This includes appropriate disclosures on the use of personal data to customers and capacity-building of personnel through awareness programs.

Customer privacy concerns and grievances are channeled through the Data Protection Officer and Customer Experience Management Department (CEMD). Between 2015-2017, however, the Bank has not identified any substantiated complaints on customer privacy from outside parties or regulatory bodies.

Anti-Corruption

DBP recognizes that all bank processes are susceptible to corruption. In this regard, the Operational Risk Management Department (ORMD) monitors and ensures that all operations are assessed for corruption-related risks.

The Bank has institutionalized a mechanism, through DBP Circular No. 16, s. 2013, that aims to encourage responsible reporting of acts or omissions constituting illegal activities and corrupt practices. The Whistleblower Protection Policy and Grievance Machinery is already in place to let employees communicate legitimate concerns about illegal, unethical or questionable practices without fear of reprisal.

The Board also adopted the DBP Related Party Transactions (RPT) Policy, per DBP Circular No. 26 dated October 27, 2016, to promptly address potential conflict of interest, prevent abuses arising from transactions with related parties, as well as ensure that all RPTs of the Bank are conducted freely and independently of each other.

The Bank also has a Code of Ethics that sets forth the core values that every bank director, officer, or employee must uphold in the performance of their duties. In 2013, DBP adopted a "No-Gift Policy," as mandated by Republic Act No. 6713 or the Code of Conduct for Public Officers and Employees, which is against the solicitation or acceptance of gifts as part of the Bank's resolution to fight corruption in the workplace. To ensure bank-wide implementation of the Code, a module on Code of Ethics is integrated in the mandatory Corporate Governance seminar and in the Orientation for New Employees. The Code is also readily accessible through the Bank's intranet system.

Ethics and Governance Risk is defined as the danger arising from violations of, or non-conformance with laws, rules, regulations, prescribed practices, internal policies, and procedures related to ethical standards and good corporate governance. This was rated as low, with minor impact on DBP. The Corporate Governance Office conducts Good Governance Program Trainings/ Seminars to familiarize all Bank officers and employees with the various good governance initiatives of DBP.

DBP's anti-corruption policy and practices are covered and evaluated under the Good Governance Conditions requirements of the Governance Commission for GOCCs and Inter Agency Task Force.

During the reporting period, there have been no incidents relating to corruption. Nevertheless, all members of the Board, senior managers, and employees still undergo trainings on anti-corruption policies and procedures.

Compliance: Social & Environmental

DBP recognizes that as it opens more branches, the Bank's collective impact on the environment likewise

increases. With this, the Bank endeavors to ensure that all aspects of its operations and the corresponding impacts to the environment are carefully considered and controlled, whenever possible, through established operational control procedures and compliance with government regulations.

To ensure strict adherence to regulatory requirements and to preclude any incident leading to penalty and sanction, each DBP office has a designated Pollution Control Officer (PCO) who manages the branch's performance in regulatory requirements, license/permitting conditions, and environmental management system. The PCO must be updated on the existing, new, or any changes in regulations to determine its applicability and/or if an exemption should be sought instead. The PCO also initiates and intensifies the implementation of environmental management-related programs of the Bank to educate employees on their individual share of accountability. Each PCO maintains an inventory of regulations, local ordinances, and voluntary commitments and regularly updates the compliance status.

DBP's adherence to various law and regulations such as, but not limited to, the Philippine Clean Air Act, Philippine Clean Water Act, Philippine Environmental Impact Statement System, Ecological Solid Waste Management and Toxic Substances, Hazardous, and Nuclear Wastes Control, are considered as compliance obligation to the Bank's external stakeholders. In 2017, the Bank was also re-certified for its successful implementation and transition to ISO 2015 standards for 9001-Quality Management System (QMS) and 14001-Environmental Management System (EMS). A team composed of trained employees specializing in Quality and Environmental Management System work with various business units to ensure that the Bank operates and implements its sustainability initiatives with the guidance of the ISO requirement.

Audit and Due Diligence

DBP acts as catalyst to influence its stakeholders regarding environmental awareness. All projects and term loans are subjected to environmental due diligence wherein projects are screened for its environmental aspects, considerations (location, use of natural resources, production processes etc.) and potential impact and risks. Each project is required to undergo the DBP Project Evaluation and Endorsement Report (PEER) procedure.

To ensure that DBP-financed projects are screened for its environmental protection, borrowers are advised on standard Environmental Covenants covered in the Bank's General Conditions such as the submission of the environmental compliance certificate and compliance with its conditions, payment of environmental fees levied upon, submission of duly certified environmental statement and the conduct of regular self-monitoring and to maintain an adequate and accurate records of pollution parameters.

Social Safeguards Due Diligence is also covered in the evaluation of projects to be financed by DBP. Best practices in evaluating social due diligence was applied and adopted in these evaluations. Indigenous People and Resettlement Issues are also being considered in DBP's evaluation of projects via the PEER. We continue to fund renewable energy projects such as hydropower and wind energy harnessing facilities aimed at contributing to the global effort of reducing greenhouse gas emissions.

DBP conducts annual term loan reviews of financed projects to check on the credit position of its borrowers and validate their compliance with the environmental and social sustainability conditions set forth in the agreements. To support the reviews, the Bank provides capacity building trainings for Account Officers to familiarize





them with the environmental and social concepts, evaluation processes, and regulatory policies. DBP regularly participates in seminars and training programs sponsored by funders, recognized private organizations, industry associations, and government regulatory agencies in relation to project management and implementation.

Procurement

DBP recognizes the importance of having a sustainable and transparent approach to procurement. This is

achieved by putting in place a sound sourcing platform, streamlining processes, and the efficient use of resources to ultimately reduce costs.

Through the Bank's Bids and Awards Committee (BAC) at the Head Office, the regional BAC (RBAC), and the Procurement and Inventory Management Department of the Procurement and Facilities Management Group (PFMG), DBP ensures the compliance of its procurement activities with Republic Act No. 9184 or the Government Procurement Reform Act and its

revised implementing rules and regulations. DBP's procurement activities for infrastructure projects, goods, and consulting services are all undertaken within the parameters of utmost transparency, competitiveness, streamlined processes, system of accountability, and public monitoring.

Key features:

- All procurements are carefully planned, undertaken in accordance with the Project Procurement Management Plan (PPMP) and Approved



DBP Environmental and Social Due Diligence

Procurement Plan (APP) relevant to the time of procurement. Those considered crucial to the efficient discharge of governmental functions are included in the PPMP and AAP.

- DBP's BAC for the Head Office and RBAC offices are designated by the President and CEO and authorized by the Board of Directors. Members of the BAC are selected based on qualifications in compliance to Section 11 of the 2016 IRR of RA 9184.



- Members of the TWG are designated from the relevant business unit/s for each bid project as experts to craft the Technical Specifications, Scope of Work and Terms of Reference. The TWG also assists the BAC in reviewing the bid documents, shortlisting consultants, eligibility screening, bid evaluations, post-qualifications and resolution of request for reconsideration.
- The concerned BAC, RBAC, and Procurement and Inventory Management Department (PIMD) ensure that DBP only deals with a Philippine Government Electronic Procurement System (PhilGEPS)-registered supplier or PhilGEPS-registered supplier in the Platinum category in the case of public biddings. Public bidders are required to provide a sworn statement regarding their compliance to existing labor laws and standards.
- Specific technical specifications for green procurement are contained in the Philippines Green Public Procurement Roadmap for items such as IT equipment, vehicles, food and catering services, training facilities, textiles, and uniforms. DBP prefers goods and services with a lower environmental impact throughout their life-cycle. Some examples are recycled paper, non-harmful chemicals, and LED for light fixtures.
- Procurement that require prior approval of the Board of Directors through the Management Committee include (a) Items and projects above P10-million and above; (b) hiring of consultants and consulting services; (c) procurement of services with multi-year term (must not exceed three years) can cover services such as security, freight and other services; and (d) participation of foreign bidders in a public bidding.
- The BAC Secretariat at the Head Office prepares a Procurement Monitoring Report each semester; to be approved by the Head of the Procuring Entity, submitted to the Government Procurement Policy Board, and finally, posted on the DBP website for transparency.
- The Procurement Unit-PIMD is responsible for entering into a Memorandum of Agreement for the adoption of Agency-to-Agency procurement when it comes to the procurement of common office equipment.
- An internal audit of the procurement system is carried out once every two years.

All prospective suppliers, service providers, and subcontractors, including canteen concessionaires are informed about DBP's EMS requirements and compliance policies. Where applicable, suppliers must submit a Material Safety Data Sheet as proof that their products do not contain hazardous chemicals that may have a negative environmental impact. The Bank also emphasizes its conditions in the procurement of environment-friendly goods to influence the parties we engage with towards becoming more eco-friendly.

There are special considerations to promote locally-produced goods, recourse and technology. RA 9184 mandates to procure first from local suppliers. Foreign suppliers may only be considered if there are no or not enough local suppliers for a particular service or product. For the reporting period covered in this report, 100 percent of DBP's suppliers were local.



Profit: Inspiring Growth

DBP believes that beyond the financial bottom line, financial institutions must help bring about equitable and more inclusive growth.

The direct economic value generated and distributed are stated in DBP's Annual Report, which includes the Bank's financial position, comprehensive income, changes in

capital funds and cash flows. Business units submit their respective financial performance to the Head Office through the Financial Accounting Department. Financial Statements are periodically posted on the DBP website.

The BSP and COA act as external regulatory bodies to whom the financial statements are presented to, as part of the Bank's compliance.

Financial Performance – Highlight of DBP Financial Performance - Parent Company (In Thousands PHP)*			
Parameter	2017	2016	2015
Economic Value Generated			
Revenue			
Includes: Interest Income & Other Income	22,793,038	21,668,424	21,508,770
Economic Value Distributed			
Operating Costs			
Includes: Interest expense, Occupancy Expenses, Other Operating Expenses (Less: Donations/Contributions) and Interest expense	10,467,515	10,520,164	10,607,681
Employee Compensation and Benefits			
	3,164,686	3,019,178	3,070,272
Dividends Paid to the Government			
	2,516,158	2,341,125	2,535,543
Taxes and Licenses Paid to the Government			
Includes: RCIT/MCIT, Final Taxes ,Taxes and Licenses	2,910,642	2,727,927	2,502,575
Donation/Contributions to Charitable Organizations (community investments)			
Includes: Donation and Charitable Contributions & DBP Endowment for Education Program (DEEP)	15,547	95,315	181,946

•For more details, refer to the DBP 2015, 2016, and 2017 Annual Reports in the DBP website.

The consolidated financial statements include the following:

- Interest income
- Loans and receivables
- Financial assets
- Deposits with banks
- Interbank loans receivable/ Securities
- Purchased under agreement to resell
- Interest expense
- Bills payable and other borrowings
- Deposits
- Net interest income
- Provision for impairment
- Net interest income after provision for impairment
- Other income
- Profit/(loss) from investment and securities trading
- Foreign exchange profit/(loss)
- Service charges, fees and commissions
- Dividends - equity investments
- Miscellaneous
- Other expenses
- Compensation and fringe benefits

- Taxes and licenses
- Occupancy expenses
- Other operating expenses
- Profit before tax
- Provision for income tax
- Earnings per share for net income attributable to the equity holder of DBP during the year

For a more in-depth understanding of DBP's financial highlights and performance, refer to the DBP 2015, 2016, and 2017 Annual Reports in the DBP website.

Direct and Indirect Economic Benefit of DBP's Operations and Services

President Rodrigo Duterte, from the beginning of his administration in 2016, underscored the urgency of addressing the country's neglected infrastructure to stimulate the rural economy, boost agricultural production, link farms, and provide access to markets.

To help usher in a "golden age of infrastructure," the President

has designated DBP as the primary infrastructure bank to help achieve the administration's 10-point socioeconomic agenda, with the goal of reducing the poverty level from 26.3% in 2015 to only 17% by the time he steps down in 2022.

As the premier development financial institution in the country, DBP is committed to rise to the challenge of accelerating the country's infrastructure development. While it may seem like a herculean task, this mandate confirms the government's trust and confidence in DBP as a steadfast ally in advancing the country's sustainable growth targets.

DBP continues to take inspiration from the students benefitting from the schools it helped build; from the communities that now enjoy clean water and reliable electricity through the facilities the Bank funded; from families who now have access to health care at hospitals that DBP financed; and from entrepreneurs who are now more competitive with the help of DBP's funding support.

DBP's Development Programs and Plans that support PDP 2017-2022

PDP Targets by 2022	Where can DBP make an impact?
Poverty rate down to 17%, equivalent to lifting about 6 million Filipinos from poverty	<ul style="list-style-type: none"> • Retail Lending for Micro and Small Enterprises (RLM) • Sustainable Agribusiness Financing Programs (SAFP) • Tree Plantation Financing Program (TPFP)
Unemployment rate down to 3-5% by creating 950,000 to 1.1 million jobs per year	<ul style="list-style-type: none"> • Retail Lending for Micro and Small Enterprises (RLM) • Sustainable Agribusiness Financing Programs (SAFP) • Connecting Rural and Urban Intermodal System Efficiently (CRUISE)
Greater trust in government and in society	
Individuals and communities will be resilient by reducing exposure to hazards, mitigating impact of risks, and accelerating recovery after disasters	<ul style="list-style-type: none"> • Residential Real Estate Financing Program (RRFP) • Tree Plantation Financing Program (TPFP) • Sustainable Health Care Investment Program (SHCIP) • Green Financing Program (GFP) • Financing Utilities for Sustainable Energy Development (FUSED) • Water for Every Resident Program (WATER)
Filipinos will have more drive to innovation PDP Targets by 2022	<ul style="list-style-type: none"> • DBP Educational Financing Programs (DEFP) • Green Financing Program (GFP) • Financing Utilities for Sustainable Energy Development (FUSED)



Development Lending

As an archipelago with over 7,000 islands, the Philippines requires efficient and modern transport systems, logistics facilities, and power infrastructures to accelerate and sustain its socio-economic growth, improve its global competitiveness, and promote physical integration.

DBP capped its 70th year strongly supporting the government's program for inclusive, sustainable development. Pump priming growth in priority areas through strategic development lending, the Bank channeled program support to projects and initiatives in key development sectors, namely: infrastructure and logistics; micro, small, and medium enterprises, environment and social services.

The Bank's priority development programs are geared towards Environment, Social Services, Infrastructure and Logistics, and MSMEs.

Infrastructure financing is a familiar territory for DBP. As a development institution that supported the rebuilding of the country from the destruction of war, the Bank warmly welcomes the opportunity to once again contribute to a fundamental element of national development. DBP addresses this need through its Connecting Rural Urban Intermodal Systems Efficiency (CRUISE) Program, which aims to support investments that improve the country's primary transport infrastructure and logistics facilities to provide affordable, reliable and safe mass transport systems; support the efficient movement of basic commodities; bring down the costs of goods and services;

and introduce sustainable storage, handling and distribution technologies and related information technology and climate change adaptation/risk mitigation requirements of the public and private sectors. CRUISE also actively promotes the use of different investment modalities that encourage private sector participation.

DBP's expanded support to the infrastructure sector was concretized with the launch of the Infrastructure Contractor Support (ICONS) Programs on March 29, 2017. Through the program, DBP extends credit assistance to contractors in the completion of contracts and in expanding their capacities through capital investments. Majority of the contracts supported are those with the government involving farm-to-market roads, irrigation dams, and bridges.



MSME Financing Forum 2017



The Bank's financial assistance also supports the government's goal to increase access to electricity services and develop electric cooperatives through the Financing Utilities for Sustainable Energy Development (FUSED) Program. Increasing access to water services in communities across the country is the main goal of DBP's Water for Every Resident (WATER) Program. About 66% of the projects supported under the WATER Program were funded by ODA funds sourced from the Japan International Cooperation Agency (JICA), while the rest are from DBP's internally-generated funds.

The recognition of DBP as the SME Bank of the Year in 2017 is one proof that the Bank has been a consistent and reliable partner of enterprising Filipinos. The Sustainable Enterprises for Economic Development (SEED) Program supports all Filipino micro, small and medium entrepreneurs by broadening their opportunities to

financial access. The Inclusive Lending for Aspiring Women Entrepreneurs (ILAW) Program, in particular, extends funding support to women-owned and managed enterprises for the establishment of viable income-generating activities.

Beyond providing loans to MSMEs, DBP participates in the BSP-developed Credit Surety Fund (CSF) Program, a credit enhancement scheme that aims to increase the credit worthiness of MSMEs that lack collateral, credit knowledge, and credit history.

Other programs include the Sustainable Agribusiness Financing Program (SAFP), Tree Plantation Financing Program (TPFP), Broiler Contract Growing Program (BCGP) and the Small Business Puhunan Loan Program (SBPLP).

On the environmental front, DBP is one of the first Philippine

banks to integrate environmental considerations in all aspects of its operations. To show its commitment to environmental protection and sustainable development, the Bank provides financing as well as technical assistance to ecologically-sound projects. DBP also encourages clients and participating financial institutions, under its wholesale lending program, to include green considerations in their businesses and thrusts.

The Green Financing Program (GFP) is DBP's umbrella program that supports the Bank's strategic thrust of environmental protection and the country's green growth strategy. The program was designed primarily to assist strategic sectors, industries and LGUs in adapting environment-friendly processes and technologies and incorporating climate change adaptation and mitigation and disaster risk reduction measures, by providing financing and technical assistance.



Launching and MOA Signing of the Cauayan City Credit Surety Fund

Eligible projects



DBP's lending programs support projects in health care, education, housing and community development. The Bank helps provide access to shelter for the poor, while supporting the development of infrastructure and community facilities in cities and municipalities.

- Residential Real Estate Financing Program (RRFP)
- DBP Educational Fund Program (DEFP)
- Sustainable Health Care Investment Program (SHCIP)

DBP Development Programs

Program	Loan Portfolio (as of 2017)	No of Projects	No of Borrowers (as of Dec 2017)	Impact
Infrastructure and Logistics				
CRUISE	P19.56-billion	244	244	3,713.97 lane kilometers of roads rehabilitated/constructed
ICONS	P4.55-billion	120	30	A total of 120 projects assisted that translated to completion of specific infrastructure projects.
FUSED	P28.73-billion	53	50	Renewable Energy <ul style="list-style-type: none"> • Energy Generation – 374,087.81 MWH • Fuel Oil Displaced – 705,959.25 Barrels • FOREX Savings – US\$ 36,540,451.02 • CO2 Avoided – 175,930.20 • Conventional Energy • Energy Generation – 187,719.98 MWH
WATER	P8.25-billion	59	49	<ul style="list-style-type: none"> • Additional Water Production – 199,632,424 cu.m./year • Additional connections – 988,240 • Pipeline Network rehabilitated/upgraded/expanded – 6,002,421 meters • Water conserved – 7,159,411 cu.m./year • Employment generated – 3,494
Environment				
GFP	P21.87-billion	163	155	Industrial Pollution Control Projects <ul style="list-style-type: none"> • Reduced Energy Consumption on LED Streetlight system installed (3,600 units) – 226,800 kWh/month equivalent to P1.828-million • 41 tunnel ventilated Poultry Houses with bird population of 2,328,154 • Reduced mortality rate of birds – From 10% to 6% • Erosion avoided for at site with land area of 18,010 sq. m. equivalent to P36-million • Sewage treatment equivalent to 5,607.11 cu. m. • Septic Tank Desludged – 620 units • BOD avoided / treated – 15,806.45 kilograms Solid and Hazardous Waste Management Projects • Recycled Waste from Materials Recovery Facility – 169 tons per day (TPD) • Waste-to-Energy (WTE) Project (Dry Anaerobic Digesting (DAD) Facility Capacity) – 130.TPD • WTE: Electricity Generated -- 700 kWh • Landfill Design Capacity -- 890,249.37m³ • Landfilled Waste -- 1,611,656.91 m³ • Waste Collected /Transported -- 147.49 m³
Micro, Small and Medium Enterprises (MSMEs)				
SEED	P11.87-billion	488		No. of ILAW borrowers: 152 No. of CSF benefitted: 40 No. of beneficiaries: 1,605
SAFP	P76.33-billion	206	432	Sustainable Agribusiness Financing Program <ul style="list-style-type: none"> • Employment Generated – 10,742 • No. of broilers/ layers – 41,095,293 heads • No. of eggs – 30,094,250 pieces • No. of hogs – 70,200 heads • Animal feeds production – 56,160 metric tons • No. of dressed chicken – 32,552,000 pieces • No. of planted trees – 320,250 trees • Area planted – 1,200.5 hectares
Social Services				
SHCIP	P10.09-billion	154		No. of Beds – 2,285 No. of dialysis centers - 12
RRFP	P0.84-billion	5	126	No. of housing units - 893
DEFP	P1.97-billion	17	130	No. of classrooms/libraries/school facilities constructed – 55

Detailed program performance can be found in the Annex

A Closer Look:

DBP Supports Ease of Doing Business



DBP and the Bureau of Internal Revenue (BIR) launched the BIR-DBP PayTax Online portal designed to enable individuals to pay taxes online using a secure and convenient channel.

► Process/Approach

This is part of the DBP and BIR's efforts to contribute to the 'Ease of Doing Business' program of the Duterte administration to build the digital payments infrastructure of the government.

The PayTax Online complements the BIR Electronic Filing and Payment System (eFPS) and the Electronic BIR Forms (eBIRForms) which taxpayers prepare and file.

Taxpayers with any bank card (prepaid, debit or credit) will now be able to pay their taxes via the web-based portal www.dbppaytax.com powered by DBP's Internet Payment Gateway. Taxpayers can also access it by going to the websites of DBP or BIR where payments can be made using any prepaid, debit or credit card issued by BancNet, Visa or MasterCard.

► Outcomes/ Highlights

System makes it easier for individuals to pay their taxes as it is available 24 hours, 7 days a week. For Visa and Mastercard holders, transactions can be made until 10 PM daily. It aims to help increase tax revenues of the government.

Highlights

2015

- Fueled by loans growth, the Bank's total assets crossed the half-trillion mark at P504-billion at the end of 2015.
- DBP granted a P5-million credit facility to Earth Life Store Supply, Inc. (ECHO Store), a female-led enterprise that sells green products to a premium, specialty market segment. ECHO Store's product line includes gifts, fashion and décor items, body care products, biodegradable home cleaning solutions, beverages, and books. This credit facility supports DBP's Inclusive Lending for Aspiring Women Entrepreneurs (ILAW) program, which aims to empower women entrepreneurs, help businesses grow beyond microcredit, create more jobs, and tap into the network of women's organizations.
- DBP extended P50-million term loan to the LGU of Cawayan, Masbate to build a transport terminal and public market. It is part of a P730-million total loan to finance priority development projects for the municipality's 63,000 residents.
- DBP signed an agreement with St. Paul University Surigao, Inc. for a P300-million term loan to finance the construction of a three-storey, Level 2 hospital building. It aims to provide quality healthcare services to residents of Surigao City and neighboring municipalities.
- DBP granted a P300-million loan to the San Pedro Calungsod Medical Center, Inc. to construct a seven-storey, Level 2 100-bed hospital building in Kawit, Cavite. The project aims to contribute to the improvement of maternal health, reduction of child and infant mortality, and control of communicable diseases.
- DBP signed a MOA with the National Dairy Authority for a special lending program to develop the local dairy industry.
- DBP granted a P245-million term loan to the LGU of El Nido, Palawan for the construction of a water supply and sewage and waste water treatment system. The project aims to provide a steady supply of safe and potable water to over 9,042 households in all 18 barangays, address inadequate water pump and deep well treatment measures, and promote better health and sanitation conditions to about 2,245 households.
- The Bank extended a P79-million term loan to Metro Naga Water District of Naga City to serve over 37,000 concessionaries in 69 barangays. The project is the first of its kind septage treatment facility in the Bicol region.
- DBP granted a P120-million and P65-million loans to the LGUs of Umingan and Malasiqui, respectively, for the construction of an integrated terminal with government and business centers aimed at spurring the local economy of Pangasinan.
- DBP signed a P175-million loan agreement with Baguio Water District to refinance its existing soft loan with the Local Water Utilities Administration. It currently serves over 36,970 active connections.
- DBP granted P25-million to the Nueva Segovia Consortium of Cooperatives (NSCC) to finance the construction of a three-storey hotel building in Vigan, Ilocos Sur. It is the second building of the NSCC and helps address the shortage of accommodation facilities in the city following the declaration of Vigan as one of the Seven Wonder Cities of the World.
- DBP approved a P135.65-million 10-year term loan to the Ilocandia Medical Group, Inc. to improve the delivery of health care services in the region.

2016

- As it continues to support the country's economic and social development, the Bank's credit rating of BBB and stable outlook were affirmed by the Standard & Poor's (S&P) Global Ratings.
- DBP granted a P835-million loan to Ormoc City-based Chua Group of Companies to finance the construction of the first ship building and ship repair facility in Albura, Leyte. The project involves the construction of the first of six slipways with 3,000 deadweight tonnage (DWT) capacity to upgrade maritime transport services, make inter-island trade and commerce more efficient, establish better communication links between coastal provinces, and promote domestic tourism.





Partially financed by DBP, a new ship repair and shipbuilding facility in Albueria, Leyte was inaugurated by the Chua Group of Companies. Establishing the shipyard facility was first borne out of the need for the regular repair and maintenance of their own fleet of vessels hauling aggregates for their construction business. Projects such as this are high on DBP's priority thrusts as it is a way forward to economic development.

- DBP supported a P10-million term loan to Kauswagan Sang Isla Sibuyan Enterprise Ltd. to finance the development of a 1.2-hectare modern aquaculture project for the production of quality grouper (lapu-lapu) fingerlings. It aims to boost the aquaculture sector; develop ancillary industries like ice plant and cold storage, packing, transport, and banking services in Sibuyan island.
- DBP approved a P60-million loan to linen company Joyce & Diana Worldwide, Inc. to generate more jobs and boost tourism. Its sister company, Globalinens Worldwide, Inc., was also granted a P10-million Revolving Promissory Note Line.
- DBP granted the first eel grow-out loan to Cacayan Aqua Ventures Inc. to support its advocacy on sustainable eel farming and help combat eel fry smuggling to cater to the increasing demand from Japan, South Korea, Taiwan, and China.
- DBP approved a P220-million term loan and P30-million working capital for the University of Perpetual Help Rizal, Inc. which is doing business under the name University of Perpetual Help System DALTA (UPHSD). It aims to improve Filipinos' lives by providing quality education.
- DBP granted a P115-million term loan to Espire Health Philippines, Inc. to partially finance the company's first Radiation Oncology Center installed at the National Kidney and Transplant Institute (NKTi). The project supplied NKTi with a Linear Accelerator; hardware and software accessories; service and maintenance program; and training and technology transfer to NKTi personnel to treat cancer effectively and efficiently with a patient-focused treatment program designed as a multidisciplinary approach.
- DBP approved a P260-million loan to Pueblo de Panay Inc., (PDPI) to build the first condotel in Roxas City, Capiz. It provides the needed housing and hotel accommodation for residents and travelers in Roxas City, and also caters to BPO companies in the Pueblo de Panay Technopark, a PEZA-registered IT Park.
- DBP approved P450-million and P200-million loans to Metro Iloilo Hospital and Medical Center Inc. (MIHMCi) and Holy Mary Women and Children's Hospital, respectively, to address the growing shortage of hospital beds in the Province of Iloilo, and to partially supply the 855 unmet bed needs.
- DBP granted a P352-million loan to Birdsteel Farm for its expansion project in Cebu City. It aims to construct modern, auto-climate controlled poultry buildings under the latest tunnel ventilation system, a milestone in the contract-growing community of Region VII and the entire country.
- The Bank provided funding support to three microenterprises, as follows: (a) a promissory note line to garment manufacturer ATC Apparel, which exports infant and children's wear to the US, Spain, Australia, and Dubai; (b) a revolving promissory note line to Crisdeline Garments, a subcontractor of garments exporters and manufacturers whose product line includes ladies' undergarments sold in both the domestic and international markets; and (c) additional working capital to Ant Colony Trading, engaged in the buying and selling of second-hand items and scrap materials with operations in Laguna, Batangas and Cavite.
- DBP granted a P5-million loan to Tung Fong Industrial Co., Inc. to finance the manufacture and increased production output of its stainless-steel butt weld pipe fittings product. The loan is in line with DBP's thrust to support projects that generate jobs and spur business activity, especially in the manufacturing industry.
- The Bank granted a loan to Mercado Builders, Inc. to partially finance working capital

requirements specifically for the mobilization of its newly-awarded projects that support regional government centers for better governance and faster service delivery.

- The Bank co-implemented with the Department of Trade and Industry (DTI-Regions VI and XI) the Adopt a Negosyo Center Program in Iloilo and Davao, which aims to enable MSMEs to grow and achieve their potentials. Negosyo Centers promote ease of doing business and improving access to services for MSMEs, which are recognized as facilitators of local job creation, production, and trade in the country.

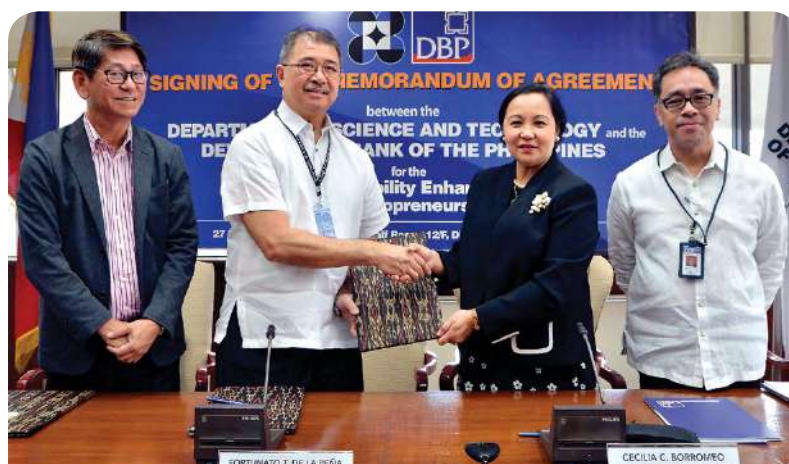
- The Bank signed a MOA with the Department of Science and Technology (DOST) for the DBP Bankability Enhancement for SETUP Technopreneurs (DBP BEST) program, which addresses the financing needs of beneficiaries of DOST's Small Enterprise Technology Upgrading program (SETUP). SETUP assists SMEs in adopting technological innovations to boost their productivity and competitiveness. The DBP BEST program has also been promoted in regions like Ilocos, Bicol, Cordillera Administrative Region, Caraga, and the Zamboanga peninsula. Initially, some 89 SETUP beneficiaries have been identified with total aggregate loans amounting to P169-million.

under the ICONS program. Infrastructure contracts that can be financed under the said program include social infrastructure for both residential and non-residential buildings, transport infrastructure covering roads and bridges, water supply, wastewater, sanitation and other utility infrastructure. The program also finances contractors that have projects involving waste, power and energy infrastructure.

- DBP funded an 82-kilometer landmark road project that links the country's eastern seaboard towns in Isabela province to mainland Luzon. The Ilagan-Divilacan road allows farmers

2017

- DBP granted a P140-million term loan facility to St. Dominic College of Asia, Inc. (SDCA) to partly finance the construction of its 10-storey school building expansion project in Bacoor City, Cavite. The project provides an additional 70 classrooms for SDCA to improve classroom density for its elementary and secondary school students.
- DBP granted a P550-million term loan to the LGU of Camarines Sur to finance 343 priority development projects in the province such as school buildings, road projects, multi-purpose buildings and covered courts, health centers, mini pavilions and acquisition of farm/agricultural and road-building equipment. DBP received an award from ADFIAP for this endeavor.



MOA Signing between DBP and the Department of Science and Technology for the DBP-BEST Program

- The Bank launched a financing facility for local contractors in line with the Duterte administration's Build, Build, Build program. Contractors duly licensed by the Philippine Contractors Accreditation Board are eligible to borrow

and traders to transport their goods to and from the markets, enable residents to avail of basic social services from the provincial government, and connects the said towns to resource-rich Philippine Rise.



- DBP approved a P100-million omnibus line to engineering and construction firm Goldridge Construction & Development Corp. to finance its various infrastructure projects, such as the installation of marine navigation aids and improvement and construction of several existing and new breakwater and port projects. The project is supported under the ICONS Program, which aims to support the credit requirements of contractors in pursuit of the infrastructure development thrust of the Bank.

- DBP approved a P150-million omnibus line to engineering and construction firm M.E. Sicat Construction, Inc. (MESCI) for the financing of its various infrastructure contracts. The assistance is in line with the Bank's thrust to assist Filipino contractors in expanding their capability to complete their infrastructure contracts and in support of the "Build, Build, Build" infrastructure program of the Duterte administration.

- The Bank signed an MOU with the Bases Conversion Development Authority (BCDA) to strengthen their partnership in support of the Duterte administration's "Build, Build, Build" program. DBP serves as BCDA's financial advisor and funding arranger, assisting BCDA in evaluating and preparing projects for implementation. The partnership allows DBP to fulfill the Bank's pivotal role as a key player in the National Government's infrastructure development thrust.

- The Bank became a signatory to "The Karlsruhe Resolution" that supports the UN-backed Sustainable Development Goals (SDGs) and the Paris Climate Agreement (COP21) collectively known as the "Agenda 2030." The resolution stresses the important role of the financial services industry in achieving the aspirations of Agenda 2030 and underscores the need to mobilize sufficient funding for the next five years for the implementation of the UN resolution on the SDGs and the COP21.
- DBP extended a P1.28-million grant to the Social Enterprise Development Partnerships, Inc. (SEDPI) to provide capacity building seminars to



DBP and BCDA Partnership for Infrastructure Financing

DBP-accredited microfinance institutions and help improve the delivery of pro-poor financial services. SEDPI is a SEC-registered private organization whose core competency is development finance and collaborates with both private and public development agencies and organizations to improve financial inclusion.

- The Bank signed a merchant agreement with the LGU of Bacoor, Cavite for a Point-of-Sale (POS) system that provides taxpayers a safe, convenient, and efficient means of paying Real Property Taxes using debit, credit or prepaid cards.
- DBP launched a P1.5-billion financing facility with the Department of Transportation (DOTr) to support the initial implementation of the administration's Public Utility Vehicle (PUV) modernization program. Called DBP Program Assistance to Support Alternative Driving Approaches (DBP PASADA), it offers responsive and reasonable financing for transport corporations and cooperatives to allow them to acquire new, environment-friendly and passenger-safe PUVs. Loan proceeds may also be used for the acquisition or construction of support facilities like off-street garage/terminal and acquisition of equipment necessary for the proper operations and maintenance of the PUVs. Loans for above purposes can only be availed of together with the acquisition of the vehicles.



DBP and DOTr Partnership on Financing PUV Modernization

- DBP signed a P200-million revolving credit line agreement with the Philippine Bank of Communications (PBCOM) to support the SME sector, particularly for relending to eligible sub-borrowers or investment enterprises for livelihood projects.
- DBP signed a P1.8-billion loan agreement with the Provincial Government of Davao Occidental to finance various infrastructure and livelihood projects in the country's newest province. It funds the construction of a provincial hospital, provincial capitol building, and several barangay halls; support the province's water resource development and housing programs; finance agri-forestry systems, provincial livestock and dairy program, small cottage industries and craft villages; and the acquisition of heavy equipment and medical equipment.





Planet: Promoting Responsible Stewardship

DBP envisions itself as a catalyst for a progressive and more prosperous Philippines. The Bank's combined efforts with various partners are geared towards raising the benchmark of economic competitiveness for sustainable growth. This includes the integration of environmental protection and sustainable development into the Bank's operations and services and living up to DBP's commitment as a "Bank for the Environment."



DBP's environmental policy integrates environmental considerations in all aspects of operations, asset management, and business decisions, serving as the backbone of the Bank's organizational commitment.

With said policy in mind, DBP has pledged to comply with relevant environmental laws and regulations and implement an Environmental Management System (EMS), which measures the Bank's impacts and initiatives to conserve resources like water, increase energy and fuel efficiency, and practice proper waste segregation. As a GFI and pioneer in implementing EMS in the banking sector, DBP likewise encourages other organizations to pursue the same environmental initiatives through the Bank's lending and technical assistance programs. DBP conducts annual reviews, measurements and internal and external audits on its operations to ensure the continuing effectiveness of the Bank's EMS.



Led by the Quality Management Department- Environment Management Team and pursuant to company policy, DBP commits to:

- Develop, implement, and continually improve the Bank's EMS;
- Encourage other institutions to pursue environmental protection and pollution prevention through the Bank's lending and technical assistance programs, and pursue environmental management practices, including environmental due diligence inquiry in risk assessment and management;
- Comply with relevant environmental laws, regulations and agreements to which DBP subscribes to;
- Set and review environmental objectives and targets along identified significant environmental aspects; and
- Ensure that all employees at all levels are made aware of and are actively involved in the Bank's Environmental Policy and programs through appropriate training and information dissemination.

DBP also implements environmental initiatives such as:

- Reduction of internal operations' environmental impact through efficient resource consumption;
- Identification and management of the business' environmental risks; and
- Promotion of projects that contribute to environmental protection through DBP's loan programs, CSR, and advocacy projects.

To fulfill the Bank's obligation and commitment to minimize the impact of its operations on the environment, DBP proudly considers its environmental footprint as proof of the compatibility of economic progress and social responsibility with environmental consciousness. The Bank submits quarterly self-monitoring reports to the Environmental Management Bureau pursuant to the DENR Administrative Order (DAO) No. 27.

This report showcases DBP's environmental performance trend for the years 2015 to 2017.

Energy Consumption

DBP Total Energy Consumption within the Organization (MJ)

	Diesel	Gasoline	LPG	Electricity	TOTAL
2017	12,318,088.06	3,699,732.54	0*	44,338,804.82	60,356,625.42
2016	14,410,785.12	2,807,157.20	0*	44,767,526.24	61,985,468.57
2015	12,854,181.46	3,990,565.58	45,867.82	40,044,216.05	56,934,830.90

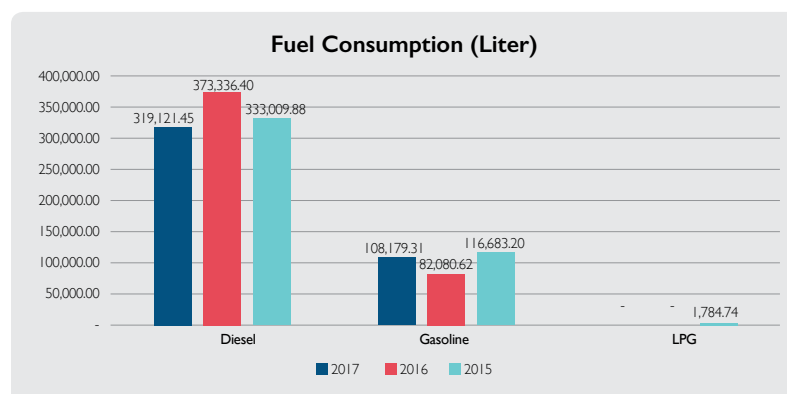
1kWh = 3.6MJ; 1 Liter Diesel = 38.6MJ; 1 Liter Gasoline = 34.2MJ; 1 Liter LPG = 25.7MJ;

* No LPG was used during this period

DBP Energy Intensity (MJ/employee)

	TOTAL
2017	21,679.82
2016	24,308.03
2015	24,145.39

Number of employees 2015 -2,358; 2016-2,550; 2017-2,784





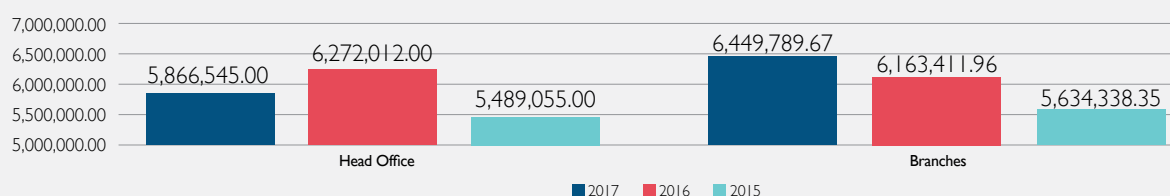
DBP Fuel Consumption (MJ)

	2017	2016	2015
Diesel	12,318,088.06	14,410,785.12	12,854,181.46
Gasoline	3,699,732.54	2,807,157.20	3,990,565.58
LPG	-	-	45,867.82
Total	16,017,820.60	17,217,942.33	16,890,614.85

DBP Total Electricity Consumption (MJ)

	2017	2016	2015
Head Office	21,119,562.00	22,579,243.20	19,760,598.00
Branches	23,219,242.82	22,188,283.04	20,283,618.05
Total	44,338,804.82	44,767,526.24	40,044,216.05

DBP Total Electricity Consumption (kwh)



DBP Energy Reduction Initiatives

- Reduced operating time for air conditioning (AC) units, lights and elevators
- Thermostat setting of AC units set at required working temperature of 25°C
- Auto shut-off setting of personal computer monitors when idle for 20 minutes
- Energy-efficient lighting
- Lights off policy during lunch break and when not in use
- Maximize the use of technology to reduce paper consumption

The initiatives have led to the following overall energy reduction across DBP operations (Head Office and Branches) of:

- 1,628,843.15 MJ in total energy consumption from 2016 to 2017
- 2,092,697.07 MJ in diesel consumption from 2016 to 2017
- 428,721.42 MJ in electricity consumption from 2016 to 2017
- 1,067,183.06 MJ in gasoline consumption in 2016 and 174,607.72 MJ in 2017 from 2013



DBP Total Water Consumption (cubic meters)

	2017	2016	2015
Head Office	38,073.00	39,714.00	33,688.00
Branches	69,466.56	76,231.47	60,631.27
Total	107,539.56	115,945.47	94,319.27

DBP Water Conservation Initiatives

- Regular checking for water leakages
- Installation of waterless urinal and sensor lavatory faucets

These initiatives have led to overall reduction of water consumption across DBP operations (Head Office and Branches) of:

- 3,827.65 cubic meters water from 2014 to 2015
- 8,405.91 cubic meters water from 2016 to 2017

Greenhouse Gases Emissions

DBP Total Greenhouse Gas Emissions
(MTCO₂e)

	2017	2016	2015
Scope 1 (Fuel)	1,108.39	1,192.61	1,168.24
Scope 2 (Electricity)	6,539.97	6,603.21	5,906.52
Total	7,648.92	7,795.82	7,074.76

Emission Factors – Electricity 0.531 kgCO₂e/liter;
Diesel 2.68 kgCO₂e/liter; Gasoline 2.34 kgCO₂e/liter;
LPG 1.53 kgCO₂e/liter

DBP Greenhouse Gas Intensity (MTCO₂e/employee)

	TOTAL
2017	2.75
2016	3.06
2015	3.0

DBP GHG emission reduction Initiatives

The initiatives have led to overall reduction of greenhouse gas emissions across DBP operations (Head Office and Branches) of:

- 147.46 MTCO₂e from 2016 to 2017
- 84.23 MTCO₂e Scope 1 emissions from 2016 to 2017
- 63.24 MTCO₂e Scope 2 emissions from 2016 to 2017

DBP Paper Management

Bank-wide paper consumption from 2015 to 2017 ranged from 10,080.81 kg to 10,776.83 kg as paper continues to be an integral part of operations. However, on per capita consumption, the trend showed a minimal decrease from 52.47 kg/employee to 47.81 kg/employee, which the bank considers to be at an acceptable level while no new digital alternative has been implemented yet.

Business Units, however, are encouraged to maximize information and use communications technology to streamline processes and to lessen

paperwork. The Bank also promotes and institutionalizes the use of departmental portals as a knowledge base and information source. DBP commits to continue looking for potential programs and long-term solutions that would significantly improve its paper efficiency considering the emerging technologies.

Environmental Impact of DBP's Banking Activities

As the first bank in the country to integrate environmental considerations in all aspects of its operations, DBP constantly demonstrates its commitment to environmental protection and overall sustainable development.

All projects and term loans are screened for environmental aspects, considerations (location, use of natural resources, production processes etc.) and potential impacts and risks. Each project is required to undergo the DBP PEER procedure and accordingly be categorized into one of the three classifications:

- Category A (High Risk) - Projects with potential significant adverse environmental impacts
- Category B (Medium Risk) - Projects judged to have some adverse environmental impacts but of lesser significance than those of Category A.
- Category C (Low Risk) - Projects unlikely to have adverse environmental impacts

- Do not need to undergo further environmental assessments but shall need to comply with required environmental permits and clearances such as discharge permits, ECC, etc.

For Category A and B projects, DBP's Program Development teams are equipped to verify the environmental requirements and risk levels of a project, and, during the PEER, summarize it together with the following points of evaluation:

- Technical eligibility of the project for funding;
- Appropriateness of proposed technology;
- Environmental requirements;
- Managerial and technical competence;
- Socio-economic impacts and safeguards; and
- Consistency with regional/provincial/ local development plans and programs

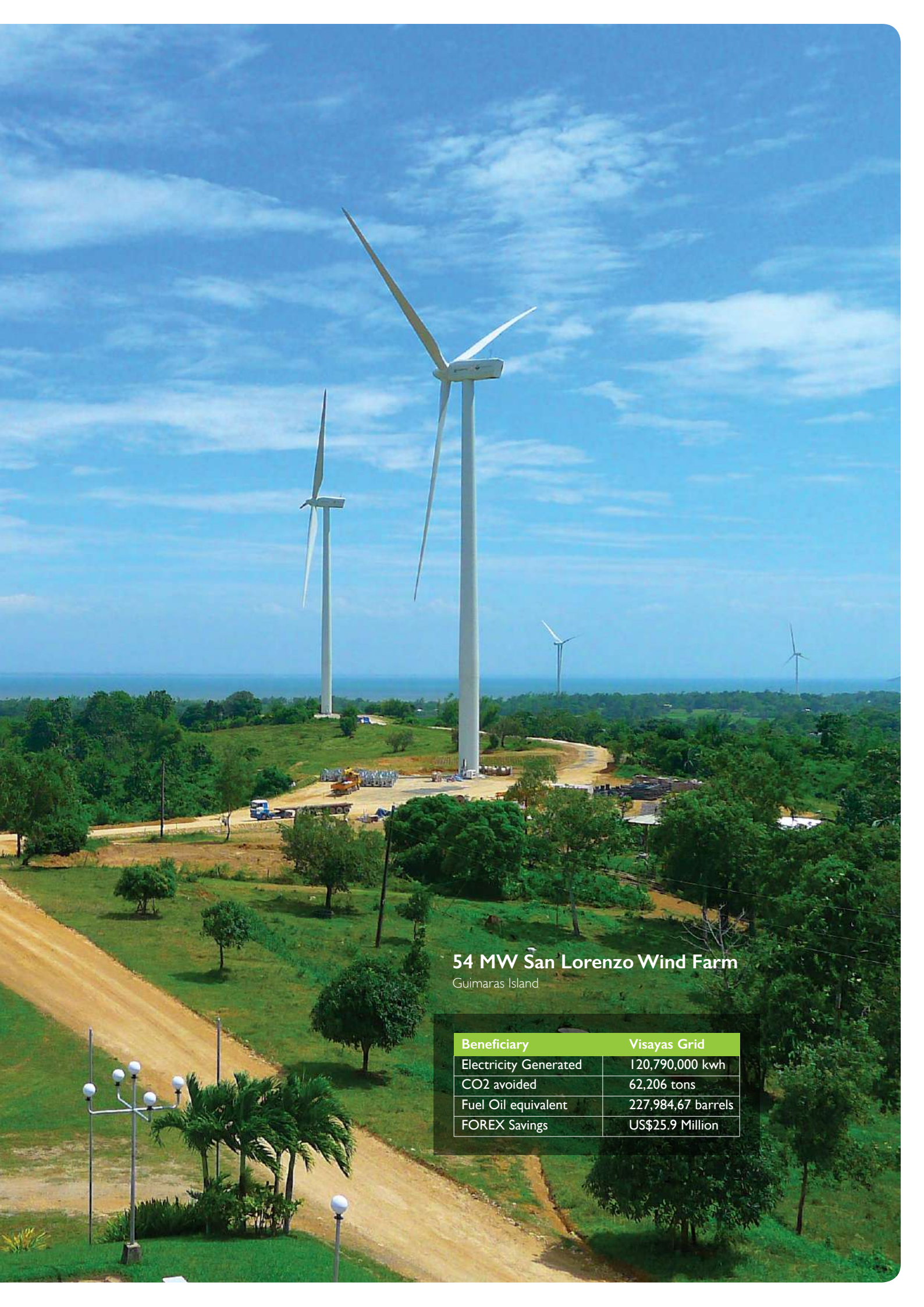
To ensure that DBP-financed projects conform to the Bank's requirement in environmental protection, borrowers are advised on standard Environmental Covenants covered in the Bank's General Conditions, such as the submission of the environmental compliance certificate and compliance with its conditions, payment of environmental fees levied upon, submission of duly certified environmental statement and the conduct of regular self-monitoring, and to maintain an adequate and accurate records of pollution parameters.

As a development financial institution, DBP prefers to work around these climate change risks and view them as opportunities to finance projects that seek to mitigate their impacts. The Bank's Green Financing Program (GFP) aligns with its strategic thrust of environmental protection and the country's green growth strategy. DBP likewise continues to fund renewable energy projects such as hydropower and wind energy-harnessing facilities, aimed at contributing to the global effort of reducing greenhouse gas emissions.

DBP Paper Consumption (kg)

	2017	2016	2015
Head Office	36,656.90	41,446.20	34,889.30
Branches	96,450.61	92,357.22	88,137.28
Total	133,107.51	133,803.42	123,026.58





54 MW San Lorenzo Wind Farm

Guimaras Island

Beneficiary	Visayas Grid
Electricity Generated	120,790,000 kwh
CO2 avoided	62,206 tons
Fuel Oil equivalent	227,984,67 barrels
FOREX Savings	US\$25.9 Million

A Closer Look: Green Financing Program

DBP's umbrella program that supports the Bank's strategic thrust of environmental protection and the country's green growth strategy.

Process/Approach

The program was designed primarily to assist strategic sectors, industries and local government units (LGUs) in adapting environment-friendly processes and technologies and incorporating climate change adaptation and mitigation and disaster risk reduction measures by providing financing and technical assistance.

Through the program DBP provides credit facilities where funding gaps exist for projects such as cleaner production technologies, air and water pollution control systems and facilities, clean development mechanism (CDM), power projects, water supply and sanitation, watershed management, resource recovery, solid and hazardous waste management projects and even health care.

The Bank targets that by 2022, individuals and communities will be resilient by reducing their exposure to hazards, mitigating impact of risks, and accelerating recovery after disasters.

Outcomes/ Highlights

Loan portfolio: P21.87-billion in 2017

No of Projects: 163

Number of Borrowers: 155

Industrial Pollution Control Projects

- Reduced Energy Consumption on LED Streetlight system installed (3,600 units) – 226,800 kWh/month equivalent to P1.828-million
- 41 tunnel ventilated Poultry Houses with bird population of 2,328,154
- Reduced mortality rate of birds – From 10% to 6%
- Erosion avoided for at site with land area of 18,010 sq. m. equivalent to Php36-Million
- Sewage treatment equivalent to 5,607.11 cu. m.
- Septic Tank Desludged – 620 units
- BOD avoided / treated – 15,806.45 kilograms

Solid and Hazardous Waste Management Projects

- Recycled Waste from Materials Recovery Facility – 169 tons per day (TPD)
- Waste-to-Energy (WTE) Project (Dry Anaerobic Digesting (DAD) Facility Capacity) -- 130 TPD

- WTE: Electricity Generated -- 700 kWh
- Landfill Design Capacity -- 890,249.37m³
- Landfilled Waste -- 1,611,656.91 m³
- Waste Collected / Transported -- 147.49 m³



Environkonsult's sludge dewatering facility, sludge holding tank, septage receiving facility, and desludging truck

Highlights

2015

- DBP approved a P271-million loan for the construction of the 1.5 MW Tubao run-of-river type mini-hydro power project on Galiano River in the municipality of Tubao, La Union. The project contributes to the government's thrust of achieving energy independence through the development of indigenous and renewable energy sources and also augments the power supply in the Luzon Grid.



2016

- DBP signed a P185-million loan agreement with the FDR Group of Companies to establish and operate the first-of-its kind Dry Anaerobic Digester (DAD) biogas plant in the country, including the construction of a composting building and other facility upgrades. The project is in line with the Bank's continuing thrust to support and finance projects with social and environmental impacts.
- The Bank approved a P112.5-million Omnibus Credit Facility to Biyao Hydro Power Corporation (BHPC) to partially finance a 0.8-megawatt hydroelectric power plant project in Sitio Sese-an, Balbalan, Kalinga Province. The project is in line with the government's thrust of achieving energy independence through the development of indigenous and renewable energy resources. More importantly, it is expected to spur the local economy by stimulating small business activities and improving the living condition of the residents.
- DBP granted P4.375-billion loan to First Toledo Solar Energy Corp. (FTSEC) to partially finance the construction of a 60-MW solar power plant in Toledo City, Cebu. It was then the largest solar farm that DBP financed as well as the largest solar power plant in Cebu

Island. The project augments the energy supply in the Visayas Grid by 48.96 MW and is expected to stimulate local business activities in the province.

- The Bank approved a P1.355-billion loan to Enfinity Philippines Renewable Resources Inc. (EPRRI) for the refinancing of its 22.326 MW solar powered electricity generation project in the Clark Freeport Zone, Pampanga. The project generates approximately 32,000 MWh/year of "clean" electricity and augments energy supply in the Luzon Grid by 22.362 MW to benefit the economic development zones in the region and the surrounding communities.

Integrated Resource Recovery Management, Inc. (FDR-IRRMI), which offers an integrated, zero-waste and no landfill approach for the management of municipal solid waste (MSW). Its Integrated Resource Recovery Facility located in Naga City, Cebu accepts up to 300 tons per day (tpd) of mixed waste, processes 150 tpd of compost, and produces 60 tpd of refuse derived fuel (RDF). Within seven years, the project has handled more than 180,000 tons of MSW. The project first received a DBP loan support in 2011 to partially finance the expansion of its Materials Recovery Facility, which then had a capacity of 20 tpd. In September 2015, FDR-IRRMI received another DBP loan for the installation of a biogas plant with electricity generation, which was completed in December 2016.

2017

- DBP granted P4.8-million funding assistance to the municipality of San Policarpo, in partnership with the provincial government of Eastern Samar. It covers 60 hectares of mangrove forest in four towns and six barangays, protecting these typhoon-prone communities from tsunamis and storm surges. Over 150 individual beneficiaries participated in the implementation of DBP's 44th Forest project and livelihood assistance for seaweed farmers in the beneficiary communities.
- The Bank received a Certificate of Merit from the ADFIAP for supporting FDR
- DBP granted a P78-million term loan to UGEP Solar 1, Inc. to finance the construction and installation of two photovoltaic rooftop solar power projects with a combined output of 2.1 MW. UGEP Phils. established UGEP Solar to offer sustainable energy and energy efficiency solutions for energy intensive companies via solar equipment lease. It aims to help small and medium enterprises in the country become more energy efficient, meet new energy standards, and generate savings on power costs.



People: Enabling Workforce for New Challenges

DBP employees are equally committed as the Bank to nurture the growth of developing business communities and improve the competitiveness of the overall Philippine economy.

The Bank's management philosophy is based on fairness, accountability, and human resource development to help steer DBP into becoming a high-performing financial institution and contributor to the Philippine Development Plan.

For seven decades, DBP employees have generously dedicated their skills and passion to serve and protect the Bank and the country. The DBP is proud to have a rich pool of veteran development bankers who are also among the most dedicated public servants. DBP employees are encouraged to continue learning global best practices and embrace new technologies to bring greater benefits to the Bank, to the country, and to themselves.

DBP's initiative to attract and develop new talents and leaders starts in the regular conduct of pre-employment exams for pre-screened applicants in the head and regional offices, from which 373 best-fit talents are identified to assume various roles in the bank. Candidates are considered for their familiarity with the area of assignment, including the local culture and socioeconomic challenges. Local hiring also increases the efficiency of vetting or referencing of potential candidates, as well as contributes to talent retention.



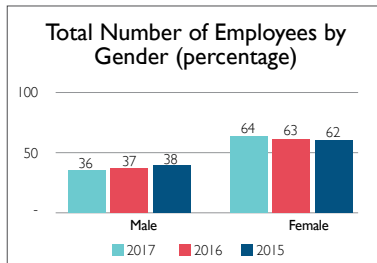
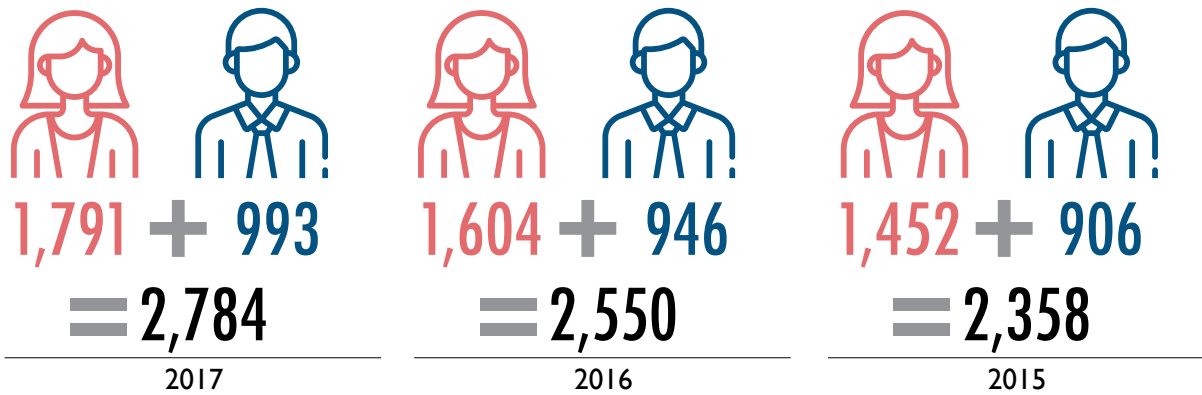
For senior management, a selection process is undertaken in accordance with the Omnibus Rules on Appointments and Other Human Resource Actions of the Civil Service Commission (CSC). For one, all senior management are required to be Filipino as mandated by the CSC. DBP abides by the constitutional mandate that appointments in the Civil Service shall be made only according to merit and fitness.

Employee Statistics

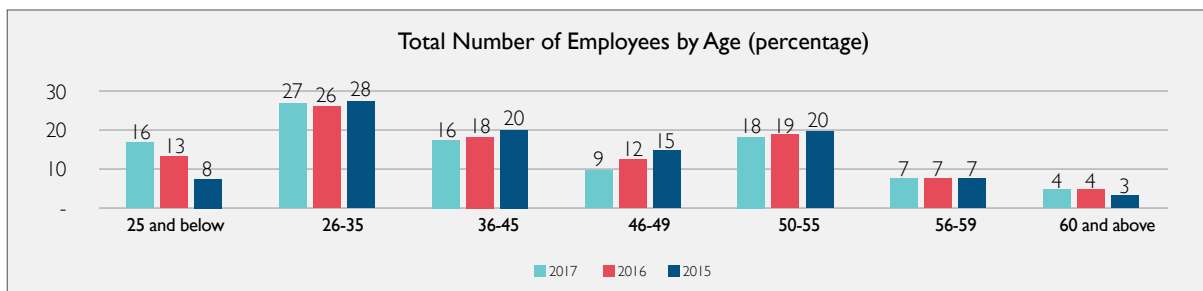
In December 2017, DBP's workforce reached 2,784, 8% higher than the 2,550 employees in 2016 and 18% higher than the 2,358 in 2015.

The Bank has permanent and temporary employees, primarily at the Head Office, but has no part-time employees or supervised workers.

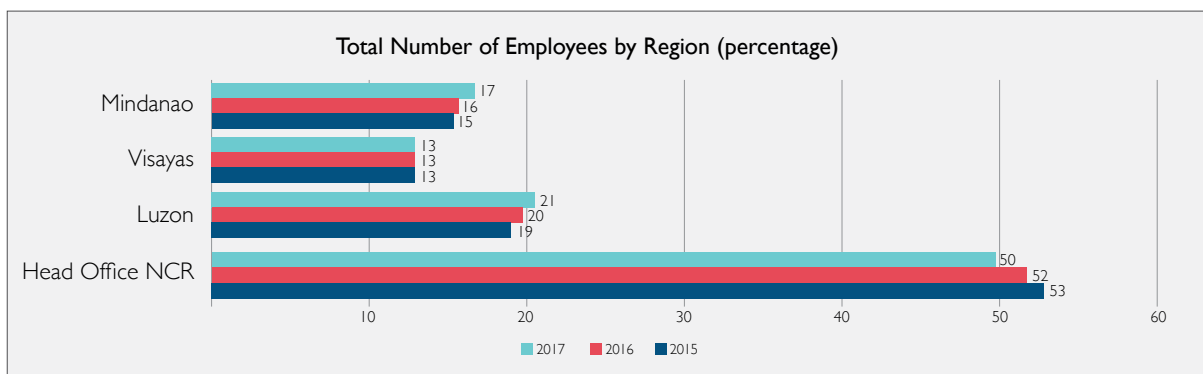
Employee Diversity by Gender



By age	2017	2016	2015
25 and below	459	328	178
26-35	740	672	654
36-45	489	466	476
46-49	261	313	347
50-55	512	483	466
56-59	198	185	161
60 and above	125	103	76
Total	2,784	2,550	2,358



By region	2017	2016	2015
Head Office - NCR	1,384	1,318	1,245
Luzon	572	505	447
Visayas	362	327	304
Mindanao	466	400	362
Total	2,784	2,550	2,358





By Employment Contract (permanent and temporary) and Gender

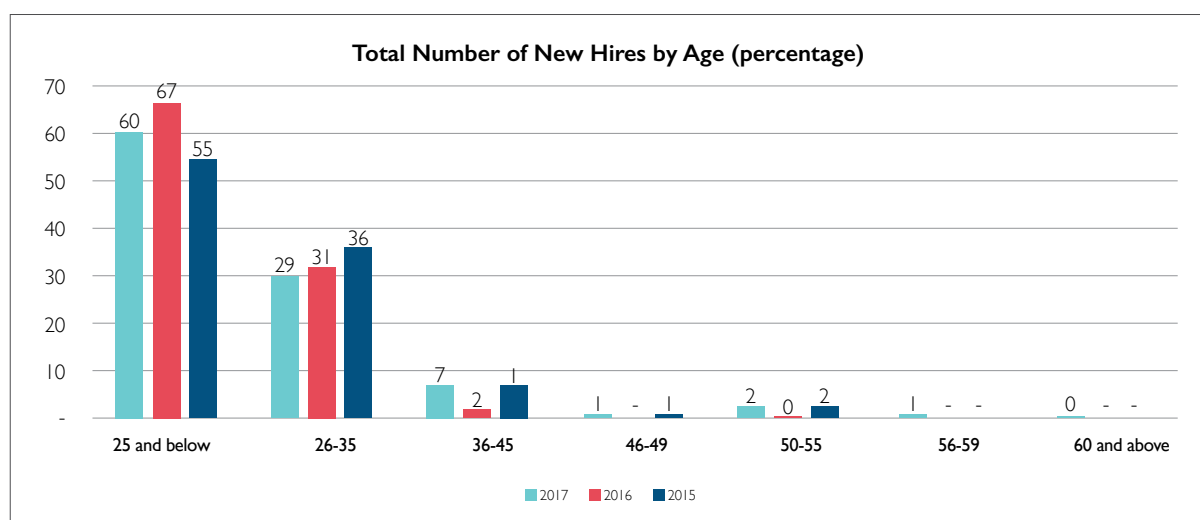
	2017			2016			2015		
	Female	Male	Total	Female	Male	Total	Female	Male	Total
Permanent	1,764	937	2,701	1,586	892	2,478	1,421	846	2,267
Temporary	2	2	4	3	3	6	1	4	5
Any other criteria	25	54	79	15	51	66	30	56	86
Total	1,791	993	2,784	1,604	946	2,550	1,452	906	2,358

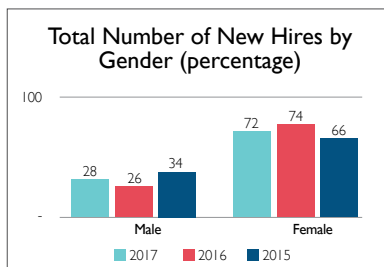
By Employment Contract (permanent and temporary) and Region

Geographical Location	2017			2016			2015		
	Permanent	Temporary	Total	Permanent	Temporary	Total	Permanent	Temporary	Total
Head Office -NCR	1,332	3	1,335	1,281	4	1,285	1,188	5	1,193
Luzon	560	-	560	492	-	492	432	-	432
Visayas	354	1	355	319	-	319	297	-	297
Mindanao	455	-	455	386	2	388	350	-	350
Total	2,701	4	2,705	2,478	6	2,484	2,267	5	2,272

New Hires

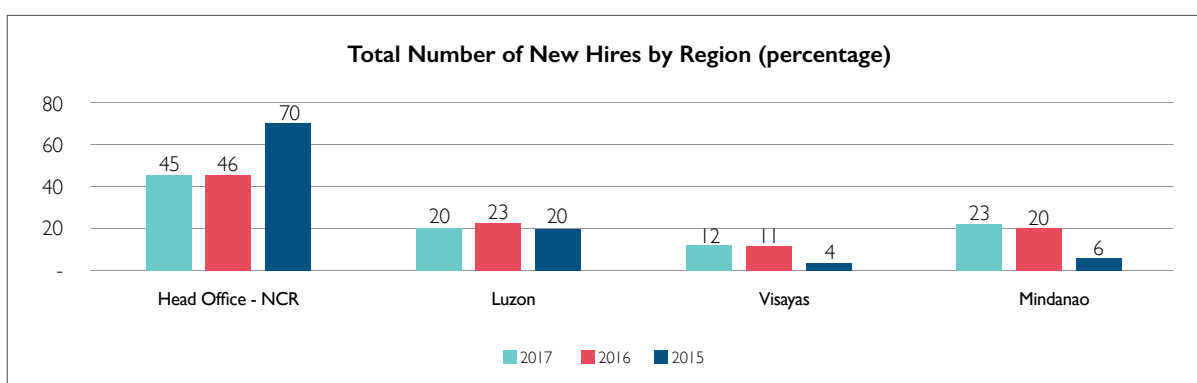
Hires by Age	2017	2016	2015
25 and below	180	169	105
26-35	88	80	69
36-45	20	4	13
46-49	2	-	1
50-55	5	1	4
56-59	3	-	-
60 and above	1	-	-
Total	299	254	192





Hires By Gender	2017	2016	2015
Male	84	67	66
Female	215	187	126
Total	299	254	192

Hires By Region	2017	2016	2015
Head Office - NCR	135	116	134
Luzon	60	58	39
Visayas	36	29	7
Mindanao	68	51	12
Total	299	254	192



Employee Hires by Age & Gender	2017			2016			2015		
	Female	Male	Total	Female	Male	Total	Female	Male	Total
25 and below	133	47	180	135	34	169	75	30	105
26-35	62	26	88	50	30	80	44	25	69
36-45	13	7	20	2	2	4	6	7	13
46-49	2	-	2	-	-	-	-	1	1
50-55	3	2	5	-	1	1	1	3	4
56-59	2	1	3	-	-	-	-	-	-
60 and above	-	1	1	-	-	-	-	-	-
Total	215	84	299	187	67	254	126	66	192

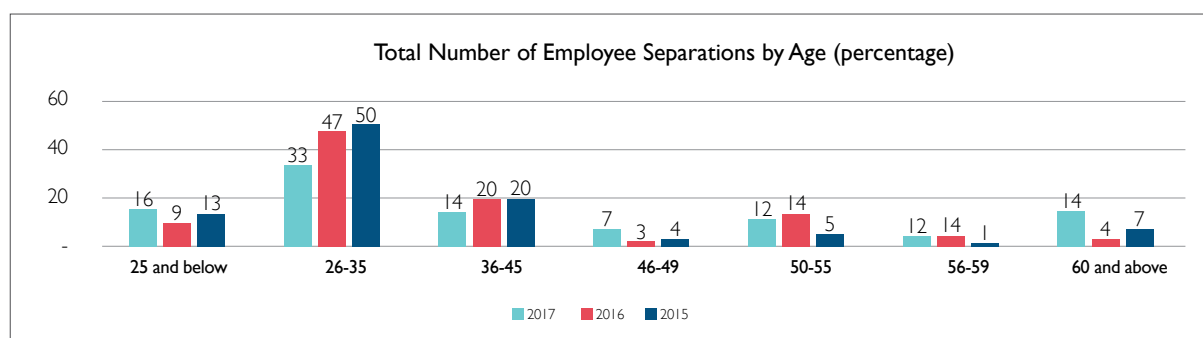
Total Number of Employee Hires by Region & Gender	2017			2016			2015		
	Female	Male	Total	Female	Male	Total	Female	Male	Total
NCR	88	47	135	88	28	116	84	50	134
Luzon	49	11	60	43	15	58	29	10	39
Visayas	27	9	36	23	6	29	6	1	7
Mindanao	51	17	68	33	18	51	7	5	12
Total	215	84	299	187	67	254	126	66	192

The mandatory retirement age for DBP officers and employees is 65. To ensure leadership continuity in key critical and senior management positions, DBP has put in place a Succession Management System which is carried out through the identification of key/critical positions and determining critical core competencies necessary for the role; identification of potential successors; development of identified talents and monitoring progress; and conduct of talent reviews every two years.

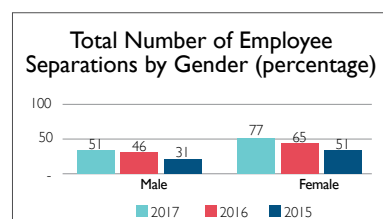


Separations

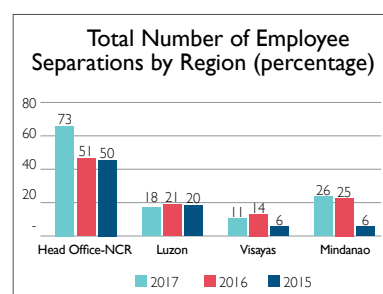
Separations by Age	2017	2016	2015
25 and below	20	10	11
26-35	42	52	41
36-45	18	22	16
46-49	9	3	3
50-55	15	15	4
56-59	6	5	1
60 and above	18	4	6
Total	128	111	82



Separations by Gender	2017	2016	2015
Male	51	46	31
Female	77	65	51
Total	128	111	82



Separations by Region	2017	2016	2015
Head Office - NCR	73	51	50
Luzon	18	21	20
Visayas	11	14	6
Mindanao	26	25	6
Total	128	111	82



Total Number of Separated Employee by Age & Gender	2017			2016			2015		
	Female	Male	Total	Female	Male	Total	Female	Male	Total
25 and below	14	6	20	6	4	10	8	3	11
26-35	25	17	42	33	19	52	26	15	41
36-45	12	6	18	12	10	22	12	4	16
46-49	4	5	9	1	2	3	2	1	3
50-55	11	4	15	10	5	15	1	3	4
56-59	3	3	6	2	3	5	-	1	1
60 and above	8	10	18	1	3	4	2	4	6
Total	77	51	128	65	46	111	51	31	82

Total Number of Separated Employee by Region & Gender	2017			2016			2015		
	Female	Male	Total	Female	Male	Total	Female	Male	Total
NCR	39	34	73	24	27	51	27	23	50
Luzon	9	9	18	14	7	21	14	6	20
Visayas	11	-	11	10	4	14	4	2	6
Mindanao	18	8	26	17	8	25	6	-	6
	77	51	128	65	46	111	51	31	82

All of DBP's employees enjoy freedom of association and are protected by the Philippine Constitution.

Compensation and Benefits

DBP's compensation and benefits philosophy is anchored on competitive pay for competitive performance.

As a result of the Salary Standardization Law (SSL) exemption in 1999, DBP developed its own Board-approved Compensation Plan and framework with the salary structure aligned with the market. This framework has been submitted and noted by the GCG in compliance with E.O. No. 36, s. 2017.

The Revised Charter of DBP exempts the Bank from the SSL and authorizes the Board to provide a compensation plan comparable with the prevailing compensation plans in the private sector. The DBP Compensation Plan includes the salary structure distinct from the SSL structure, the standard benefits and allowances in addition to SSL benefits including the Provident Fund, Health Care Plan, Motor Vehicle Lease Purchase Plan, etc.

Through the Human Resource Management Group (HRMG), DBP regularly revisits its policies on compensation and rewards to

ensure its continuing responsiveness and compliance with regulatory requirements while reinforcing a performance-driven culture within the organization. For instance, DBP's guidelines on the monetization of leave credits and reimbursable expenses were calibrated in accordance with the regulations of the CSC and the Commission on Audit.

The Bank's Salary Structure provides the threshold for each salary level including the management (executive) level positions. Annual salary adjustment is granted through the Merit Increase Program (MIP) based on individual performance as measured by the CSC-approved Strategic Performance Management System (SPMS). The SPMS results are also used in determining the award size to be received by an employee from other performance-based incentives.

Under the SPMS, performance of employees including the executives are rated vis-à-vis the agreed deliverables for the year which are cascaded from the approved organizational targets.

Under the guidelines, performances of the executives are rated vis-a-vis the agreed deliverables for the year which are cascaded from the organizational targets. Results of the SPMS are used in determining the award size to be received based on the approved guidelines of the benefits program.

Employees who availed parental leave during the reporting period

	Female	Male	Total
2015	77	31	108
2016	85	18	103
2017	111	34	145

The Bank implements a defined benefit plan for employees under its Provident Fund (PF). In 2017, total PF loan portfolio amounted to P3.4-billion, channeled through general purpose, individual housing, car, real estate, calamity, educational, and emergency loans. The Bank continues to look after the welfare of its employees with 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 increase in loanable amount. In addition to existing special loans, new loan facilities were also offered under the Fund, namely: miscellaneous loan and housing maintenance loan to tide PF members over in times of funding needs.

The remuneration of the President and CEO is subject to the approval of the Board of Directors.



Parental Leave

	2017			2016			2015		
	Female	Male	Total	Female	Male	Total	Female	Male	Total
Total number of employees that took parental leave, by gender	111	34	145	85	18	103	77	31	108
Total number of employees that returned to work in the reporting period after parental leave ended, by gender	111	34	145	85	18	103	77	31	108
Total number of employees that returned to work after parental leave ended that were still employed 12 months after their return to work, by gender	108	33	141	81	17	98	68	28	96
Return to work and retention rates of employees that took parental leave, by gender	100%	100%	100%	100%	100%	100%	100%	100%	100%
Return to work and retention rates of employees that took parental leave and were still employees after 12 months after their return, by gender	97.30%	97.06%	97.24%	95.29%	94.44%	95.15%	88.31%	90.32%	88.89%

DBP strives to be an equal opportunity employer. The Bank offers an inclusive environment where employees are given equal opportunity for career growth and access to a respectful and discrimination-free atmosphere that values contrasting perspectives and standpoints. DBP embraces diversity and complies with the regulation of the CSC to open government employment to all Filipino citizens, prohibiting discrimination in the selection and conferment of personnel actions on employees on

the basis of gender/sexual preference, civil status, physical disability, religion, ethnicity, or political affiliation.

Collective Negotiation

No less than the Philippine Constitution guarantees the right of every government employee to self-organize. DBP respects and upholds this right, recognizes the various needs and issues in the workplace, employee rights and welfare through the DBP Employees Union (DBPEU) and a

Union-Management Consultative Committee composed of senior officer representatives and DBP EU officers.

Presently, DBPEU's membership base includes rank and file employees who are covered by the Collective Negotiation Agreement (CNA). The CNA is a negotiated contract between the DBPEU and the Bank detailing the terms and conditions of employment and improvement thereof.

	2017	2016	2015
Total No. of Employees Union members	1,583	1,544	1,580
% of workforce who are members of the DBPEU	56%	60%	67%

Occupational Health and Safety

Cognizant of the importance of a healthy human resource in the attainment of its corporate objectives, the Bank shall create, maintain and promote a socialized Health Care Plan whereby its officials/employees and their dependents in time of health contingencies, may promptly avail of adequate health care such as hospital, medical and related services.

DBP Health Care Policy

The Health and Wellness Unit (HWU) of the DBP HRMG Employee Relations Department ensures the efficient management and operations of the Bank's medical and dental clinic. HWU periodically disseminates data relating to health and wellness through e-mail to employees, or via the HR portal and during seminars on lifestyle diseases. Sports activities are also lined up yearly as a complementary activity to keep employees fit and healthy.



Disease Prevention and Health Promotion Programs/Activities 2015-17

- Regular blood pressure reading
- Blood chemistry monitoring
- Annual physical examination of all rank and file regular and casual employees aged 30 years and above
- Executive checkup of Bank officials
- Annual oral check-up
- Flu vaccination
- Pneumonia vaccination
- Facilitated three lectures on prostate awareness, diabetes awareness and osteoarthritis
- Conducted lecture on diabetic retinopathy and liver enzyme determination

Work-Related Fatalities and Injury Cases

Head Office	2017	2017	2016	2016	2105	2015
	Male	Female	Male	Female	Male	Female
Work Related Fatalities	3	1	3	4	3	0
Injury Cases	3	4	0	0	0	0



Security Practices



DBP is committed to develop and maintain a safe and secure banking environment for its customers, employees, and all other stakeholders in the Head Office as well as the branches. To further this, the Bank has put in place a comprehensive security team and program aimed at ensuring maximum protection of life and property. Deployment of the various activities and related trainings are carried out by the Security Services Department (SSD) aligned with the Bangko Sentral ng Pilipinas (BSP) Circular No. 620 (Revised Rules and Regulation on Bank Protection).

Each branch's security is managed at the branch level, guarded with designated security officers and standard security devices (i.e. alarm systems, CCTV cameras etc.), to secure the perimeter.

To ensure that third-party service providers align with DBP's minimum requirements, periodic trainings and seminars on the Rules of Engagement, Code of Ethics and Conduct, Human Rights, Customer Relations and guidelines and procedures in dealing with various security threats (robberies/hold-ups and theft) are included in the Terms of Reference/Security Contract.

All security personnel assigned at DBP are required to undergo the relevant security briefings, orientations, trainings and pre-employment examination with interviews prior to their posting. Drills and actual applications in dealing with clients and other visitors of the Bank are also carried out.

The DBP Security Program and Security Awareness Program for all DBP employees undergo regular updating to comply with regulations. All organic security personnel undergo training and seminar on the proper use of firearms and observance of the rules of engagements while in the performance of their official duties.

Briefings, typically 15 minutes before each posting time, are carried out by the organic security officer to keep all abreast with the new policies and instructions.

Timely evaluation of security personnel, monitoring and testing of security systems (i.e., the security triggering devices) and documentation and reporting of corrective and preventive actions are necessary.

Employee Training

DBP regards its employees as partners more than assets and, therefore, significantly invests in their development and training.

The Bank provides continuous Learning and Development support to employees in various areas that includes competency-based training; technical, business, supervisory and leadership; values learning; professional certification, licensure or diploma programs; eLearning; webinars; and other



mandatory courses. The DBP Learning and Career Development Plan and Training Calendar are communicated to all employees through e-mail, the intranet, and posted in the HR portal for reference of all employees.

Individual development plans are also agreed upon at the start of the year between the employee and their respective supervisors to address identified performance and competency gaps.

These are some of the Learning and Development programs that the Bank provides to upgrade employee skills:

- Branch Operations Training
- Corporate Governance
- Credit Risk Management

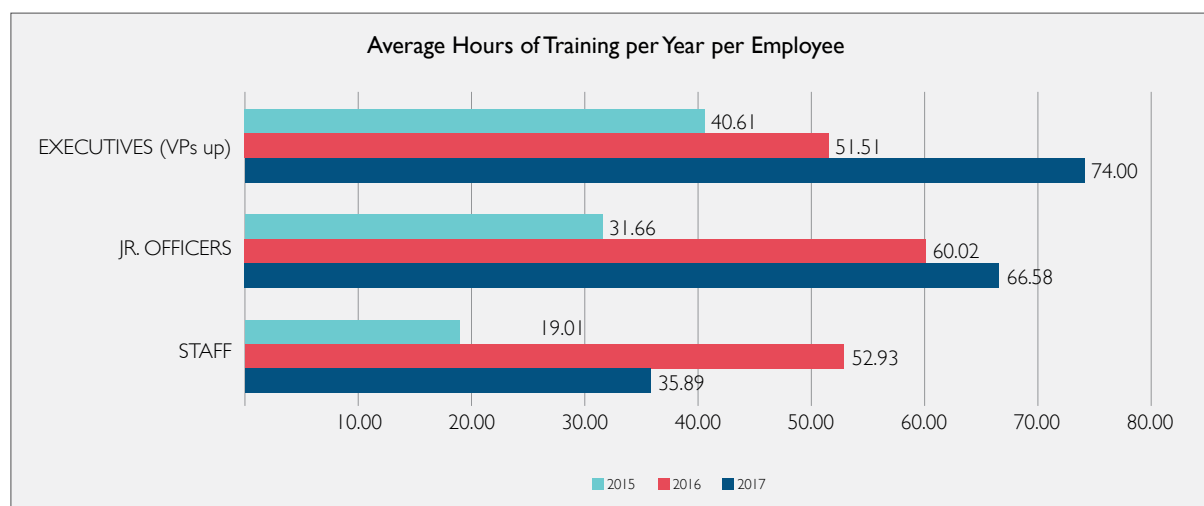
- Relationship Selling
- Treasury Certification Program
- Essentials of Supervision and Leadership Training
- Training Programs on Management Systems (ISO 9001, 14001)
- Management Associates Program
- Sales Specialist Development Program
- Continuing Professional Education/Development Programs (for licensed professionals such as appraisers, lawyers, accountants, psychometricians, doctors)

Priority is also given to training initiatives towards making DBP a customer-centric organization along with strengthening the Bank's

operational excellence. The effectiveness of the training is measured following the Kirkpatrick model which consists of four levels:

- Trainee Feedback – typically a questionnaire that covers feedback on the course;
- Trainee Evaluation – tests and projects to review real-world applications of the learning;
- Feedback from immediate supervisor which includes behavior from Key-Results-Area (KRA) accomplishments, on-the-job observations, performance appraisal, comments from peers and supervisors; and
- Candidates' contribution to DBP's financial goals, maintaining high morale towards work and retention.

Average Hours of Training per Year per Employee by Employee Category & Gender									
	2017			2016			2015		
	Female	Male	Total	Female	Male	Total	Female	Male	Total
Staff	19.82	18.20	19.01	49.15	56.70	52.93	38.60	33.18	35.89
Jr. Officers	34.00	29.32	31.66	56.13	63.90	60.02	64.43	68.72	66.58
Executives (VPs Up)	36.69	44.53	40.61	49.32	53.70	51.51	69.09	78.91	74.00



A Closer Look:

Integrated Human Resource Information System

DBP envisions the implementation of a fully integrated Human Resource Information System (iHRIS) that will integrate all data related to the functions of the Bank's Human Resource Management (HRMG) in order to achieve an efficient and reliable source of information.

The new system is capable of generating timely, accurate and relevant information from a single, integrated source of data and implementing a streamlined and standard use of business processes to promote efficiency. It also enables DBP-HRMG to have more control over its operations and improve efficiency in terms of cost and operation, especially those related to human resource processes such as administration of personnel records (201 File), recruitment and hiring, contracts and benefits, attendance and leave monitoring, payroll, training, career development, performance evaluation, among others.

As an HR tool, iHRIS system has 14 modules to handle the following tasks while providing a comprehensive set of HRM functionalities to serve most HR needs.

1. Staffing – allows capturing and management of applicant information
2. Administration – maintenance of 201 records
3. Benefits Management – viewing and monitoring of current benefits balances of employees
4. Attendance Management – automates processing and management of employee attendance
5. Payroll Management – processing and management of payroll
6. Training Management – management of employee training information and curriculum
7. Career Management – management of job and competency profile per position
8. Performance Management – management of performance evaluation
9. Administrative Discipline – management of administrative discipline profiles
10. Health Management – allows capturing and management of employee health records
11. Provident Fund – allows management and monitoring of provident fund contributions and loans
12. Applicant Services System – allows online registration and filing/submission of job application
13. Employee Services System – online viewing of employee 201 record; monitoring and viewing of attendance; online loan application, viewing of trainings attended
14. Managerial Services System – allows manager to process HR related transactions of his employees

Process/Approach

On February 15, 2008 under Management Committee Resolution No. 0047, the Management approved the request of HRMG to acquire a new HR Solution that will integrate and update the Bank's HR information. The acquisition/development of the HR Solution was awarded to Cycore Technology Solutions Co. Inc. on February 13, 2009. Project phase milestones or deliverables on installation of the base iHRIS Solution, logistic, infrastructure and pre-implementation preparation, and installation of biometrics timekeeping devices were completed and signed off on March 6, 2009. The iHRIS Employee and Managerial Services was implemented in February 2012 for the Head Office and in March 2012 for Branches. A Service Level Agreement (SLA) was signed for the purpose of ensuring that the system availability is within agreed limits, and that Cycore promptly responds to user questions about, problems with, and requests for enhancement to application.

Outcomes/ Highlights

Currently, DBP is using iHRIS Version 4, with additional functionalities in the areas of Talent Strategies and Management, Talent Sourcing and Intake, HR Service Delivery Management, and HR Information Management.

Highlights

2015

- DBP launched the 8th and 9th batches under the DBP Management Associates Program (MAP), which added 59 individuals to the Bank's pool of talents. DBP's search for high potential MAP candidates extends to reputable regional and national state colleges and universities across the country, offering promising career opportunities to young Filipinos driven by a passion to serve and promote countrywide development.
- DBP established the success profiles of key business leadership roles to identify and develop potential successors while proactively addressing individual development plans of incumbents. Career maps were also established to guide executives, officers and staff on the technical and behavioral competencies, and other standard requirements as they move horizontally or laterally within the organization.
- The Bank launched three new Individual Excellence Awards – Outstanding Business Partner; Outstanding Frontliner; and Best Support Employee – to further promote the highest standard of service and employee engagement while promoting a culture of partnership between the Business and Support Units.
- DBP enhanced the Bank's benefits program by expanding the coverage of maternity benefits for unmarried/single female employees under the Bank's Health Care Plan and the Magna Carta benefits for Public Health Workers.
- DBP launched "Pakikipagtulungan," a series of roundtable meetings themed between officers, employees, and key management officials to facilitate a participative discussion of significant Bank issues. Participants then shared with their teams the insights and feedback gained from the roundtable discussion and helped ensure follow-throughs in addressing concerns/issues within their respective sector/groups. Regional town hall meetings were organized to keep employees in the branches abreast with Bank issues and developments, including updates on the DBP-LBP Merger; Compensation and Position Classification System, and other relevant human resource concerns.
- The Bank completed of the Collective Negotiation Agreement between the DBP Employees Union and the DBP Management, following direct and regular dialogues between the two groups.
- DBP passed the special audit conducted by CSC and acknowledged the Bank's substantial compliance with civil service rules and regulations. The CSC also noted that no transgression of rules amounting to abuse of authority had been observed.



DBP Management Associates Program



2016

- DBP established standards of performance through the DBP Competency Model, which puts the Bank's core values at the heart of employee performance and responsibility. As an initial cascade, HRMG published a weekly feature on the DBP Competency Primer through e-mail blasts and the HR portal. This weekly publication aims to promote employee awareness and appreciation of the new competency model.
- The Bank developed the vertical lattice Career Maps for job families (Sales and Marketing, Legal, Audit, Branch Operations, IT and the Management Associates Program (MAP) that provides a roadmap for employees as they go up the career ladder in the organization. Career ladders show vertical movement between jobs, while career lattices contain both vertical and lateral movement between jobs, which reflect and determine the career path that an employee may pursue.
- DBP rolled out the DBP Succession Management System through a bank-wide information dissemination campaign. Part

of DBP's Talent Management Framework, it is a systematic and deliberate approach in identifying critical leadership roles and finding and preparing the right people who could assume these critical roles.

- The Bank introduced four new awards to recognize team accomplishments – Team Excellence Award for Marketing and Sales; Team Excellence Award for Customer Experience; Team Excellence Award for Operational Improvement; and Team Excellence Award for Service – in line with the objectives of the DBP Program on Awards and Incentives for Service Excellence (PRAISE). In 2016, there were nine individual awardees and four team awardees (involving a total of 40 employees) compared to just five individual awardees in 2015.

2017

- DBP submitted in 2017 its Board-approved interim Compensation Framework to GCG. Alongside this initiative, the Bank sustained the timely release of institutional employee benefits.

- The Bank undertook preparations for the implementation of a revitalized organization by 2018, following the GCG's approval of DBP's interim Reorganization Plan. The revised structure is hinged on the following objectives: (a) strengthening DBP as an Infrastructure Bank, (b) process streamlining, (c) consolidation of related functions, and (d) implementation of a unified Lending Sector.
- DBP held the DBP Employees Union (DBPEU) Annual National Convention, which was graced by President and CEO Cecilia C. Borromeo, together with Directors Maria Lourdes Avanceña-Arcenas, Ret. Gen. Miguel C. Abaya, and Dr. Rolando L. Metin with over 80 participants, including chapter presidents and chairmen of the Regional Union Coordinating Council (RUCC) of the DBPEU. The DBP chief called on chapter presidents to become "HR Information Officers" of their respective branches, which complements the Bank's efforts to continuously address employee concerns. She noted the importance of undergoing leadership training for the DBPEU leaders to more effectively perform this responsibility.
- DBP organized the Change Management Team (ChMT) to ensure the establishment of a participatory process in the implementation of the Bank's reorganization plan. ChMT is composed of members of the Management Committee and representatives from the junior officers and rank and file employees. The DBPEU is represented in the ChMT by its President who will ensure meaningful consultations with the rank and file employees.



2017 DBPEU Annual National Convention

People:

Supporting the Nation's Goals and Progress

DBP envisions to be a globally recognized development financial institution, serving as a catalyst for a progressive and poverty-free Philippines.

Branch Banking

The Bank's growing presence in several major cities and municipalities in the country serves as constant affirmation that DBP is a bank for every Filipino.

A DBP branch's presence is sign of development in rural areas and assures Filipinos access to a reliable platform for their banking and financial needs. DBP's vision from day one has always remained clear and firm: to cascade the fruits of development to the communities. To be where it is most needed, the Bank has established a network of local offices to make its products and services more accessible, especially to the underserved and unbanked. DBP's Branch Banking Sector (BBS) ensures the accessibility of the Bank's deposit products and transaction banking services. BBS is also tasked with deposits generation – especially low-cost Current and Savings Accounts – to fund the Bank's assets. It is also mandated to provide

development loans and salary loans for the public sector comprising of National Government Agencies, LGUs, ECs and WDs. In 2017, DBP accelerated its branch expansion, adding 14 new branches to bring its nationwide branch network total to 125.

DBP also expanded its electronic channels by increasing the number of its ATMs to further expand client access to physical cash needs. As of 2017, the Bank counts a total of 629 ATMs nationwide.





Financial Consumer Protection

Adopted in 2016, the DBP Financial Consumer Protection Framework provides for the implementation of consumer protection policies and procedures, customer information and handling, product promotions, customer – employee work relationship, and other customer centric regulations and practices. It was adopted in 2016 and complies with BSP Circular No. 857 or the Regulations on Financial Consumer Protection.

As a guiding policy, the Framework directs the protection of consumer rights when providing financial and banking services. In ensuring that these consumer rights are safeguarded, Bank officers and employees are strictly guided by the key standards of conduct prescribed by the BSP, namely: disclosure and transparency, protection of client information, fair treatment, effective recourse, and financial education.

It also stipulates the responsibilities of the Board together with the senior management, who have effective oversight over its implementation. The Board directs efforts in maintaining a sound Consumer Protection Risk Management System (CPRMS), while senior management oversees the

implementation of the bank's consumer protection strategy. Inherent operational risks and their impact on both consumers and the bank are identified under the CPRMS that adopts a system of identifying, measuring, monitoring and controlling identified operational risks.

Consumer Assistance Management System

Integral to the Bank's Financial Consumer Protection Framework is the DBP Consumer Assistance Management System (DBP-CAMS) that consolidates the existing customer feedback and complaints handling programs.

As a means to safeguard customer interests, the DBP-CAMS works to

ensure the continued responsiveness of bank products and programs, while aiming to provide seamless customer service delivery experience to DBP customers. The DBP Customer Feedback Program provides for a system of soliciting and handling customer feedback, suggestions, commendations, inquiries, and requests. Different feedback channels are made available to bank customers, which include survey questionnaires, e-mail, phone and walk-in visits.

With the planned initiative to revitalize the DBP organization in 2018, plans are in place to strengthen and transform the Customer Experience Management Unit into a department to give greater attention to customer concern and protection.

Customer Satisfaction Feedback

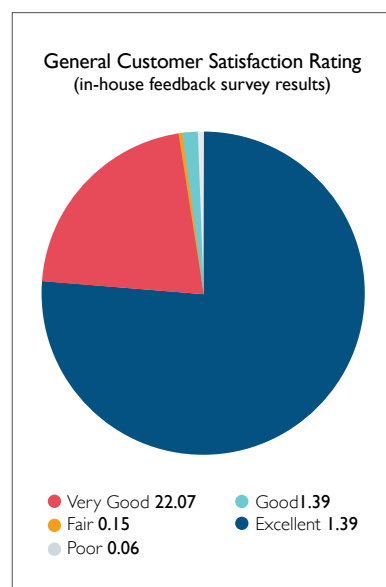
Using an in-house customer survey, DBP has generally earned positive customer satisfaction feedback from its customers as can be seen below.

Year	2017	2016	2015
Number of Respondents	8,237	7,226	4,894
Average Numerical Rating (ANR)	4.75	4.79	4.73
Percentage Rating*	95%	95.73	94.6%
Adjectival Rating	Excellent	Excellent	Excellent

*The Percentage Rating (PR) is computed by dividing the Average Numerical Rating (ANR) by the highest numerical value in the Bank's rating scale, which is 5. The computation formula - $PR = (ANR/5) * 100$

The 2017 General Customer Satisfaction Rating Survey, which had a total of 8,237 respondents, revealed an over-all customer satisfaction rating of 95% (equivalent to an adjectival rating of "Excellent"). This aligns with the result of DBP's first customer satisfaction (CSat) research project conducted by a third party. The CSat (2017) was conducted by an independent company – the Philippine Survey and Research Center, Inc. ((PSRC) as part of DBP's compliance requirement under the GCG performance scorecard. The survey randomly sampled respondents from DBP's depositors and borrowers (individual, corporate, and MSMEs) whose feedback were obtained through face-to-face interviews at 15 DBP branches where the Bank's regional marketing centers were located, online surveys, and interviews via appointment.

The results of the PSRC study revealed a 95% customer satisfaction rate which was consistent the result of the in-house survey. In both instances, DBP exceeded its GCG commitment of 90%.



Product Specific - Customer Satisfaction Rating in 2017

Product	General Csat	Deposit	Loans	Investments	Remittance	Payments	Others
2017 Average Rating	4.74	4.60	4.75	4.56	4.64	4.59	4.63
Satisfaction Percentage Rating	95%	92%	95%	91%	93%	92%	93%

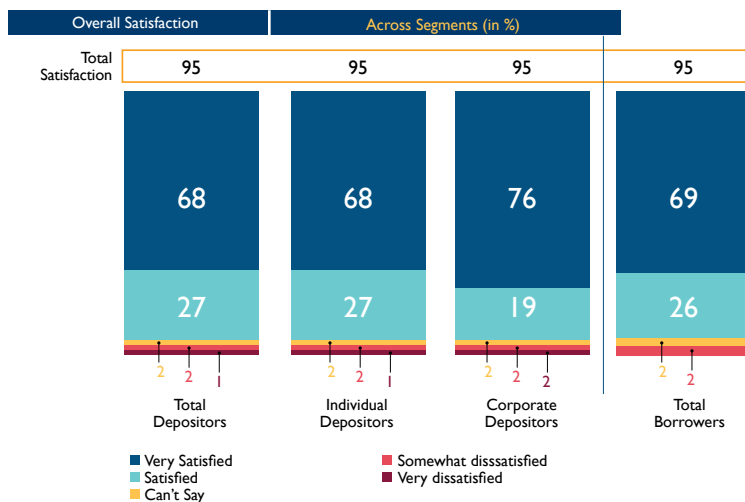
DBP's Complaints Handling Program, on the other hand, prescribes the procedures for receiving, documenting, and resolving complaints, including complaints classification and escalation. It also details the responsibilities of concerned officers and staff in addressing customer issues in a responsive and timely manner.

In order to comply with the reportorial requirements of senior

management, the Board of Directors and the BSP, the CEMU initiated and facilitated the consolidation of complaints reports and feedback survey results across the various Business Units of the Bank for the year 2017.

The consolidated performance report provided key insights that enabled DBP to plan and put into action relevant redressal plans.

Satisfaction scores across all customer segments surpass the 90% commitment to GCG



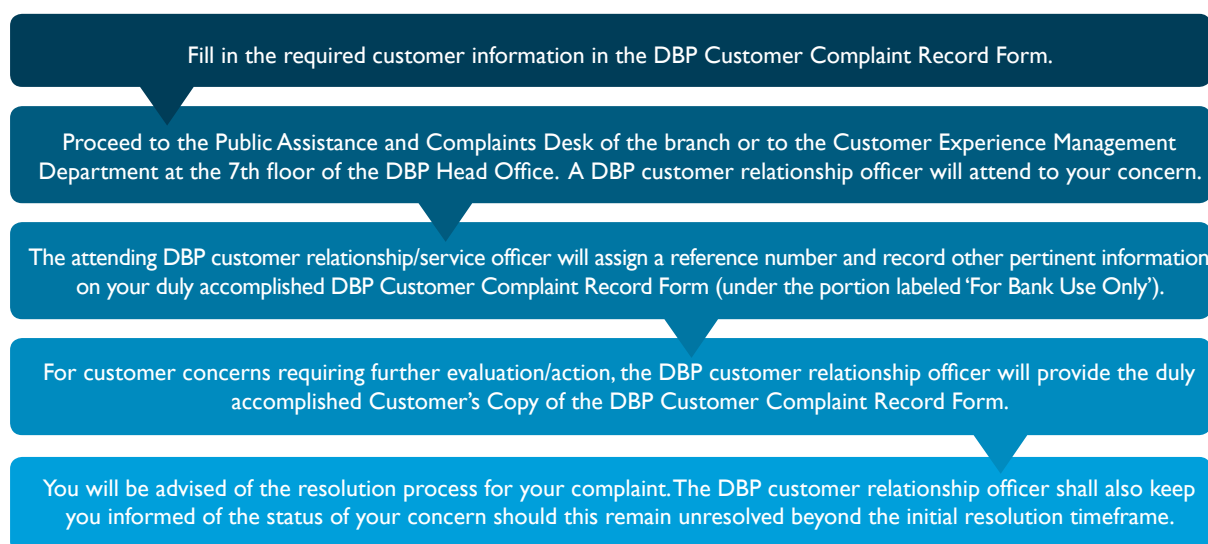
BASE-Total DBP Interviews (787/661/126/46)
Q19/Q16/Q10. Sa kabuuan, kung iisipin ang ginawa niyang transaksyon ngayon lang, pakisabi po sa akin kung gaano po kayo nasiyahan o hindi nasiyahan sa nagaganap na pagtransact ninyo sa DBP?



Status	Count
Solved but beyond the expected date of resolution	1,570
Pending, beyond the expected date of resolution	278
Solved within the expected date of resolution	12,632
Total complaints	14,480

- **Complaint classification** – in 2017, 98% (3,989 complaints) of total branches complaints were identified to be ATM-related. In total, ATM related complaints comprise 99.15% or 14,357 (Branches and Head Office Business Units) complaints out of the bank-wide complaints of 14,480 in 2017.

Hearing from DBP customers helps the Bank know how well it has met expectations and what else can be improved in products and services. For customer concerns, please follow these steps in filing a customer complaint:



Customer concerns and issues may also be reported directly to:

DBP Customer Experience Management Department
 7th Floor, DBP Head Office Building
 Sen. Gil Puyat Avenue corner Makati Avenue
 Makati City 1200
 Telephone Numbers: 8683-8324, 8818-9511
 local 2750
 Email: customerservice@dbp.ph

Complaints monitoring

The typical turn-around-time of DBP branches to resolve simple complaints is 3.8 days while complex complaints are resolved on an average of 7.3 days. However, the average turn-around-time (TAT) of branches may range from the shortest of 0.1 day to 23.8 days for simple complaints. For complex complaints, the average TAT ranges from a day to a high of 18 days.

Meanwhile, the Head Office Business Units have an average 4 days to resolve simple complaints and 8.2 days for more complex ones.

Among the total number of complaints received by the Business Units (totaled 10,414 or 72% of bank-wide complaints), 87% were resolved within the prescribed TAT, 11% were resolved beyond the TAT, while 2% remained outstanding until resolved.

Average TAT on Resolved Simple Complaint, days	
HRMG	10
CEM	5.5
PSM	4
ATM Operations	4
Financial Center	3
Average TAT on Resolved Complex Complaint, days	
ATM Operations	8.2

Top 10 branches that resolved complaints within TAT

Branches	Complaints Resolved (count)
Quezon City	260
Tabuk	244
Surigao	235
Butuan	178
Antique	166
Manila	157
Muntinlupa	152
Trento	125
Sta. Cruz	116
Mangagoy	105

Financial Inclusion

The BSP's 2017 Financial Inclusion Survey (FIS) revealed that financial inclusivity remains a work-in-progress in the Philippines. Close to 22.6% of the country's population have and maintain bank accounts, just a marginal improvement from the 22% recorded in 2015.

With a nationwide network of 125 branches and branch-lite units, and more than 629 ATMs, DBP makes it possible for Filipinos to have access to financial products and services.

In support of the government's thrust of promoting financial inclusivity, DBP has since further expanded its ATM network and distribution of its prepaid cards to the underserved and unbanked areas in the country.

New deposits enhanced DBP's lending capacity as it seeks to fund more projects in priority areas and support more LGUs, water districts, electric cooperatives, and for the construction of more schools and hospitals.

Aside from infrastructure and logistics, DBP also promotes growth in the priority sectors of social services and MSMEs.

Key Activities

Insurance for Farmers	Water Services for Communities	Health Services for Disaster Prone Areas
<p>In partnership with the Philippine Crop Insurance Corporation (PCIC), the implementing agency of the government's agricultural insurance program, DBP has facilitated a safe, secure, and convenient checkless mode of disbursing indemnity claims for farmers and fisherfolk affected by calamities and disasters.</p> <p>Being the third most disaster-prone country, the Philippine agricultural sector is most at-risk. With DBP as PCIC's partner in electronic disbursements for indemnity claims, this prepaid card project not only advocates financial inclusion but also serves as DBP's social solution with profound development impact through reliable government-to-people (G2P) payments which increase the financial resiliency of farmers and fisherfolk as well as promote insurance literacy and climate risk awareness.</p> <p>PCIC and DBP has distributed over 15,000 prepaid cards in Regions II and VII through the Tuguegarao-RGC and Cebu branches, respectively. Thanks to this initiative, beneficiaries no longer have to travel to a bank branch to encash their checks as indemnity claims would be credited to their DBP prepaid cards and can be transacted in any ATM or Point-of-Sale (POS) terminal nationwide.</p>	<p>DBP partnered with Cagayan de Oro City Water District (COWD) for the establishment of smaller-area water distribution known as the District Metered Areas (DMAs). It is designed to facilitate appropriate remedial action on leakages or illegal connections. It effectively controls high water pressure to avoid pipe leaks. The engagement supplied safe and potable water coming from 28 wells distributed among various fields and a spring source. It expanded accessibility to more than 92,000 service connections in the City and its nearby areas.</p> <p>Apart from being a depositor and borrower, COWD avails of DBP's Salary Loan Facility, Point of Sale (POS), ATM, Bills Payment, Pick-up Service and Payroll Service. COWD is also the first water utility provider in the country to avail of DBP's automated bills payment collection facility that is available 24/7 to any DBP ATM VisaDebit Cardholder.</p> <p>The collaboration aims to enhance operational efficiency and consequently increase the delivery of services to residents of Cagayan de Oro City and neighboring areas.</p>	<p>In 2015, DBP extended a P168-million term loan to Catanduanes Doctors Hospital, Inc. (CDHI), which partly financed the construction of the hospital building and the rest was allocated for the acquisition of various hospital equipment and for permanent working capital. A new 9,424 square meter Level 2 hospital was constructed on a lot located in Barangay Valencia, Virac, Catanduanes, with an initial bed capacity of 60 by 2018.</p> <p>It is envisioned to become a state-of-the-art, and total quality health care facility and a pioneer in medical tourism in the disaster-prone island province of Catanduanes. It caters to the medical needs of the 63 barangays of Virac and the 10 other municipalities of the province. CDHI is set to open its Hemodialysis Center initially with 10 machines.</p>

DBP remains steadfast in its commitment to support the government's various development initiatives. It will continue to live up to its mandate that summarizes its brand promise as the Bank that makes progress possible for every Filipino.

A Closer Look:

Pag-IBIG – DBP Prepaid Card Supports Financial Inclusion



DBP has also made a significant headway in its prepaid card business. In 2017, it partnered with the Pag-IBIG Fund in providing a secure and convenient way of disbursing short-term loan proceeds of the latter's members through the Pag-IBIG DBP prepaid card.

DBP and the Pag-IBIG Fund launched the Pag-IBIG–DBP Prepaid Visa Card last September 2017, designed to provide a convenient and secure way of disbursing short-term loan (STL) proceeds, both for multi-purpose loan and calamity loan, to fund borrowers.

► Process/Approach

DBP partnered with the Home Development Mutual Fund, more popularly known as the Pag-IBIG Fund, in line with the directive of President Rodrigo Roa Duterte for more efficient and faster government services. Pag-IBIG's STL programs extend cash assistance through multi-purpose and calamity loans to over two million members each year.

► Outcomes/ Highlights

- The initiative provides Pag-IBIG members with an EMV-enabled ATM Visa Card for a fast, convenient, and secure way of receiving their loan proceeds and facilitates efficient and reliable government-to-people (G2P) payments. This partnership enables more Filipinos to obtain, use and maintain a card account which is a key entry point to financial inclusion with some having a DBP ATM Card as their first-ever Bank card empowering them to actively participate in the country's formal financial system through the use of ATM, POS and contactless payments, as well as online/web-based transactions.
- The Pag-IBIG – DBP Prepaid Visa Card strengthened the Fund's shift to an electronic mode of payment from the usual disbursement methods through cash or checks, which has resulted in more streamlined cash handling operations and reduced opportunities for corruption and human error.

DBP's approach to addressing financial literacy

Though the main impact of the Bank stems from its core banking business, investing in communities remains a vital element for the sustainability of the business since it is closely intertwined with the progress and health of the public it serves.

DBP has strengthened its corporate social responsibility efforts, enabling it to share the benefits of its continued financial success with disadvantaged sectors of the society.

Of particular interest is the focus on financial literacy, especially for OFWs. DBP grants overseas workers multiple remittance options and access to financial literacy campaigns and entrepreneurial advocacy work in various fora, including pre-departure orientation seminars, symposia, and other marketing events through DBP's Remittance Center.

As a major player in the remittance business catering to OFW's, DBP is committed to both promoting and enhancing financial literacy and providing banking and investment products to this market segment. DBP pioneered in launching no-initial opening and maintaining cash card (Easy-Card) and deposit (Zero Balance Account), and is about to launch a Unit Investment Trust Fund Product (UITF) exclusively for OFWs, the Unlad Panimula Fund.

DBP and DTI Regions VI and XI have also signed an agreement to implement the Adopt a Negosyo Center Program in Iloilo and Davao, which aims to support the growth of MSMEs. The agreement provides a framework of cooperation and coordination between the Bank and the Negosyo Centers in

providing assistance to MSMEs under the jurisdiction of the concerned Negosyo Centers.

Every Negosyo Center serves as a one-stop shop wherein MSMEs can access financing, knowledge, and other services to promote their sustained growth. DBP is committed to teach financial literacy in these

Negosyo Centers, including knowledge dissemination on the loan application process and requirements.

Aside from the two main Negosyo Centers, DBP is also committed to cooperate and provide assistance to other Negosyo Centers already established nationwide.



MOA Signing between DBP and the DTI Region VI for the Adopt a Negosyo Center Program



Forum on the DBP Broiler Contract Growing Program



A Closer Look: SME Bank of the Year

Sustainable Enterprises for Economic Development (SEED) is DBP's umbrella program for MSMEs, developed to improve their access to formal financing. SEED aims to:

- 1) Enhance MSMEs' access to credit facilities and fast-track the credit process
- 2) Bring MSMEs into the mainstream of banking by implementing alternative ways of securing MSME financing support
- 3) Maximize the Bank's lending reach and create employment and income opportunities.

It covers all financing interventions required by small borrowers rationed out by the formal banking sector; specifically targeting the marginalized (e.g., women borrowers and cooperatives), high risk (e.g., Overseas Filipino Workers) and pre-bankable (e.g., social enterprises and startups) sub-segments of the MSME market.

Sub-programs under SEED include:

- 1) Retail Lending for Micro and Small Enterprises (RLM);
- 2) Medium Enterprises (ME) and other Business Enterprise (OBE) Lending;
- 3) DBP Credit Surety Fund (CSF) Credit Facility;
- 4) DBP-Bankability Enhancement for SETUP Technopreneurs (DBP-BEST) Program;
- 5) Inclusive Lending for Aspiring Women (ILAW) Entrepreneurs Program; and,
- 6) Overseas Filipino Workers Reintegration Program (OFWRP).

▶ Process/Approach

Aside from improving MSMEs' access to formal financing, the SEED Program could also be tailor-fit to the evolving needs of the sector. This is demonstrated by the following DBP policies:

- Competitive rates based on credit rating;
- Accepts alternative collateral as a means of securing the loan;
- Provides flexible repayment terms with grace period based on cash flow; and,
- Requires minimal equity.

Given that majority of the SEED Program borrowers are first-time DBP MSME accounts, it has therefore considerably contributed to new income generation in terms of the Bank's MSME portfolio. As a development bank, however, DBP also looks beyond positive financial impact in terms of evaluating a program's success. The Bank similarly finds its accomplishments in terms of ushering first-time MSME borrowers into the formal financial system meaningful and highly satisfying.

▶ Outcomes/ Highlights

Significant triple bottom line impact, namely

1. Economic prosperity through equitable resource allocation and greater financial inclusion. Through the SEED Program, more SMEs have directly benefitted from economic gains, reaching the grassroots level.
2. Healthy planet through the adoption of environment-friendly technologies. SEED Program borrowers are required to adopt and adhere to applicable environmental laws and regulations. This ensures environmental sustainability.
3. Viable financial institution continuously promoting a just and equitable society. Under the program, the potential and capabilities of an increasing number of marginalized, pre-bankable and highly risky SMEs have been tapped as catalysts and partners of growth and development.

Through the SEED Program, DBP is able to bridge the financing needs of MSMEs, promote greater entrepreneurship, develop and stimulate local economies, and create more employment and income opportunities, especially in the countryside.

The conduct of regular DBP MSME Financing Forum (nationwide with over 325 targeted prospective and existing small entrepreneurs) resulted in P193.9-million in loan approvals to 47 borrowers, and another P147.6-million in the pipeline to 29 prospective borrowers.

The success of the SEED program earned DBP the SME Bank of the Year in The Asian Banker Philippine Country Awards for 2017.

Attesting to DBP's wider development reach is the increased number of its development partners among the LGUs, SMEs and corporations. In 2016, DBP expanded its SME lending business by 30% from the previous year and grew its SME accounts. During the same period, the Bank's assets related to SME loan portfolio experienced a 38% year-on-year growth. Over the years, the Bank has also established a significant and highly developmental SME retail portfolio through its core strategy of availability, affordability and access. Moreover, its business expansion is supported by partnerships with local government units and various cooperatives.

DBP's SEED program aims to enhance financial access and empower marginalized SMEs by offering alternative ways of securing credit. It distinguishes itself through key features

such as alternative collateral as a means of securing the loan; flexible repayment terms with grace period based on cash flow; and minimal equity requirement. The program has a more comprehensive reach and scope covering all industries and special segment compared to other programs in the market.

The Bank is also continuously fine-tuning its technology to provide customer-centric services to SMEs. It has launched the DBP Digital Banking Portal (DBP2), a complete suite of cash management solutions designed to provide online banking convenience to its corporate and institutional clients, including services such as real-time balance inquiries, electronic fund transfers, and auto-debit arrangement. In addition, DBP has improved its credit scoring system in partnership with the Innovations for Poverty Action to shorten the credit evaluation process of SME borrowers.

DBP was recognized as SME Bank of the Year in The Asian Banker Philippine Country Awards for 2017. The awards ceremony was held in conjunction with the region's most prestigious retail banking event, the Future of Finance in the Philippines.





Branch Network Expansion

Number of New Branches	2017		2016		2015	
	14		10		5	
	PROVINCE	BRANCH	PROVINCE	BRANCH	PROVINCE	BRANCH
	Cagayan	Tuguegarao-RGC	Nueva Ecija	Palayan City	Cagayan	Cabarroguis
	Cagayan	Lal-lo	NCR	Taguig-Tuktukan	Rizal	Antipolo
	Ilocos Norte	Bangui	Cavite	Bacoor	NCR	Caloocan
	Pampanga	Guagua	Cebu	Toledo	Camarines Sur	Iriga
	Palawan	Taytay	Iloilo	Pototan	Surigao del Sur	Tandag
	Romblon	Romblon	Misamis Oriental	Villanueva		
	Albay	Guinobatan	Agusan del Sur	Trento		
	Bohol	Tubigon	Surigao del Norte	Siargao		
	Bohol	Ubay	Surigao del Norte	Claver		
	Cebu	Talisay	Dinagat Islands	San Jose, Dinagat		
	Siquijor	Siquijor				
	South Cotabato	Polomolok				
	Davao del Sur	Sta. Cruz				
	Zamboanga del Sur	Zamboecozone				

DBP's branch expansion continues to accelerate, with the Bank increasing its distribution reach, servicing capabilities.

Strengthening its brand franchise, the Bank opened 10 new branches in 2016. Some of the branches that opened that year are: DBP Bacoor in Cavite Province, DBP Tuktukan in Taguig City and DBP Toledo in Cebu Province.

DBP Villanueva in Misamis Oriental, and three more branches located in Pototan, Iloilo; Trento, Agusan del Sur; and San Jose, Dinagat Island opened in 2016. These new branches will make available a full range of products and services including loan facilities for development projects, investments, deposit, and other financial products and services.

DBP's ongoing branch expansion is expected to address the clamor of different sectors in the countryside that have expressed strong interest in availing of the

bank's products and services including loan facilities to micro, small and medium enterprises, and livelihood assistance to families of OFWs.

A new branch in Caloocan City was established in partnership with the City Government of Caloocan for projects geared towards the development of the socio-cultural infrastructures of the city. Separately, a loan agreement has been signed and approved to finance the construction of a new Caloocan City Hall, the Caloocan City Commercial Complex, and the Caloocan City Sports Complex.

Various LGUs have also requested for the establishment of a DBP presence in their areas to help support development projects, i.e. improvement of markets, roads, water systems, as well as collection efforts of both the BIR and LGUs previously mentioned. The Bank remains committed to expanding its market reach, particularly to the unbanked and under-banked

in the countryside. Alongside intensified support for the development agenda of the National Government, DBP continues to extend its financial services to key areas in the country.

- In January 2017, DBP opened a branch in the capital town, Siquijor, of the island province of the same name as well as two Extension Offices in Naguilian, La Union and Cabugao, Ilocos Sur, bringing its network to a total of 125 locations by end 2017.
- DBP added five new branches and extension offices, boosting the branch network to 115. To further open up access for DBP customers, DBP expanded its ATM network. From 428 ATMs in 2015, it expanded the network to 535 ATMs by 2016, and by end 2017, the ATM network grew further to 629.
- DBP promotes financial inclusion in Mindanao with the opening of its 119th branch located in the Zamboanga City Special

Economic Zone (Zambo Ecozone) and Freeport. This branch is more strategically poised to support growth towards making the Zambo Ecozone a world-class economic zone and stimulate economic development in the Zamboanga Peninsula. The Zamboanga City Special Economic Zone Authority Board approved the "Zamboanga Peninsula Economic Belt" (ZamPen Economic Belt) program that will strengthen Zambo Ecozone to further boost economic growth in Zamboanga City. Chinese companies have signified interest to invest in the proposed San Ramon Newport project and build a solar power project within the Zambo Ecozone.

DBP remains committed to expand its market coverage, particularly to the unbanked and underserved Filipinos. The Bank's ultimate goal is to bring its development finance expertise closer to rural communities to ensure that the benefits of economic growth are cascaded to more people.

Highlights

2015

- Valenzuela City became the first LGU to implement DBP's Internet Payment Gateway (IPG) BancNet facility for its Online Business Permit Billing and Payment System (OBPBS). The Bank also rolled out IPG VISA and point-of-sale (POS) facilities at the Valenzuela City Hall. These accept Visa-branded prepaid, debit, and credit card payments for real property taxes (RPT).
- Naga City became the second LGU to implement DBP's IPG facility to allow real property

owners in the city to pay their RPTs online. The local DBP branch in Naga also conducted a forum on the various transaction banking and payment services offered by the Bank for more than 30 participants from private and government agencies, schools, hotels, and hospitals in the area.

- Blessing of the renovated DBP branch in Dumaguete City, which was attended by then DBP Chairman Jose A. Nuñez, Jr., then President Gil A. Buenaventura, and members of the DBP Board. DBP Dumaguete serves the credit requirements of clients in Negros Oriental.
- Inauguration of the new DBP branch in Antipolo City, located at the ground floor of JMK Building, Circumferential Road corner P. Oliveros Street, Antipolo City.
- DBP formed a partnership with Cebuana Lhuillier, the country's biggest microfinance company, to provide more channels to serve Filipinos, especially the unbanked and underserved overseas Filipino Workers and their beneficiaries. The partnership lets Filipinos abroad to remit money in any of the DBP international remittance tie-ups and allows their beneficiaries to collect from any of Cebuana Lhuillier's 1,700 branches nationwide.

2016

- DBP was one of the first banks in the country to comply with the BSP-mandated migration from magnetic stripes to EMV-enabled debit cards with contactless functionality, ahead of the Central Bank's January 2017 deadline.

2017

- The Bank announced a new online remittance service called AussiePadala, which allows Filipinos in Australia to send money to their families in the Philippines through DBP, which partnered with one of Australia's Westpac Banking Corporation of Australia Funds transferred before 6 p.m. Sydney time can be received by the beneficiary in the Philippines on the next banking day. Remitters can send up to A\$10,000 per transaction with a fixed charge of only A\$10. The AussiePadala portal can be accessed 24/7 at <https://aorp.devbnkphl.com>, or by visiting the DBP homepage, <https://www.dbp.ph>, and clicking on the AussiePadala icon.
- DBP inaugurated a new branch located in Taytay, Palawan. By December 2017, DBP had 125 branches offering a full range of banking and project financing products and services. The Bank also maintains extension offices located in Naguilian, La Union; Cabugao, Ilocos Sur; and Bayugan, Agusan del Sur.
- The Bank launched the BIR-DBP PayTax Online portal together with the Bureau of Internal Revenue (BIR) to enable individuals to securely pay taxes online. Taxpayers with ATM cards or Visa and Mastercard credit cards can now pay their taxes via www.DBPaytax.com powered by DBP's Internet Payment Gateway. The PayTax Online complements the BIR Electronic Filing and Payment System (eFPS) and the Electronic BIR Forms (eBIRForms) where taxpayers prepare and file tax returns, completing the electronic tax filing and payment process.





People: Nurturing Communities

DBP's development work intersects with the lives of people, especially those in beneficiary communities of projects funded by the Bank. Aside from spurring economic growth and resiliency through various projects, DBP also recognizes its potential impact on the immediate environment and nearby communities. The Bank therefore, endeavors to enhance positive impacts while seeking to mitigate, at the soonest and prevent, in the long run, any negative impact.

To showcase this commitment, DBP institutionalizes the Policy on Community Involvement which covers:

- Social impact-projects are evaluated to ensure these truly benefit Filipinos; and
- Investing in Communities -strengthening corporate social responsibility efforts by sharing the benefits of DBP's continued financial success with disadvantaged sectors of society. DBP's CSR initiatives are grouped into three major areas: environment, education, and OFW advocacy.

Beyond economic growth lies DBP's commitment to the upliftment of Filipinos— the improvement in the quality of life, expanding the range of people's choices, and improving access to goods and services. As a catalyst for a progressive and poverty-free Philippines, DBP supports the development of efficient social services through the following flagship initiatives:

the DBP Forest Program (DFP), DBP Endowment for Education Program (DEEP), and the DBP Resources for Inclusive and Sustainable Education (RISE) initiative.

Environment: Forest Restoration

Launched in 2005, the DFP is a non-credit program that aims to restore the country's forest cover. DBP partnered with LGUs, state universities and colleges, people's organizations, and other government agencies qualified as forest partners to ensure coordinated efforts for this reforestation initiative. By end-2017, the program had contributed

to the restoration of the country's green cover through its 44 projects spanning more than 7,000 hectares of forest area. Out of this total area, more than 5,700 hectares are already planted.

DBP Forest Projects

	No.	Hectares.
Upland	29	6,494.31
Coastal	18	560.46
Total	47	7,054.77

** Note: Three forest partners have both upland and coastal

Total contribution to DFP has reached P182.65-million from which a total of P139.9-million has been allotted by DBP for its share in the 44 projects. Of that amount, DBP had released P99.55-million.



DBP Forest Location Map

As of December 31, 2017



PO	- 16
LGU	- 19
SUC	- 8
OGA	- 1
	<hr/> 44

Luzon	- 16
Visayas	- 19
Mindanao	- 8

7,054.77 Hectares
 29 Uplands - 6,494.31
 18 Coastals - 560.46

3 Forest partners
 have both upland and
 coastal

Planted Area
5,664.42 has

Total Releases
P99.548 million

Aside from helping address pressing environmental problems, the DFP also provides livelihood opportunities for forest partners and their families through the harvest, sale or processing of fruits and other tree products. Nearly 7,000 individuals — including Palaw'enos, T'bolis, Igorots, Manobos, Mangyans, and Aetas — have already benefited from this program.

DBP is also set to launch a reforestation project at the Bessang Pass Natural Monument in Ilocos Sur and in Lake Manguao, Taytay, Palawan. The Bank will assist in the financing, via a grant, to cover the cost of planting stocks, as well as plantation establishment, protection and maintenance, mortality and livelihood.

To continue its commitment to support national and locally-oriented efforts that is responsive to areas severely affected by the occurrence of natural disasters, DBP, in partnership with the Provincial Government of Eastern Samar, launched a reforestation program to rehabilitate mangrove areas located in San Policarpo, Oras,

Arteche, General Macarthur which were devastated by typhoons Yolanda and Ruby. The project covers 60 hectares of mangrove ecosystem and also provides livelihood opportunities to local residents.

The Bank's DFP initiative was recognized in 2016 by the Karlsruhe Sustainable Finance Awards and awarded a Certificate of Merit under the Outstanding Sustainable Project Financing category which recognizes success in the long-term financing of exemplary industrial/commercial or infrastructure projects that benefits local communities, protects the environment, and ensures reliable returns to investors and depositors. The Karlsruhe Sustainable Finance Awards recognize financial institutions and organizations with outstanding contributions in the field of sustainable finance and those which embed economic, social and environmental sustainability into their businesses and promote the growth of green financing instruments and markets worldwide.

Education: DEEP and RISE

The Bank's CSR program for education features the DBP Endowment for Education Program (DEEP), which benefitted 3,572 underprivileged but brilliant Filipino students since its inception in 2008. Under DEEP, DBP pays for the tuition fees and provides board and lodging allowances to scholars who are enrolled in courses such as maritime, nursing, technical-vocational, forestry, agriculture, education, and HRM across various partner schools in the country.

Building on the success of DEEP, the Board of Directors approved the implementation of the DBP Resources for Inclusive and Sustainable Education (RISE) in 2017 with a P500-million seed fund. DBP RISE aims to support more than 2,500 scholars by shouldering their tuition fees, lodging expenses, living allowance, apprenticeship costs, and residency training. In particular, DBP RISE supports qualified scholars enrolled in courses like accountancy, engineering, education, and information technology.

A Closer Look: DBP Endowment for Education Program

Funded by a P1-billion seed fund from DBP's income, DEEP is DBP's flagship corporate social responsibility initiative to provide financial assistance to qualified scholars for a period of 10 years. In the 8th year of implementation in 2008, the program has supported over 3,500 scholar-beneficiaries from various courses.

By end of 2017, DEEP has so far produced 3,014 graduates; 2,591 of those are now gainfully employed in German, Japanese, Norwegian, Singaporean, and Filipino companies and actively contributing to the DEEP Scholars Association, Inc. (DEEPSAI), a vehicle ensuring the sustainability of the DEEP once DBP exits from the program in 2018. DEEP had a P1-billion allocation for 10 years. DBP's funding assistance to the program has already amounted to P874.7-million as of end of 2017. Critical to the success of the program was its partnership with 39 educational institutions which ensure that scholars are guaranteed on-the-job training and subsequent employment through their partnerships with reputable manning or job placement agencies.

► Accreditation Process

Broad-based and innovative partnership with a wide range of stakeholders enables the DEEP to fast track and more aggressively pursue DBP's commitment to achieve the greatest possible development impacts. To institutionalize the principle of continuing excellence at all levels, partner institutions undergo a rigid process of selection in accordance with the DEEP's guidelines. Scholars, meanwhile, are chosen on merit based on their high school academic performance and family income level.

To be accredited, schools need to fulfill and submit proof of the following:

- Proven level of excellence
- Geographic location
- Tie up with employers/manning companies
- School classification as state or private institution
- Good governance practices and transparency of school officials
- Partner's policy of attracting /assisting indigent students
- Need for endowment to improve school facilities and educational standards
- Standard of academic/skills training, facilities, amenities, services
- Innovative practices as hubs of educational excellence
- Absorptive capacity for the scholarship beneficiaries
- Observed level of support, commitment and confidence of school to guarantee skills training and employment of its graduates
- Strong support for an effective, efficient and sustained program implementation

Broad based and innovative partnership with a wide range of stakeholders enables the DEEP to fast track and more aggressively pursue DBP's commitment to achieve the greatest possible development impacts. To institutionalize the principle of continuing excellence at all levels, Partner institution undergoes a rigid process of selection in accordance with the Program's guidelines. Scholars are chosen based on high school academic performance and family income level.

► Outcomes/Highlights

- The "Pay it Forward" commitment of DEEPSAI members helps sustain the program. As a result, DEEP is now ready to launch its 2nd tranche, DBP Resources for Inclusive and Sustainable Education (DBP RISE), which immediately starts on DEEP's last year. DBP RISE aims to continue the legacy of DEEP in strengthening the Bank's efforts in sharing the benefits of its continued viability to the education sector.

DBP DEEP (Status as of Year Ending)

	Year 2017	Year 2016	Year 2015	Total
No. of Scholars Supported	1,586	2,260	2,714	6,560
Graduates	670	651	444	1,765
Employed	360	600	440	1,400



DEEP Values Formation Seminar



DEEP Partner School – NYK-TDG Maritime Academy Graduation Ceremony



DEEP Partner Schools

	Region	Province/City	DEEP Partner School	Scholars
1	NCR	Manila City	De La Salle University (Manila)	30
			SEAMAC Int'l Training Institute (Tech Voc)	14
2	NCR	San Juan City	Nova Foundation	15
3	NCR	Valenzuela City	Our Lady of Fatima University (OLFU)	31
4	NCR	Muntinlupa City	West Bay College	76
5	CAR	Isabela	Philippine Normal University (Isabela Campus)	14
6	CAR	Baguio City, Benguet	Saint Louis University (SLU)	20
7	I	Pangasinan	Philippine Institute of Maritime Studies and Technology (PIMSAT) Colleges	74
8	II	Bulacan	AMG Skilled Hands Technological College	13
9	III	Nueva Ecija	Don Bosco Training Center (Techvoc)	67
10	IV	Batangas	Lyceum International Maritime Academy	8
			NE Plus Ultra Training Center Corp. (NPUTC)	225
11	IV	Laguna	NTIF/NYKTDG Maritime Academy (NTMA)	271
			TRACE College	20
12	IV	Rizal	MFI – Farm Business Institute (MFI-FBI)	26
			STI Education Services Group	13
13	V	Sorsogon	Bicol Merchant Marine College	97
14	V	Camarines Sur	Mariner's Polytechnic Colleges Foundation (MPCF)	207
15	VI	Aklan	Aklan Polytechnic College (APC)	56
16	VI	Negros Occidental	VMA Global College (VGC)	59
17	VII	Iloilo	John B. Lacson Foundation Maritime University (JBLFMU)	81
			West Visayas State University (WVSU)	55
			St. Therese MTC Colleges	8
18	VII	Cebu	Cebu Normal University (CNU)	40
			Cebu Technological University (CTU)	317
			University of Cebu (Mambaling Campus)	10
19	VII	Bohol	Cristal-E Colleges, Inc.	87
20	IX	Zamboanga del Sur	Zamboanga del Sur Maritime Institute of Technology (ZSMIT)	105
			Saniel Integrated Foundations for People Development	37
21	X	Misamis Oriental	Capitol University	36
			Skills Mastery Institute	98
			Xavier University (XU-ADC)	20
22	X	Lanao del Sur	Mindanao State University (MSU)	27
23	X	Misamis Occidental	Misamis Institute of Technology (MIT)	140
			Our Lady of Triumph Institute of Technology (OLTIT)	460
24	CARAGA	Agusan del Norte	ACLIC Butuan	19
25	XI	Davao City, Davao del Sur	DMMA College of Southern Philippines (DCSP)	561
			Holy Cross of Davao College (HCDC)	91
26	XI	South Cotabato	Mindanao Polytechnic College (MPC)	85

Status of DEEP Scholars

	2017	2016	2015	TOTAL
Scholars (non-mutually exclusive per year)	1,583	2,257	2,711	6,551
Graduates	670	651	444	1,765
Employed	581	600	440	1,621
Employment per Industry				
Maritime	421	439	369	1,229
Education and Engineering	40	61	10	111
Hospitality	120	100	30	250
Information Technology	0	0	2	2
Animation	0	0	19	19

OFW Advocacy

As a major player in the remittance business primarily catering to OFWs, DBP is committed to promote and enhance financial literacy while continuously providing banking and investment products to clients. The Bank pioneered the no-initial opening and maintaining debit card (EC Card) with zero balance account and also plans to launch Unlad Panimula Fund, a Unit Investment Trust Fund Product (UITF) exclusively for OFWs.

Other initiatives

The following are the donation and contributions initiatives undertaken by the Bank:

2015

- DBP supported by the DBP Board and management, the Bank opened a savings account to receive donations for families of the 44 fallen heroes of the PNP-Special Action Force (SAF 44) who had lost their lives in the Mamasapano Maguindanao incident.
- The Bank conducted its "Share-A-Gift" outreach project for the benefit of close to 100 public school students of the EVA Aeta Elementary School in Barangay General Lim, Orion, Bataan. DBP Balanga Branch, with support

from the Provincial Government of Bataan, distributed gift packs containing school supplies, T-shirts, slippers, Noche Buena items, pails and dippers to the students. The Bank also sponsored the food packs for the students' Christmas party and turned over instructional materials and personal computers to school officials.

- DBP distributed presents to over 292 pupils of San Vicente Elementary School in Laur, Nueva Ecija as part of the "DBP Brings Christmas Cheer" program. Said activity is part of the Bank's annual "Share-A-Gift" outreach program, which is a component of the DBP's corporate citizenship program.

2016

- DBP extended financial assistance to support the rehabilitation efforts of LGUs in Central Luzon, Northwestern Luzon, and Northeastern Luzon affected by Typhoon Lawin.

2017

- DBP extended relief assistance to earthquake victims in Ormoc City.
- The Bank channeled financial contributions to the Philippine Eagle Foundation

to demonstrate the Bank's commitment to biodiversity conservation.

- DBP supported the tuberculosis awareness program of the Philippine Tuberculosis Society and Filipino War Veterans fund campaign.
- The Bank participated in a donation drive in partnership with the Mothers for Peace Movement (M4P), an initiative of the Mindanao Commission on Women.
















DBP in partnership with Mothers for Peace (M4P) Movement for the "Bukas Palad Para Sa Marawi"



Annex-DBP Development Programs

Development Loans (as of December 2017)

Development Thrust	Programs		Number of Borrowers	Approved Amount (Php)	Released Amount (Php)	Aligned to United Nations Sustainable Development Goals
A. Micro, Small and Medium Enterprises	1	Sustainable Enterprises for Economic Development Program (SEED)	1,243	13.31-billion	1.52-billion	 
	2	Sustainable Agribusiness Financing Program (SAFP)	466	56.24-billion	7.15-million	
	3	Tree Plantation Financing Program (TPFP)	4	60.00-million	1.46-million	
B. Infrastructure and Logistics	4	Connecting Rural Urban Intermodal Systems Efficiency (CRUISE)	244	30.76-billion	2.53-billion	  
	5	Financing Utilities for Sustainable Energy Development (FUSED) and other energy programs/projects	72	38.22-billion	1.20-billion	 
	6	Water for Every Resident Program (WATER) and other water programs/projects	96	15.03-billion	460.47-million	 

Development Thrust	Programs		Number of Borrowers	Approved Amount (Php)	Released Amount (Php)	Aligned to United Nations Sustainable Development Goals
C. Environment	7	Green Financing Program (GFP)	163	-	1.05-billion	       
D. Social Services	8	Residential Real Estate Financing Program (RRFP)	77	12.53-billion	151.84-million	
	9	Sustainable Health Care Investment Program (SHCIP)	154	13.32-billion	564.80-million	 
	10	DBP Educational Fund Program (DEFP)	145	8.08-billion	192.26-million	 
TOTAL			2,664	P187.54-billion	P14.82-billion	



For the Materiality Disclosures Service, GRI Services reviewed that the GRI content index is clearly presented and the references for Disclosures 102-40 to 102-49 align with appropriate sections in the body of the report.

GRI Index

GRI Standard	Disclosure Number and Title	Response/ Page Number
GRI 101: Foundation 2016	FOUNDATION	
ORGANIZATIONAL PROFILE		
GRI 102: General Disclosures 2016	102-1: Name of the organization	Development Bank of the Philippines
GRI 102: General Disclosures 2016	102-2: Activities, brands, products, and services	<u>Covered under Key Products & Services ; Page 10</u>
GRI 102: General Disclosures 2016	102-3: Location of headquarters	Head Office - Sen. Gil J. Puyat Avenue corner Makati Avenue, Makati City
GRI 102: General Disclosures 2016	102-4: Location of operations	Only Philippines ; list of branches/ locations
GRI 102: General Disclosures 2016	102-5: Ownership and legal form	100% Government-owned and -Controlled Corporation (GOCC)
GRI 102: General Disclosures 2016	102-6: Markets served	Philippines, All sectors of the economy with special focus on MSMEs, infrastructure, environment and Social Services; customers include - Government including LGUs and NGAs, Corporations, Schools, Hospitals, Associations, and Individuals
GRI 102: General Disclosures 2016	102-7: Scale of the organization	<u>Covered under DBP Coverage ; Page 9</u> <u>About the Development Bank of the Philippines</u>
GRI 102: General Disclosures 2016	102-8: Information on employees and other workers	<u>Covered under PEOPLE: Our Employees ; Page 9</u> <u>About the Development Bank of the Philippines</u>
GRI 102: General Disclosures 2016	102-9: Supply chain	<u>Covered under Procurement ; Page 30 - 31</u>
GRI 102: General Disclosures 2016	102-10: Significant changes to the organization and its supply chain	None
GRI 102: General Disclosures 2016	102-11: Precautionary Principle or approach	All our projects and term loans are screened for environmental aspects, considerations (location, use of natural resources, production processes etc.) and potential impact and risks.
GRI 102: General Disclosures 2016	102-12: External initiatives	<u>Covered under Memberships & Associations ; Page 13</u>
GRI 102: General Disclosures 2016	102-13: Membership of associations	<u>Covered under Memberships & Associations ; Page 13</u>
STRATEGY		
GRI 102: General Disclosures 2016	102-14: Statement from senior decision-maker	Message from the President and CEO ; Page 5 - 6 "We intensified our efforts towards implementing and sustaining programs that improve the quality of life"
GRI 102: General Disclosures 2016	102-15: Key impacts, risks, and opportunities	<u>Covered under Risk Management ; Page 26 - 27</u> Risk Identification & Management

GRI Standard	Disclosure Number and Title	Response/ Page Number
ETHICS AND INTEGRITY		
GRI 102: General Disclosures 2016	102-16: Values, principles, standards, and norms of behavior	<u>Covered under Vision, Mission and Values ; Page 11</u>
GRI 102: General Disclosures 2016	102-17: Mechanisms for advice and concerns about ethics	Code of Conduct ; Page 11
GOVERNANCE		
GRI 102: General Disclosures 2016	102-18: Governance structure	<u>Covered under Governance ; Page 20 -25</u>
GRI 102: General Disclosures 2016	102-19: Delegating authority	<u>Covered under Governance ; Page 20 -25</u> Through the issuance of office order pursuant to a board resolution
GRI 102: General Disclosures 2016	102-20: Executive-level responsibility for economic, environmental, and social topics	<u>Covered under Governance ; Page 20 -25</u>
GRI 102: General Disclosures 2016	102-21: Consulting stakeholders on economic, environmental, and social topics	<u>Covered under Compliance: Social & Environment ; Page 29</u>
GRI 102: General Disclosures 2016	102-22: Composition of the highest governance body and its committees	<u>Covered under Governance ; Page 20 -25</u>
GRI 102: General Disclosures 2016	102-23: Chair of the highest governance body	<u>Covered under Governance ; Page 20 -25</u> The chair of the Board is the DBP Chairman; Vice Chair is the CEO; The Chair is not part of the Management Committee.
GRI 102: General Disclosures 2016	102-24: Nominating and selecting the highest governance body	<u>Covered under Governance ; Page 20 -25</u> Members of the Board are appointed by the President of the Philippines.
GRI 102: General Disclosures 2016	102-25: Conflicts of interest	<u>Covered under Governance ; Page 22</u> Defined in the DBP Code of Ethics and other applicable laws, rules and regulations; Risk Management Committee ensures separation of duties in the risk management process to avoid any COI
GRI 102: General Disclosures 2016	102-26: Role of highest governance body in setting purpose, values, and strategy	<u>Covered under Governance ; Page 20 -25</u> Purpose, values, and strategy are set during the annual board retreat of the Board of Directors. These are cascaded to the Management which will be discussed on the Bank-wide planning conference.



GRI Standard	Disclosure Number and Title	Response/ Page Number
GRI 102: General Disclosures 2016	102-27: Collective knowledge of highest governance body	<u>Covered under Governance ; Page 20 -25</u> Continuing capacity-building programs for the directors, including the annual board retreat and corporate governance seminars
GRI 102: General Disclosures 2016	102-28: Evaluating the highest governance body's performance	<u>Covered under Governance ; Page 20 -25</u> Annual Peer Assessment of Directors, GCG's Performance Evaluation for Directors; Independent. Annually; Annual Peer Assessment of Directors - Partly. GCG's Performance Evaluation for Directors - Partly
GRI 102: General Disclosures 2016	102-29: Identifying and managing economic, environmental, and social impacts	<u>Covered under Governance ; Page 20 -25</u> Board of Directors
GRI 102: General Disclosures 2016	102-30: Effectiveness of risk management processes	<u>Covered under Risk Management; Page 26 - 27</u> 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 Bank's Board of Directors takes the lead in promoting a culture of risk-awareness throughout the institution.
GRI 102: General Disclosures 2016	102-31: Review of economic, environmental, and social topics	<u>Covered under Governance ; Page 20 -25</u> Although not explicitly stated, the Board of Directors must ensure that the tone and risk tolerance must be in accordance with the risk appetite (which is based on strategic plans) which is prepared annually (short-term) and over the next five years (long-term).
GRI 102: General Disclosures 2016	102-32: Highest governance body's role in sustainability reporting	<u>Covered under Reporting Process ; Page 23</u> The development and publication of DBP SDR, although approved by the Board , is delegated to the DBP SDR TWG led by SPG with support from CAD and CSSD.
GRI 102: General Disclosures 2016	102-33: Communicating critical concerns	<u>Covered under Governance ; Page 20 -25</u> Through the ManCom and relevant Board Committees – quarterly and monthly meetings where relevant; for more information please refer to the DBP Annual Report
GRI 102: General Disclosures 2016	102-35: Remuneration policies	<u>Covered under Compensation and Benefits ; Page 57 - 58</u> DBP developed its own Compensation Plan with the salary structure aligned with the market. DBP Compensation Plan has been submitted and noted by GCG in compliance with E.O. No. 36, s. 2017. For details, refer to the "Report on Salaries and Allowances" by Commission on Audit

GRI Standard	Disclosure Number and Title	Response/ Page Number
GRI 102: General Disclosures 2016	I02-36: Process for determining remuneration	Covered under Compensation and Benefits : Page 57 - 58 For details, refer to the "Report on Salaries and Allowances" by Commission on Audit
GRI 102: General Disclosures 2016	I02-38: Annual total compensation ratio	Will disclose during the next reporting period; however for more information on compensation of DBP officers and employees one may refer to the "Report on Salaries and Allowances 2017" by Commission on Audit Reports
GRI 102: General Disclosures 2016	I02-39: Percentage increase in annual total compensation ratio	Will disclose during the next reporting period
STAKEHOLDER ENGAGEMENT		
GRI 102: General Disclosures 2016	I02-40: List of stakeholder groups	Covered under Stakeholder Engagement Approach & Plan ; Page 2 -3
GRI 102: General Disclosures 2016	I02-41: Collective bargaining agreements	Covered under Collective Negotiation ; Page 58
GRI 102: General Disclosures 2016	I02-42: Identifying and selecting stakeholders	Covered under Stakeholder Engagement Approach & Plan ; Page 2 - 3
GRI 102: General Disclosures 2016	I02-43: Approach to stakeholder engagement	Covered under Stakeholder Engagement Approach & Plan ; Page 2 - 3
GRI 102: General Disclosures 2016	I02-44: Key topics and concerns raised	Covered under Stakeholder Engagement Approach & Plan ; Page 2 - 3
REPORTING PRACTICE		
GRI 102: General Disclosures 2016	I02-45: Entities included in the consolidated financial statements	Covered under Consolidated Financial Statements : Page 32
GRI 102: General Disclosures 2016	I02-46: Defining report content and topic Boundaries	Covered under About this Report ; Page 1
GRI 102: General Disclosures 2016	I02-47: List of material topics	Covered under Materiality ; Page 2
GRI 102: General Disclosures 2016	I02-48: Restatements of information	There are no major restatements for the current report, and all the relevant data parameters have been updated.
GRI 102: General Disclosures 2016	I02-49: Changes in reporting	Covered under About this Report ; Page 1
GRI 102: General Disclosures 2016	I02-50: Reporting period	2015-2017
GRI 102: General Disclosures 2016	I02-51: Date of most recent report	2013 Report - presents its sixth Sustainable Development Report, Beyond Numbers. Beyond Banking



GRI Standard	Disclosure Number and Title	Response/ Page Number
GRI 102: General Disclosures 2016	102-52: Reporting cycle	Covered under About this Report ; Page 1
GRI 102: General Disclosures 2016	102-53: Contact point for questions regarding the report	Edgar Richard B. Trono, Senior Vice President – Head, Strategic Planning Group at info@dbp.ph
GRI 102: General Disclosures 2016	102-54: Claims of reporting in accordance with the GRI Standards	Covered under About this Report ; Page 1
GRI 102: General Disclosures 2016	102-55: GRI content index	Covered under GRI Content Index; Page 84 - 93
GRI 102: General Disclosures 2016	102-56: External assurance	No external assurance was conducted for this report
ECONOMIC		
GRI 201: Economic Performance 2016	ECONOMIC PERFORMANCE	
GRI 103: Management Approach 2016	103-1: Explanation of the material topic and boundary	Covered under PROFIT: Financial Performance ; Page 32 - 33
GRI 103: Management Approach 2016	103-2: The management approach and its components	Covered under PROFIT: Financial Performance ; Page 32 - 33
GRI 103: Management Approach 2016	103-3: Evaluation of the management approach	Covered under PROFIT: Financial Performance ; Page 32 - 33
GRI 201: Economic Performance 2016	201-1: Direct economic value generated and distributed	Covered under PROFIT: Financial Performance ; Page 32 - 33 Annual Report & Comptrollership Group data sheet
GRI 201: Economic Performance 2016	201-2: Financial implications and other risks and opportunities due to climate change	Covered under PROFIT: Financial Performance ; Page 32 - 33 Currently not quantifying to be explored for the next reporting period
GRI 201: Economic Performance 2016	201-3: Defined benefit plan obligations and other retirement plans	Covered under Compensation and Benefits ; Page 57
GRI 201: Economic Performance 2016	201-4: Financial assistance received from the government	5,000,000 in 2016
GRI 202: Market Presence 2016	MARKET PRESENCE	
GRI 103: Management Approach 2016	103-1: Explanation of the material topic and boundary	Covered under PEOPLE: Our Employees ; Page 52
GRI 103: Management Approach 2016	103-2: The management approach and its components	Covered under PEOPLE: Our Employees ; Page 52
GRI 103: Management Approach 2016	103-3: Evaluation of the management approach	Covered under PEOPLE: Our Employees ; Page 52

GRI Standard	Disclosure Number and Title	Response/ Page Number
GRI 202: Market Presence 2016	202-1: Ratios of standard entry level wage by gender compared to local minimum wage	DBP : NCR min wage for Male and Female (Daily wage) ; Page 54 2015 : P705 vs P481 or 46% higher than the daily min wage 2016: P705 vs P491 or 43% higher than the daily min wage 2017: P705 vs P512 or 38% higher than the daily min wage
GRI 202: Market Presence 2016	202-2: Proportion of senior management hired from the local community	<u>Covered under PEOPLE: Our Employees ; Page 54</u> 100% Filipino as mandated by the Civil Service Commission
GRI 203: Indirect Economic Impacts 2016	INDIRECT ECONOMIC IMPACT	
GRI 103: Management Approach 2016	103-1: Explanation of the material topic and boundary	<u>Covered under PROFIT: Financial Performance ; Page 33</u>
GRI 103: Management Approach 2016	103-2: The management approach and its components	<u>Covered under PROFIT: Financial Performance ; Page 33</u>
GRI 103: Management Approach 2016	103-3: Evaluation of the management approach	<u>Covered under PROFIT: Financial Performance ; Page 33</u> Through the due-diligence process
GRI 203: Indirect Economic Impacts 2016	203-1: Infrastructure investments and services supported	<u>Covered under Developmental Lending and DBP Development Programs; Page 34 - 37</u>
GRI 203: Indirect Economic Impacts 2016	203-2: Significant Indirect economic impacts	<u>Covered under DBP Development Programs; Page 37</u>
GRI 204: Procurement Practices 2016	PROCUREMENT PRACTICES	
GRI 103: Management Approach 2016	103-1: Explanation of the material topic and boundary	<u>Covered under Procurement ; Page 31</u>
GRI 103: Management Approach 2016	103-2: The management approach and its components	<u>Covered under Procurement ; Page 31</u>
GRI 103: Management Approach 2016	103-3: Evaluation of the management approach	<u>Covered under Procurement ; Page 31</u>
GRI 204: Procurement Practices 2016	204-1: Proportion of spending on local suppliers	<u>Covered under Procurement ; Page 31</u> 100%
GRI 205: Anti-Corruption 2016	ANTI-CORRUPTION PRACTICES	
GRI 103: Management Approach 2016	103-1: Explanation of the material topic and boundary	<u>Covered under Anti-Corruption ; Page 28 - 29</u>
GRI 103: Management Approach 2016	103-2: The management approach and its components	<u>Covered under Anti-Corruption ; Page 28 - 29</u>
GRI 103: Management Approach 2016	103-3: Evaluation of the management approach	<u>Covered under Anti-Corruption and DBP's Performance Governance System ; Page 28 - 29</u>



GRI Standard	Disclosure Number and Title	Response/ Page Number
GRI 205: Anti-Corruption 2016	205-1: Operation assessed for risks related to corruption	<u>Covered under Anti-Corruption ; Page 28 - 29</u>
GRI 205: Anti-Corruption 2016	205-2: Communication and training about anti- corruption policies and procedures	<u>Covered under Anti-Corruption ; Page 28 - 29</u> BOD members attend relevant Corporate Governance programs; anti-corruption policies and procedures have been communicated to all (100%) of the governance members
GRI 205: Anti-Corruption 2016	205-3: Confirmed incidents of corruption and actions taken	<u>Covered under Anti-Corruption ; Page 28 - 29</u> During the reporting period there have been no incidents relating to anti-corruption
ENVIRONMENTAL		
GRI 302: Energy 2016	ENERGY	
GRI 103: Management Approach 2016	103-1: Explanation of the material topic and boundary	<u>Covered under Planet ; Page 44 - 45</u>
GRI 103: Management Approach 2016	103-2: The management approach and its components	<u>Covered under Planet ; Page 44 - 45</u>
GRI 103: Management Approach 2016	103-3: Evaluation of the management approach	<u>Covered under Planet ; Page 44 - 45</u>
GRI 302: Energy 2016	302-1: Energy consumption within the organization	<u>Covered under Energy Consumption ; Page 45 - 46</u>
GRI 302: Energy 2016	302-3: Energy intensity	<u>Covered under Energy Consumption ; Page 45 - 46</u>
GRI 302: Energy 2016	302-4: Reduction of energy consumption	<u>Covered under Energy Consumption ; Page 45 - 46</u>
GRI 303: Water 2016	WATER	
GRI 103: Management Approach 2016	103-1: Explanation of the material topic and boundary	<u>Covered under Planet ; Page 44 - 45</u>
GRI 103: Management Approach 2016	103-2: The management approach and its components	<u>Covered under Planet ; Page 44 - 45</u>
GRI 103: Management Approach 2016	103-3: Evaluation of the management approach	<u>Covered under Planet ; Page 44 - 45</u> EMS certification is the evaluation
GRI 303: Water 2016	303-1: Water withdrawal by source	<u>Covered under Water Consumption ; Page 48</u> Manila Water
GRI 305: Emissions 2016	EMISSIONS	
GRI 103: Management Approach 2016	103-1: Explanation of the material topic and boundary	<u>Covered under Planet ; Page 44 - 45</u>
GRI 103: Management Approach 2016	103-2: The management approach and its components	<u>Covered under Planet ; Page 44 - 45</u>
GRI 103: Management Approach 2016	103-3: Evaluation of the management approach	<u>Covered under Planet ; Page 44 - 45</u>
GRI 305: Emissions 2016	305-1: Direct (Scope 1) GHG emissions	<u>Covered under Greenhouse Gases Emissions ; Page 47</u>

GRI Standard	Disclosure Number and Title	Response/ Page Number
GRI 305: Emissions 2016	305-2: Energy indirect (Scope 2) GHG emissions	Covered under Greenhouse Gases Emissions ; Page 47
GRI 305: Emissions 2016	305-4: GHG emissions intensity	Covered under DBP Greenhouse Gases Intensity ; Page 47
GRI 305: Emissions 2016	305-5: Reduction of GHG emissions	Covered under DBP GHG Emission Reduction Initiatives ; Page 47
GRI 307: Environmental Compliance 2016	ENVIRONMENTAL COMPLIANCE	
GRI 103: Management Approach 2016	103-1: Explanation of the material topic and boundary	Covered under Compliance ; Page 30
GRI 103: Management Approach 2016	103-2: The management approach and its components	Covered under Compliance ; Page 30
GRI 103: Management Approach 2016	103-3: Evaluation of the management approach	Covered under Compliance and EMS / QMS ; Page 30
GRI 307: Environmental Compliance 2016	307-1: Non-compliance with environmental laws and regulations	Covered under Compliance ; Page 30
GRI 103: Management Approach 2016	103-1: Explanation of the material topic and boundary	Covered under Procurement ; Page 31
GRI 103: Management Approach 2016	103-2: The management approach and its components	Covered under Procurement ; Page 31
GRI 103: Management Approach 2016	103-3: Evaluation of the management approach	Covered under Procurement ; Page 31
GRI 308: Supplier Environmental Assessment 2016	308-1: New suppliers that were screened using environmental criteria	Covered under Procurement ; Page 31
GRI 308: Supplier Environmental Assessment 2016	308-2: Negative environmental impacts in the supply chain and actions taken	Covered under Procurement ; Page 31 DBP does not have any record where relationship with past suppliers was terminated due to actual and potential negative environmental/social impact.
SOCIAL		
GRI 401: Employment 2016	EMPLOYMENT	
GRI 103: Management Approach 2016	103-1: Explanation of the material topic and boundary	Covered under PEOPLE: Our Employees ; Page 52
GRI 103: Management Approach 2016	103-2: The management approach and its components	Covered under PEOPLE: Our Employees ; Page 52
GRI 103: Management Approach 2016	103-3: Evaluation of the management approach	Covered under PEOPLE: Our Employees ; Page 52
GRI 401: Employment 2016	401-1: New employee hires and employee turnover	Covered under PEOPLE: Our Employees ; Page 53 - 56



GRI Standard	Disclosure Number and Title	Response/ Page Number
GRI 101: Foundation 2016	FOUNDATION	
ORGANIZATIONAL PROFILE		
GRI 401: Employment 2016	401-2: Benefits provided to full-time employees that are not provided to temporary or part-time employees	<u>Covered under PEOPLE: Our Employees; Compensation and Benefits ; Page 57 - 58</u>
GRI 401: Employment 2016	401-3: Parental leave	<u>Covered under PEOPLE: Our Employees; Compensation and Benefits ; Page 58</u>
GRI 403: Occupational Health and Safety 2016	403-1: Workers representation in formal joint management-worker health and safety committees	We are in the process of putting in place a H&S Committee by 2018 ; Page 58 - 59
GRI 403: Occupational Health and Safety 2016	403-2: Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	<u>Covered under PEOPLE: Our Employees; Occupational Health and Safety ; Page 59 - 60</u> Partial data
GRI 403: Occupational Health and Safety 2016	403-3: Workers with high incidence or high risk of diseases related to their occupation	<u>Covered under PEOPLE: Our Employees; Occupational Health and Safety ; Page 59</u> Partial data
GRI 403: Occupational Health and Safety 2016	403-4: Health and safety topics covered in formal agreements with trade unions	<u>Covered under PEOPLE: Our Employees; Occupational Health and Safety ; Page 59 - 60</u> Partial data
GRI 404: Training and Education 2016	TRAINING AND EDUCATION	
GRI 103: Management Approach 2016	103-1: Explanation of the material topic and boundary	<u>Covered under PEOPLE: Our Employees; Employee Training ; Page 60 - 61</u>
GRI 103: Management Approach 2016	103-2: The management approach and its components	<u>Covered under PEOPLE: Our Employees; Employee Training ; Page 60 - 61</u>
GRI 103: Management Approach 2016	103-3: Evaluation of the management approach	<u>Covered under PEOPLE: Our Employees; Employee Training ; Page 60 - 61</u>
GRI 404: Training and Education 2016	404-1: Average hours of training per year per employee	<u>Covered under PEOPLE: Our Employees; Employee Training ; Page 61</u> The list of training programs attended by members of the DBP Board of Directors for 2017 is available in the DBP AR 2017
GRI 404: Training and Education 2016	404-2: Programs for upgrading employee skills and transition assistance programs	<u>Covered under PEOPLE: Our Employees; Employee Training ; Page 61</u>
GRI 404: Training and Education 2016	404-3: Percentage of employees receiving regular performance and career development reviews	<u>Covered under PEOPLE: Our Employees ; Page 52</u> Annual performance review is done for all employees

GRI Standard	Disclosure Number and Title	Response/ Page Number
GRI 101: Foundation 2016	FOUNDATION	
ORGANIZATIONAL PROFILE		
GRI 405: Diversity and Equal Opportunity 2016	405-1: Diversity of governance bodies and employees	<u>Covered under Governance + PEOPLE: Our Employees ; Page 20 - 22</u> Employees provided; governance bodies only by gender
GRI 405: Diversity and Equal Opportunity 2016	405-2: Ratio of basic salary and remuneration of women to men	<u>Covered under PEOPLE: Our Employees ; Page 57 - 58</u>
GRI 410: Security Practices 2016	SECURITY PRACTICES	
GRI 103: Management Approach 2016	103-1: Explanation of the material topic and boundary	<u>Covered under Security Practices ; Page 60</u>
GRI 103: Management Approach 2016	103-2: The management approach and its components	<u>Covered under Security Practices ; Page 60</u>
GRI 103: Management Approach 2016	103-3: Evaluation of the management approach	<u>Covered under Security Practices ; Page 60</u>
GRI 410: Security Practices 2016	410-1: Security personnel trained in human rights policies or procedures	<u>Covered under Security Practices ; Page 60</u>
GRI 412: Human Rights Assessment 2016	412-2: Employee training on human rights policies or procedures	<u>Covered under Employee Training ; Page 60 - 61</u>
GRI 413: Local Communities 2016	LOCAL COMMUNITIES	
GRI 103: Management Approach 2016	103-1: Explanation of the material topic and boundary	<u>Covered under PEOPLE: Corporate Social Responsibility ; Page 76 - 77</u>
GRI 103: Management Approach 2016	103-2: The management approach and its components	<u>Covered under PEOPLE: Corporate Social Responsibility ; Page 76 - 77</u>
GRI 103: Management Approach 2016	103-3: Evaluation of the management approach	<u>Covered under PEOPLE: Corporate Social Responsibility ; Page 76 - 77</u>
GRI 413: Local Communities 2016	413-1: Operations with local community engagement, impact assessments, and development programs	<u>Covered under PEOPLE: Corporate Social Responsibility ; Page 76 - 77</u> People's Organization/Farmers/Communities living near the project site are the project beneficiaries. They were hired to implement the reforestation project. Reforestation reduces soil erosion, flash flood and tidal waves for mangrove project. Provide livelihood for the communities. DBP's DEEP Program
GRI 413: Local Communities 2016	413-2: Operations with significant actual and potential negative impacts on local communities	<u>Covered under PEOPLE: Corporate Social Responsibility ; Page 76 - 77</u>



GRI Standard	Disclosure Number and Title	Response/ Page Number
GRI 414: Supplier Social Assessment 2016	414-1: New suppliers that were screened using social criteria	Covered under Procurement ;Page 30 - 31
GRI 414: Supplier Social Assessment 2016	414-2 Negative social impacts in the supply chain and actions taken	Covered under Procurement ;Page 30 - 31
GRI 415: Public Policy 2016	PUBLIC POLICY	Covered under Procurement ;Page 30 - 31
GRI 418: Customer Privacy 2016	CUSTOMER PRIVACY	
GRI 103: Management Approach 2016	103-1: Explanation of the material topic and boundary	Covered under Customer Privacy ;Page 28
GRI 103: Management Approach 2016	103-2: The management approach and its components	Covered under Customer Privacy ;Page 28
GRI 103: Management Approach 2016	103-3: Evaluation of the management approach	Covered under Customer Privacy ;Page 28
GRI 418: Customer Privacy 2016	418-1: Substantiated complaints concerning breaches of customer privacy and losses of customer data	Covered under Customer Privacy ;Page 28 No substantiated complaints concerning breach of privacy was filed between the years 2015 to 2017.
GRI 419: Socioeconomic Compliance 2016	SOCIOECONOMIC COMPLIANCE	
GRI 103: Management Approach 2016	103-1: Explanation of the material topic and boundary	Covered under Compliance ;Page 30
GRI 103: Management Approach 2016	103-2: The management approach and its components	Covered under Compliance ;Page 30
GRI 103: Management Approach 2016	103-3: Evaluation of the management approach	Covered under Compliance EMS/ QMS ;Page 30
GRI 419: Socioeconomic Compliance 2016	419-1: Non-compliance with laws and regulations in the social and economic area	Covered under Compliance ;Page 30
SDGs	DBP has financed 1,926 projects that are aligned with the SDGs from 2010 to 2016 - Statement on this with a table of projects aligned to different SDGs and outcomes/ benefits/ beneficiaries	Covered under Development Lending ;Page 34 – 37 Annex – DBP Development Programs; Page 82 - 83

FINANCIAL SECTOR SUPPLEMENTS		
Financial Literacy	Financial Literacy -DBP's approach to addressing financial literacy	Covered under People ; Page 71
FS1	Policies with specific environmental and social components applied to business lines.	Covered under Due Diligence ; Page 29 -30
FS2	Procedures for assessing and screening environmental and social risks in business lines.	Covered under Due Diligence; Page 29 -30
FS3	Processes for monitoring clients' implementation of and compliance with environmental and social requirements included in agreements or transactions.	Covered under Due Diligence; Page 29 -30 DBP conducts annual term loan reviews of financed projects to check on the credit position of its borrowers and validate their compliance with the environmental and social sustainability conditions set forth in the agreements.
FS4	Process (es) for improving staff competency to implement the environmental and social policies and procedures as applied to business lines.	Covered under Due Diligence; Page 29 -30 To support the reviews, DBP provides capacity building trainings for the Account Officers to familiarize them with the environmental and social concepts, evaluation processes and regulatory policies. DBP participates in seminars and training programs sponsored by Funders, recognized private organizations , industry associations and government regulatory agencies in relation to project management and implementation.
FS5	Interactions with clients/investees/business partners regarding environmental and social risks and opportunities.	Covered under Due Diligence; Page 29 -30
FS6	Percentage of the portfolio for business lines by specific region, size (e.g. micro/SME/large) and by sector.	Covered under Annex – DBP Development Programs ; Page 82 – 83
FS7, FS8	Monetary value of products and services designed to deliver a specific social benefit for each business line broken down by purpose. Monetary value of products and services designed to deliver a specific environmental benefit for each business line broken down by purpose.	Covered under Annex – DBP Development Programs ; Page 82 – 83
FS9	Coverage and frequency of audits to assess implementation of environmental and social policies and risk assessment procedures	Covered under Due Diligence; Page 29 -30



2015 – 2017 Consolidated DBP Sustainable Development Report

Steering Group

Head, Strategic Planning Group -----Chairman
Head, Corporate Affairs Department -----Co-Chairman

Sustainable Development Report Technical Working Group

The Head, Procurement and Facilities Management Group-----Member
The Head, Human Resource Management Group -----Member
The Head, Lending Program Management Group -----Member
The Head, Quality Management Department-----Member
The Head, Corporate Services Support Department-----Member

SDR Secretariat

Corporate Services Support Department

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