



2018-2020

SUSTAINABLE DEVELOPMENT REPORT



**Shaping the Future**  
through sustainable banking



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Appendix A: GRI Index

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About the Cover

A girl lovingly cradles a miniature replica of the DBP building in seeming gratitude for the bank’s sustainability programs to give her generation a better chance to live and prosper to the fullest.

A lush forest serves as her backdrop to convey the message of a successful effort to grow and sustain life.

# About this Report

Even before it became mandatory for banks and financial institutions to publish sustainability reports, the Development Bank of the Philippines (DBP) was already reporting its social and environmental impacts to a broad public. Our first sustainability report, published in 2008, is now a benchmark in communicating sustainability issues that matter to our stakeholders and the Philippine banking industry.

We present DBP’s 2018-2020 Sustainability Report themed “Shaping the Future through Sustainable Banking”. This is our eighth Sustainable Development Report.

This report lays out our economic, environmental, and social impacts from 2018 to 2020. It also features topics relevant to DBP’s stakeholders and highlights the significant programs and unprecedented challenges that the Bank has faced at the height of the COVID-19 pandemic.

Sustainability is embedded across our organization through the five perspectives of our Enterprise Strategy Map: organization, internal process, constituency, financial, and development impact. Accordingly, this report has been structured in line with these key pillars to better understand and articulate the bank’s business operations, results, and sustainability initiatives. Also in this report, we state, in detail, our long-term sustainability commitments to ensure the continued success of DBP in contributing to a sustainable economy.

# Report Profile

## Report Framework: GRI Standards

- GRI 102-46

Reporting Scope: DBP Parent only
- GRI 102-48

Restatements of information - no major restatements
- GRI 102-49

Change in material topics
- GRI 102-50

Reporting Period: January 2018–December 2020
- GRI 102-51

Previous Report: Mainstreaming Sustainability. Developing Our Nation (2015-2017 Sustainable Development Report)
- GRI 102-52

Reporting Cycle: Typically, Annually
- GRI 102-53

For further information, queries or comments on this report, kindly email Senior Vice President Ronaldo U. Tepora (Head, Strategic Planning Group) at [spg@dbp.ph](mailto:spg@dbp.ph)
- GRI 102-54

This report has been prepared in accordance with the GRI Standards: Core Option
- GRI 102-56

No external assurance was conducted for this report





“ We acknowledge our employees’ hard work, dedication and resilience. Beyond reporting data and numbers, we recognize some faces behind the numbers and share the stories behind these faces. ”



## Joint Message from the Chairman of the Board and the President and CEO

Dear Fellow Stakeholders,

The Development Bank of the Philippines (DBP) is a prime mover of sustainability in the local banking industry. Since the publication of our first sustainability report in 2008, we have always remained vigilant and consistent in identifying and addressing our institution’s economic, social, and environmental impacts. Today, DBP maintains its firm stance as an organization that puts a premium on sustainability. Guided by a robust sustainability framework, we continue to integrate sustainability principles and targets into our strategy and long-term goals.

DBP has responded and adapted to many changes across the financial landscape through the years. Recently, however, the global economic and health crises brought on challenges that have left a significant dent on the financial health of individuals and businesses, inevitably also putting a strain on the banking sector.

We recognize that having a strong and trusted banking institution matters greatly in these challenging times. Our commitment to the well-being of the Filipino people continues to inspire and propel us to work even harder to turn this crisis into an opportunity. As a result, we continue to refresh our business approach and strengthen our sustainability commitments to serve our stakeholders more responsively.

### Responding to challenges in the new normal

DBP has always been sensitive to the needs of our customers and stakeholders. Amidst the pandemic, DBP continues to be an essential partner for credit and financing. Thus, our urgent institutional focus was to help stabilize the economy, operate as safely and effectively as possible, and restore consumer confidence. We ensured that planned and ongoing development projects continue to be attuned to the evolving needs of our stakeholders. With the unprecedented economic impact of COVID-19, we have also have extended assistance to businesses to help them weather the crisis.

While doing our part during this crisis, we also reflected on our institution’s role in this new reality as the pandemic’s challenges reinforced our role in sustainable economic growth. With a deeper commitment to sustainability, grounded on good governance, we move forward by accelerating our actions and adapting our strategies to ensure that we live out our mission and emerge as a more resilient business.

### Creating positive socioeconomic impact

Our strong financial performance enables us to continue making a positive socioeconomic impact. From 2018 to 2020, we secured our financial strength in the face of global uncertainties and economic shocks. We delivered a 5.94% increase in our income in 2019 due to our expanded lending and investment activities to support infrastructure development. We also grew interest income, income, total assets and deposits based on double-digit rates.

We actively participated in the government’s ten-point socioeconomic agenda by continuing to support public and private partners, particularly in the government’s infrastructure program.

Financing infrastructure and logistics, environment, social services, micro, small and medium enterprises, and other priority sectors fulfill our social and economic purpose as we remain true to our mandate of positively affecting countrywide development.

### Supporting inclusive growth and financial inclusion

Targeting the underserved and unbanked, DBP continued to expand and branch out to the countryside to support our rural economy, especially in areas lacking formal financial networks. As a result, we have increased our branch network and convenience banking channels to 129 branches and 11 branch lite units. We have likewise added more ATMs to improve the access of marginalized communities to our banking services.

Introducing banking innovations has been a priority for pushing inclusion and business improvements. We partner with fintech companies while optimizing available IT applications for a banking platform that is safe and convenient—notably essential in the pandemic—delivering quick, easy, and remote access to our financial services. Moreover, leveraging technology in banking provide openings to seed development with proper financial access and literacy, purposely for those in places previously unserved.

We initiate connections to financial systems for businesses and communities and help them advance to inclusive prosperity.

## Improving internal processes and delivery of services

In preparation for the threats inherent in our industry, DBP has established a comprehensive risk management framework to identify and prepare for potential economic, environmental, social, and governance-related risks. We have seen the benefits of having an enterprise-wide perspective for risk management amid the COVID-19 pandemic. By reviewing our risk profiles and continuity plans, we have identified the significant threats to our business and pivoted accordingly. We updated our market and liquidity risk models and evaluated our credit policies. With the increase in cybersecurity and IT-related threats, we also took preemptive steps to protect our information assets by implementing risk management policies related to information security.

Notably, in 2019, DBP reiterated its commitment to the Principles of Responsible Banking (PRB) espoused by the United Nations Environment Programme Finance Initiative (UNEP FI). As a founding signatory and the only bank in the Philippines to do so, we continue to make significant progress in embedding sustainability principles in DBP's corporate governance and risk management frameworks. To strengthen our operational resilience, we will continue to enhance our Risk Management System and develop multiple predictive risk models.

The pandemic has challenged us to conduct most of our business online. We quickly adapted and restructured our internal processes to meet the sudden change in customer needs and interaction dynamics. Following global standards, we restricted access to our physical facilities, introduced remote work, and maximized the use of technology to remain operational and responsive to our stakeholders.

## Empowering our teams

Employee welfare and development gained even more importance amid prolonged pandemic risks. More than ever, we recognize the critical role of our employees in sustaining our operations. As a result, we established flexible and alternative work arrangements to maintain operations while keeping our employees safe in the Better Normal. Likewise, our employees continue to benefit from various health, and wellness programs and services.

In addition, we ensured that employee learning and development were not disrupted despite the health crisis. We shifted our learning modality from in-person to virtual education. To support this transition, we developed an online learning portal that provides employees with a safe and convenient way to pursue learning and career development during the pandemic and beyond.

On a personal level, we acknowledge our employees' hard work, dedication and resilience. Beyond reporting data and numbers, we recognize some faces behind the numbers and share the stories behind these faces. We are all inspired and proud of your efforts in these extraordinary times. As always, we will remain firmly committed to our employees' well-being and our purpose of creating a more sustainable future for our communities.

## Banking towards sustainable economic recovery and a new era of postpandemic growth

Amid the ongoing economic uncertainty, financial institutions are uniquely positioned to play an active role in supporting the country's sustainable recovery. Our role entails transitioning into a bank that is both receptive and anticipative of the needs for sustainable post-pandemic economic recovery and growth.

Operationally, this means developing more responsive financial products and services, enhancing internal control systems, and upskilling our workforce continuously. Bouncing back may take more time, but our ability to respond and adapt during the pandemic proved that we could thrive in this new normal.

As the country's pre-eminent development financing institution, we will persistently adapt our services and operations to be centered on materiality and shared stakeholder commitment to maintaining the nexus between sustainability and development.

Moving forward, all these form part of our sustainability framework along with our Sustainability Strategy and Transition Plan—the guide that maps our pivot points, transition areas, and the lines to follow for the shape of things to come.

  
**ALBERTO G. ROMULO**  
Chairman

  
**EMMANUEL G. HERBOSA**  
President and CEO

“ As the country's pre-eminent development financing institution, we will persistently adapt our services and operations to be centered on materiality and shared stakeholder commitment to maintaining the nexus between sustainability and development. ”





As the **Philippines' leading development financing institution**, DBP is strategically positioned to bolster the country's economic resiliency and facilitate sustainable development.



- Infrastructure and logistics



- Micro, small and medium enterprise



- Environment and climate change



- Social services and community development



# About the Development Bank of the Philippines (DBP): History Meets Long-term Strategy

Over the years, DBP has evolved as a financial organization by broadening its scope to fulfill our development mandate more meaningfully and in more material ways. DBP was initially created to support postwar rehabilitation efforts in the 1950s and to aid in the country's development. Today, DBP sharpens its development focus as the country's Infrastructure Bank, supporting the National Government's effort to build a stronger and more resilient Philippine economy through broader financial inclusion and sustainable infrastructure development.

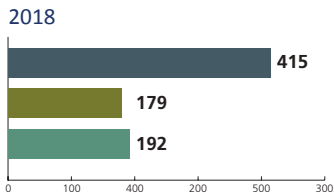
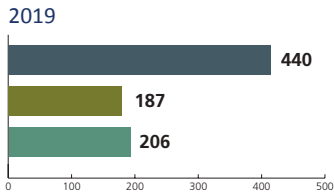
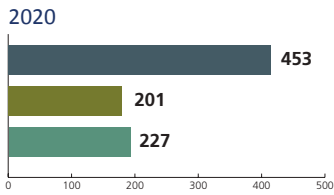
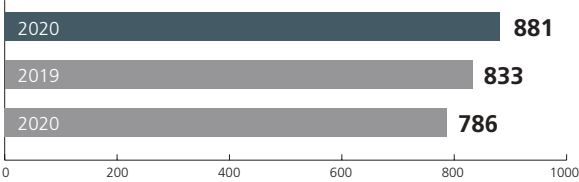
Our corporate slogan "We Build Possibilities" conveys the possibility of a better economic future through DBP's reliable and service-driven banking services and projects that focus on four pillars of development: infrastructure and logistics, micro small and medium enterprises (MSMEs), environment and climate change, and social services and community development. These pillars underline our commitment to DBP's mandate, that direct our teams toward attaining our vision and mission of sustainable development for all.

## DBP's Vision and Mission

DBP envisions itself as a one-trillion Peso bank capable of setting the pace of development in half of the Philippine countryside by 2022. By 2040, we aim to become a world-class infrastructure and development financial institution, as well as a proven catalyst for a progressive and prosperous Philippines.

To realize this vision, DBP endeavors to support infrastructure development, responsible entrepreneurship, efficient social services, and the protection of the environment. Moreover, we aim to raise the economy's competitiveness for sustainable growth while promoting and maintaining the highest standards of good governance.

Total Number of DBP ATMs



Legend: LUZON VISAYAS MINDANAO

## Geographical Locations

Number of Branches, Branch Lite Units and Lending Centers by location

	2020			2019			2018		
	Branches	BLUs	Lending Centers	Branches	BLUs	Lending Centers	Branches	BLUs	Lending Centers
Luzon	67	5	14	67	5	10	66	5	10
Visayas	27	3	7	27	3	5	27	2	5
Mindanao	35	3	11	35	3	7	34	3	7
TOTAL	129	11	32	129	11	22	127	10	22

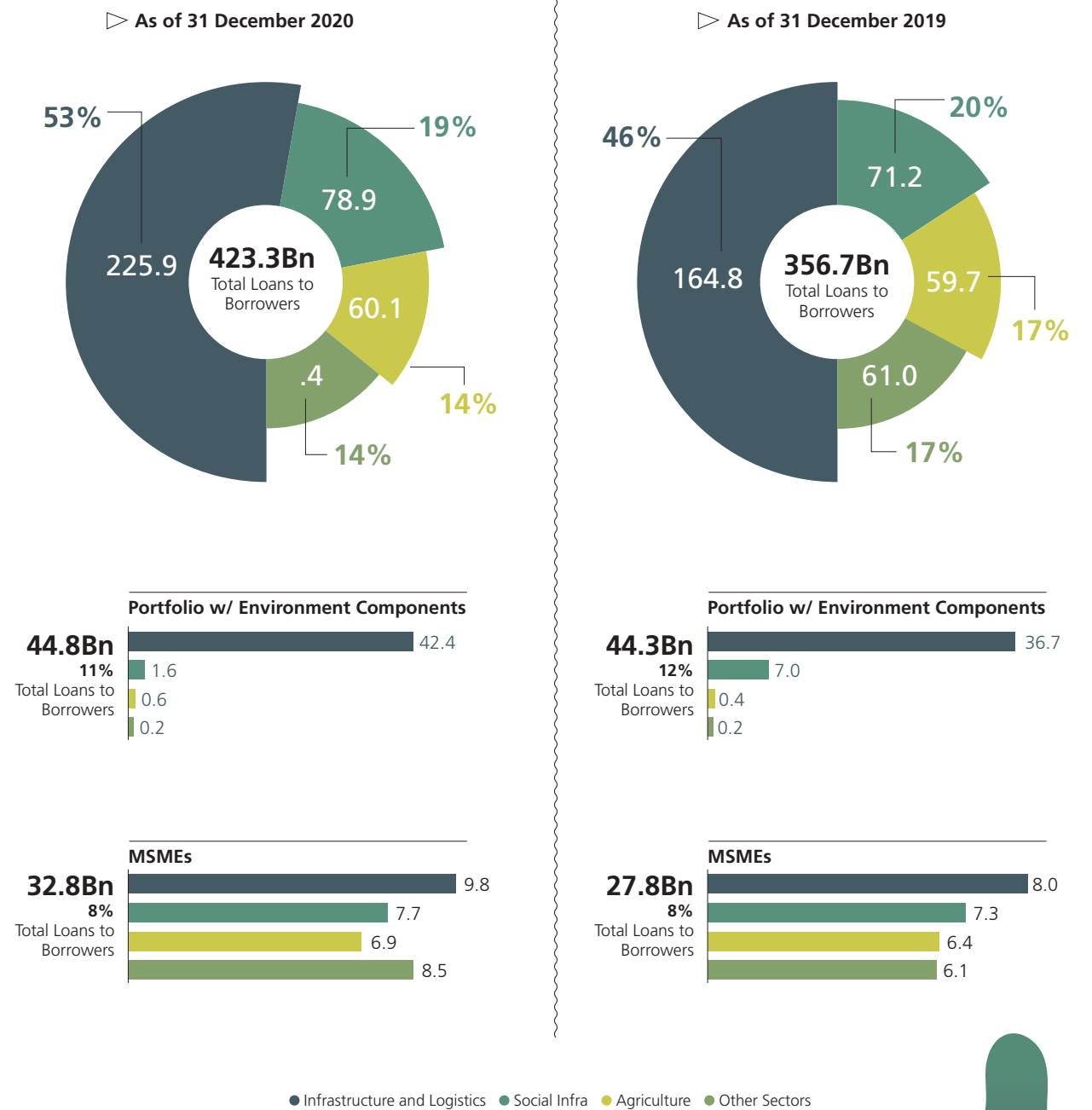


## Financial Performance - Highlight of DBP Financial Performance

	2020	2019	2018
Direct Economic Value Generated	33,496,215	32,839,472	26,056,559
Revenues (Includes: Interest Income and Other Income)	33,496,215	32,839,472	26,056,559
Interest Income	30,459,214	29,596,694	23,223,453
Other Income	3,037,001	3,242,778	2,833,106
Economic Value Distributed	26,666,216	25,688,415	19,981,667
Operating Costs (Includes: Interest, Expense, Occupancy Expenses, Other Operating Expenses; Less: Donations/ Contributions) and Interest Expense	16,399,774	16,411,370	12,182,330
Employee Compensation and Benefits	4,427,734	4,430,670	3,995,841
Dividend Paid to National Government	Dividend relief covering CY 2018 to 2020 Net Earnings		959,038 thousand <sup>1</sup>
Taxes and Licenses paid to the Government (Includes: RCIIT/ MCIT, Fina Taxes, Taxes and Licenses)	5,818,046	4,896,988	3,737,112
Donation/Contributions to Charitable Organizations/Community Investments (Includes: Donation and Charitable Contributions and DBP Endowment for Education Program/DEEP)	20,662	39,387	66,384
Economic Value Retained	6,829,999	7,151,057	6,074,892

<sup>1</sup>Representing dividend deficiency for CY 2016, paid in 2018

## Loan Portfolio Breakdown (in Billions PHP)

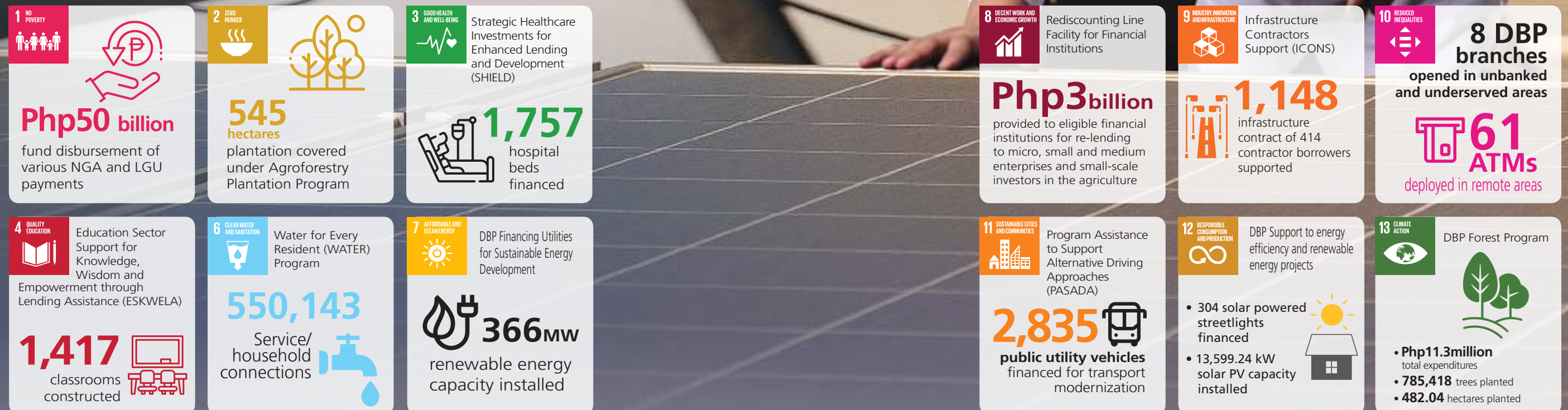


# Sustainability for DBP

## Our Support to Sustainable Development Goals.

In pursuing our development mandate, we align our business with the United Nation's Sustainable Development Goals (SDGs) and the country's Philippine Development Plan (PDP) 2017-2022.

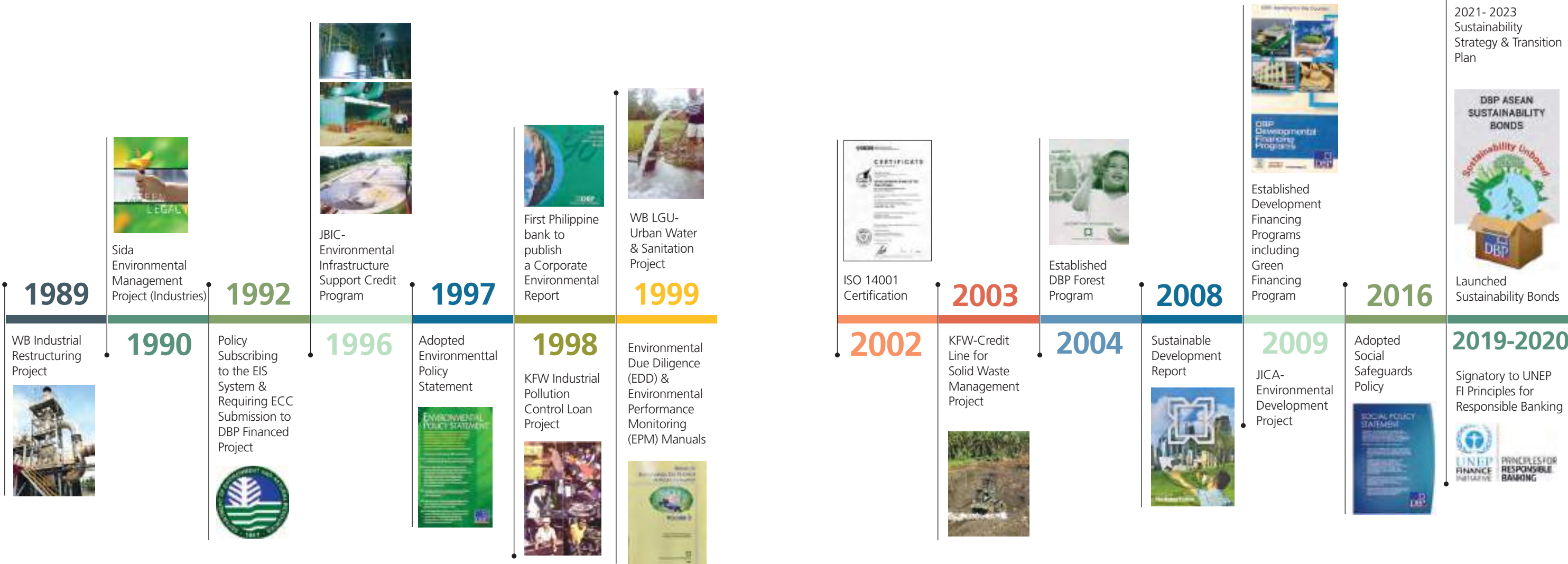
We have mapped the SDGs and PDPs we believe we can most directly help achieve these goals. Our contributions to these goals can be found throughout this report.





# Our Sustainability Journey

Sustainability is inherent in DBP’s mandate and operations. Over the past seven decades, DBP has played a pivotal role in enriching the capacity of strategic sectors and industries to improve the lives of Filipinos consistent with both global and national development goals. Accordingly, we continue to adopt sustainable practices and policies to minimize our environmental impact while maximizing our positive social contributions to the country. The timeline below highlights key milestones of the sustainability journey of DBP.



Stakeholder Engagement Approach and Plan

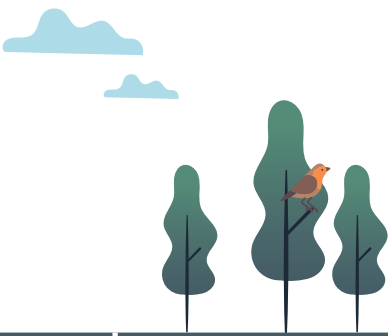
GRI 102-42 - 44






We engage with many internal and external stakeholders to capture different perspectives and opinions. This process facilitates constructive discussion among DBP’s broad constituents. The department heads, junior officers, and rank-and-file employees are the internal stakeholders included in this process. External stakeholders comprise clients, corporate social responsibility partners, and suppliers.

GCSS Inc. facilitated online sustainability-oriented discussions to raise awareness of sustainability and its applications

through the bank’s plans and programs. In addition, DBP surveyed both internal and external stakeholder groups at the end of the discussions and asked them to score DBP’s sustainability initiatives by importance to the organization and its operations. Overall, the survey results show a high interest in sustainable development among its stakeholders, thus presenting an opportunity to improve DBP’s sustainability thrust and performance further.

Through this series of online discussions, DBP generated various perspectives on sustainable development while providing a platform to raise sustainability awareness among our constituents. Moreover, the findings culled from the survey and discussions inspired the Bank to rethink and refine strategic decisions.



Stakeholder Group	Engagement Type	Key Concerns / Expectations	DBP’s Response
Internal (Continuous Engagement)			
 Employees	Townhall meetings Governance circles Employee climate survey Grievance mechanism Notices, mails and newsletters, training	<ul style="list-style-type: none"><li>• Transparency and accountability</li><li>• Employee communication, training and education</li><li>• Compensation and benefits</li><li>• Employee hiring, retention and turnover</li><li>• Personnel development and growth</li><li>• Work environment</li></ul>	<ul style="list-style-type: none"><li>• Enhanced good governance system</li><li>• Grievance machinery</li><li>• Employee training</li><li>• Employee programs to foster camaraderie</li><li>• Healthcare program</li><li>• Medical Unit</li><li>• OSH Committee</li><li>• Employee Relations Department</li><li>• Reinstated DBP Association of Career Officials (ADCO)</li><li>• Strong DBP Union representation</li></ul>
 Senior Management	Notices, mails and newsletters, training Quarterly meetings	<ul style="list-style-type: none"><li>• Risk identification and management</li><li>• Business continuity and disaster management</li><li>• Compensation and benefits</li><li>• Employee hiring, retention and turnover</li></ul>	<ul style="list-style-type: none"><li>• Management system and tools</li><li>• Employee support to management</li><li>• Succession Plan</li></ul>
External (Continuous Engagement)			
 Government Regulators/ Agencies	Discussions with regulatory bodies/ agencies	<ul style="list-style-type: none"><li>• Compliance with policies, laws and regulations</li><li>• Payment of taxes</li><li>• Reportorial requirements</li><li>• Anti-corruption practices</li><li>• Transparency and accountability</li></ul>	<ul style="list-style-type: none"><li>• Continued compliance and engagement</li></ul>
 National Government	Abiding by the policies, laws and strategic directions set for Government Financial Institutions	<ul style="list-style-type: none"><li>• Dividends</li><li>• Policy compliance</li><li>• Economy building and recovery</li></ul>	<ul style="list-style-type: none"><li>• Dividend relief until 2022 as part of Capital Preservation Strategy</li><li>• Regular review of policy alignment</li><li>• Development financing programs</li></ul>
 Clients – Depositors, Borrowers, Investors, General Public	Customer satisfaction survey, financial literacy forum, road-shows, client calls	<ul style="list-style-type: none"><li>• Security practices</li><li>• Customer privacy, data privacy and information security</li><li>• Customer health and safety</li><li>• Accessibility of banking services</li><li>• Service quality</li><li>• Soundness of investments</li><li>• Financial advisory</li></ul>	<ul style="list-style-type: none"><li>• Training and equipment for security</li><li>• Expansion plans for increasing market presence and availability of DBP services</li><li>• Customer satisfaction surveys</li><li>• Accelerating digital infrastructure development</li><li>• Certification on Integrated Management System</li><li>• Disaster preparedness under Environmental Management System</li><li>• Citizen’s Charter and EODB Law compliance</li><li>• Branch expansion, ATM deployment</li><li>• Consumer Finance Framework</li><li>• Partnership with fintech companies to advance financial inclusion</li></ul>





Former DBP president and chief executive officer Cecilia Borrromeo (second from right) shakes hand with former Mindanao Development Authority (MinDA) chairman Abul Khayr Alonto after the signing of a memorandum of understanding that formalized the agencies' partnership. Also in photo are (from left): MinDA assistant secretary Romeo Montenegro, undersecretary Janel Lopez, and DBP director Maria Lourdes Arcenas

Stakeholder Group	Engagement Type	Key Concerns / Expectations	DBP's Response
External (Continuous Engagement)			
Local Government Units	Discussions with Local Government Units	<ul style="list-style-type: none"> <li>Compliance with laws and regulations</li> <li>Anti-corruption practices</li> <li>Transparency and accountability</li> <li>Customer satisfaction</li> <li>Development financing</li> <li>Access to financial services in low populated or low-income areas</li> <li>Competitive terms for loans and other products and services, at par with competitors</li> </ul>	<ul style="list-style-type: none"> <li>Availability and accessibility of developmental loan products</li> <li>Cash and investment services</li> <li>Development partnerships in the implementation of government programs and projects</li> <li>Partnership, advocacy and good governance initiatives</li> </ul>
Banks and other financial institutions	MOA, contract negotiations, discussions	<ul style="list-style-type: none"> <li>Mutually beneficial partnership</li> <li>Business generation</li> </ul>	<ul style="list-style-type: none"> <li>Mutually beneficial partnership</li> <li>Agent Banking Agreements</li> </ul>
International organizations	MOA, membership	<ul style="list-style-type: none"> <li>Abide by agreements and contracts</li> <li>Common core values and advocacies</li> <li>Sustainable development</li> </ul>	<ul style="list-style-type: none"> <li>Advocacy campaigns</li> <li>Statement of support</li> <li>Information sharing</li> </ul>
Funders	MOA, contract negotiations, discussions	<ul style="list-style-type: none"> <li>Repayment</li> <li>Impact monitoring</li> <li>Project sustainability</li> <li>Project Completion Report</li> </ul>	<ul style="list-style-type: none"> <li>Development lending</li> <li>Program monitoring and management</li> </ul>
Media	MOA, membership, discussions	<ul style="list-style-type: none"> <li>News-worthy information</li> <li>Freedom of Information</li> </ul>	<ul style="list-style-type: none"> <li>Press briefings, news conferences, news releases, advertising, column feeds, networking, interviews</li> </ul>
External (Need-based Engagement)			
Professional and non-profit organizations	MOA, contract negotiations	<ul style="list-style-type: none"> <li>Mutually beneficial partnership</li> <li>Accreditation</li> </ul>	<ul style="list-style-type: none"> <li>Mutually beneficial partnership</li> <li>Accreditation evaluation</li> </ul>
Suppliers	MOA, contract negotiations	<ul style="list-style-type: none"> <li>DBP suppliers' labor and human rights practices</li> <li>Security practices</li> <li>Business generation</li> </ul>	<ul style="list-style-type: none"> <li>Streamlined purchasing processes in compliance to RA 9184</li> </ul>
CSR Partners and Beneficiaries	Discussions with CSR partners and beneficiaries	<ul style="list-style-type: none"> <li>Transparency and accountability</li> <li>Information and communication</li> <li>Interactions with investees and business partners on environmental and social risks and opportunities</li> <li>Environmental impacts of DBP products and services (including recycling and reclamation)</li> <li>Customer privacy, data privacy and information security</li> </ul>	<ul style="list-style-type: none"> <li>Responsive CSR programs</li> <li>Timely delivery of CSR commitments</li> </ul>

Materiality Assesment

GRI 102-47

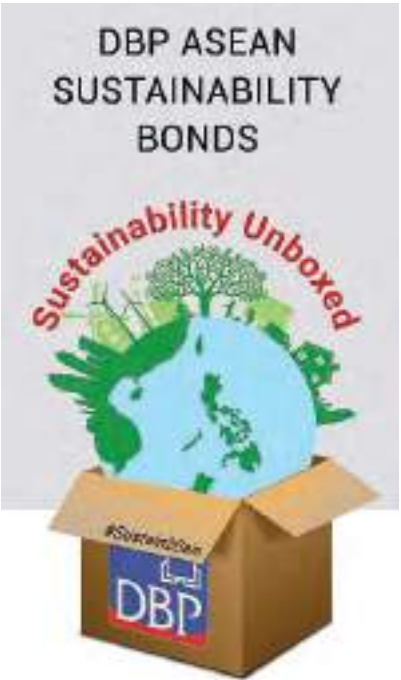
We conducted a comprehensive materiality analysis to determine this report's economic, environmental, and social topics. The matrix below illustrates the results of the materiality analysis.

An independent third-party consultant, GCSS Inc., assisted us in ensuring impartiality in identifying the Bank's material topics. We evaluated business, governance, and social issues to determine the Bank's sustainability challenges

and opportunities. We then translated the results of the materiality assessment into data and material topics that will guide us in enhancing our sustainability approach.

Three critical topics—Risk Management, Products and Services, and Economic Governance—emerged as having the most impact on the Bank's business and stakeholders. Information security and data privacy also ranked high in the evaluation, followed by Anti-Financial Crime and Safety and Security. Moreover, Digital Transformation and Compliance with Government Regulations also ranked high in the top tier topics.

Topics		
	<p><b>Development Impact</b> Supporting Nation' s Goals and Progress</p> <div></div> <p>GRI 201, GRI 203, GRI 401, GRI 404, GRI 413, GRI 416</p>	<p>ESG-related Products and Services Environmental Impact Initiatives to Mitigate Climate Change</p>
	<p><b>Finance</b> Developing sharper financial strategies</p> <div></div> <p>GRI 201</p>	<p>Financial Performance</p>
	<p><b>Constituency</b> Supporting inclusive growth initiatives</p> <div></div> <p>GRI 203, GRI 415, GRI 416, GRI 418</p>	<p>Information Security and Data Privacy Customer Satisfaction and Experience Innovation and Digitalization/ Digital Transformation Products and Services Accessibility Financial Inclusion and Capacity Building CSR–Socio-Economic Development of the Communities CSR - Education</p>
	<p><b>Internal Process</b> Improving internal processes and the delivery of services</p> <div></div> <p>GRI 204,GRI 205, GRI 301, GRI 302, GRI 306, GRI 308, GRI 403, GRI 410, GRI 413, GRI 418</p>	<p>Anti-Financial Crime Safety and Security Compliance with Government Regulations Business Continuity and Disaster Management Health and Wellness Operational Excellence, Cost Efficiency Protection of Human Rights Protecting Natural Resources Integration of ESG (risk) Factors into Policies &amp; Procedures Hazardous Waste Management Energy Management Recycling, Waste Management, and Waste Reduction Materials Management Supporting Local Procurement</p>
	<p><b>Organization</b> Empowering our teams</p> <div></div> <p>GRI 202, GRI 401, GRI 402, GRI 404, GRI 405, GRI 406</p>	<p>Employee Remuneration Ethical Operations and Good Governance Employee Commitment and Engagement Recruitment/ Talent Management Intellectual Capital</p>



Pioneering ASEAN Sustainability Bonds

GRI 201-2

DBP pioneered sustainability bonds among state-run banks in the country when it launched its maiden venture in 2019. The issuance of DBP ASEAN Sustainability Bonds aligned with the bank's Sustainability Financing Framework to use innovative mechanisms to meet green funding needs and address critical social issues. This financial innovation is consistent with the Green Bond and Social Bond principles, as well as the ASEAN standards and guidelines issued by the Securities and Exchange Commission. Under the framework, DBP is also set to issue social and green bonds apart from sustainability bonds.

Proceeds from the Sustainability Bonds would be used to finance or refinance new and existing green or social projects in the country. Green projects mainly focus on reducing greenhouse gas emissions and contributing to climate change mitigation, adaptation, natural resource conservation, biodiversity conservation, and pollution prevention and control. Meanwhile, social projects are formulated to support communities by addressing or mitigating social issues or achieving positive social outcomes.

DBP's ASEAN Sustainability Bonds offering listed under the Philippine Dealing and Exchange Corporation (PDEx) generated Php18.125 billion for a quarterly coupon payment to investors of 4.25% per annum. In 2020, the funds raised had been fully allocated to finance projects under the DBP's Eligible Sustainable Portfolio as reported in DBP's Allocation of Proceeds and Impact Report. The Sustainability Bonds will mature in 2021.

DBP and the Principles for Responsible Banking

GRI 103-1 – 3, GRI 201-2



In 2019, DBP became one of the founding signatories of the Principles for Responsible Banking (PRB). Signed by 130 banks across the globe, the PRB defines the global banking industry's leading role in shaping an inclusive and sustainable economy. By being one of the founding signatories of Principles for Responsible Banking, DBP reaffirmed its commitment to protecting the planet and ensuring a sustainable and prosperous tomorrow for future generations.

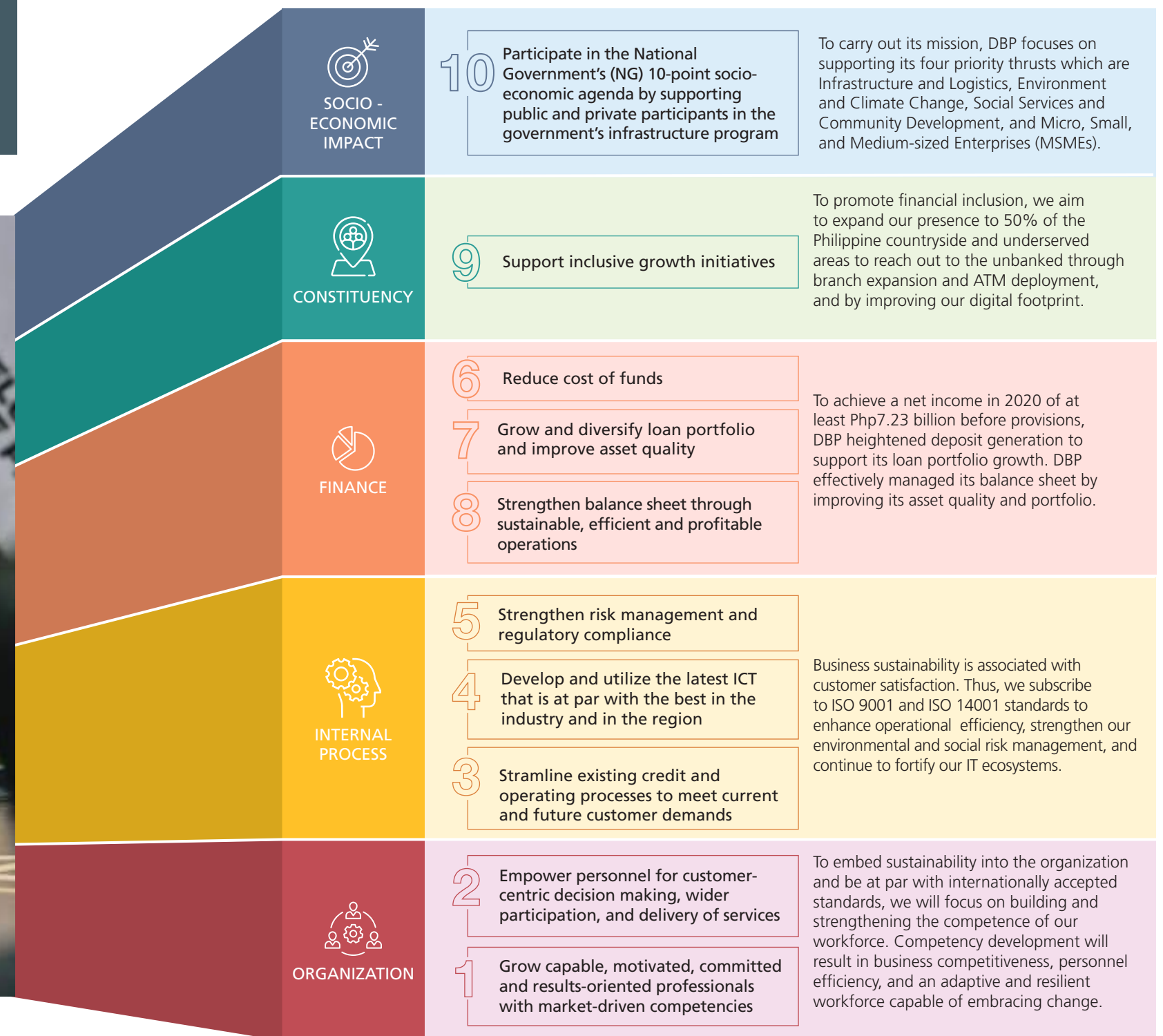
To implement these Principles, we aligned our 2021-2023 Sustainability Strategy and Transition Plan with the requirements of the Principles and pledged to continually expand and scale up our contribution to our society, economy, and the environment.

Sustainable and responsible banking practices have always been at the core of DBP's operations. By being of the founding signatories of Principles for Responsible Banking, DBP reaffirmed its commitment to protecting the planet and ensuring a sustainable and prosperous tomorrow for future generations.”



## Our Business Strategy

Our Strategy Map outlines the five-year journey of DBP to achieve our vision of being a one-trillion Peso bank by 2022, supporting and spearheading development in half of the Philippine countryside. Strategic objectives were outlined in five perspectives: Development Impact, Constituency, Finance, Internal Process, and Organization.







Developmental Impact

# Supporting the Nation's Goals and Progress Through Sustainable Banking

GRI 103 – 1 – 3, GRI 413-1

DBP is committed to supporting the Philippine Development Plan (PDP) 2022, anchored on the National Government's AmBisyon Natin 2040 agenda. For DBP, this means initiating programs that provide economic and social value to our stakeholders.



**221.78 kms.**  
11 farm-to-market



**2,038.89 MW**  
Energy development financing



**1,417**  
Classrooms constructed



**4,356 farmers**  
Benefitted from DA-ACPC-DBP BuyANihan Credit Program and Expanded Rice Credit Assistance under the Rice Competitiveness Enhancement Fund (ERCA-RCEF)



# Building Pillars of Progress: Infrastructure

Investment in infrastructure development continues as a critical component of PDP 2017– 2022 towards attaining AmBisyon 2040. DBP continues to undertake collaborative efforts to realize this vision even as we manage the resulting impacts of infrastructure development.

Infrastructure, by definition, braces up a country's socio-economic development and stands as a pillar for progress. Accordingly, the Philippines needs more and better-selected infrastructure investments – increasing spending on infrastructure while addressing persistent issues and challenges impeding implementation.

As the country's Infrastructure Bank, DBP focuses on infrastructure development in its financing activities in this "Golden Age of Infrastructure." We help projects that connect Filipinos, enabling profit along the way while mitigating impacts on the planet, even as we face a virulent climate of unprecedented change with the global pandemic.



Philippine Development Plan 2017-2022

Accelerating Infrastructure Development

**9** INDUSTRY, INNOVATION AND INFRASTRUCTURE

**7** AFFORDABLE AND CLEAN ENERGY

**11** SUSTAINABLE CITIES AND COMMUNITIES

## Infrastructure and Logistics

### CONNECTING RURAL-URBAN INTERMODAL SYSTEMS EFFECTIVELY (CRUISE)

#### Water Transport Infrastructure

##### 56 vessels

- 28 RORO vessels with a total gross tonnage of 23,552
- 6 cargo vessels with a total gross tonnage of 15,858
- 2 cargo and passenger vessels with a total gross tonnage of 170.55
- 18 passenger/RORO vessels with a total gross tonnage of 13,191
- 2 tanker vessels with a total gross tonnage of 422,870

#### Logistics Infrastructure

##### 9 storage facilities

- 6 cold storage facilities with a capacity of 300,000 metric tons
- 2 transport storages
- 1 warehouse

##### 37 public markets

with 1,923 stalls

#### Road Transport Infrastructure

##### 61 public utility vehicles

- commuter vans and tracking
- public utility jeepneys (PUJs)
- 220 passengers total capacity

##### 3,146 kms roads

- 11 farm-to-market roads (221.78 kms.)
- 7 barangay roads (2.54 kms)
- 5 provincial roads (422.77 kms)
- 4 municipal roads (15.68 kms.)
- 1 bridge (72 kms.)

#### Tourism Infrastructure

##### 31 tourism facilities

- 16 hotels with 289 rooms
- 5 resorts with 203 rooms
- 6 restaurants
- 4 pension houses/apartelles

### INFRASTRUCTURE CONTRACTORS SUPPORT (ICONS)

##### 1,148 contracts

- 937 Government Contracts amounting to Php71.11 Bn
- 211 Private Contracts amounting to Php7.5 Bn.
- 414 contractor-borrowers

### PROGRAM ASSISTANCE TO SUPPORT ALTERNATIVE DRIVING APPROACHES (PASADA)

##### 2,835 public utility vehicles

- 2,704 Euro 4 vehicles
- 131 e-vehicles
- 131 routes, including inter-regional

##### 5,842 Driver beneficiaries

### FINANCING UTILITIES FOR SUSTAINABLE ENERGY DEVELOPMENT (FUSED)

##### 2,038.89 MW

Increase in Installed Capacity

- 1,672.49 MW Conventional Energy
- 366.40 MW - Renewable Energy
- 1,262.45 MW operational

##### 2,308,220 MWh

Annual Energy Generation

##### 101.90 MVA

Additional Substation Capacity (projected)  
86.90 MVA operational

##### 72.70 km

Additional Distribution Lines



Cold Storage

Facilities for cold storage are integral to a critical supply chain—the cold chain—which maintains the proper temperature in the transport and storage of fresh or processed foods.

Cold storages are key requirements in the post-harvest storage and distribution function of perishable commodities and food products. Seasonal fruits, vegetables, fish that can only be produced/harvested in a certain seasonal months, can last longer if properly stored in the right temperature.

DBP provided a Php2.4 billion loan to Royale Cold Storage North, Inc. (RCSNI) for the construction of cold storage facilities in Bulacan, and Laguna to serve the cold storage needs of fast-food firms as well as wholesalers, traders, processors, and

farmers. It also served as cold storage of crops such as corn seed, high-breed rice, and onions.

RCSNI aided farmer groups to see how cold storage helps manage their harvest weather the demands and supply of the market. RCSNI endeavors like these supported by DBP encourage local agri-business and lessen dependence on crop imports.

Having additional cold storage facilities became gainful and favorable for the community, too. More quality jobs were made available and benefitted the locals where RCSNI plants stood. These facilities also used energy-saving solar roof panels to help decrease their carbon footprint and mitigate the impact of their operations in the area.



RCSNI Cabuyao is strategically located in Yulo drive, Barangay Pittland, Cabuyao Laguna

RCSNI Captures Agricultural Industry



Local Onions



Corn Seeds



Turnips

This endeavor that RCSNI is pursuing will help not only the farmers, but also the country and the government by promoting domestic agri-business for food security.



Roads and Highways

Roads and highways are generally the most identifiable infrastructure projects. These provide a comprehensive and integrated transportation system that ensures safe, comfortable, efficient, and economical movement of people and goods just like in busy Cabanatuan City.

Cabanatuan is a first-class city in Nueva Ecija, 117 kilometers north of Manila. With over 300,000 residents, it is the most populated city in Nueva Ecija. Hailed as “the Gateway of the North,” Cabanatuan City is fast becoming the center of trade, commerce, and industry in Central Luzon.

DBP approved a Php1.7 billion loan to help pave the way for Cabanatuan’s infrastructure and other development projects, one of which is the renovation of the Felipe Vergara Highway, a two-way, six-lane highway, about 9.63 kilometers long. This highway passes through barangays Ibabao Bana, Cinco-Cinco, and Caalibangbangan. This would also be a convenient bypass route from Metro Manila to the Northern Provinces of Nueva Vizcaya, Isabela, and Cagayan.

Another project is the extension of the Cesar Vergara bridge, built to cross the Pampanga River into barangay Talipapa. It stems from the road traversing the Maharlika Highway in barangay Sumacab Este and will pass through barangays Sumacab Sur, H. Concepcion, and Sumacab Norte.



Transport Modernization

The modernization of public utility vehicles (PUVs) is an imperative that carries various stakeholders every day, particularly those in a working economy. DBP remains a reliable partner of the transportation sector in providing opportunities for drivers, operators, and commuters to improve their situation on the road.

Lucban Genesis Transport Service & Multi-Purpose Cooperative (LGTSMPC) was the first transport cooperative in Quezon Province and South Luzon that participated in the PUV Modernization Program.

DBP approved an initial loan of Php29-million to the cooperative to finance 15 units of brand-new Isuzu Euro 4-compliant modernized jeepneys in 2019 to service the Lucban to Lucena route. In 2020, the cooperative was granted an additional loan amounting to Php53 million for the purchase of 25 additional units of brand-new Hino modern jeepneys. Ten Hino units ply the Tayabas to Mauban route and the other 15 Hino units take the Gulang-Gulang to Bayan route.

These PUVs are air-conditioned and Euro 4-compliant, equipped with AFCS, GPS & CCTV for comfort, safety, and efficiency while being environment-friendly.

LGTSMPC drivers are given benefits such as Philhealth, SSS and Pag-IBIG. In addition, LGTSMPC was able to provide “libreng sakay” to the commuters through the service contracting program for public utility vehicles.







## Potable Water

Regular access to safe drinking water is essential to improve the health, nutrition, sanitation, and hygiene conditions in communities. Unfortunately, in the Philippines, a significant portion of our population still has no or limited access to clean water.

The City of Cagayan de Oro, the trade and commerce center in Northern Mindanao, requires a reliable water supply for its residents and local economic activities. As the first water district in the country, it started with around 3,500 service connections. The Cagayan de Oro City Water District (COWD) has been supplying the city with its water requirements since 1973—the first water district in the country and has been hailed for its model of self-reliance and efficiency.

To improve water supply conditions and lessen if not prevent water loss due to leakage, DBP has partnered with COWD in several initiatives, such as the Non-Revenue Water (NRW) Reduction Project. The NRW project aims to reduce the water produced but unaccounted for, by rehabilitating service connections and replacing old meters as well as acquiring the needed vehicles, tools, and equipment.

This NRW reduction project promotes the conservation of a limited resource—water. An improved and consistent supply of water will create favorable conditions and better quality of life for all.

We also aided COWD in the establishment of smaller areas of water distribution dubbed District Metered Areas



(DMAs), designed to address illegal connections, and avoid pipe leaks.

Our partnership with COWD will continue to ensure potable water delivery, enhance operational efficiency, and improve water pressure within the scope of COWD.

## Power Distribution

Together with the Camarines Sur III Electric Cooperative (CASURECO III), DBP inked a Php34.972-million loan agreement in November 2020 to support the construction of 11 kilometers of 69-kV Transmission Lines from Brgy. San Francisco to Brgy. Inapatan, Nabua, Camarines Sur.

CASURECO III covers the areas of Iriga City and the towns of Nabua, Bato, Buhi, Balatan, Bula, and Baao, with a combined population of around 412,450. The cooperative has accomplished 100% electrification of all 229 barangays within its scope.

With this project, CASURECO III can strengthen power distribution, minimize systems loss, support personnel training, and improve the quality of service to more than 82,000 households. DBP's assistance to CASURECO III since 2014 has been instrumental in upgrading its category classification from D (ailing electric cooperative) to Triple A, helping the cooperative in a better light.





# Grounding Pillar for Sustainable Development: Environment

DBP has always been a staunch advocate of banking on the environment, providing products and services that plant the seeds of sustainable development. For Filipinos to truly grow and prosper, we work with the environment in mind: the solid platform for our actions and the sole pillar where our initiatives are grounded on.

We identify and mitigate the environmental risks and impacts of our activities for stakeholders and manage this responsibly as our operational norm. Environmentally sound development is our accountability.

We deal with the challenge of ensuring balance between all aspects of our activities and their resulting impacts as we strive to continuously improve, systematically. This is key to our environmental management and in unlocking the development dynamics of all stakeholders—not just for compliance, but also for continuing our commitment to the future.



## Environment and Climate Change

### LENDING INITIATIVE FOR SANITATION (LINIS) PROGRAM

<b>Septage</b> <b>832</b> septic tanks desludged – <b>2,682 m<sup>3</sup></b> septage collected and treated <b>2,414 m<sup>3</sup></b> effluent treated <b>268 m<sup>3</sup></b> biosolids processed and produced as fertilizer or conditioner –	<b>Sewerage</b> <b>102,170 m<sup>3</sup></b> sewage collected and treated <b>91,953 m<sup>3</sup></b> effluent treated <b>30,651 kg</b> BOD treated (estimated)  <b>206 households/establishments</b> served from sewerage, septage, and stand-alone treatment facilities	<b>Stand-alone</b> <b>239,532 m<sup>3</sup></b> effluent treated <b>71,859 kg</b> BOD treated (estimated)
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### WATER FOR EVERY RESIDENT (WATER) PROGRAM

<b>88,435,307 m<sup>3</sup>/day</b> increase in Water Supply Production	<b>550,143</b> service/household connections	<b>2,070 km</b> length of pipeline installed	<b>3,861,930 m<sup>3</sup></b> non-revenue water reduced
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### ENERGY EFFICIENCY SAVINGS (E2SAVE) FINANCING PROGRAM

<b>16,752,558 kWh</b> electricity generated	<b>13,599.24 kW</b> solar PV capacity installed	<b>7,473.08 CO<sub>2</sub> tons</b> emission avoided	<b>3 solar powered</b> irrigation systems financed
<b>304 solar powered</b> streetlights financed	<b>851 LED</b> streetlights financed	<b>663 kWh</b> electricity saved from the streetlight project	

### FINANCING UTILITIES FOR SUSTAINABLE ENERGY DEVELOPMENT (FUSED) (Renewable Energy Projects)

<b>366 MW</b> installed Capacity	<b>370,164,908 kWh</b> annual electricity generated	<b>169,417 CO<sub>2</sub> tons</b> emissions avoided	<b>698,556 barrels</b> Fuel oil replaced/avoided
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### GREEN FINANCING PROGRAM (GFP)

<b>11 solid waste management</b> equipment financed	8 Dump trucks / Garbage truck 2 Garbage Compactor 1 Backhoe / Hydraulic Excavator
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## Energy-Efficient Lighting

Energy-efficient lighting is an important initiative to boost energy resilience and environmental protection, particularly in typhoon-ravaged places like Tacloban.

DBP worked with the Tacloban City local government and financed its Energy Efficient Street Lighting project, where 3,603 light-emitting diodes (LED) lighting fixtures were installed, covering 115.84 kilometers of major, secondary, minor, and residential roads.

Recognized by the Association of Development Financing Institutions in Asia and the Pacific (ADFIAP) as an outstanding project in the environmental development category, this project was implemented in partnership with Luminance Inc., an integrated energy and lighting solutions company. According to Luminance, LED lights consume only 30 to 120 watts with greater lumen output than ordinary sodium lamps usually used in Philippine streets that consume about 400 to 500 watts.

Tacloban is one of the first local government units (LGUs) in the Philippines to have LED-retrofitted streetlights and can now save electricity costs by about Php15-million annually and reduce greenhouse gas emissions by about 63% by switching to energy-efficient lighting. It also helped restore primary services and improve the residents' quality of life after Typhoon Yolanda damaged the city in 2013.

ADFIAP recognizes member banks like DBP that have undertaken and/or assisted projects that have created a development impact in their respective countries.

This pioneering project among LGUs in the Philippines raises awareness of the benefits of using an energy-efficient lighting system, such as huge savings in electricity due to lower energy consumption, reduced maintenance cost, and longer life span. LED technology promotes a cleaner and healthier environment as it does not emit ultraviolet rays, infrared radiation, or electromagnetic interference.



# 3,603

light-emitting diodes (LED) lighting fixtures were installed, covering 115.84 kilometers of major, secondary, minor, and residential roads



# Php475-million

DBP approved term loan in November 2019



## Wastewater and sewage treatment

Wastewater treatment is the process or technology used to remove most of the contaminants found in wastewater which safeguards the natural setting and decent public well-being. Wastewater management, thus, requires handling wastewater to protect the environment to ensure public health, economic, social, and political resilience—a sustaining essential in an island economy like Boracay.

Boracay Tubi System, Inc. (BTSI), one of two water utility providers in Boracay, operates a complete waterworks system with septage management on the island. DBP approved a Php 475-million term loan in November 2019 for BTSI to partially finance the rehabilitation and improvement of the wastewater system in Boracay. This support will also fund the construction of Sewage Treatment Plants (STPs) in various business establishments on the island.

DBP supports BTSI in its mission, among which is to provide service to stakeholders, in implementing environmentally sound business practices, as well as to ensure that future generations will appreciate and experience all that Boracay Island has to offer.



## Solar-powered irrigation systems in Lanao del Sur

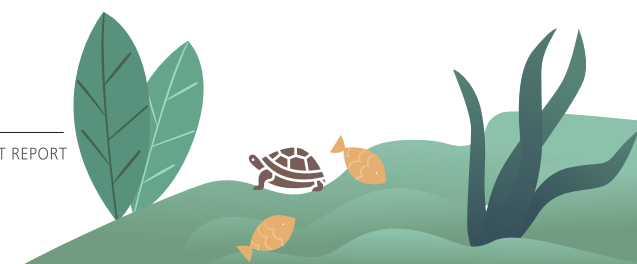
Irrigation in farming is crucial for local economic development, especially in an agricultural country like ours. Consistent and affordable access to irrigation water is therefore key to food security and poverty reduction.

DBP lends a hand in turning this key into reality, to use nature in synergy with technology, and granted a Php115-million term loan for the installation of six solar-powered irrigation systems (SPIS) in one of the largest municipalities in the province of Lanao del Sur. SPIS is an automatic irrigation system running on solar energy that extracts water from deep wells or open sources and uses moisture sensors to regulate water flow to avoid flooding while promoting water conservation. The water is delivered to irrigation channels or to a reservoir before eventually being distributed to the farms.

This technological option of solar-powered irrigation was not usually considered before due to a lack of applicable experience and the relatively high investment costs in the past. DBP believes banking on the environment with technology is the way to support Taraka, Lanao del Sur, financing a reliable smart water design with SPIS.

The SPIS is expected to boost the efforts to irrigate 1,200 hectares of agricultural lands, as well as to provide potable water to 26 barangays in the Municipality of Taraka, a fourth-class municipality with an estimated population of over 27,000 residents.

The SPIS project is considered a pioneer initiative under the Water Program of the Mindanao Development Authority (MinDA) and is an integral part of the flagship programs under the 2017–2022 Philippine Development Plan that DBP and MinDA will expedite for the Mindanao region, particularly in the Bangsamoro areas.

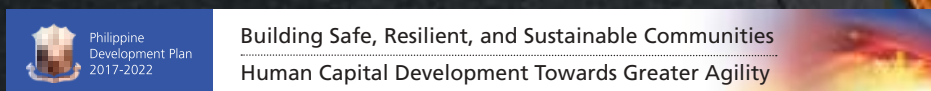




# Supporting the Public Pillar: Social Services and Community Development

Social inequalities have a stifling effect on development. These inequities either delay or stunt progress and must be confronted with concerted actions. Communities may be distinguishable by diversity and their unique identity but differences in their social classes and poor services can inhibit the realization of development initiatives.

DBP fully supports efforts to enhance the quality of life in our communities. Beyond the goal of economic growth lies the upliftment of Filipinos—the improvement of life in our communities. Countrywide progress is our prime directive, but community development is the standard objective, with DBP as a catalyst for a progressive and poverty-free Philippines



## SOCIAL SERVICES AND COMMUNITY DEVELOPMENT

EDUCATION SECTOR SUPPORT FOR KNOWLEDGE, WISDOM AND EMPOWERMENT THROUGH LENDING ASSISTANCE (ESKWELA), formerly the DBP Educational Fund Program (DEFP)

### 159 educational institutions

assisted

- 63 primary and secondary schools
- 71 higher education institutions
- 12 private tech-voc institutions
- 10 LGU schools
- 1 review center
- 2 specialized training centers

### 146,159 students

enrolled in the schools assisted

### 178 school building/training centers

financed

- 1,417 classrooms
- 38 libraries/study areas
- 85 laboratories

### 7,000 student-capacity

increased

### 263 students

granted loan assistance

### 25 graduates

from the lending facility

## STRATEGIC HEALTHCARE INVESTMENTS FOR ENHANCED LENDING AND DEVELOPMENT (SHIELD)

### 100 hospital borrowers

supported (private and government)

### 1,757 actual beds

financed

### 284,788 patients

served (for 2020)

- 123,302 in-patients
- 161,486 out-patient

### 37 health care facilities

financed

- 9 Level I hospital
- 18 Level II hospitals
- 4 Level III hospitals
- 6 other facilities

### 1,670 in-facility deliveries

served by DBP's borrowers (for year 2020)

Building Affordable Homes Accessible to Every Filipino (BAHAY) Program  
formerly the Residential Real Estate Financing Program (RRFP)

CONTRACT TO SELL  
FINANCING (CTS) PROGRAM

ASSISTANCE FOR  
ECONOMIC AND SOCIAL  
DEVELOPMENT (ASENSO)  
for Local Government Units

### 23,980 housing units

constructed

### 22 housing units

financed

- 12 low-cost housing units
- 4 medium cost housing
- 6 open market units

### Php689-million

loan assistance to 7 LGUs



Healthcare Delivery

DBP partnered with the Provincial Government of Camarines Sur to bring health services closer to people through a Php111-million loan for building its first-ever provincial hospital. This medical infrastructure is the Camarines Sur Provincial Medical Center (CSPMC), a 100-bed hospital serving 35 municipalities, two cities, and 1,063 barangays with a total population of 1,952,544. (2015 census)

At the height of the pandemic in 2020, the CSPMC served as a COVID-19 treatment facility. Using funds from the Bayanihan Grant, a total of 20,000 rapid test kits were purchased and the provincial hospital was able to test frontline healthcare workers and suspect cases. CSPMC also helped treat other suspect, probable, and confirmed COVID-19 cases in the province.

CSPMC features specialty interventions in general medicine, pediatrics, obstetrics and gynecology, surgery, anesthesia, and specialty clinical care. More importantly, this tertiary hospital, with its clinical laboratories, second-level radiology, pharmacy unit, nursing care, and ambulant services, has been made more accessible to the people in the area. Eventually, the hospital is aimed to be fully functional and equipped to specialize in trauma and accidents in the future.

The importance of healthcare delivery has never been as consequential as in this pandemic. Building medical facilities like CSPMC reiterates DBP's way of bringing care closer to people and reestablishing value for health in more ways than one.



Affordable Housing

Providing sufficient and reasonable housing can significantly improve the lives of those with poor shelter and later be advantageous to the local economy.

Cognizant of this, DBP granted the local government of Samal in Bataan a Php30-million loan to finance the construction of housing units in Sta. Catalina Homes—a low-cost housing project developed and managed by the LGU, which later can provide added revenue to the locality from the house-and-lots sold, real property taxes, and building permit fees, among others.

The economic impacts of developing housing like this in Samal move beyond the construction phase to the time when the new homes house their residents. Whether as owner or lessor, the increased pride and responsibility that these residents feel for their dwellings often results in consuming goods and services to complement their new home. This spurs local economic opportunities and leads to improvements in the LGUs' delivery of basic social services, benefitting Samal in the long term.







# Driving the Pillar of Economic Growth: MSMEs

Micro, small, and medium enterprises (MSMEs) are not only drivers of economic growth, as they also form the backbone of the economy through the products and services they provide and the economic value they create.

In the midst of the COVID-19 pandemic that has affected the global economy, DBP has lent a helping hand to MSMEs, providing a stimulus fund to the sector that has been hard-hit by the pandemic.

MICRO, SMALL AND MEDIUM ENTERPRISES		
BROILER CONTRACT GROWING PROGRAM (BCGP)		
49 million poultry heads produced	228 poultry buildings constructed	200 jobs generated (casual/project-based)
AGROFORESTRY PLANTATION PROGRAM (APP) FORMERLY THE TREE PLANTATION FINANCING PROGRAM (TPFP)	EXPANDED RICE CREDIT ASSISTANCE UNDER THE RICE COMPETITIVENESS ENHANCEMENT FUND (ERCA-RCEF)	DA-ACPC-DBP BUYANIHAN CREDIT PROGRAM
545 hectares plantation covered	3,666 farmer beneficiaries	690 farmer beneficiaries
DBP-CREDIT SURETY FUND (DBP-CSF) CREDIT FACILITY	REDISCOUNTING LINE FACILITY FOR FINANCIAL INSTITUTIONS	DBP RESPONSE TO ACCELERATE MSME RECOVERY (DBP RESPONSE-MSME RECOVERY)
117 employments generated <ul style="list-style-type: none"><li>64 permanent employments</li><li>53 contractual employments</li></ul>	Php3-billion provided to eligible financial institutions for re-lending to micro, small and medium enterprises and small-scale investors in the agriculture sector.	Php 2-billion loan assistance to 3 MSMEs



Philippine Development Plan 2017-2022

Expanding Economic Opportunities in Industry and Services through Trabaho and Negosyo

Expanding Economic Opportunities in Agriculture, Forestry, and Fisheries

1 NO POVERTY

2 ZERO HUNGER

8 DECENT WORK AND ECONOMIC GROWTH

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

10 REDUCED INEQUALITIES

13 CLIMATE ACTION



# Support to MSMEs

DBP continues to support and develop programs that strategically address the needs of, micro, small, and medium-sized enterprises (MSMEs). Over the years, we developed initiatives aimed at enhancing financial access and empower marginalized MSMEs. Our DBP-Credit Surety Fund (DBP-CSF) Credit Facility, a special lending window in support to the Credit Surety Fund Program of Bangko Sentral ng Pilipinas, aims to support growth of MSMEs which are short of acceptable collateral. DBP-CSF had extended Php202.8-million loan to 29 MSME borrowers.

To further empower small entrepreneurs in the agribusiness, we launched in 2018 our DBP Broiler Contract Growing Program. This enabled the contract growers to expand their business by facilitating the financing of poultry broiler projects.

Our Rediscounting Line Facility maximizes our lending reach to MSMEs. This credit facility supplements, or augments funds needed by domestic financial institutions such as rural and thrift banks, microfinance-oriented banks, and non-bank financial institutions. They serve as the conduit of funds, primarily financing start-ups or MSMEs. Since the program's launch in 2019, DBP had provided Php3B-billion to eligible financial institutions for re-lending to micro, small, and medium enterprises and small-scale investors in the agriculture sector.

DBP RESPONSE-MSME Recovery is a sub-program of DBP RESPONSE created in compliance to the Republic Act No. 11494 or known as the Bayanihan to Recover as One ACT. It provides low interest and flexible term loan to businesses affected by the COVID-19 pandemic. The program is also available to financial institutions for relending to MSMEs. DBP had approved Php2.2-billion to three MSME borrowers.

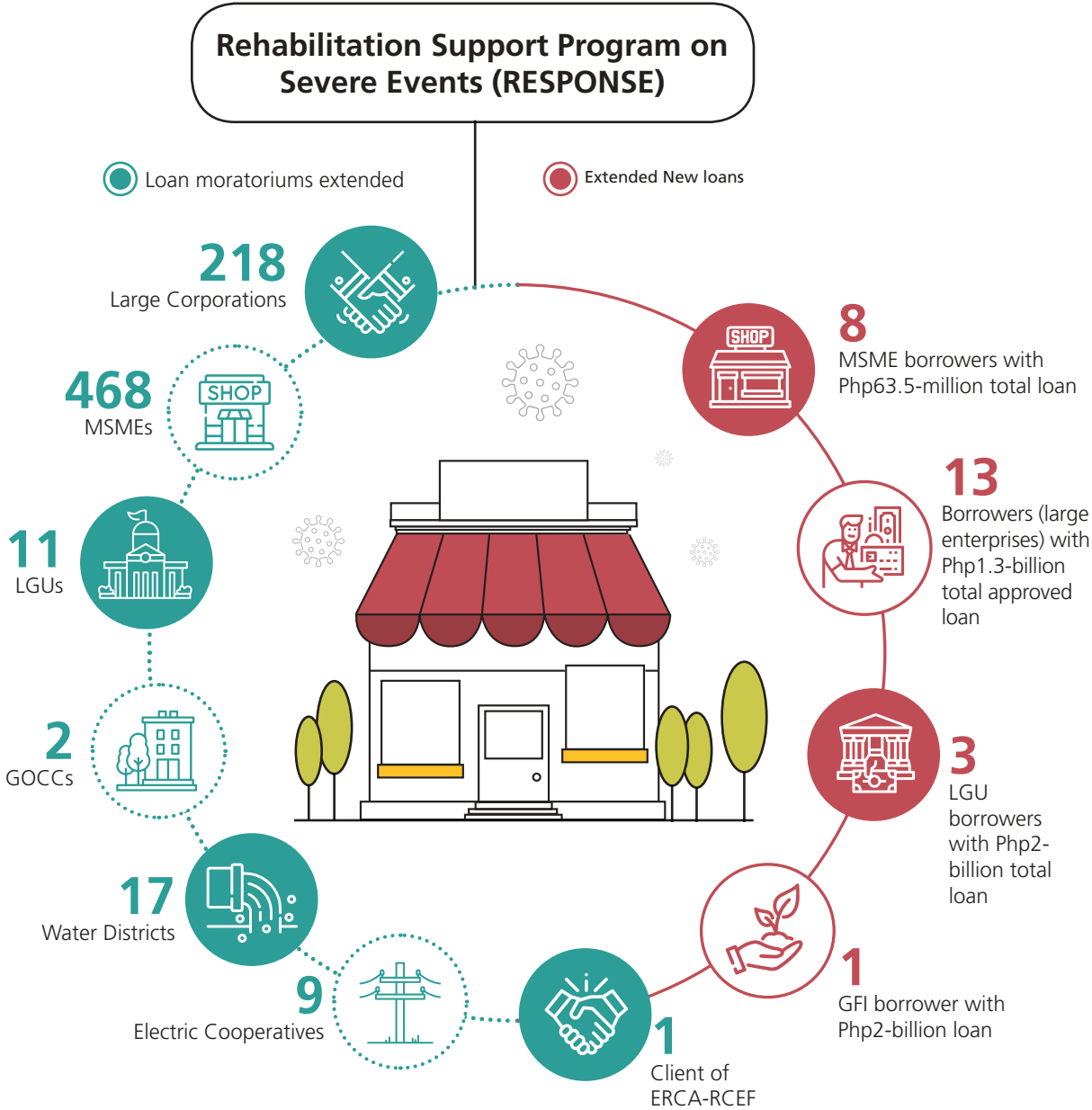
## DBP RESPONSE to accelerate MSME Recovery (DBP RESPONSE MSME RECOVERY)

Php2.2-billion

Amount approved for 3 accounts



# Agile Actions for Aid



## DBP RESPONSE

The DBP RESPONSE was launched last December 23, 2019. The program was made in consideration of the effects of various natural hazards that affect the country, i.e. typhoons, earthquakes, among others. The program aims to give fast and responsive financing aid during and after disaster situations. The program provided timely financial assistance to support and revitalize both public and private

institutions that have been affected by calamities, especially during the COVID-19 pandemic.

Under the program, DBP granted loan moratorium and restructuring, as well as new low-interest loans to public and private entities in areas determined to be in a state of calamity through a streamlined application process.



# Boosting agricultural productivity, food security and self-sufficiency



## Growing Bananas in the Unifrutti Group

Showing support for the country's 2 nd largest agricultural export, DBP has approved and granted a total of US\$38.6 million (or roughlyPhp2.084 billion) in loan assistance to Mt. Kitanglad Agri-Ventures, Inc. (MKAVI-1) and Unifrutti Tropical Philippines, Inc. (UTPI) which, jointly with some other subsidiaries, comprise the Unifrutti Group.

Unifrutti is a world-renowned grower and trader of fresh fruits and one of the largest producers of export-quality Cavendish bananas in the country. UTPI owns and runs the group's port and cold storage facilities and provides management services for the Philippine companies while MKAVI-1 operates a 674-hectare plantation located in Alanib, Lantapan, Bukidnon.

As part of the Unifrutti Group's strategy to increase company-owned farms under its portfolio, DBP has funded the 1 st half

of the planned expansion in the provinces of Surigao del Sur and Bukidnon.

Beyond corporate growth, however, the group's planned expansion also supports efforts to bring peace and development as they have been noted for opening and maintaining banana plantations in conflict- affected areas in Mindanao. Its subsidiary Mt. Kalatungan Agri-Ventures, Inc. (MKAVI-2) operates a 272- hectare highland banana farm in Bumbaran, Lanao del Sur and is now a showcase of Muslims and Christians harmoniously working together.

The group also values the environment in its operations. Their Rainforest Alliance Certified Seal (RACS) confirms this, as its existing businesses meet the Sustainable Agricultural Network standard. This emphasizes its long-term regard to conserve ecosystems, protect biodiversity and waterways, preserve forests, lower agrochemical use, and safeguard its workers wellbeing and local communities.



## Php2.01-billion

Given to the Provincial Government of Nueva Ecija by DBP

### Nueva Ecija Provincial Government-Palay Price Support Program

DBP has given the Provincial Government of Nueva Ecija a Php2.01 billion loan to help local farmers deal with falling prices of unmilled rice or palay through a support program initiated by the provincial LGU. Nueva Ecija is known as the "Rice Granary of the Philippines," with over 186,000 hectares of land devoted to growing rice.

The Palay Price Support Program (PPSP) entails the provincial LGU purchasing fresh or wet palay directly from farmer-beneficiaries at a higher price than the current farm gate price, allowing them to get a respectable return on their investment. The fund DBP farmed out covers palay procurement, hauling, drying, storage, milling, and packaging.

The program is implemented by the Nueva Ecija Council, which was formed by Gov. Aurelio M. Umali in 2019.

To qualify, a farmer should be at least 18 years old, owns or is directly farming not more than 3-hectares of land in Nueva Ecija, and has the capacity to sell palay. Farmers who apply for the program are also evaluated by the Provincial Social Welfare and Development Office to prove if they are among the poorest in the province.

The PPSP of the Nueva Ecija Provincial Government has proven helpful for small rice farmers reeling from adverse market conditions. This palay procurement program can serve as a model for LGUs to assist farmers in other rice-producing areas, a support system worth farming out.



### All-star support for poultry

All Star Agriventures and Trading, Inc. (ASATI) —the first poultry farm in Southern Tagalog and second in the Philippines to have continuous brood-grow-lay facility—was granted a term loan to partially finance the construction of additional poultry buildings. These include three units of Poultry Grower/Breeder Building for female chicks with a total capacity of 63,000 birds, one unit of Poultry Grower/Breeder Building for male chicks with a total capacity of 9,500 birds, and 12 units of Poultry Layer Buildings with a total capacity of 126,000 birds.

ASATI is one of the largest poultry breeder farms in the country operating under the Parent Stock Breeding Agreement with San Miguel Corporation (SMC). It is the prime producer of high-quality fertilized hatching eggs, complying with internationally prescribed biosecurity standards. ASATI products are brought to SMC's hatcheries and later become the day-old chicks distributed to broiler farms all over the Philippines. Poultry meat, which is the end product produced by ASATI hatching eggs is now the cheapest source of meat protein served on the table of every household in the country.

In 2020, a new challenge hit the poultry sector and all businesses as the deadly COVID-19 virus severely affected every economic activity worldwide. ASATI suffered like the rest as business became paltry and was forced to prematurely cull all its flocks. Sadly, this was inevitable since the demand for chicken meat had fallen all over the world. Consequently, the savings and projected income of ASATI were all wiped out. Once again, DBP came to ASATI's rescue with a moratorium on its quarterly loan amortization under the Bayanihan Acts by the then President Duterte.

ASATI is grateful to have survived the consequences of COVID-19 and shares, "Today, all hopes of recovery have dawned and prospects are set on a gradual normalization of business operations. ASATI is hopeful and focused to grow and sustain margins of financial stability despite odds as long as DBP is on its side."



Constituency

# Supporting Inclusive Growth Initiatives

DBP intensified its efforts to expand financial inclusion and provide banking services to indigenous communities and those living in geographically isolated and disadvantaged areas.



Provided ATM services to unbanked municipalities of Palawan, serving nearly 200,000 residents



Facilitated release of cash assistance to about 297,000 small scale farmers



**167,000**  
Qualified OWWA members  
Rebate Program for Overseas Workers  
Welfare Administration (OWWA),  
benefitted



**412**  
DBP Endowment for Education  
Program (DEEP) scholar-graduates





# Banking Services for All

Sustained expansion, especially in underserved areas, is integral to DBP's advocacy to accelerate financial inclusion among the country's poorest and hard-to-reach groups. By establishing our presence in strategic geographical areas, DBP can help prime the development of rural communities and provide access points for financial services to the countryside.



Philippine  
Development Plan  
2017-2022

Expanding Economic Opportunities in Industry and Services through Trabaho and Negosyo

1

NO  
POVERTY



8

DECENT WORK AND  
ECONOMIC GROWTH



10

REDUCED  
INEQUALITIES



## MULTI-CHANNEL APPROACH

**Php50-billion**  
fund disbursement of  
various NGA and LGU  
payments

**7-million**  
transactions/recipients

**5 partnerships**  
with financial firms

## BRANCH AND ATM EXPANSION

**8 branches/  
branch lite units**  
opened in unbanked and  
underserved areas

- 5 branches
- 3 branch lite units

**61 ATMs**  
deployed in remote areas

**64 ATM**  
deployed in Piggybacking  
partners

**24 piggybacking**  
partnerships

## OFW REMITTANCES

**40 tie-ups**  
with foreign money  
transfer operators and  
banks

**\$684-million**  
total remittances

**594,934**  
remittance transactions

**32 source countries**  
covered





## Branch Banking and Expansion

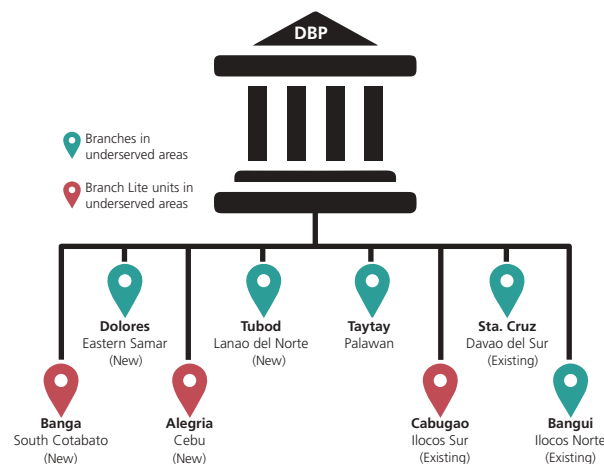
GRI 102-2 – 4 & 6

DBP's financial approach relies on a broader branch and ATM network in areas with significant unbanked populations. The bank targets areas with critical needs where financial inclusion interventions are expected to result in meaningful outcomes for the community. Aside from this, DBP ensures the financial viability of establishing branches in critical areas. With DBP's continued expansion, it is moving towards its goal of mainstreaming more Filipinos into the formal banking system and making DBP a bank of choice in the country.

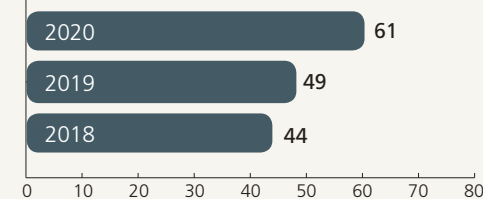
From 2018 to 2020, DBP added four branches and eight branch-lite units (BLUs), increasing its total network of branches to 140. Four locations are unbanked and underserved. These are two new branches in Dolores, Eastern Samar and Tubod, Lanao del Norte, and two branch-lite units in Banga, South Cotabato and Alegria, Cebu. These add up to the three existing DBP branches in underserved areas in Taytay, Palawan; Sta. Cruz, Davao del Sur; and Bangui, Ilocos Norte and one branch-lite unit in Cabugao, Ilocos Sur.

DBP also deployed more ATMs in the countryside to expand banking access for its target customers. This was coupled with the distribution of prepaid cards to unbanked and underserved sectors in rural areas. DBP's ATM branches increased from 786 in 2018 to 881 in 2020, of which 61 were installed in remote areas. DBP also leveraged local banks by partnering with 24 rural banks to deploy 83 more ATMs.

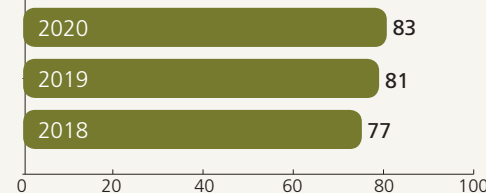
### Branches and Branch lite units in underserved and unbanked areas



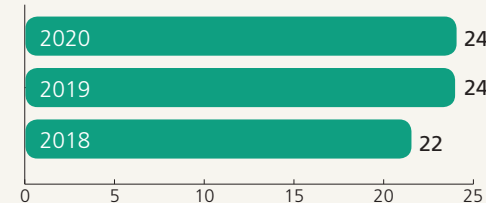
#### ATM deployment in remote areas\*



#### ATM deployment through piggybacking partnership



#### Number of piggybacking partnership



\*Classification for remote area is any of the following: required ferry/boat service to be accessed, 1 hour or more travel time to reach ATM unit, or no other ATM within 10 KM radius.

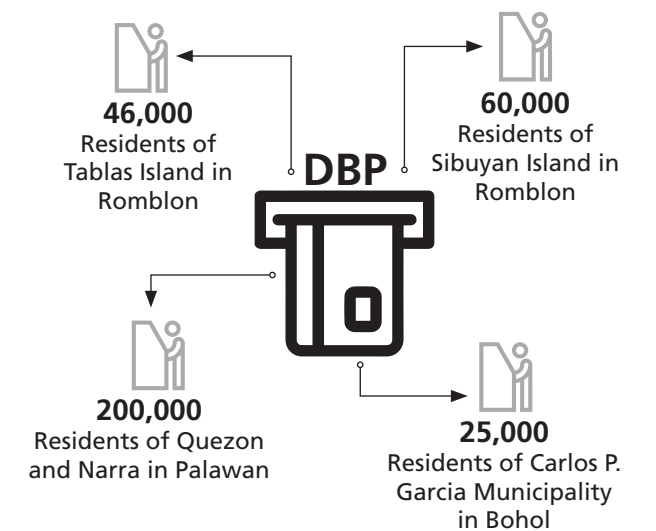
### DBP installs ATMs in Underbanked and Unbanked and Underserved Islands

DBP continues its mission to reach more Filipinos in rural communities by expanding the touchpoints for formal financial services.

DBP installed the first automated teller machines (ATMs) in the municipal halls of Magdiwang, Cajidiocan, and the town of San Fernando in 2018, to provide electronic banking convenience for the first time to 60,000 residents of Sibuyan Island in Romblon. Another ATM installed at the municipal hall of San Agustin, Romblon will serve the banking needs of more than 46,000 residents in underbanked Tablas Island including the nearby unbanked municipalities of Sta. Maria, Alcantara, and Calatrava.

ATM services have also reached the underbanked municipalities of Quezon and Narra in Palawan, serving nearly 200,000 residents of the municipalities and the neighboring unbanked town of Rizal.

### Served Underbanked and Unbanked Residences



DBP installed in the island municipality of Carlos P. Garcia in Bohol the first and only touchscreen ATM in the island which gives convenient access to secure banking transactions for over 25,000 residents of the 23 barangays. DBP also deployed the first and only ATM in the world-famous Chocolate Hills of Bohol.

Matling Industrial Commercial Corporation (MICC), one of Mindanao's oldest agricultural companies set up in the 1900s, and the unbanked municipalities of Balabagan and Malabang in Lanao del Sur were also connected to the banking network for the first time with the installation of three ATMs by DBP.

This initiative benefits residents and the neighboring towns, including cassava farmers from MICC who previously had to travel up to 100 kilometers for their banking transaction



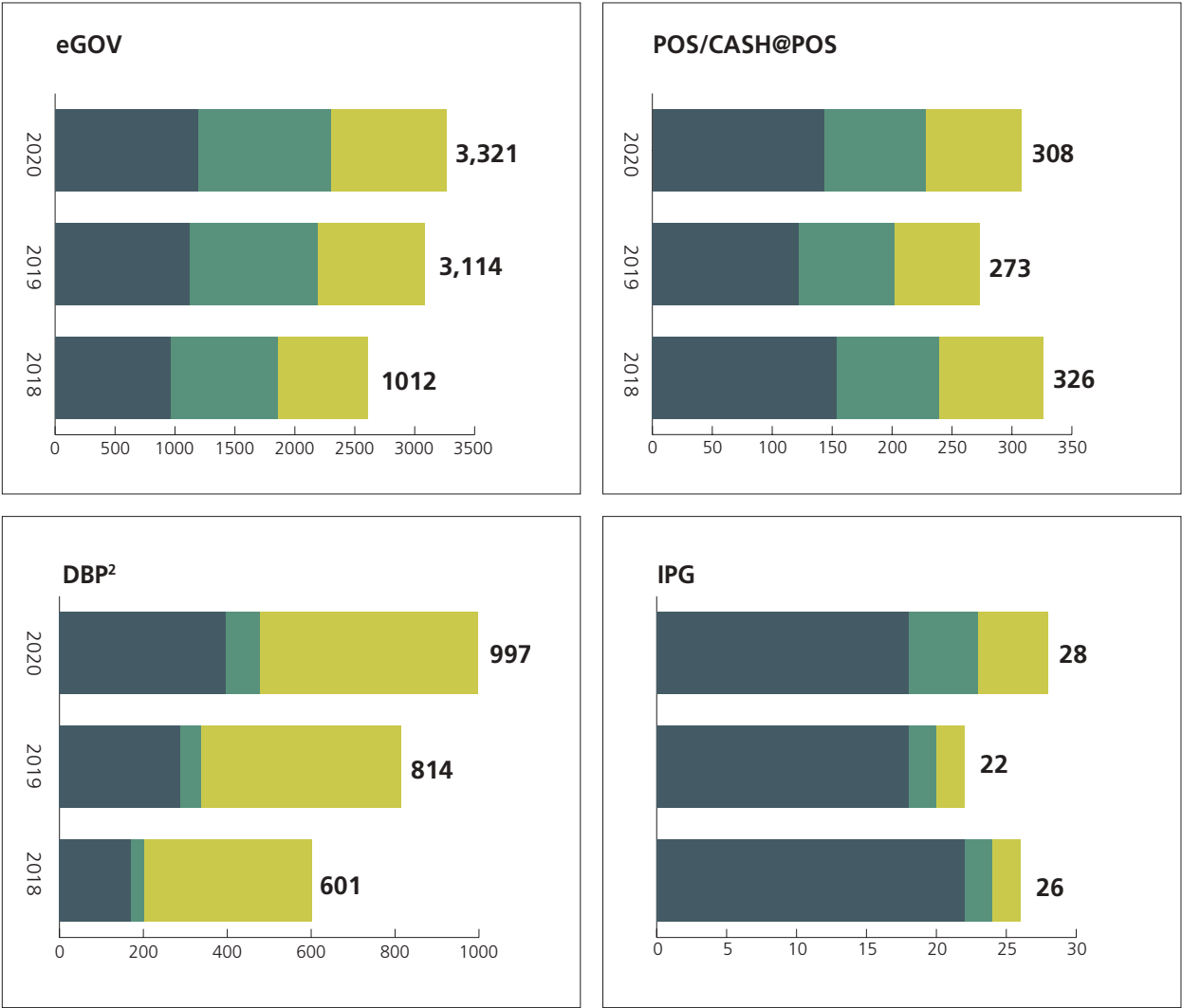
Digital Banking

DBP continues to provide digital banking platforms to service customers’ electronic banking needs. Three years after the launch of Digital Banking Portal (DBP2), dubbed DBP Squared in 2017 , the number of customers that use the portal increased from 601 in 2018 to 997 in 2020.

More online customers were serviced by our eGov, an internet-enabled electronic payment system that allows

businesses and individuals to perform online settlement of their Philhealth, Pag-IBIG and BIR. We expanded our internet payment gateway (IPG) with the inclusion of the Department of Foreign Affairs as a partner for their e-passport payments. We continue to offer our Point-of-Sale (POS) transaction services to more customers with the installation of new POS terminals in areas like the Mactan-Cebu International Airport for the payment of terminal fees, and in more hospitals such as the Davao Regional Medical Center and the Western Visayas State University Medical Center.

Number of customers by location per product type



■ Luzon ■ Visayas ■ Mindanao



Ceremonial signing of the memorandum of agreement between DBP and OWWA. (L-R) DBP Executive Vice President Fe Susan Prado, DBP President and Chief Executive Officer Emmanuel Herbosa , OWWA Deputy Administrator for Administration and Fund Management Josefino Torres and OWWA Deputy Administrator for Operations Vivian Tornea.

Multi-channel Approach

The multi-channel approach, wherein our partnership with financial technology companies (FinTech), non-bank financial institutions (NBFIs) and our participation in automated clearing platforms under the National Retail Payment System (NRPS) such as the Philippine EFT System and Operations Network (PESONet) allowed us to leverage on the nationwide coverage and network of these firms. This enabled us to deliver innovative financial services responsive to the requirements of our clients.

We used this approach in facilitating the implementation of the Rebate Program of Overseas Workers Welfare Administration (OWWA), benefitting 167,000 qualified OWWA members. DBP served as disbursing bank where rebates using the PESONet facility would be credited directly to OWWA members’ bank accounts in any of the PESONet participating financial institutions with no additional deductions.

The same approach is used in disbursing the government’s social amelioration package and cash subsidies to over three million marginalized workers affected by the COVID-19 lockdown under the Small Business Wage Subsidy program, a joint program of the Department of Finance (DOF), Social Security System (SSS), and the Bureau of Internal Revenue (BIR). DBP utilized PESONet to quickly credit the funds to more than two million employees who have accounts with PESONet participating banks, or who maintain e-wallets with PayMaya, a fintech company.

DBP also tapped M Lhuillier, a BSP-licensed non- bank financial institution (NBFI), to disburse the social amelioration funds of more than one million unbanked employees through the latter’s network of more than 2,500 cash outlets nationwide.

The multi-channel approach enabled us to expedite the crediting of monthly pension, loans, cash benefits, and other claims of Social Security System (SSS) members’ accounts and eliminate disbursements through checks. It allowed SSS members to claim their money faster and earlier, and in a more convenient manner. Pensioners may opt to receive their payments through their accounts in any PESONet participating bank and e-wallet such as PayMaya or cash pick-up arrangement via DBP Cash Padala thru M Lhuillier.



54,338

Benefitted  
Rebate Program Qualified  
OWWA members



Accelerating financial inclusion through Digital Banking

Determined to promote financial inclusion, especially in areas with a high financial exclusion rate, DBP stepped up its efforts in the countryside by distributing DBP prepaid cards to farmers and fishers in Cebu province. In partnership with the Philippine Crop Insurance Corporation (PCIC), DBP was tasked to facilitate timely and convenient disbursement of indemnity claims to farmers and fishers insured by PCIC. An attached agency of the Department of Agriculture (DA), the PCIC administers the government's agricultural insurance program to protect farmers against losses due to natural calamities, pest infestations, and plant diseases. Through prepaid cards, farmers and fishers can conveniently receive their indemnity claims using any ATM or Point-of-Sale (POS) terminal. For PCIC, this strategy reduces the cost of purchasing corporate checks, allowing a faster and easier disbursement process.

Our partnership with PCIC is expected to support the National Government's goal of expanding people's access to financial services, especially the farmers and fisherfolks who are often excluded by formal financial services. In 2018, DBP, together with PCIC Region VII, awarded prepaid cards to five farmers in Cebu City and 88 beneficiaries in the municipality of Ronda, Cebu. We then partnered with M Lhuillier in 2020 for faster, safer, and more convenient fund distribution.

In making financial services closer to the farmers of Isabela province, DBP signed a Memorandum of Understanding (MOU) with the Provincial Government of Isabela, the Nagkaisang Magsasaka ng Isabela Agriculture Cooperative (NMIAC), and PayMaya Philippines, Inc. to facilitate the disbursement of funds to the farmer-members of NMIAC and tobacco farmers in the province.



DBP President Herbosa (6th from left) poses with (from left) PayMaya representative, Isabela Governor Rodolfo T. Albano III, DA Secretary William Dar, and NMIAC President Ana Cristina Siquian-Go for joint partnerships in providing financial services to farmer-members of NMIAC and tobacco farmers of Isabela province



Farmer beneficiaries during the ceremonial ATM transaction at DBP Cebu branch. Also in photo are PCIC chairman Crisologo Ignacio and PCIC president Jovy Bernabe (third and fourth from left, respectively).

PayMaya Philippines Inc. issued ATM Identification Cards to 5,000 farmer-members of NMIAC. DBP's Digital Banking Portal (DBP²) is used both by the Provincial Government of Isabela and NMIAC to facilitate ease in monitoring and disbursement of funds. Through the DBP², they can view and monitor their cash balances and transaction history as well as perform electronic fund transfers, bulk credit or debit upload instructions, liquidity management among others.

DBP has been working closely with DA on a number of financial inclusion initiatives during the past year. The multi-channel approach is likewise used in releasing more than Php1.485-billion in cash assistance to about 297,000 small-scale farmers under DA's Rice Farmers Financial Assistance program to boost agricultural productivity as well as alleviate the plight of farmers. DBP has since signed an agreement with DA for the distribution of Php3,000 in cash, and Php2,000 in food voucher. This Cash and Food Subsidy for Marginal Farmers and fisherfolk Program is a one-time direct cash and food assistance to marginal farmers and fisherfolk affected by the COVID 19 pandemic.



Php3.46-billion in cash assistance to about 705,479 small-scale farmers under DA's Rice Resiliency Program and Cash and Food Subsidy to Marginal Farmers and Fisherfolks



438,788 Households complementing the National Government's anti-poverty initiative

DBP's approach to addressing financial literacy

DBP launched its financial literacy program and extended financing for rural development to empower clients and communities economically.

Our development priorities at DBP include promoting financial literacy and improving access to credit for low-income families. In 2020, we partnered with the

Department of Social Welfare and Development (DSWD) to enhance the beneficiaries' financial education and credit access under the DSWD's Sustainable Livelihood Program (SLP). As one of the social protection programs of DSWD, SLP provides income-generating activities for vulnerable and marginalized families and individuals. Our role is to provide customized financial products and services and credit assistance to expand financing options for the poor. SLP beneficiaries will also gain financial literacy training to help improve their economic well-being. This partnership will benefit at least 438,788 households, complementing the National Government's anti-poverty initiative.



Signing of the memorandum of understanding between DBP and DSWD. (L-R) DBP Executive Vice President Jose Gabino Dimayuga, DBP President and Chief Executive Officer Emmanuel Herbosa, DSWD Secretary Rolando Joselito Bautista and DSWD Assistant Secretary for Specialized Programs Rhea Peñaflor



Consumer Assistance Management System and Customer Satisfaction Feedback

GRI 103-1– 3, GRI 418-1

The drive for service excellence emanates from our unwavering interest to meet the needs and manage the expectations of our customers. The customer, as the most important stakeholder, remains to be our top priority at DBP. To be competitive, we have in place standards and systems to elevate our services at every step of the customer journey.

In line with our customer service efforts, we established the Customer Experience Management Department (CEMD), which operationalizes the Consumer Assistance Management System (CAMS) in coordination with the Customer Service Officers (CSO) assigned in the various business units of the Bank. The CSOs, within their area of responsibility, ensure compliance to the FCP policies and regulations primarily in handling customer inquiries, requests, and complaints received at their level and ensure the effective and timely resolution of the same. The CEMD's Customer Concerns Analytics Unit (CCAU) consolidates and analyzes all customer-related concerns and regularly reports these to the DBP Management and the BSP. Moreover, the CEMD operates the bank's customer service through its Customer Care Unit (CCU) during regular business hours. The E-Channels Operations Department (ECOD) provides 24/7 operational support to address urgent ATM-related concerns.

Our feedback mechanism is operationalized in two ways. The in-house CSat survey is business unit-initiated, in which the Customer Engagement Unit (CEU) of CEMD gathers the customer survey forms through the submissions of identified business units. Customers are provided with the option to use electronic or paper-based forms for ease of providing feedback. The electronic version is accessible through a QR code made available and posted at the Head Office, the different branches, and the lending centers' lobbies. The QR Code and a link to the DBP eSurvey are also published on the DBP website and will soon be available on our social media platforms.

We have similarly employed additional means to gather customer feedback that complements the in-house survey. This is through the voluntary submission of feedback forms using drop boxes located strategically in customer-facing offices and various head office business units. In contrast to the business unit-initiated survey, this feedback mechanism enables customers to submit their comments, insights, and observations at will, which we consider to be an effective source of valuable data in the evaluation of our products and services.

Further, DBP contracts a third-party consultant to perform an annual Customer Satisfaction (CSat) survey as required by the Governance Commission of the GOCCs (GCG). This is conducted in accordance with the prescribed guidelines of the GCG and forms part of our institutional performance scorecard.



DBP Financial Consumer Protection (FCP) framework initially grounded on **BSP Circular 857** and reissued to conform with the subsequent issuance of BSP Circular 1048.

Financial Consumer Protection

GRI 103-1 – 3

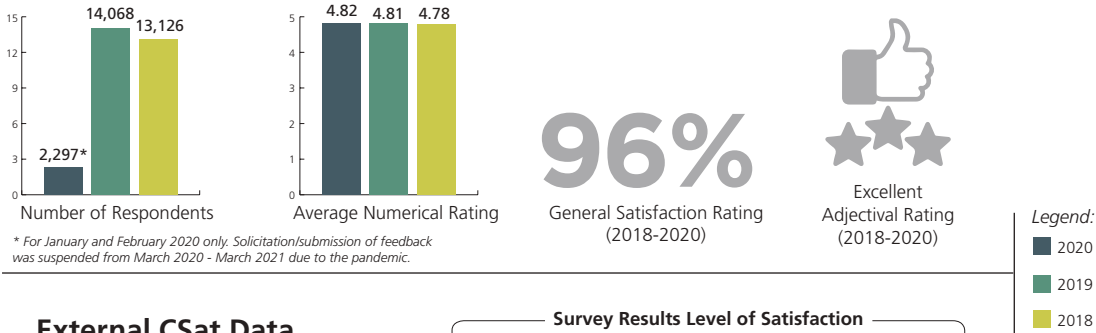
As DBP expands its reach, we strive for service excellence in the delivery of our products and services to financial consumers. Consistent with the Bangko Sentral ng Pilipinas (BSP) mandate, we implemented the DBP Financial Consumer Protection (FCP) framework initially grounded on the BSP Cir. 857 and reissued to conform with the subsequent issuance of the BSP Cir. 1048. Incorporated in the framework is a responsive mechanism for handling customer concerns and requirements referred to as the Consumer Assistance Management System (CAMS), which was implemented on an enterprise level. The institutionalization of the FCP is evidenced by the creation of the Customer Experience Management Department (CEMD) in 2018 and the designation of Customer Service Officers (CSO) across all business units of the Bank nationwide.

In compliance with the directive of the BSP, we established a Consumer Protection Risk Management System (CPRMS) integrated into our enterprise-wide risk management processes and risk governance framework. DBP ensures that consumer protection risks are identified, measured, monitored, and mitigated through this system, subject to the CPRMS governance structure, policies, processes, measurement, and control procedures.

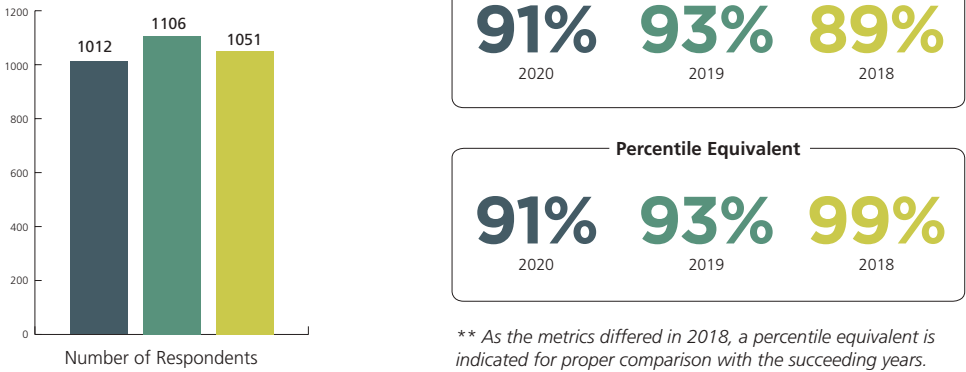
In terms of governance structure, the Risk Oversight Committee and the Governance Committee perform board-level oversight functions to ensure the efficacy of the framework. As for oversight support units, the Enterprise Risk Management Group (ERMG), the Internal Audit Group (IAG), and the Compliance Management Group (CMG) incorporate the FCP requirements in the regular Risk, Audit, and Compliance plans, respectively, with the pivotal role of preventing or minimizing regulatory violations and ensuring compliance with financial protection rules and regulations. The Customer Experience (CX) Circle, which is composed of officers from various customer-facing and support units, is critical in upholding customer welfare and satisfaction in our business and operations and ensuring the Bank's responsiveness to product, service delivery, and other consumer protection related issues and concerns.

To stay true to DBP's commitment to be responsive to customers' needs, we established our feedback mechanism through the implementation of the in-house and external Customer Satisfaction (CSat) surveys conducted monthly and annually, respectively. The former is an initiative that is in line with the ISO 9001 standards and the latter is a mandatory requirement of the Governance Commission for GOCCs (GCG), both of which are used as tools to listen to the voice of the customers, gather insights, measure their satisfaction levels as these relate to our products and services. All these efforts enable us to apply necessary corrective measures to continue to evolve positively, provide added value to customers and stay relevant in the industry.

In-house CSat Data



External CSat Data





# Corporate Social Responsibility

DBP helps in bringing about a positive impact to communities by supporting other stakeholders and implementing programs aligned with our development objectives.

Over the years, DBP's community-oriented initiatives tackled social issues related to education and the environment.

In DBP, enhancing the social aspects of sustainability is our corporate social responsibility.



Expanding Economic Opportunities in Agriculture, Forestry, and Fisheries and Ensuring Food Security  
Human Capital Development Towards Greater Agility



## DBP FOREST PROGRAM

**Php11.3-million**  
total expenditures

**785,418 trees**  
planted

**482 hectares**  
planted

**47 DBP forest partners**  
as of December 2020

**3 new DBP Forest partners**  
from 2018-2020

## DBP ENDOWMENT FOR EDUCATION PROGRAM (DEEP)

## DBP RESOURCES FOR INCLUSIVE AND SUSTAINABLE EDUCATION (RISE) SCHOLARSHIP PROGRAM

**412 scholars**  
graduated

**Php90 million**  
total expenditures

**1,081 scholars**  
covered





## Environment: Forest Restoration



		DBP Forest Program					
		2020		2019		2018	
Expenditure		3,468,383.68		3,022,504.70		4,856,340.00	
Number of Beneficiaries	Organization for Industrial, Spiritual, and Cultural Advancement - Farmers of Agrarian Reform Multi-Purpose Cooperative	150	PLGU Eastern Samar	20	PLGU Nueva Vizcaya	163	
	Balikatan	79	PLGU Palawan	20	UP Los Baños	5	
					PLGU South Cotabato	2	
					PLGU Palawan	60	
Impact	Provided an opportunity for new learning technology transfer and techniques in fruit tree production, processing and marketing to the residents. The community was also provided with employment, thereby giving them additional income from the sale of fruit trees.	Farmer-beneficiaries also served as laborers for the different activities such as brushing, staking, holing, hauling and planting, thus providing them with staple food subsistence in the form of rice and grocery. It has also balanced the overall health of farmer-beneficiaries and their families, especially their children, due to improved nutrition.			Indigenous Peoples like Palaweños benefitted from these projects. Those involved in <i>kaingin</i> and illegal logging have become partners in forest rehabilitation and raising environmental awareness and responsibility. Participation in the project improved community interaction and employed beneficiaries who were then able to send their children to school.		
	The project will increase the forest cover within Rugnan Watershed Area and enhance slope protection, reduce soil run-off and improve water quality in the tributaries.	Provided vegetative cover that would improve soil and water conservation, preserved wildlife habitat in the area.					



DBP Forest Oproject with Los Baños

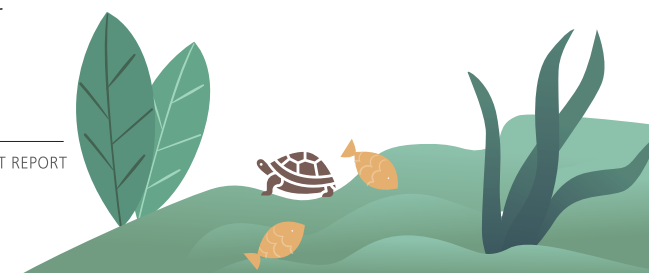
After the devastating flood in Quezon province in 2004, we established the DBP Forest Program to prevent denudation, restore forest cover and protect the province's watershed areas. In the long-term, the program envisions the development of downstream industries by supporting and encouraging the forestation of public land and coastal rehabilitation.

The program helps protect the environment while creating livelihood opportunities for rural communities.

DBP collaborates with key stakeholders such as State Universities and Colleges, local government units, people's organizations awarded with Community-Based Forest Management Agreement (CBFMA) by DENR, and other government agencies with large forest areas under their management. We also provided funds to purchase planting stocks, planting materials, and plantation activities. DBP has released a total amount of Php11-million for the program from 2018-2020, benefitting 498 beneficiaries.



Mangrove Reforestation Project with Provincial Government of Eastern Samar





Education: DEEP and RISE

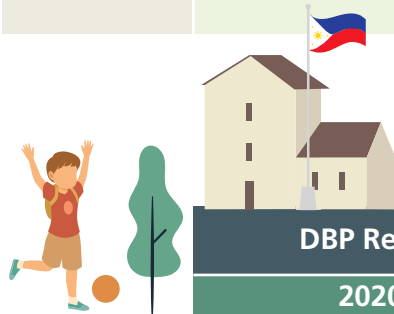
A solid foundation of education is vital to national and human development. DBP, therefore, offers educational assistance programs to encourage our youth to finish their degrees through the DBP Endowment for Education Program (DEEP). Created in 2008, DEEP has provided educational support to 3,613 scholars from 39 partner institutions. This bank-sponsored scholarship program has produced 3,375 graduates, of which 94% are gainfully employed. After almost a decade of implementation, we enhanced the program design in line with the Philippine Development Plan 2017–2022. In 2018, we re-launched DEEP as the DBP Resources for Inclusive and Sustainable Education (DBP RISE)

with greater emphasis on allied medicine and infrastructure development-related courses to match the needs of the government’s national build-up program.

To realize the program objectives, DBP partnered with 19 schools in the country to implement DBP RISE. With a Php500 million seed fund, DBP’s RISE aims to support 2,500 scholars by 2023 by providing comprehensive education support, including tuition, board and lodging, living allowance, cost of apprenticeship, residency training, and review expenses for board exams. From 50 scholars in 2018, the revitalized education program has benefitted more students in the succeeding years. The program awarded scholarships to 369 students in 2019 and 662 students in 2020.



DBP Endowment for Education Program (DEEP)			
	2020	2019	2018
Expenditure	No request for fund release received	2,203,411.86	8,354,510.58
Number of Beneficiaries		82	302
Impact	Total of eight graduates ready for employment in the Engineering Industry	Total of 76 graduates ready for employment in the Maritime and Education Industries	Total of 328 graduates ready for employment in the Maritime, Engineering, Education, and Hospitality Industries



DBP Resources for Inclusive and Sustainable Education (RISE)			
	2020	2019	2018
Expenditure	49,775,680.54	34,009,572.53	6,324,456.25
Number of Beneficiaries <sup>1</sup>	662	369	50
Impact	Improve the access of needy and deserving Filipino youth to quality education in priority courses that are in line with the Duterte administration’s Build, Build, Build Program (i.e. Engineering, Real Estate Management, Education, Information Technology, Hospitality, etc.)		

<sup>1</sup>Scholars covered in total expenditure for the pertinent year







# Internal Processes **Sustainable Banking in Practice**

GRI 103-1 – 3, GRI 307-1

“ At DBP, we champion inclusive economic development and environmental protection by integrating sustainable business practices into our investments and operations.





DBP President and CEO Emmanuel Herbosa (in white) with Management Committee members (from left), EVP Paul Lazaro, EVP George Inocencio, EVP Susan Prado and SVP Lutgarda Baquiran-Peralta practicing/adopting paper-lite meeting

## Environmental Plan

Approved in 2018 by the Management Committee and the Development Advocacy Committee, DBP's 5-year Strategic Environmental Plan lays down the framework for integrating environmental considerations in all aspects of our operations. DBP's environmental targets from 2018 to 2022 to measure and reduce our environmental impacts are also outlined in the plan. The key issues in the plan that apply to the Bank's business are: (1) energy efficiency measures, (2) environmental guidelines, (3) environmental project financing, (4) environmental and social due diligence, and (5) environmental competency.

### Energy Efficiency Measures

Under energy consumption, we aim to lessen our consumption by 2022 by improving our energy efficiency measures and switching to efficient technologies. In 2020, the Head Office and 47 out of 125 offsite offices completed the shift to LED lights from 38 offsite offices in 2019. In addition, nine offsite offices in 2019 have started using inverter technology air-conditioning units, which consume less power. This figure further increased to a total of 57 off-site offices in 2020 while our Head Office phased out 34 old stand-alone air conditioners, replacing them with inverter type units. The remaining 164 units are planned to be completely phased out by 2023. In addition, our Head Office pantry rooms are equipped with inverter type

refrigerators and microwave ovens. With these measures, DBP offices falling within the energy efficiency index of 160 kwh/sqm/year increased from 87 offsite offices in 2019 to 101 offsite offices in 2020. (An in-depth discussion of DBP's Resource Management can be found on pages 68-70.)

### Environmental Guidelines

In step with our five-year plan is our Environmental Management System (EMS), which helps us further achieve our environmental goals. It requires us to have appropriate policies and procedures that are consistently implemented, reviewed, and enhanced to continually improve our environmental performance.

In 2020, we completed the enhancement of our Banking House Environmental Guidelines to achieve uniform and proper implementation of environmental operational control measures across our Business Units and improve DBP's compliance with DENR's requirements.

In the same year, we launched the Implementing Guidelines for the Use of Tablets or Similar Device for Bank Committee Meetings. It aims to lessen paper consumption in the reproduction and distribution of documents for Bank Committee meetings. Select DBP Management-led Committees started to implement these guidelines in the last quarter of 2020. This is projected to save 200 reams of paper per year.

## Environmental Project Financing

Our commitment to environmental protection goes beyond our internal impact to the environment. As a financial institution, we impact the environment primarily through our investment and lending activities. As such, DBP commits to annually increase financing to environmental projects. In 2019, DBP's loan portfolio with an environmental component is at Php44.3-billion. Despite reduced economic activities in 2020 due to COVID-19, DBP managed to have a moderate increase of 1% equivalent to Php44.8-billion in this area.

## Environmental and Social Due Diligence

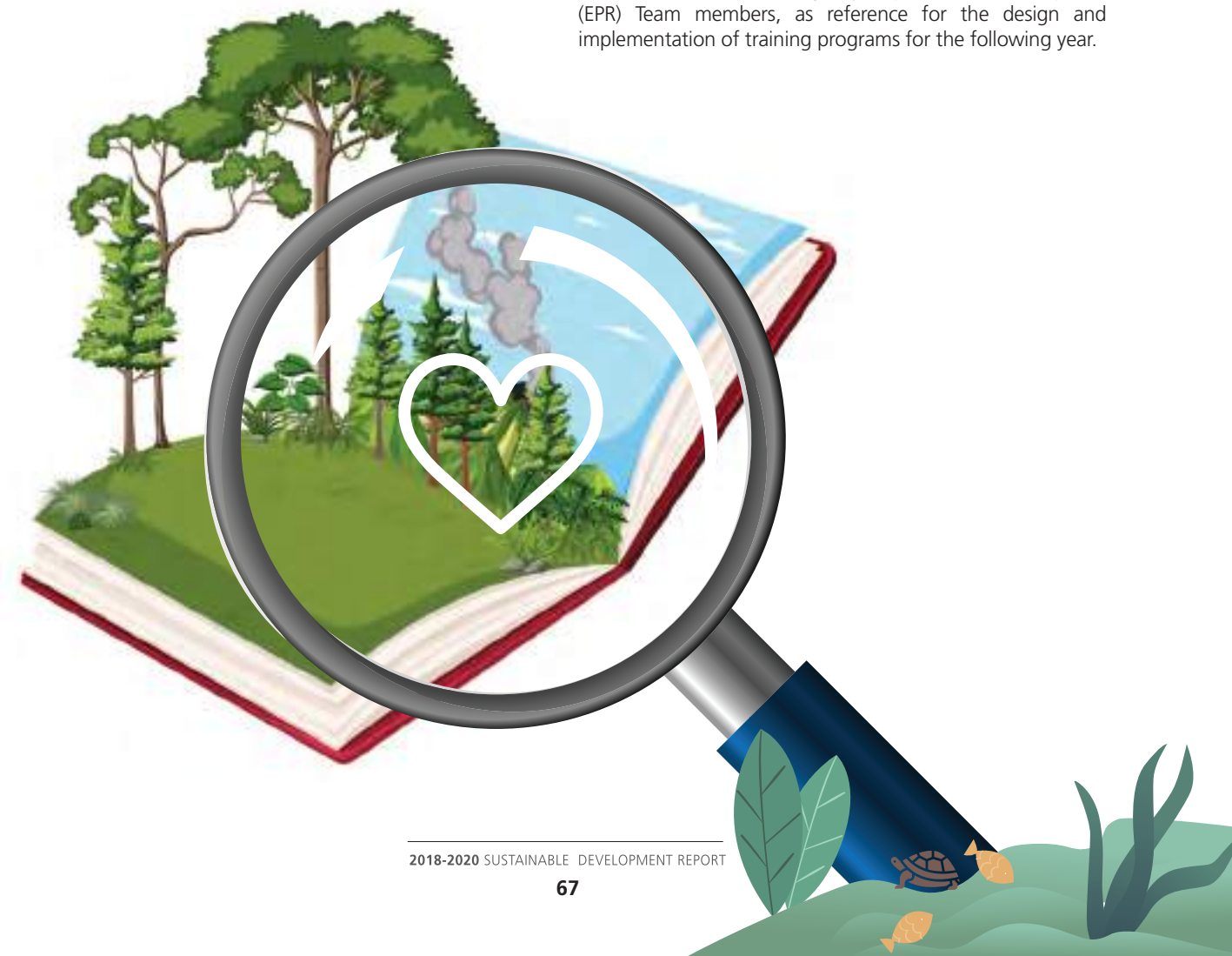
Moreover, environmental and social due diligence are embedded in the initial stages of loan processing to protect the Bank's interests where environmental and social issues may give rise to credit, legal or reputational risks. Under our Credit Policy and Guidelines 112 (CP/CG 112), we screen projects by categorizing their environmental risks and identifying the possible impacts of natural and climate-induced hazards on all projects. Then, we appraise each project's environmental, social, and economic impacts while pinning down the performance indicators that will

serve as data reference points for project monitoring. The performance indicators will ultimately measure project success, specifically if the environmental and socio-economic targets are achieved and sustained.

In parallel with CP/CG 112 is the Monitoring and Evaluation (M&E) policy framework approved on November 20, 2019. This policy framework defines the series of monitoring activities to be followed after a project has been approved and implemented. The results of M&E activities give the Bank a clear picture of how DBP's financial resources translate into developmental outputs.

## Environmental Competency

Transforming DBP's sustainability goals into reality is built on a foundation of engaged employees. It requires trained people who have the right attitude, skills, and knowledge. Included in the Bank's Learning and Career Development Plan is the strengthening of environmental competency of employees. Necessary knowledge and skills are developed so that procedures, policies, guidelines, and standards are effectively implemented. From 2018 to 2019, DBP trained 219 Account Officers in Environmental and Social Project Screening. Our Pollution Control Officers also underwent accreditation training. In 2020, we likewise completed the competency assessment of our Account Officers, Pollution Control Officers, and Emergency Preparedness and Response (EPR) Team members, as reference for the design and implementation of training programs for the following year.



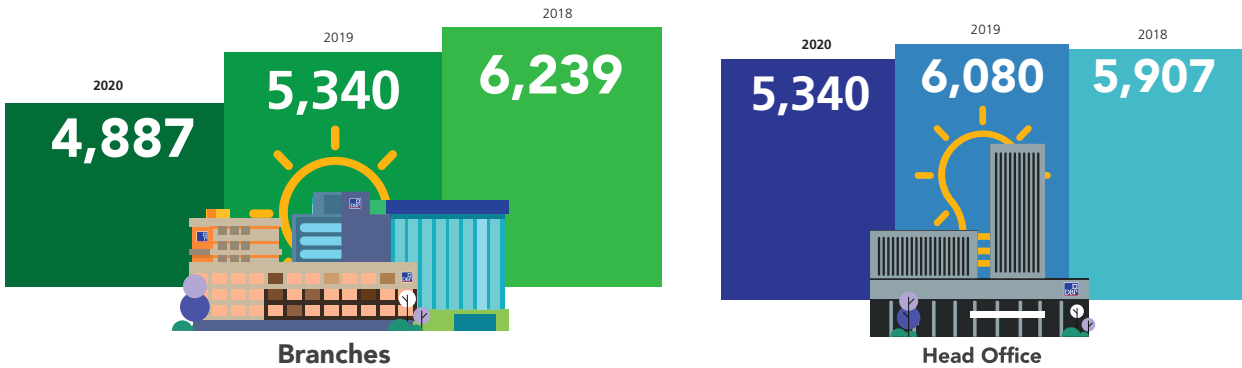


Resource Management

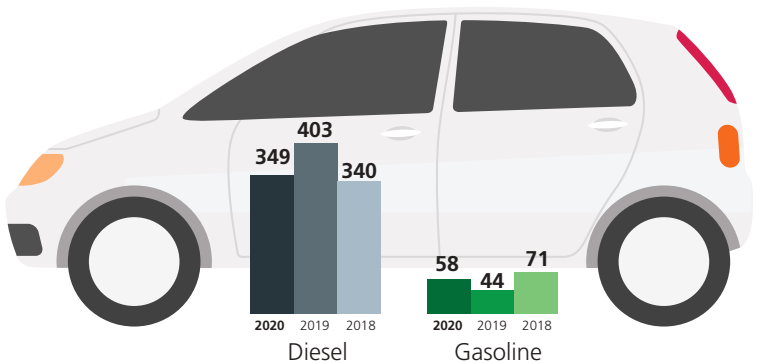
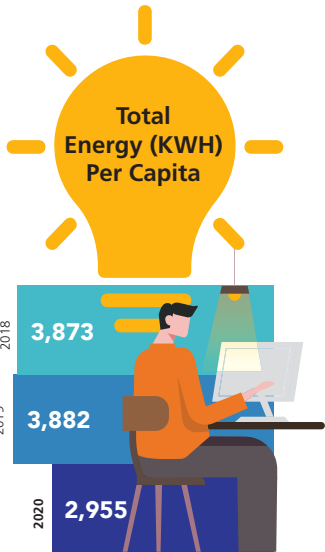
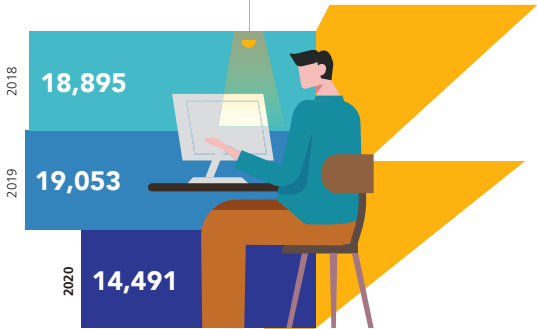
GRI 103-1 – 3, GRI 302-1, 3 & 4, GRI 303-5, GRI 305-1, 2 & 4, GRI 306-3

Sustainable resource management is central to achieving corporate sustainability. This goal translates to adopting green practices in our operations and efficiently using the Bank’s resources. Through our prudent use of supplies and materials over the years, we have made significant strides in reducing our overall environmental impact toward improving the Bank’s overall performance.

Total Electricity Consumption (KWh)



Energy Intensity (MJ/Employee)



Total Fuel Consumption

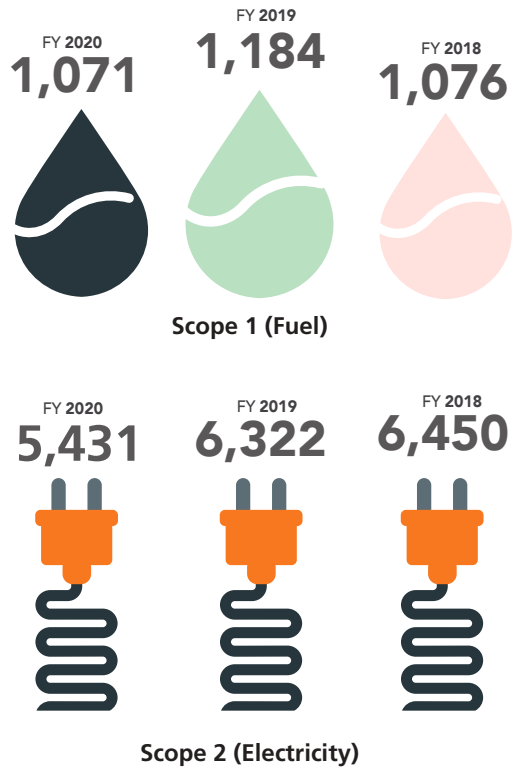
Reducing Energy Consumption

DBP’s electricity usage forms the largest part of our overall environmental impact. The Bank’s total electricity consumption decreased in 2019 and 2020 by 1.98% and 14.11%, respectively. Meanwhile, our total electricity per capita slightly increased by 0.23% in 2019 and significantly decreased by 23.9% in 2020. In terms of energy intensity, or the amount of energy required to produce an output or activity, DBP recorded a modest increase in 2019. Understandably in 2020, the energy intensity dropped substantially that is attributed to the Bank’s adoption of alternative work arrangement during the height of COVID-19 pandemic.

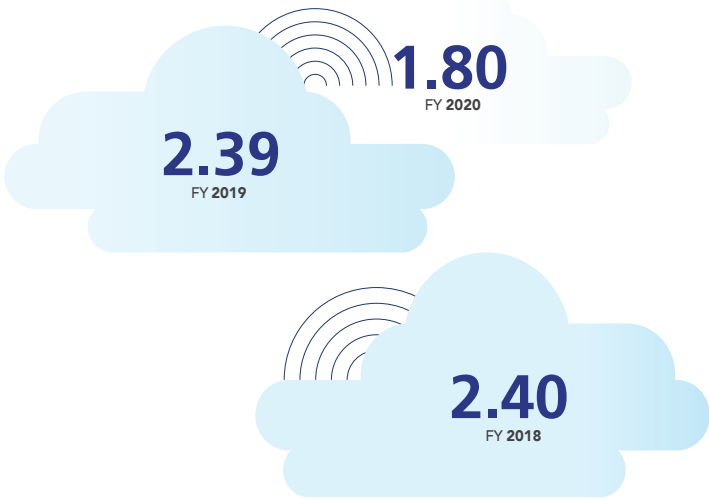
Managing Carbon Footprint

We commit to reducing our carbon footprint in our everyday operations. Through energy-efficiency measures and the wise use of resources, the Bank has continued decreasing its greenhouse gas emissions from 2018 to 2020.

Greenhouse Gas Emission Breakdown (MTCO2E)



Greenhouse Gas Emission Per Capita (MTCO2e/employee)

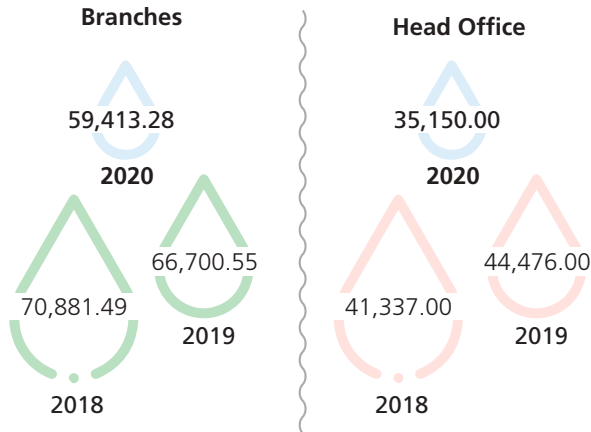


Regulating Water Use

Promoting water sustainability involves regulating water usage and conserving water. We regularly check water leakages and installed sensor lavatory faucets to achieve more significant water and cost savings.

Our water consumption decreased throughout the three-year reporting period. From 2018 to 2019, our total water consumption decreased by 0.93%. Similarly, a considerable reduction in our water consumption was noted in 2020, equivalent to a 14.9% drop due to the work from home set up.

Total Water consumption (m³)

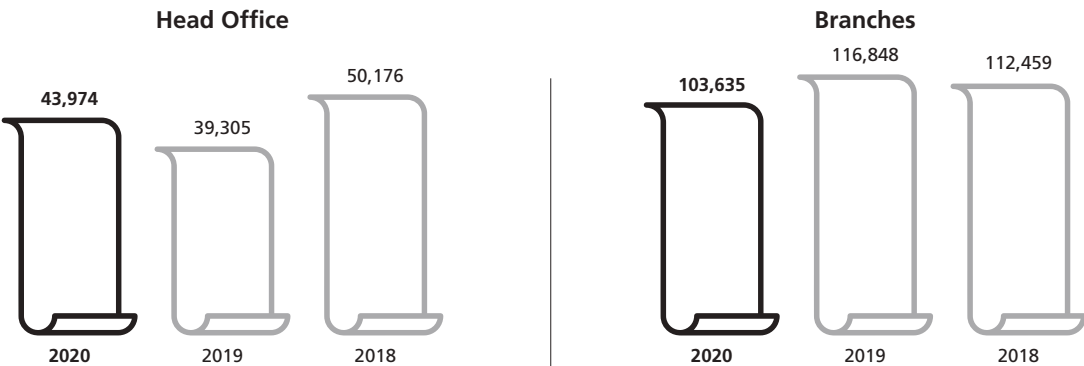




Limiting Paper Consumption

For any bank, having thorough documentation in the form of paper trails is a significant measure against written errors and conflicting data. Therefore, our paper consumption used to be significantly high in the past years. However, as the Bank gradually shifted to sustainable resource management, we have reduced our dependency on paper using information technology.

We have implemented a Paper Lite Program to cut down our paper usage. These efforts have led to a decline in our paper consumption (kg). From 2018 to 2019, our total paper consumption (kg) decreased by 3.98% and further by 5.47% in 2020. Relatedly, DBP's paper use per capita declined from 2018 to 2020. In 2019, our paper use per capita decreased by 1.83%. This figure significantly dropped by 13.2% for 2020 due to limited face-to-face transactions.



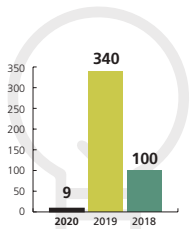
DBP Paper Consumption

Minimizing Hazardous Waste

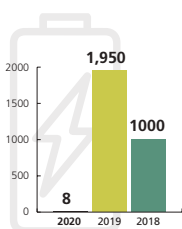
The ongoing COVID-19 pandemic has resulted in short-term changes in waste generation across DBP due to the restricted number of employees combined with minimal banking activities. This shift has translated to lesser consumption of ink cartridges as well as toners and batteries. Based on our inventory of hazardous waste generated from 2018 to 2020, the empty toner cartridges and empty paint cans generated by the Bank dropped from 644 kg, 350 kg to 2 kg and 85 kg, respectively.

However, our consumption of bulbs and batteries increased in 2019 due to retrofitting activities at DBP's main office in Makati to replace older lighting units with LED lights. Subsequently, there was a steep decline in 2020 in the volume of waste bulbs. The number in 2020 recorded reflected the quantity used to replace the busted bulbs.

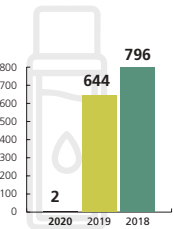
Records of our used oil remained relatively constant within 246-248 liters from 2018 to 2020. The volume of waste from electrical and electronic equipment (WEEE) has likewise stayed constant over the past couple of years.



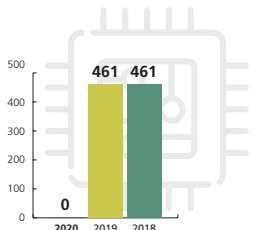
Busted Bulbs (kg)



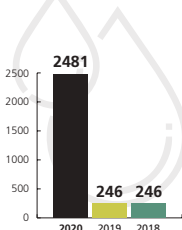
Used Batteries (kg)



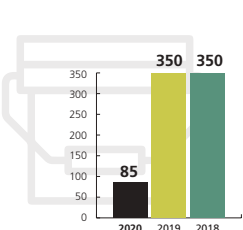
Empty Cartridges/Toner (kg)



Waste from Electrical and Electronic Equipment (WEEE) (kg)



Used Oil (liters)



Empty Paint Cans (kg)

Compliance: Social and Environmental

We adopt sustainability principles in our corporate governance and risk management frameworks to promote the Bank's long-term financial viability while minimizing environmental pressures. We also espouse regulatory policies in pursuing sustainable and resilient growth to enable environmentally and socially responsible business decisions.

We designated Pollution Control Officers in our Head Office and in each of our regional offices to ensure that all DBP offices conform to the requirements of environmental regulations and ordinances applicable to the Bank. They liaise with the Department of Environmental and Natural Resources (DENR) and other environmental regulatory agencies to keep abreast with the requirements of these regulatory agencies.

To ensure compliance with social and economic laws related to our lending operations, we require our clients to submit pertinent documents as a condition for approval and release of loans. In terms of environmental compliance, customers may be obliged to submit an Environmental Compliance Certificate depending on their type of business.

Risk Management GRI 103-1 - 3

We produce a risk identification and assessment report through the Bank's Internal Capital Adequacy Assessment Process (ICAAP) to address and mitigate risks. The ICAAP, the primary risk identification and assessment document at DBP, is submitted to the Bangko Sentral ng Pilipinas (BSP) every March. Usually, it deals with financial-related risks, such as credit risk, market risk, liquidity risk, and interest rate risk. However, the report may also cover nonfinancial risks, including information security, operational compliance, legal, reputational, and strategic risks.

The Bank also must contend with climate risk, which poses an existential threat to our programs and investments. Intensifying climate hazards may damage DBP's property, disrupt operations, and ultimately affect the Bank's income and portfolio. In direct response, we enhance and periodically test our business continuity and disaster preparedness measures to fortify DBP's ability to maintain smooth operations in the face of climate-related disruptions.

In 2020, the COVID-19 pandemic considerably tested DBP's risk management system. The unprecedented global health crisis pushed us to critically evaluate how DBP's overall risk profile and policies are affected by prolonged adverse pandemic scenarios. Taking stock of market conditions, we reviewed our credit policies and updated our market and liquidity risk models. Moreover, we introduced new policies related to information security risk management to protect our information assets.



“ We designated Pollution Control Officers in our head office and in each of our regional offices to ensure that all DBP offices conform to the requirements of environmental regulations and ordinances applicable to the bank. ”





## Anti-Corruption GRI 103-1 – 3, 205-1 & 2

Protecting DBP's integrity and credibility as a development institution is crucial to maintaining the public's trust and confidence in the Bank. Accordingly, DBP has institutionalized policies and mechanisms to ensure that its directors and employees shall continuously uphold the highest standards of ethics and moral excellence in public service.

Being a highly regulated government financial institution, DBP is vulnerable to compliance, legal, and reputation risks. To prevent and manage these risks, the DBP Board of Directors adopted policies that reinforce ethical behavior, strengthen good governance, and combat corruption. Moreover, the bank ensures full compliance to existing laws, rules, and regulations, including administrative and penal laws such as the Anti-Graft and Corrupt Practices Act (RA 3019), the Crime of Plunder (RA 7080), and the Anti-Money Laundering Act of 2001 (RA 9160).

As part of its efforts to curb corruption, DBP has taken steps to reinforce and sustain an organizational culture that promotes a compliant mindset, ethical behavior, and public accountability. In the frontlines of this effort is the Office of the Corporate Secretary-Corporate Governance Unit (OCS-CGU) which is primarily tasked to craft policies aligned with industry requirements as well as global standards and best practices. Among those fully institutionalized in the Bank is the DBP Code of Ethics which, together with the Manual of Corporate Governance (MCG), outlines DBP's core principles and the norms of conduct expected from all officers and employees. To further encourage good moral behavior, all employees undergo mandatory training on corporate governance, emphasizing ethics, integrity, conflict of interest, and public accountability. Newly hired personnel are likewise oriented on the Bank's public accountability and ethical policies.

Moreover, the Bank implements a zero-tolerance policy against fraud and other sanctionable conduct, such as financial mismanagement and malpractice. The DBP Board of Directors and employees are prohibited from soliciting or accepting of gifts under the No Gift Policy to avoid conflict of interest or undue influence on critical decisions. Aside from cascading these anti-corruption policies and procedures to

officers and employees, the Bank also incorporate relevant information in seminars, training programs, handbooks, annual reports, and online postings to raise the awareness of all stakeholders. Violation of the DBP's Code of Ethics and/or other policies, laws, and regulations may expose the erring officials or employee to disciplinary measures embodied in DBP Circular No. 08, series of 2020 on the Implementing Guidelines of the 2017 Revised Rules on Administrative Cases in the Civil Service.

Reporting of unethical behavior is everyone's professional responsibility. The Bank sets up grievance and protection mechanisms for internal and external stakeholders disclosing illegal and corrupt practices through the DBP Complaints Handling Program, the DBP Financial Consumer Protection Framework, and the DBP Whistleblower Protection Policy (WPP). In 2013, the Bank adopted the WPP by establishing the guidelines for reporting and investigating illegal activity. The WPP was enhanced in 2020 to align with the reorganized structure of the Bank and conform with updating requirement of regulator.

The Bank commits to transparency and adheres to people's freedom of information by ensuring mandatory disclosure of updated public information in its website. The Bank also adopts a customer-centric approach through the client feedback mechanism. The DBP's Guidelines and Procedures for Incident Reporting and the DBP Administrative Legal Department's Procedure on Reporting Complaints against Bank officers and employees are also made available in the Bank's website for clients' information and awareness. Both external and internal stakeholders may send in their complaints and concerns through various communication media, such as phone, email, or mail. The OCS-CGU receives all ethics-related issues or complaints by third parties against Bank officers and employees while the Legal Services Group's Administrative Legal Department investigates and prosecutes issues regarding unlawful behavior in the workplace.

To ensure the accuracy and reliability of the Bank's financial information, a constitutionally mandated external auditor and DBP's internal auditors periodically evaluate the Bank's internal controls—including its financial, operational, and compliance controls—and risk management system.

## Beyond Compliance: DBP's Journey Toward Excellence through the Philippine Quality Award

In 2019, DBP received the coveted Recognition for Proficiency in Quality Management from the Philippine Quality Award (PQA), a national quality award administered by the Department of Trade and Industry. Created in 1997 and institutionalized in 2001 through R.A. 9013, the PQA is comparable with the USA's Malcolm Baldrige National Quality Award and similar prestigious quality awards in Europe and Asia.

The PQA sets a standard of excellence to help Filipino organizations achieve world-class performance based on the principles of Total Quality Management (TQM). Since 2001, it has recognized some of the most outstanding private companies and government agencies that have achieved the highest level of performance excellence.

The PQA follows a rigorous assessment process done by some of the country's leading experts in productivity and quality principles. It provides GOCCs such as DBP with the criteria and benchmark for self-assessment to guide their quality and productivity improvement journey.

In terms of global competitiveness, DBP recognized the need to further enhance its core business processes for lending, deposits, treasury, and trust products. The Bank also recalibrated its strategies towards financial inclusion and greater accessibility of its banking products and services. This entailed plans to transition to digital touchpoints and alternative countryside expansion schemes or partnerships.

As part of DBP's PQA journey, DBP has also institutionalized its Innovation Framework consistent with the goals of RA 11293, otherwise known as the Philippine Innovation Act of 2019. Through the PQA, DBP is gradually transitioning to resilient and agile operations that allows it to generate new ideas resulting in improved policies, products, processes, and services.

**In terms of global competitiveness, DBP recognized the need to further enhance its core business processes for lending, deposits, treasury, and trust products.**



Recognition for Proficiency in Quality Management from the Philippine Quality Award (PQA),

## Procurement GRI 103-1 - 3

DBP incorporates sustainable procurement practices throughout the supply chain. The Implementing Rules and Regulations of the Government Procurement Act (RA 9184) govern the supply chain and procurement process of DBP. Under this law, DBP's third-party suppliers, manufacturers, contractors, and consultants must register with the Philippine Government Electronic Procurement System (PhilGEPS). DBP's Bids and Awards Committee and the Procurement and Inventory Management Department assure DBP's compliance with RA 9184 and other related policies and regulations.

All our procurement activities, infrastructure projects, and consulting services, are streamlined and judiciously planned and undertaken following the Approved Project Procurement Management Plan (PPMP) and Approved Procurement Plan (APP). Our aim is to highlight transparency, competitiveness, accountability, and public monitoring through DBP's internal procurement framework.

DBP procures commonly used supplies and equipment from our Procurement Service – Department of Budget and Management (PS-DBM). Items not available in the PS' Virtual Store, are processed through Shopping or Small Value Procurement. As applicable, we procure through public bidding or other alternative methods. We give preference to local suppliers. We include green procurement specifications for some supplies and equipment such as computers, lights, air-conditioning units, vehicles and cleaning chemicals. DBP prefers goods and services with a lower environmental impact.



# Organization Good Governance and Ethical Business Practices

DBP's vision of a poverty-free country relies mainly on our collective ability to foster good governance and highest degree of ethical behavior in the government and the private sector.



**260**  
Active Governance Circles from various business units all over the county.



**422**  
Front line staff provided with rapid antibody tests



**260**  
Scholarship provided to dependents of employees



## Good Governance and Ethical Business Practices GRI 102-16 - 18

DBP's vision of a poverty-free country relies mainly on our collective ability to foster good governance and highest degree of ethical behavior in the government and the private sector. As we continue to integrate sustainability principles into our systems and strategies, good governance remains the primary vehicle through which we ensure our relevance and responsiveness to the financing needs of the country's key sectors.

DBP is the first government bank to establish a Corporate Governance Office, which was eventually reorganized into OCS-Corporate Governance Unit. DBP ensures that all officers and employees maintain the highest standards of integrity and accountability. Beyond fully complying with relevant laws and statutes, the Bank mandates higher governance levels, ethics, and professionalism in our dealings with the private and public sectors.

At DBP, good corporate governance hinges on participative management, transparency, and people development. DBP institutionalized the bank-wide Governance Circles to foster a culture of inclusion and facilitate open discussions

of our policies, programs, and initiatives among officers and employees. In addition, DBP strictly implements a full disclosure and transparency policy for all our stakeholders. Moreover, training and educational opportunities locally and abroad, preparing them to be the next leaders in development.

DBP's Enhanced Corporate Governance Framework, built on rich experiences and lessons learned, reinforces the principles of fairness, integrity, discipline, accountability, and responsibility. It seeks to ensure and strengthen Board governance, ethical policies, regulatory compliance, stakeholder interest, management, human resource, social responsibility, and financial viability. It likewise serves as a guide for directors, officers, and employees in the pursuit of the Bank's corporate mission, vision, strategies, and goals.

We also have a Governance Committee that ensures the effectiveness and due observance of the Bank's governance principles and guidelines. Moreover, we conduct an annual Good Governance Forum to report on DBP's efforts to promote good governance as well as feature recent best practices in governance. This forum also promotes good governance within the organization and reinforce its importance to business performance.

### Above Board: Key Governance Policies

As public servants, the directors, officers, and employees of DBP commit to ensuring a culture of good corporate governance and the highest standards of work ethic to serve the interest of the general public and abide by the following norms of conduct:

- **Respect for and Obedience to the Constitution and the Law** – act accordingly within the bounds of the Philippine Constitution and applicable laws, especially 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 Bank's Code of Ethics and No Gift Policy at all times
- **Avoid Conflict of Interest** – avoid any appearance of impropriety in the performance of official duties and personal affairs
- **Commitment to Public Interest** – uphold the common good above personal interest
- **Transparency** – ensure openness and appropriate disclosure of the Bank's operations and uphold people's right of access to public information
- **Professionalism** – perform duties with the highest degree of excellence, intelligence and skill
- **Fairness and Sincerity** – do not discriminate against anyone on account of race, religion, belief, status, and age
- **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 country and the Filipino people, promote the use of locally-produced goods, resources 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 displays of wealth



Launch of DBP Governance Circles at DBP Tagbilaran Branch in Bohol. In photo are (from left): SVP Perla Melanie Caraan; Employees Union President Rudelito Tirado; VP Romeo Carandang; Directors Rogelio Garcia and Maria Lourdes Arcenas; PCEO Officer Emmanuel Herbosa; Directors Luis Bonguyan, Emmanuel Galicia Jr, and Teodoro Jumamil; AVP Masli Quilaman; and SVP Fernando Lagahit

### Governance Circles



To promote a culture of inclusion and diverse thinking, our Board of Directors established the DBP Governance Circles (GCs) in 2019. It serves as a mechanism to encourage the active participation and engagement of all officers and employees in DBP's corporate governance programs and activities under the Enhanced DBP Corporate Governance Framework.

Currently, there are more than 260 active GCs from various business units all over the county. These circles solicit feedback to ensure DBP's policies, programs, and initiatives, among others, remain grounded and responsive to the needs of our stakeholders.

The Governance Circles meet every month and submit reports to the OCS-Corporate Governance Unit, which identifies relevant issues and concerns raised during their meetings. The consolidated reports, including the GCs suggestions and recommendations, are submitted to the Governance Committee for notation and referral to concerned business units for appropriate action.

### Employee Management and Relations GRI 102-41, GRI 103-1 - 3



DBP upholds freedom of association and the right to organize as mandated by the Philippine Constitution. These constitutional rights allowed for the establishment of the DBP Employees Union (DBPEU), an employee organization formed under Executive Order No. 180 s. 1987 to be the sole and exclusive champion of employees' lawful interests. The Law

also provides for the creation of a Collective Negotiation Agreement (CNA) between the DBPEU and Management which codifies the range of lawful interests subject to collective negotiations. To ensure faithful implementation of the CNA, a Union-Management Consultative Committee (UMCC) was enacted under EO No. 895 s. 1983 composed of representatives from the DBPEU and Management. The UMCC serves as a platform for the settlement of disputes and the advancement of lawful employee interests. Through these instruments, we can promote harmonious employee relations and cultivate a productive work culture within the organization.



Promoting positive labor relationships within the Bank requires involving employees in decision-making. Accordingly, DBP implemented programs to strengthen employees' participation in work-related decision-making platforms. Recently, the Management Committee and DBPEU joined hands to address the challenges posed by the COVID-19 pandemic. Their representatives discussed strategies to prevent and manage the spread of COVID-19 while strictly observing the minimum health and safety protocols compliant with the rules set by the government's Inter-Agency Task Force.





Front sitting, left to right:  
Directors Rogelio V. Garcia,  
Miguel C. Abaya †

Front standing left to right:  
Alberto G. Romulo  
Chairman

2nd row, left to right:  
Directors Rafael L. Reyes, Jeanie N. Sandoval,  
Luis C. Bonguyan, Ma. Lourdes A. Arcenas,  
Teodoro M. Jumamil, Rolando L. Metin †  
Emmanuel P. Galicia, Jr.

Not in photo:  
Cecilia C. Borromeo  
Vice Chairman, President and CEO  
(January 9, 2017-February 28, 2019)

Emmanuel G. Herbosa  
Vice Chairman  
President and CEO  
(from March 1, 2019)

## Board of Directors GRI 405-1

At the forefront of DBP's leadership and management is the Board of Directors. The Board steers the affairs and operations of the Bank by providing clarity of direction in all policies, procedures, and controls for risk management and overall business sustainability.

Corporate leadership is the integral role of DBP's Board of Directors. The Board ensures that DBP not only adheres to the Philippine Constitution and all applicable laws, rules, regulations, and standards but also supports the National Government's priority development programs and inclusive growth initiatives. In addition, the Board establishes and directs the Bank toward a clear vision and mission, complemented by risk management measures and strategic goals.

DBP emphasizes excellence in leadership by ensuring that all Members of its Governing Board are qualified, competent and persons of high integrity. As part of the continuing qualification requirement, DBP requires the members of the Board to have adequate working knowledge of the statutory and regulatory requirements that impact the Bank. Of equal importance are the Directors' familiarity with


critical and emerging industry issues and business trends. On these bases, the President of the Philippines appoints the nine Directors who serve for a term of one year until qualified successors have been selected and appointed.

The Chairman of the DBP Board ensures the effective functioning of the Board, including the continuance and sustenance of the relationship of trust among its members. The Chairman ensures that the Board makes informed decisions and encourages critical discussions during board meetings. Moreover, the Chairman also sets and approves the agenda for board meetings and exercises control over the quality and timeliness of the flow of information between the Management and the Board.

DBP's President and Chief Executive Officer (CEO), on the other hand, exercises control and supervision over the Management Team and simultaneously serves as an Executive Director and Vice-Chairperson of the Board. In compliance with Section 132 of the Manual of Regulations for Banks, at least a third but not less than two members of the Board serve as DBP's independent directors.

DBP's Policy on Board remuneration is consistent with EO No. 24, s. 2011, GCG MC 2016-01, and other relevant rules and regulations related to the compensation of the Board Directors.



		BOARD COMPOSITION				
		Independent		Non-Independent		Total
		Male	Female	Male	Female	
2018	Executive				1	1
	Non-Executive	4	1	3		
	Total	4	1	3	1	9 <sup>1</sup>
2019	Executive			1	1	1 <sup>2</sup>
	Non-Executive	3	1	4		8
	Total	3	1	5	1	9
2020	Executive			1		1
	Non-Executive	3	1	5	1	8 <sup>3</sup>
	Total	3	1	6	1	9

## Board-level Committees GRI 102-22

DBP's Board of Directors delegated specific responsibilities to Board-Level Committees to increase efficiency, allow for deeper focus in key areas, and aid in compliance the principles of good governance. The Committees provide instructions to Management, and assist in the adoption/review as well as oversee implementation of Bank policies. It does not, however, excuse the Board from its collective responsibility for all matters that are within its primary responsibilities.

The Bank's Board-Level Committees are as follows: Executive Committee, Governance Committee, Audit and Compliance Committee, IT Governance Committee, Risk Oversight Committee, Human Resource Committee, Trust Committee, Development Advocacy Committee, Related Party Transactions Committee, and Budget Committee.

To complement these, DBP established key Management Committees to ensure prudence, accountability, and responsibility within the leadership and management of the Bank. These include the Management Committee, the Credit Committee, the Asset-Liability Management Committee, and IT Steering Committee.

<sup>1</sup>Reversion of Director Teodoro Jumamil from being an Independent Director to Regular Director in March 2018

<sup>2</sup>Change of PCEO from Cecilia Borromeo to Emmanuel Herbosa in March 2019.

<sup>3</sup>Directors Rolando Metin and Teodoro Jumamil only served until May 2020 and November 2020, respectively. Meanwhile, Directors Rafael Reyes and Jeannie Ng Sandoval assumed office in November 2020.



# Leadership and Governance for Peace



**A vital part of DBP's development agenda is the promotion of peace in conflict-affected areas of the country. Under the leadership of DBP President and Chief Executive Officer Emmanuel Herbosa, we have worked harder to reaffirm our commitment to pursuing programs that bring about dialogue, understanding, and peace in areas that are still plagued by armed conflict and violence.**

In 2019, President Herbosa participated in a meeting with Peace Adviser Carlito Galvez Jr. and Moro Islamic Liberation Front (MILF) leader Hadji Abdullah Makaapar to explore economic opportunities for residents in conflict-affected zones. Held at the MILF Camp Bilal in Lanao del Sur, the meeting gave President Herbosa fresh insights on the conditions of the people in the area that will enable DBP to further solidify our commitment to peace in the region.

Since President Herbosa's visits to Maguindanao and Lanao del Sur to meet with the leaders of the MILF, our Bank has firmed up its support to the peace process in conflict-affected zones in Muslim Mindanao, including Basilan, Sulu, and Tawi-Tawi. Under President Herbosa's stewardship, DBP has shown that the Bank can be an effective agent for peace, in step with its role as a catalyst for sustainable development.

"DBP will support the National Government's efforts to resolve the decades-long armed struggle in Mindanao by providing the financial intervention necessary to hasten the reintegration of the MILF rebels into society, and enable them to lead productive, civilian lives," he said.

President Herbosa's commitment to the peace process led to the signing of a Memorandum of Understanding between DBP and the Office of the Presidential Adviser on the Peace Process (OPAPP). This partnership seeks to ensure the proper disbursement and prudent management of funds specifically allocated for development projects. For DBP, mobilizing critical resources is essential to upgrading the level of social services and infrastructure in Mindanao.

Under the MOU with the OPAPP, the DBP Trust Banking Group would serve as overall fund manager of the agency's financial resources, covering disbursement management, fund acceptance, and fund management. As the lead agency in implementing the government's peace process, the OPAPP needs the support of like-minded agencies such as DBP in bringing forth lasting peace in the region.

"Lasting peace is a prerequisite to sustainable development," explained President Herbosa. "OPAPP's vision of attaining peace in Muslim Mindanao is well aligned with DBP's mandate to bring about inclusive and sustainable growth. We at DBP are, therefore, firmly committed to supporting programs and projects that will improve the level of social services and infrastructure to help Mindanao achieve its full potential."

Aside from the partnership with OPAPP, the Bank has also entered an agreement with the Mindanao Development Authority to expedite the implementation of flagship projects and programs for the region. According to President Herbosa, "Peace is an important pillar for development. However, peace will only be achieved if the people in the margins, especially those in conflict areas, are included in the development process."

## Peace Champion

In recognition of these efforts, the OPAPP conferred the Peace Process Champion Award to DBP through our President and CEO in 2019. President Herbosa warmly received the accolade citing the commitment and active support of DBP's top management in the country's peace building programs.

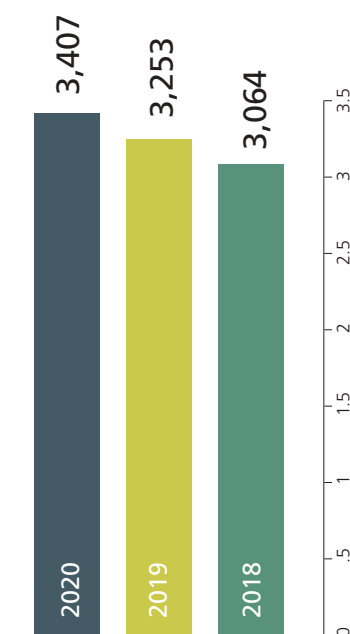


“Lasting peace is a prerequisite to sustainable development. However, peace will only be achieved if the people in the margins, especially those in conflict areas, are included in the development process.”

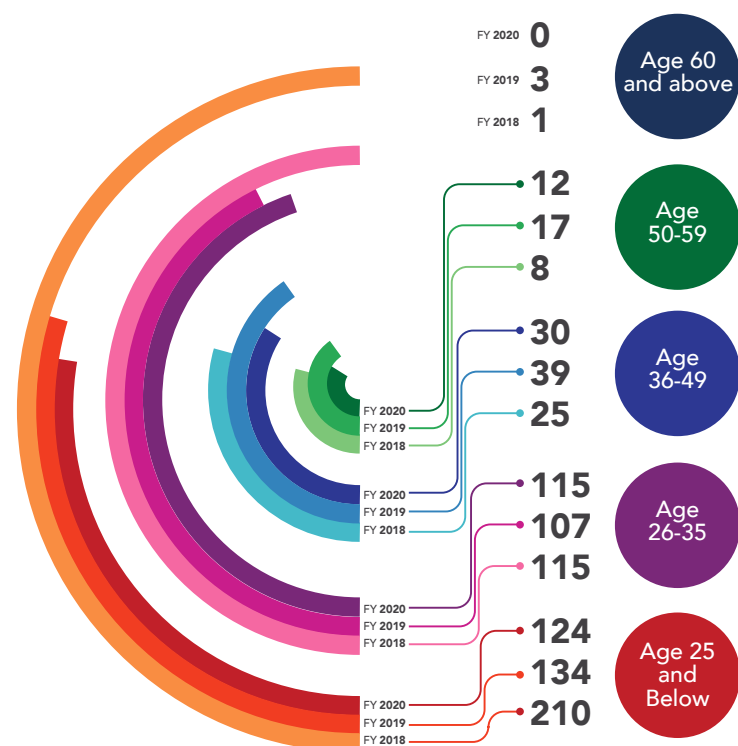




## DBP Workforce at a Glance



## DBP New Hires by Age



## Our People (Building a Sustainable Workforce)

GRI 102-7 & 8, GRI 103-1 – 3, GRI 401-1

Our employees are the key to DBP's operational excellence. As a service and development-oriented institution, DBP prides itself on employees who strive to promote the values of integrity, excellence, teamwork, service to others, and love of country across our organization.

To give back to its employees, DBP strives to offer a work environment that fully supports employee growth and well-being. We strive to create a healthy workplace that inspires our people to flourish and realize their full potential. We design and offer numerous programs that support a healthy work-life balance. Further, DBP employs a competitive and merit-based selection and hiring process. We also offer competitive remuneration, benefits, and various non-financial incentives to attract and retain talent.

During times of crisis, our employees are given ample time to recover and obtain additional resources and tools to weather the challenges they face. With the ongoing health crisis, DBP enhanced our existing employee health initiatives, especially for our employees on the frontlines of service. Starting in 2020, we implemented improved health and safety measures to maintain employee well-being and ensure a safe workplace for all.

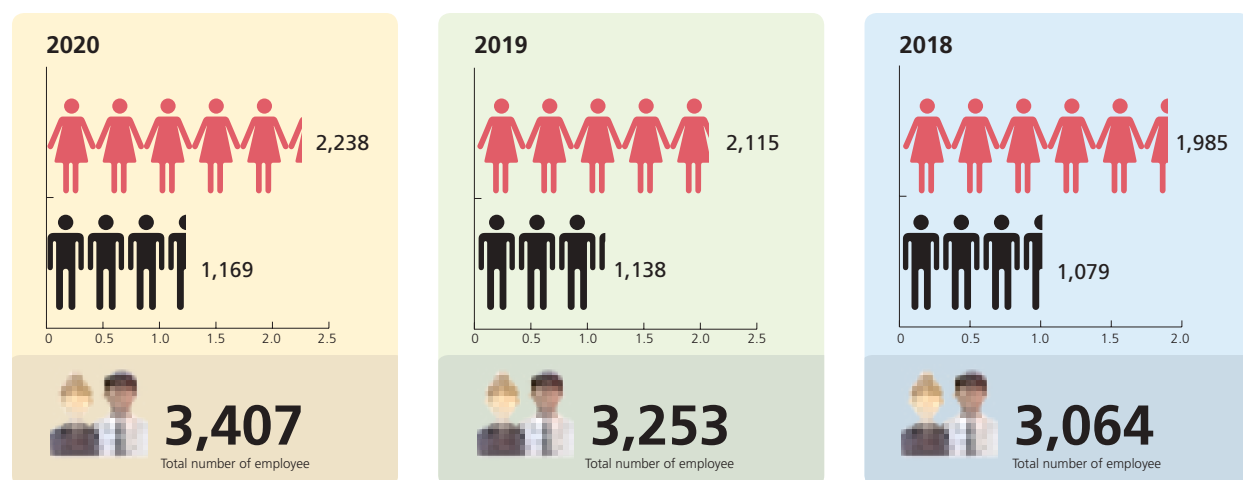
## Recruitment

Our steady growth as a reliable government financing institution has allowed DBP to expand its services and hire more employees. In 2018, DBP had 3,064 employees across the country, which increased in 2019 to 3,253 and in 2020 to 3,407.

To give back to its employees, DBP strives to offer a work environment that fully supports employee growth and well-being.

## Number of employees by employment type

Full-time and part-time, by gender





# Leading Employees to Success



It is no secret that we at DBP care about the success and growth of our people. Assigning apt responsibilities and training recognized talent leads employees to success. One of our employee success stories is First Vice President Rosemarie Callanta, the Head of DBP Branch Banking Group for Western Visayas. Her story is not a complicated tale to tell, but it certainly was not an easy journey.

As a working student, she strove hard and worked to support herself and maintain good grades to qualify for scholarships while in school. After graduation from De La Salle Bacolod, she began her career at DBP as a clerk typist—a second-generation employee taking after her father who was a security guard at the Bacolod branch until 1976.

In 2000, FVP Callanta was one of four rank-and-file employees accorded the DBP President’s Award, proving her worth with outstanding work and dedication. Later, her subsequent assignments as Cashier and then as Branch Head in Bacolod became a career turning point that spurred her on to greater heights.

FVP Callanta rose from the bottom by putting honesty in her work, a value she has always lived by, giving equal work for equal pay wherever she was assigned within the Bank.

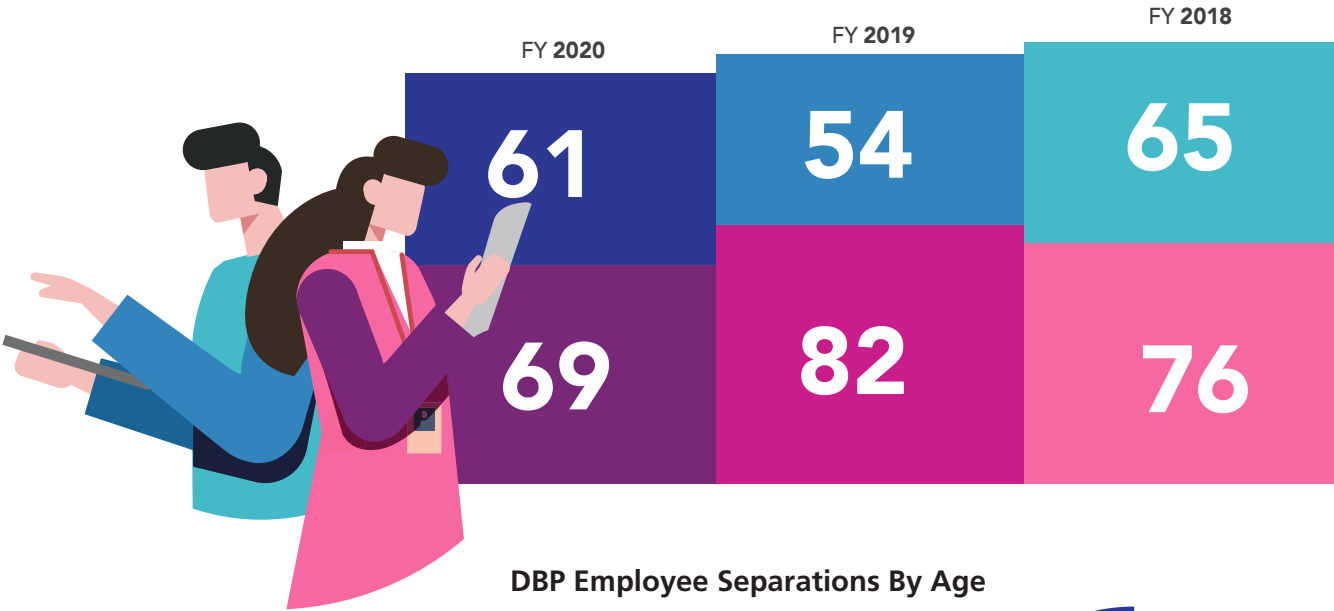
After 37 years of dedicated service, FVP Callanta landed what she considers her greatest achievement—being entrusted as Head for BBG-Western Visayas. FVP Callanta acknowledges that she could not have done this all by herself. Throughout her years of service, she honed her abilities and leadership skills with the help of former bosses who recognized her talent, and later mentored, and trusted her with critical positions in the Bank. In gratitude, FVP Callanta never failed the support and trust given by DBP. It is no surprise she shares that, “one only has to do his or her job well,” to succeed.

## Retention and Separation

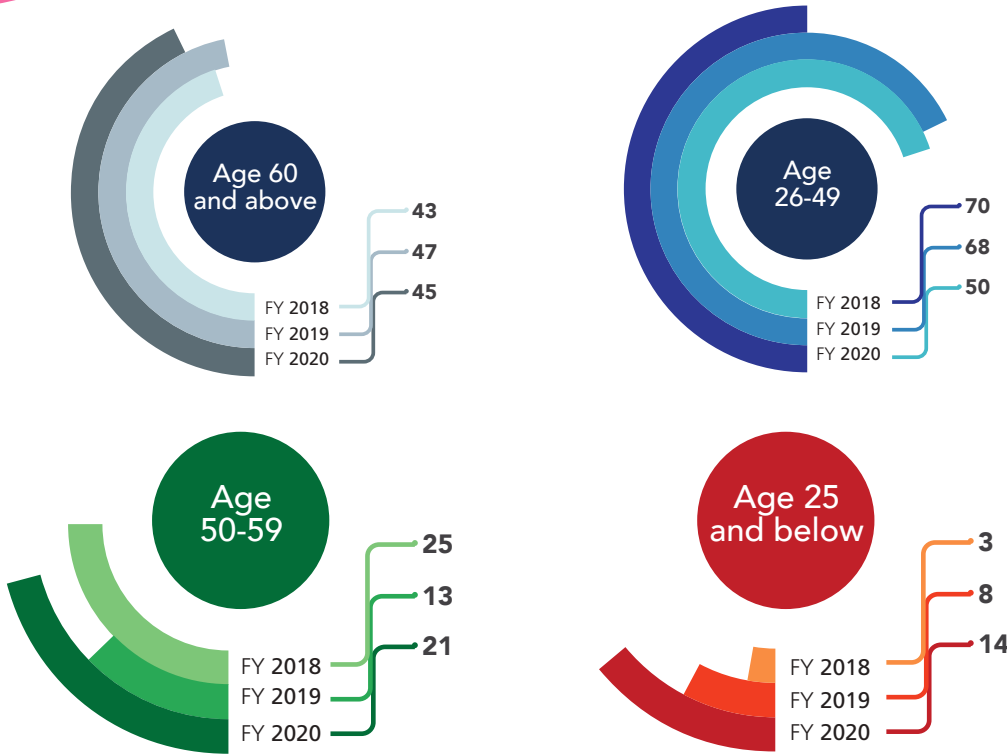
In 2018, we had 1,000 in our ranks with over 21 years tenure of employment, but this figure declined in 2020 to 913 personnel. Still, those who have been with DBP for more than two decades comprise the highest number among our employees. We retain most of our talent because of our competitive compensation package with diverse benefits, allowances, and subsidies, and career development.

Over the past three years, DBP recorded a decreasing trend for its new hires and employee separations. In 2018 the Bank hired 364 employees; this number went down to 271 in 2020. On the other hand, there were 141 employee separations in 2018, which slightly dropped to 130 in 2020.

### DBP Employee Separations By Gender



### DBP Employee Separations By Age





# Extending Inclusive Opportunities



**At DBP, we believe that offering inclusive training opportunities paves the way for the growth and success of our staff regardless of economic and social status, gender, or ethnicity. For Fatima Rona Halud, DBP's Management Associates Program set her path to a fruitful, life-changing career despite her chaotic past of scarcity and war.**

A native Tausug Muslim, Fatima comes from the war-torn province of Sulu. Growing up shadowed by insurgency and poverty, the young Fatima had to overcome struggles daily, the primary of which is the endemic armed conflict that limited her prospects for growth. Fatima narrates, "Whenever the unending wars between the government and the rebels would prosper in our land, Sulu, it always felt like a long tunnel of darkness that was almost impossible to get out of. Most of us, the Moros, get stuck in the same place but some keep on going until they see the light at the end of the tunnel—and I am one of them."

Indeed, Fatima kept going even if sometimes they were running on empty. Her father had no permanent job and they were dependent on a minimum provincial wage from his job as a barangay tanod while her mother was a full-time homemaker. To the best of their abilities, they gave life and raised all seven of their children. She adds, "Life from within our home and school was filled with love, but life elsewhere was of war. Insurgencies and armed conflict enveloped our land."

Yet despite the odds, Fatima persevered in school, topping her class in elementary and high school. Her turning point came at 15 when she was chosen for an exchange program in California, USA. This experience abroad inspired her to dream bigger—of a life far better than in Sulu.

Faith and prayers carried Fatima through as she qualified for a full scholarship at the Ateneo de Zamboanga University and graduated with a Mathematics degree in 2015. That same year, she was interviewed by Heidi Macasaet of DBP at a job fair in the Ateneo. She encouraged Fatima to apply for the Bank's Management Associates Program (MAP) and pursue a career in development banking at DBP.

Fatima found the MAP to be rigorous, yet she survived and later landed a position as an account officer at the Corporate Banking Group at the DBP Head Office. While things were slowly getting better for Fatima, tragic events again befell her: her father whom she was close to passed away in 2017, then their home burned down the following year. She forced herself through these trying times with a busy façade of work while being a broken mess inside. Away from her family in Sulu, the DBP Family became her rock and helped Fatima recover from her chaos inside.

Wrung but not worn, Fatima continued to excel for the Bank and even set records in loans booked that remain unbroken to this day. Now as Manager of the Public Sector Department, Fatima stays driven and inspired by her family in Sulu. As an inclusive workplace, DBP continues to extend opportunities for individuals like Fatima who prove one's future is not predicated on one's past. Fatima declares, "As I go on with life I bring the qualities of a Moro—a fighter and a survivor who refuses to give up against the wars of life." For Fatima, chaos is a ladder to be climbed and topped, rung after rung like a true Moro.

## Diversity and Equal Opportunities

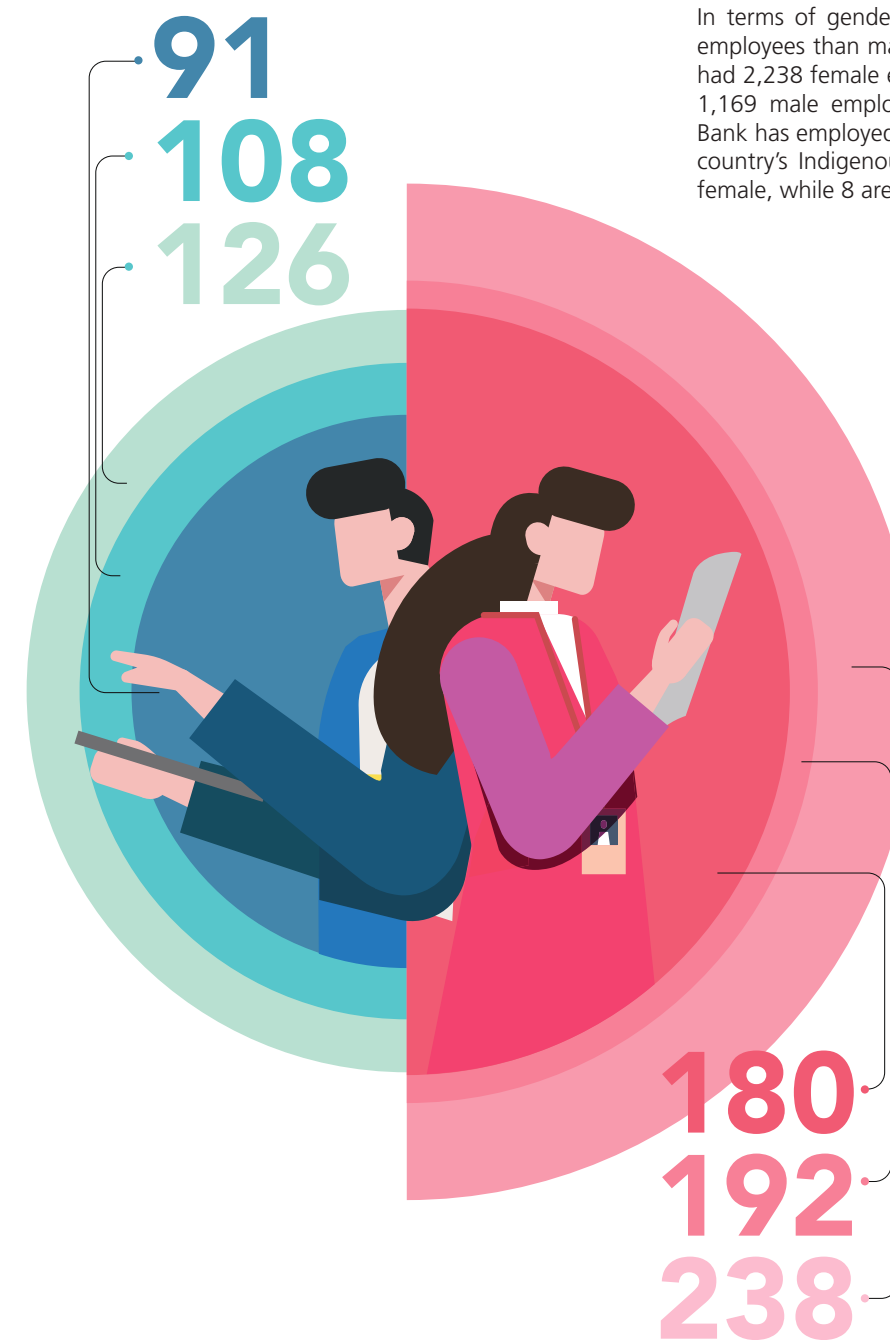
DBP offers a work environment that upholds equal opportunities for career growth. Our policy of no discrimination is outlined under DBP Circular No. 12 series of 2019, which prohibits any form of prejudice or bias based on gender identity, civil status, physical disabilities, religion, political affiliation, ethnicity, and indigenous cultural community membership. This policy seeks to ensure equal treatment from hiring to training and promotion.

In terms of gender representation, DBP has more female employees than male employees. At the end of 2020, DBP had 2,238 female employees, almost twice higher than the 1,169 male employees hired by the Bank. Likewise, the Bank has employed 19 employees who are members of the country's Indigenous People (IP) groups. Of these, 11 are female, while 8 are male.

### DBP New Hires By Gender

#### MALE

● FY 2020 ● FY 2019 ● FY 2018



**19** employees who are members of the country's Indigenous People (IP) groups have been employed by the bank.

#### FEMALE

● FY 2020 ● FY 2019 ● FY 2018



# Caring with DBP: Definitive Benefits Package



Everyone faces a time of desperation in a medical emergency. For one of our employees from Albay, it felt like everything around her was crumbling when her son was born prematurely and became in dire need financially. Anne Marie Vargas was that desperate employee, an Account Officer Assistant at the SMILE Department, assigned to the Legazpi branch at that time.

Relief came when DBP helped Anne Marie and her son through the Bank’s medical benefits, a special loan from the Provident Fund, and help from the DBP Family—many of whom she did not know personally. She remembers that “those I knew even passed the hat twice for my frail little one.”

“I chose to share my story because looking back at everything that I went through, I would not trade being with DBP for the world.” She continues, saying, “Being with an institution like DBP is not all about work, but about being part of a bigger family.”

After hurdling her son’s predicament, Anne Marie was left with an enduring sense of deep gratitude to the Bank— a feeling she shares with SME clients also aided by the Bank. She takes pride in this, saying, “I feel their appreciation of DBP’s assistance, and to them, I am proud to be the face of DBP.” She is now actively involved in advancing countrywide development initiatives as an Account Officer at the Albay Lending Center.

Having a definitive benefits package that DBP affords to care for its employees, Anne Marie, and others like her can deal with life’s exigencies—often kindly aided by the DBP Family.

## Compensation and Benefits - Employee Remuneration

GRI 102-35 - 39, GRI 103-1 - 3, GRI 202-1, GRI 401-2 - 3, GRI 405-2 - 3

The Bank has developed a compensation plan and complementary benefits program to support our people’s financial, physical, and emotional wellness. DBP rewards its employees with competitive compensation and incentive packages based on merit and performance.

DBP enjoys exemption from the Salary Standardization Law (SSL) despite being a government institution. Through the DBP’s Revised Charter, we can offer a compensation package on par with our private sector counterparts. The Compensation Plan is reviewed once every two years to ensure its competitiveness and responsiveness to industry trends.

We also follow a distinct salary structure with standard benefits and allowances to attract and keep our talents. On top of their salary, employees also receive a Mid-Year Bonus and other payments, benefits, and subsidies, such as

the Provident Fund, Health Care Plan, and Motor Vehicle Lease Purchase Plan. The health care plan provides adequate coverage for critical illness and other health needs.

The Bank’s Compensation Plan outlines the compensation of the high-ranking officers of DBP, including the President and CEO and the four highest compensated officers. The increase in salaries of top officers and managers depends on their performance rating and ranking and shall not exceed their level’s maximum wage. DBP also implements a pay range for different levels and positions in the organization.

Annual incentive payouts are given to employees through the Performance-Based Bonus (PBB), depending on the overall performance of the Bank. This bonus is subject to the conditions, requirements and multiplier incentives established by the Governance Commission covering government-owned and controlled corporations (GOCCs) such as DBP. Granting PBB incentive lies with the Bank’s ability to achieve its annual goals and targets related to economic, environmental and social aspects.

All our employees are given notice in the event of termination or separation. For senior officers, the Compliance Management Group is notified regarding any approval of separation. Employees separated from the Bank may receive their separation benefits, including the Provident Fund, last pay and money value of leave credits (if any) after submitting documentary requirements with a Certificate of Clearance

List of Benefits	2020		2019		2018	
	# of employees who availed for the year		# of employees who availed for the year		# of employees who availed for the year	
	Female	Male	Female	Male	Female	Male
GSIS	2108	1105	2006	1078	1903	1019
Sickness	92	37	367	177	1610	845
GSIS Loan	704		965		1371	
PhilHealth contribution	2238	1169	2115	1138	1985	1079
Pag-IBIG contribution	2238	1169	2115	1138	1985	1079
Parental leaves (solo parent, maternity and paternity leave)	105	25	121	32	95	24
Solo Parent	44	5	48	4	37	1
Maternity	91		97		68	
Paternity		24		33		28
Vacation leaves	145	71	718	343	716	400
Sick leaves	92	37	367	177	1610	845
Magna Carta for Women	3		1		9	
Medical benefits (aside from PhilHealth)	2108	1105	2006	1078	1903	1019
Medical allowance (including medicine allowance)	2238	1169	2115	1138	1985	1079
Quarters Privilege (Housing assistance)	23	27	19	25	16	21
Provident Fund (Retirement fund)	2108	1105	2006	1078	1903	1019
PACES (Further education support)	50					
Flexible-working Hours (employees with sliding flexi shift)	1303	764	1062	637	947	608



# Opening Doors for DBP Employees



**One unique benefit that opens possibilities for our personnel is the Provident Fund. The Fund offers comprehensive loan products and services as well as other valuable benefits compounded for our employees.**

**Rivi-Anne Feria from Western Visayas is one beneficiary who literally went on to build her dream for her family by using her personal savings and through DBP's Multi-Purpose Loan.**

Rivi narrates, "It is everyone's dream to have a place they can call home. To some, it is the comforts of warm hugs from people we love; for others, it is a structural place providing comfort against the scorching heat of the sun or the blows of the storm. DBP paved the way for a possibility to have both; because more than its vision of building possibilities for the Philippines, DBP builds possibilities for its own people."

Rivi experienced economic hardships early on in life when her father, the family's breadwinner, passed so soon. But this just firmed up her resolve to step up and do better. "All my life, I have been a go-getter, a dreamer, and a realizer. Coming from a financially challenged family, I was raised knowing the value of working hard to achieve your dreams, to value the people you are with every step of the way. Motivated by the hardships and pain of seeing our Mom singlehandedly raise all 10 of us because of the early passing of our father, I strived and earned consistent honors in school. Graduating with top honors in college paved the way for me to join DBP. With my values and family as anchor, DBP is my ship towards a beautiful journey of possibilities. And our home that was built in 2018 was just the start."

Windows open when doors close or so the adage goes, but DBP endeavors to open doors of opportunity for those willing to work for their dreams. For Rivi, her job not only supported their needs, but also allowed her to build her dreams with a comfortable home for her family first.

## Provident Fund

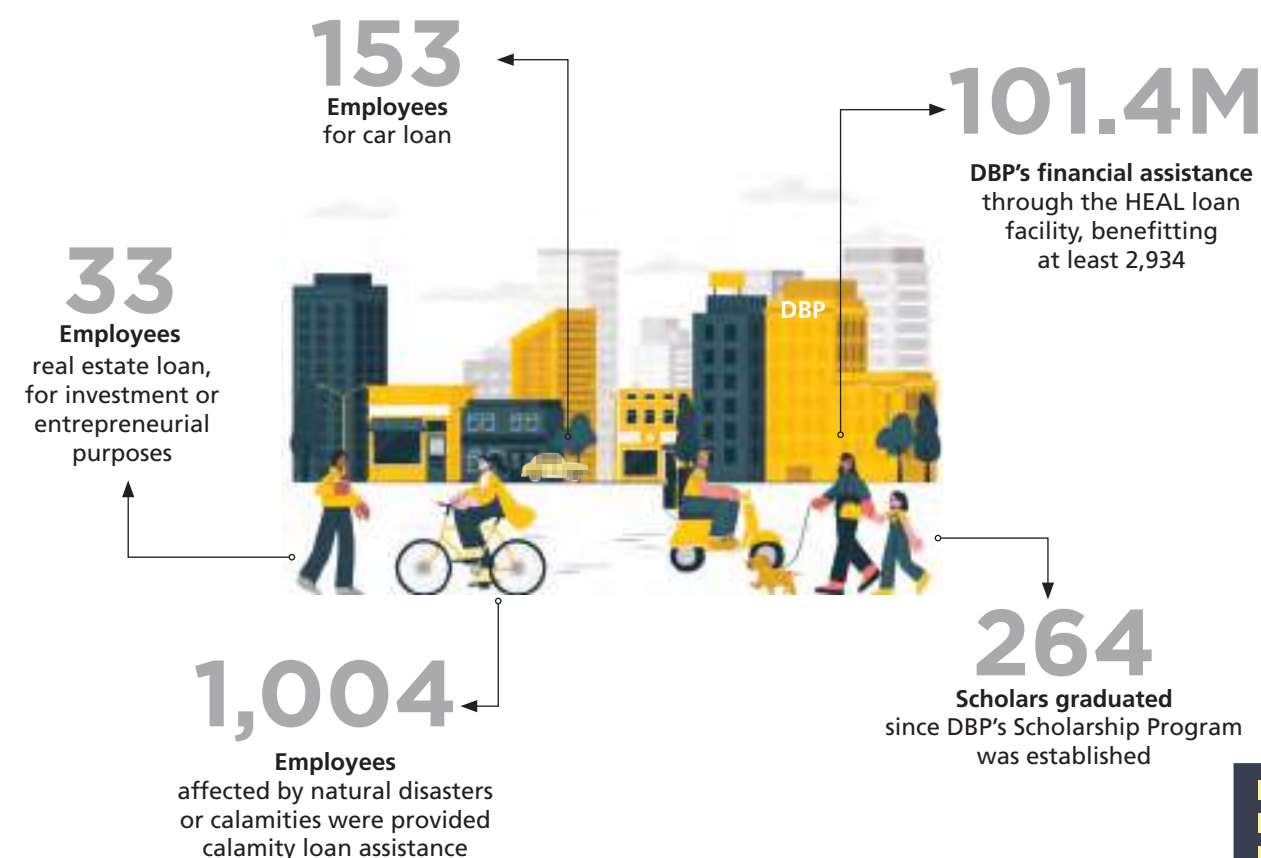
DBP always strives to provide the best employee benefits to our internal stakeholders. One of our unique benefits available to our personnel is the DBP's Provident Fund. It is a trust fund that is part of our employees' pension plan in line with Republic Act 4537. This retirement benefit is available for officials and employees who have demonstrated dedicated service to the Bank. As counterpart funding, DBP provides a 30% share of this fund. Through this unique incentives' mechanism, DBP employees can better prepare for their retirement.

Provident Fund offers various loans with competitive terms and concessional rates that allows our employees to accumulate assets and build-up net worth. For the period 2018-2020, PF's Individual Housing Loan Program provided financial assistance to 202 DBP employees, Real estate loan to 33 employees for investment or entrepreneurial purposes, and 153 employees for car loan.

PF continues to be a steady partner of DBP employees during unexpected financial needs. 1,004 employees affected by natural disasters or calamities were provided calamity loan assistance. PF's Emergency Loan, on the other hand, extended assistance to 62 DBP employees for their emergency requirements and their dependents medical needs that Health Care Fund does not cover.

With the unexpected outbreak of COVID-19 in 2020, PF helped DBP make advance payment for the vaccines for our employees amounting to Php25.9 million. In addition, DBP also provided financial assistance through a loan facility called HEAL, benefitting at least 2,934 members with a total amount of Php101.4 million. Attuned to the needs of our employees, PF offered TELE Loan (Tools Essential Leading to Employees Productivity) to provide PF members a source of funds for acquiring Tele device/s in support of the alternative work arrangement (WFH) to maintain productivity and upkeep their qualified dependents in the DEPED's Blended Learning Program. 1,154 employees availed this loan.

DBP also extends financial assistance to deserving dependents through the Scholarship Program for Dependents of Employees. Designed to make tertiary education accessible to DBP employees' dependents, this program also contributes to the achievement of Sustainable Development Goal 4 to ensure inclusive and equitable quality education. The number of scholars accommodated by the program in 2018 is 23, which slightly increased to 24 in 2019. This Scholarship Program has produced a total of 264 graduates since its establishment.





People Development and Talent Management

GRI 103-1 – 3, GRI 404-1 – 3

Investing in our employee’s talent development is a crucial strategy for driving organizational performance, productivity, and results. Accordingly, the Bank supports the career development of our employees by establishing processes, systems, and programs that advance learning strategies, performance management, and succession planning.

The DBP Human Resource Management Systems are linked closely through a Competency Framework, which serves as the standard for assessing and developing employee competencies. The framework design includes eleven core competencies required for all employees, four leadership competencies for managers, and specific technical or functional competencies for different business units.

In 2018, we conducted a competency profiling and assessment exercise involving branch heads, account officers, and treasury and corporate finance professionals. The following year, we conducted a competency profiling and assessment of the Bank Operations Group in its two key departments: the Loans Administration Department (LAD) and the Foreign Domestic Settlement and Operations Department (FDSOD). In 2020, we undertook the Bank-wide Online Competency Assessment. All of the Bank’s permanent officers and staff completed their competency assessment in 16 Job Groups. DBP achieved a competency baseline of 2.59 out of a three-point scale, or an exceed standards rating. The assessment results were integrated into the Learning and Development System’s needs assessment, planning, intervention design, and implementation of Learning and Development programs.

To maximize employee potential, DBP offers various career and development opportunities, which include certification programs, licensure for specialized roles, local and international study grants, and coaching and mentoring schemes. To evenly spread these career development opportunities, DBP created a Personnel Development Committee (PDC) responsible for formulating policies and supporting management in evaluating candidates for scholarship programs.

DBP issued a Circular in 2018 on the Learning and Career Development Plan (LCDP) for its officers and employees. The circular outlines the objectives, guidelines, and coverage of the LCDP. Aiming to enhance employees’ effectiveness and encourage professional development, the LCDP provides in-service training, formal education, and local or foreign scholarship grants. For in-service training, employees undergo competency-based core courses, specialized or technical programs, leadership and management programs, and a culture and values enhancement program. Aside from scholarship grants and professional certification programs, DBP allows job rotation to develop employee skill sets and increase job assignment flexibility.

DBP uses a strategic performance management system to drive employee performance and productivity towards organizational results. Performance evaluation results serve as the basis for promotion and various forms of performance-based incentives. The results are also used to prioritize specific learning and development programs and interventions. Additionally, DBP has a policy that grants paid time off or study leave benefits for staff completing their master’s degrees or taking professional licensure exams.

Another sustainable talent development strategy of the Bank is the DBP Management Associates Program (MAP), which has spanned 16 years and produced 333 graduates. MAP is DBP’s well-designed talent development initiative to select, train, and deploy a pool of qualified and high potential candidates for junior officer positions. After undergoing training, these officers will be assigned in core and critical banking functions. Interested employees benefit from a year-long extensive exposure to DBP’s entire operations and groundwork experience as they jumpstart their career in development banking.

As part of its leadership continuity planning, DBP institutionalized the DBP Succession Plan, a result of DBP’s institutionalized Succession Management System through Circular 50 series of 2018, which documents the Career Development Plans of identified potential successors in critical positions. This strategy addresses operational risk management and ensures that 80% of its key personnel have formal Career Development Plans as of 2021. We update the DBP Succession Plan every two years or as necessary. Talent reviews of identified successors and their readiness to assume the role are incorporated in the Succession Management System. The readiness level for assuming leadership roles, whether in three to five years or one to two years, is determined for key and critical roles such as Sector Heads, Group Heads, Department Heads, Branch Heads, and Lending Center Heads.

In 2020, DBP shifted to the Learn-From-Home program to ensure continuity in the learning and development of its employees. Through its eLearning Facility iLearn, DBP curated internally and externally sourced digital programs for its employees’ professional development. These learning schemes handled by credible service providers have positively influenced DBP’s transformation in learning approaches and modalities that significantly lowered the learning overhead cost, increased availability, and widened access to learning and development interventions.

DBP puts a high premium on the continuous improvement of our leaders and managers to ensure business and operational excellence. Our Developing Executives, People Managers in Transition, and High-Potential Successors (DEPTHS) program for managerial positions enhance our current management and leadership programs. The framework includes case study methodology, a learning management portal, group collaboration, and an Action Learning Project to build our current and potential leaders’ competencies.

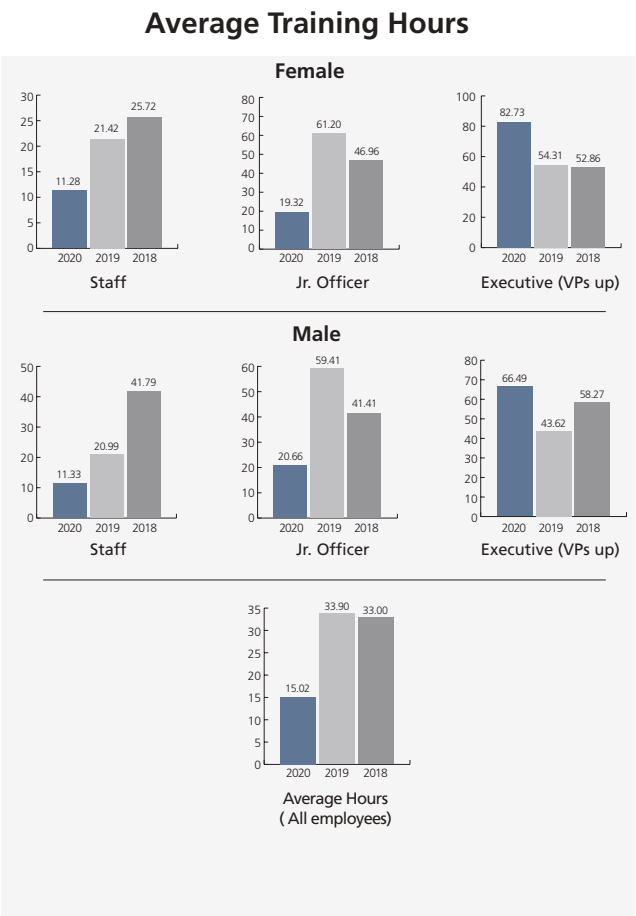
Our employee development programs enabled DBP to receive the Best in Workforce Award at the 2019 Sustainable Business Awards (SBA). This recognition acknowledges DBP’s best practices in developing our staff through the DBP Learning and Career Development Plan, which provides employees the opportunity to grow and develop in the organization. Through this plan, employees have the chance to upgrade their skills and competencies and advance their career within the Bank. DBP was also cited for its introduction of the DBP Competency Model, which prescribes the skills standard or profile requirement for a specific role and position.



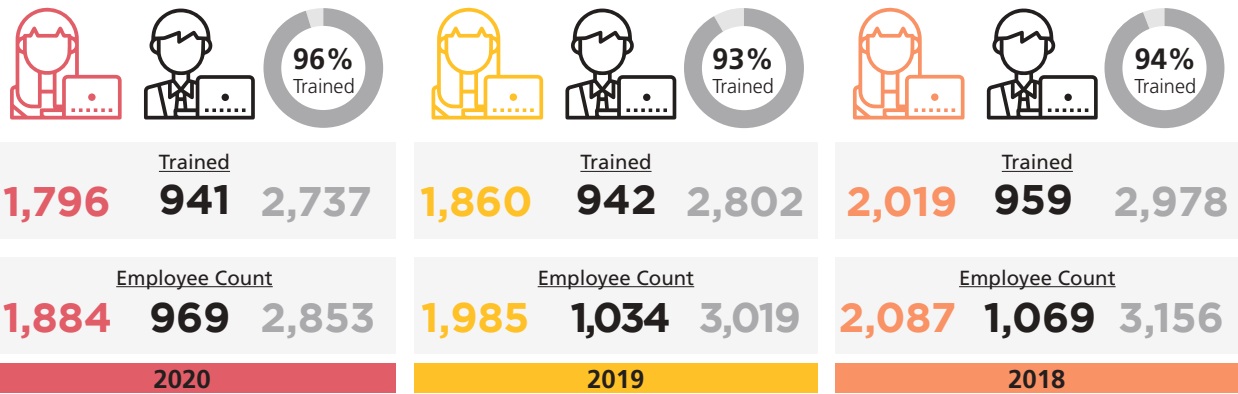
Best in Workforce Award at the 2019 Sustainable Business Awards (SBA).

DBP’s commitment as an equal opportunity employer through its Merit Selection Plan is another best practice recognized by the award. In fact, the percentage of female employees at DBP is greater than their male counterparts. Meanwhile, our workforce is also culturally diverse, coming from different ethnic groups and religious denominations.

The SBA award is a testament to the hard work and collaboration of all DBP employees, especially the Human Resources Management Group, which has been proactive and persistent in finding ways to support our personnel.



Percentage of Trained Employees (Permanent Employees)





# Cebu Branch Head is Presidential Gawad CES Awardee



**As a development bank, DBP aims to exemplify outstanding performance and excellence in public service. A case in point is DBP Cebu Branch Head VP Helbert Antoine “Wewen” Achay, a product of our Management Associates Program who was vested with the Presidential Gawad CES Award in 2018. The award recognized the product and process innovations introduced by VP Achay that led to financial inclusivity among suppliers of goods and services in Cebu City. Additionally, DBP Cebu Branch also recorded significant growth in its salary loan portfolio.**

When VP Achay was awarded by the Career Executive Service Board, he realized that he had always looked forward to that day—that he may give back the honor to his family, mentors, all those surrounding him, and of course, to God. VP Achay is the fourth of seven children, born to a government employee father and a homemaker mother. He relates that his family was financially poor but emotionally wealthy, with imperfect but great parents.

Excerpted from his acceptance speech, VP Achay shared the following guideposts on being great and grateful.

“Let us all be great in our families first before we think of becoming great in our communities or workplace.” Following the example of his parents’ selflessness and perseverance, VP Achay strives to be a good father and husband for his own family first. Mindful of how much we owe our sense of being to our parents and our family, VP Achay stresses, “Let us strive, be intentional, and as much as possible, be consistent to become great for our families.”

“Accept your “now” and be great anyway.” VP Achay clearly accepted his family’s financial situation but being restricted by it was unacceptable. Instead, he struggled past fiscal limits, bested himself, then graduated with valedictory and Latin honors in high school and college, respectively. VP Achay asserts, “No amount of intentional effort to become a better version of yourself ever goes to waste.” That chance to be better came when he chose to be employed at DBP which offered the highest compensation package for new graduates then. This civil engineering major was building the foundation for a solid future to uplift his family and DBP was his vehicle.

“Gratefulness paves the way to Greatness.” VP Achay was still training under the MAP when he passed the civil engineering licensure examinations. Initially, he intended to leave DBP after his three-year service obligation—but his attitude was gratitude. VP Achay affirms, “DBP has helped me and my family economically. I am grateful to DBP for the positive changes it has brought to my life. It became easier to do great in the institution.”

“Let us do our part, let us be intentional to grow.” Always hungry for growth, VP Achay went beyond what clients said and worked extra hours on various aspects of financial analysis himself. VP Achay also made sure to attend enhancement seminars even with his own money. All these in turn made for the innovations he later introduced and got recognized for, which propelled him to higher accountabilities. “Growth is easy when one is intentional about growing. Greatness is just consequential,” he declares and encourages everyone to be great in one’s own way.

VP Achay goal was not to achieve greatness alone but to show gratefulness, as this attitude of gratitude begets excellent public service. Throughout his journey, VP Achay worked past his limits with grit, as his great motivation was a grateful family—at home and at DBP.

## Occupational Health and Safety - Health and Wellness

GRI 103-1 – 3, GRI 403-1 - 10

The need for a healthy workforce has become all the more evident during the COVID-19 pandemic. As such, we have taken various steps, on top of our existing programs, to protect the health and well-being of our workforce.

Prior to the COVID-19 pandemic, DBP has a Health and Wellness Unit under the Employee Relations Department (HWU-ERD). The Unit leads the implementation of DBP’s healthcare plan and ensures that employees’ medical needs are met. Additionally, HWU-ERD conducts capacity building and training programs that enhance the well-being of DBP’s personnel.

As the pandemic accelerated changes in the workplace, DBP instituted several changes to meet the challenges of the global health crisis and take care of its employees. DBP stringently implemented health and safety protocols and adopted a work from home set-up to lessen the exposure of our staff to the virus. Transport services were also made available for reporting employees.

DBP ERD Health and Wellness Unit’s doctors and nurses address all health and medical needs of our personnel, including the medical-related queries from all DBP offices and branches. Dental services were also provided not only to the employees, but also to their dependents. To boost their overall health and productivity, employees availed of DBP’s fitness facilities and fitness programs including Zumba, Kickboxing, and Yoga. Likewise, DBP employees benefitted from various health and wellness initiatives such as vaccination drives, health-related lectures, and wellness webinars.



### DBP Healthcare Program

#### Medical

Attended to 21,601 cases seeking medical, EENT consultations and management.

2020: 9,860

2019: 4,500

2018: 7,241

#### Dental

5,684 cases seeking dental consultations and management  
(4,173 bank personnel, 1,511 dependents)

#### Preventive Care

- Executive checkup for 931 bank officers
- Annual Physical Exam for 756 rank and file employee

We also ensured the overall wellness of its employees by providing mental health and COVID-19 coping-related programs. Moreover, we strengthened our information and communication efforts to keep employees abreast of pandemic-related developments and health and safety protocols.

When the COVID-19 pandemic began, DBP’s health initiatives focused on preventing the spread of the virus. On top of the list was the procurement of Personal Protective Equipment (PPE) and medical supplies. We also intensified contact tracing and information dissemination efforts through online platforms. Employees who tested positive to COVID-19 were provided with medical advice and Guarantee Letters for processing medical claims.

At the end of 2020, the HWU-ERD conducted at least 422 rapid antibody tests for its frontline staff. As a preventive measure, the Bank also inoculated at least 775 employees and their dependents against the flu. We also provided telemedicine appointments and limited face-to-face consultations so employees can properly address their health-related concerns.

In addition, we implemented flexible and alternative work arrangements during the health crisis. The DBP Circular No. 20, dated June 30, 2020, or Guidelines on Alternative Work Arrangements, offers different work arrangements, protocols, and performance, and productivity measures. DBP maintained a skeleton force for its business units and allowed shifting and work-from-home setups for critical, primary, and secondary services.

All DBP employees were required to strict adhere to safety protocols. In the workplace, mandatory thermal scanning and declaration of health status were observed.



### Employee Wellness Program

6 lectures on health promotion/disease prevention conducted

Vaccination activities were done in 2019 and 2020. No vaccinations were done last 2018 due to the shortages of supplies;

#### 2020 (flu and pneumococcal vaccine)

Influvac Trivalent (flu vaccine)

229 employees

571 dependents

#### 2019 (flu vaccine)

Influvac Trivalent (flu vaccine)

291 employees

362 dependents

#### Prevenar13 (pneumococcal vaccine)

116 employees

59 dependents



# Ensuring Service Continuity Amid the Pandemic



With the logistical challenges of lockdown during the COVID-19 pandemic, DBP Masbate stepped up its efforts to ensure service continuity and provide the needed financial resources for Local Government Units (LGUs). At the onset, cash availability and extraordinary withdrawals were among the urgent concerns identified by LGUs and residents due to lockdown restrictions.

DBP Masbate is considered the “central bank” in the area, maintaining eighteen out of 22 LGU accounts in the province and immediately planned to get cash assistance from branches nearby to address the concern for cash.

DBP Masbate was given an exemption by the Office of the Governor, granting the request of Branch Head AM Eugene Alej Espenilla to enter and exit the province to secure cash assistance, while Mayor Arturo Virtucio of LGU Aroroy offered their rescue boat as a means of transportation.

Despite the lockdown measures, the DBP Masbate Cash Assistance Team, composed of bank teller Luis Elvis Robles and branch security officers, took the risk and traveled to Sorsogon to seek cash assistance from DBP Legazpi, and met with the ATM Team of DBP Legazpi headed by Arnel Allorde and Ernesto Barrameda III. DBP Masbate needed to act swiftly, and is grateful for the unwavering support of DBP Legazpi with SM Eleanor Co, assisted by Cashiers Josephine Villar and BSO Thelma Valmonte, who acted just as fast. The DBP Masbate Team later enlisted the support of the Philippine Coast Guard, headed by Colonel Edgardo Aguilar in the succeeding cash assistance operations.

In addition to making cash available to LGUs, DBP also made sure that Masbateños have access to banking services by implementing a skeleton workforce arrangement, applying compressed banking hours, and deploying off-site ATMs to augment on-site ATMs.

In 2020, we extended our reach further and inaugurated the first ATM in LGU Palanas to cater to their constituents.

In coordination with the DSWD, DBP Masbate took the initiative of bringing the Social Amelioration Program (SAP) fund to the respective LGUs, with the ATM team on the lead. The first batch of SAP distribution was for the LGUs of Aroroy, Mandaon, and Palanas, followed by a second batch for LGU Cawayan. To date, DBP Masbate still continues to distribute funds as needed. They also delivered cash to DBP Placer for them to service LGUs Placer and Pio V Corpus. Their hardworking ATM Team also services the offsite ATMs of Milagros, Balud, Palanas, and Dimasalang to facilitate 4Ps and DepEd withdrawals.

The pandemic strained not only health and medical facilities but also financial institutions. Admittedly, DBP was significantly affected by the pandemic, yet our people demonstrated resilience and maintained essential operations despite the mobility and logistical difficulties.

Our personnel, particularly those in Masbate are indeed the critical element to the success and continuity of our public service. DBP Masbate sums it up by saying, “As bank employees, we have dedicated ourselves to serve the Filipino people, especially the Masbateños. But none of this would be possible without teamwork, hard work, and collaboration. We are indebted to our fellow @DBPHeroesAtWork and those who supported us during these trying times. Such spirit of collaboration has inspired us all here in DBP to continue to serve and to carry on.”

## 2018-2020 DBP Sustainable Development Report

### Sustainable Development Report Technical Working Group

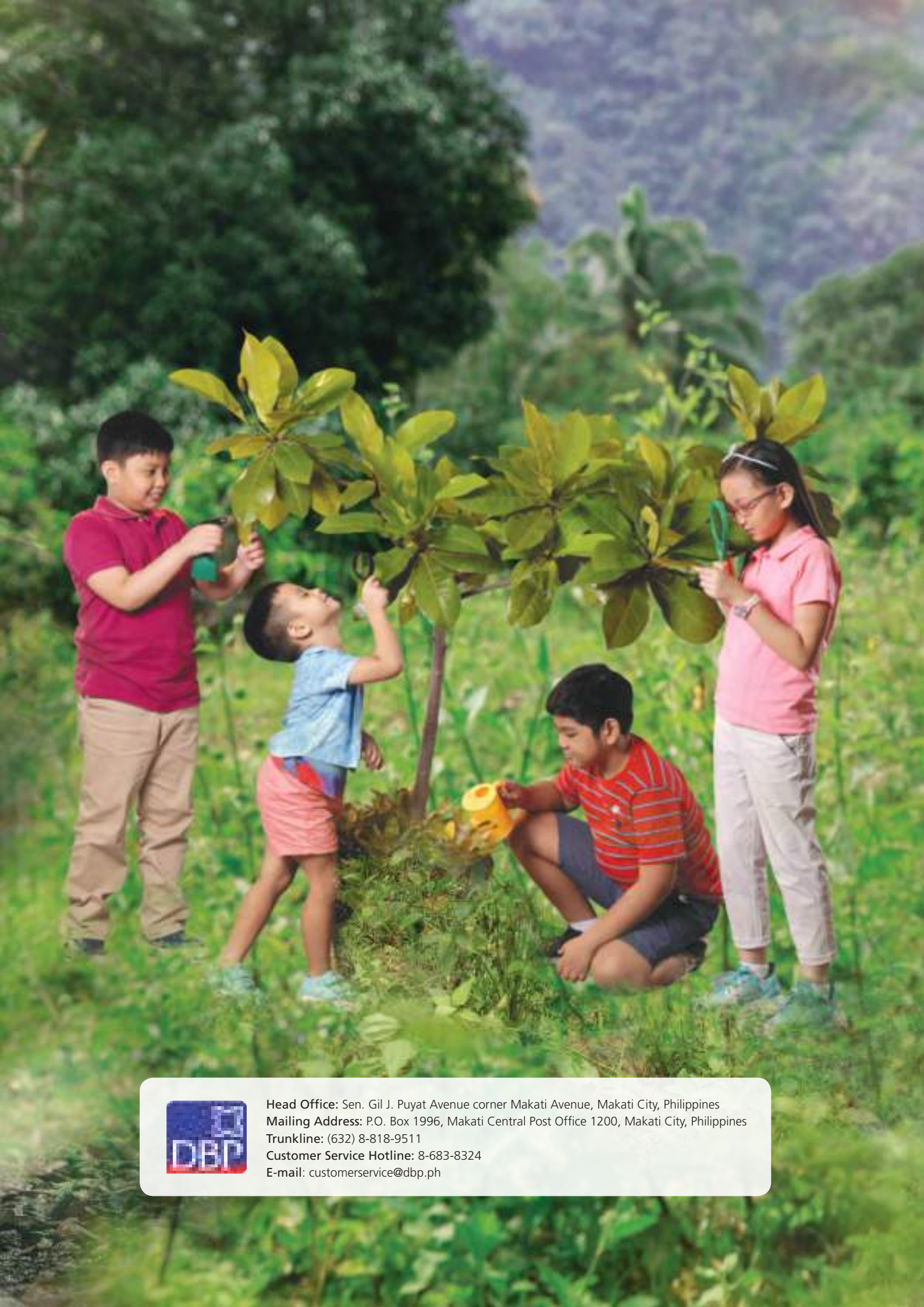
The Head, Strategic Planning Group: *Chairperson*  
The Head, Corporate Affairs Department: *Co-Chairperson*  
The Head, Procurement and Facilities Management Group: *Member*  
The Head, Human Resources Management Group: *Member*  
The Head, Lending Program Management Group: *Member*  
The Head, Enterprise Risk Management Group: *Member*  
The Head, Comptrollership Group: *Member*  
The Corporate Secretary: *Member*  
The Head, Quality Management Department: *Member*  
The Head, Corporate Services Support Department: *Member*

### SDR Secretariat

Quality Management Department

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