



Development Bank of the Philippines

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**DEVELOPMENT BANK OF THE  
PHILIPPINES**

**ANNUAL CORPORATE GOVERNANCE  
REPORT**

**2020**

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## A. BOARD MATTERS

### 1) Board of Directors (BOD)

Number of Directors per Articles of Incorporation	Nine (9)
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Actual number of Directors for the year ended	Nine <sup>1</sup> (9)
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#### (a) Composition of the Board

Complete the table with information on the Board of Directors:

Director's Name	Type [Executive (ED), Non-Executive (NED) or Independent Director (ID)]	Date first appointed	No. of years served as director (as of December 31, 2020)
Chairman Alberto G. Romulo	Independent/N on-executive Director	15 February 2017	3 years and 10 months
President and CEO Emmanuel G. Herbosa	Executive Director	1 March 2019	1 year and 9 months
Director Miguel C. Abaya †	Independent /Non-executive Director	23 November 2016	4 years and 1 month
Director Maria Lourdes A. Arcenas	Independent/N on-executive Director	4 January 2017	3 years and 11 months
Director Luis C. Bonguyan	Independent/N on-executive Director	11 November 2016	4 years and 1 month
Director Emmanuel P. Galicia, Jr.	Regular/Non-executive Director	11 November 2016	4 years and 1 month
Director Rogelio V. Garcia	Regular/Non-executive Director	15 February 2017	3 years and 10 months
Director Teodoro M. Jumamil	Regular/Non-executive Director	14 December 2016 – 23 November 2020	3 years and 9 months
Director Rolando L. Metin †	Regular/Non-executive Director	10 October 2016 – 04 May 2020	3 years and 6 months
Director Rafael L. Reyes	Regular/Non-executive Director	24 November 2020	1 month and 7 days
Director Jeannie N. Sandoval	Regular/Non-executive Director	24 November 2020	1 month and 7 days

<sup>1</sup> A maximum of nine (9) Directors served at a time. One director passed away on 05 May 2020 while another director was replaced on November 24, 2020. Thus, two (2) new directors were appointed and assumed office during the 4<sup>th</sup> Quarter of 2020.

**(b) How often does the Board review and approve the vision, mission and strategy?** Once a year

Date of Board Retreat: August 14, 2020

**(c) Does the Board of Directors monitor/oversee the implementation of the corporate strategy?**

Yes, the Board of Directors monitors and oversees the implementation of the Bank’s corporate strategy as one of its duties and responsibilities provided for in the DBP Manual of Corporate Governance. The Bank’s Strategic Planning Group submitted Quarterly Monitoring Reports on DBP’s CY 2020 Performance Scorecard to the Board of Directors, specifically on 07 July 2020 (1<sup>st</sup> Quarter), 28 July 2020 (2<sup>nd</sup> Quarter), 21 October 2020 (3<sup>rd</sup> Quarter), and 25 January 2021 (4<sup>th</sup> Quarter).

**(d) Did the bank achieve 90% on its 2020 Performance Scorecard?**

Yes. The Bank achieved 99.28% on its [2020 Performance Scorecard](#).

**(e) Directorship in Other Companies**

(i) Directorship in the Company’s Group<sup>2</sup>

Identify, as and if applicable, the members of the company’s Board of Directors who hold the office of director in other companies within its Group:

Director’s Name	Corporate Name of the Group Company
Chairman Alberto G. Romulo	<ul style="list-style-type: none"> <li>• DBP Data Center, Inc.</li> <li>• DBP Insurance Brokerage, Inc.</li> <li>• DBP Leasing Corporation</li> </ul>
President and CEO Emmanuel G. Herbosa	<ul style="list-style-type: none"> <li>• BancNet</li> <li>• DBP Daiwa Capital Markets, Phils. Inc.</li> <li>• LGU Guarantee Corporation</li> </ul>
Director Miguel C. Abaya	<ul style="list-style-type: none"> <li>• Al Amanah Islamic Investment Bank of the Philippines</li> <li>• DBP Service Corporation</li> </ul>
Director Maria Lourdes A. Arcenas	<ul style="list-style-type: none"> <li>• Al Amanah Islamic Investment Bank of the Philippines</li> <li>• DBP Service Corporation</li> </ul>
Director Luis C. Bonguyan	<ul style="list-style-type: none"> <li>• DBP Data Center, Inc.</li> </ul>
Director Emmanuel P. Galicia, Jr.	<ul style="list-style-type: none"> <li>• DBP Data Center, Inc.</li> </ul>
Director Rogelio V. Garcia	<ul style="list-style-type: none"> <li>• Al Amanah Islamic Investment Bank of the Philippines</li> <li>• DBP Insurance Brokerage</li> <li>• DBP Leasing Corporation</li> </ul>
Director Teodoro M. Jumamil	<ul style="list-style-type: none"> <li>• DBP Insurance Brokerage, Inc.</li> <li>• Small Business Corporation</li> </ul>

(i) Directorship in Other Listed Companies

There are no DBP directors who serve as directors in listed companies.

**2) Chairman and CEO**

**(a) Do different persons assume the role of Chairman of the Board of Directors and CEO?**

<sup>2</sup> The Group is composed of the parent, subsidiaries, associates and joint ventures of the company.

Yes

No

Chairman of the Board	Alberto G. Romulo
CEO/President	Emmanuel G. Herbosa

### 3) Changes in the Board of Directors (Executive, Non-Executive and Independent Directors)

#### (a) Resignation/Death/Removal

Indicate any changes in the composition of the Board of Directors that happened during the period:

Name	Position	Date of Cessation from Office	Reason
Rolando L. Metin †	Director	4 May 2020	Death
Teodoro M. Jumamil	Director	23 November 2020	Replaced by Director Rafael L. Reyes
Rafael L. Reyes	Director	N/A	Appointed on 27 October 2020 and took his Oath of Office on 24 November 2020
Jeannie N. Sandoval	Director	N/A	Appointed on 27 October 2020; Took her Oath of Office on 09 November 2020 before the President and on 24 November 2020 before Department of Finance Secretary Carlos G. Dominguez.

### 4) Orientation and Education Program

#### (a) Disclose details of the company's orientation program for new directors, if any.

Pursuant to the policies of the Bangko Sentral ng Pilipinas (BSP) and the Governance Commission for GOCCs (GCG), as adopted by the Bank's Board of Directors under the Continuing Education Program of the Board of Directors, all incumbent directors must undergo an annual training or seminar on Corporate Governance or other related topics, including an orientation program for newly appointed directors. All newly appointed directors were likewise furnished with an onboarding kit and were informed of their respective duties and responsibilities under the BSP Manual of Regulations for Banks (MORB) and the DBP Manual on Corporate Governance through an orientation conducted by the Office of the Corporate Secretary. Moreover, the new directors are immediately enrolled in a Corporate Governance Orientation Program given by an accredited training provider by the BSP or GCG.

#### (b) Continuing education programs for directors: programs and seminars and roundtables attended during the year.

DBP has institutionalized the Continuing Professional Education Program for members of the Board per Governance Committee Resolution No. 36 dated 19 October 2016. The Bank's Board of Directors attended

both in-house and outsourced capacity-building trainings and seminars.

List of Trainings Attended by the Members of the Board for CY 2020

Director	Year	Program/ Provider
Chairman Alberto G. Romulo	2020	<ul style="list-style-type: none"> <li>• Information Security Awareness for the BOD and MANCOM/DBP Information Security Risk Management Department (ISRMD) &amp; Mr. Mark Almodovar</li> <li>• Webinar on AML Sanctions 2020/Anti-Money Laundering Council</li> </ul>
President and CEO Emmanuel G. Herbosa	2020	<ul style="list-style-type: none"> <li>• Sustainable Finance Forum/Bankers Association Of The Philippines</li> <li>• Webinar on AML Sanctions 2020/Anti-Money Laundering Council</li> </ul>
Director Miguel C. Abaya	2020	<ul style="list-style-type: none"> <li>• Information Security Awareness for the BOD and MANCOM/DBP Information Security Risk Management Department (ISRMD) &amp; Mr. Mark Almodovar</li> <li>• Webinar On AML Sanctions 2020/Anti-Money Laundering Council</li> </ul>
Director Maria Lourdes A. Arcenas	2020	<ul style="list-style-type: none"> <li>• Information Security Awareness for the BOD and MANCOM/DBP Information Security Risk Management Department (ISRMD) &amp; Mr. Mark Almodovar</li> <li>• First Risk Management Summit: Building Resilience In A Post Pandemic World/Indu Inferentia Management Consultancy Inc.</li> <li>• Webinar On AML Sanctions 2020/Anti-Money Laundering Council</li> </ul>
Director Luis C. Bonguyan	2020	<ul style="list-style-type: none"> <li>• Information Security Awareness for the BOD and MANCOM/DBP Information Security Risk Management Department (ISRMD) &amp; Mr. Mark Almodovar</li> <li>• 2020 Webinar Series - Combating Money Laundering During Pandemic/Bangko Sentral Ng Pilipinas</li> <li>• Webinar On AML Sanctions 2020/Anti-Money Laundering Council</li> <li>• Future-Ready Boards - Deep Dive</li> <li>• Strengthening MSMEs: Covid-19 Strategies And Support Measures (Part II)</li> </ul>
Director Emmanuel P. Galicia, Jr.	2020	<ul style="list-style-type: none"> <li>• Information Security Awareness for the BOD and MANCOM/DBP Information Security Risk Management Department (ISRMD) &amp; Mr. Mark Almodovar</li> <li>• 2020 Webinar Series - Combating Money Laundering During Pandemic/Bangko Sentral Ng Pilipinas</li> <li>• Webinar On AML Sanctions 2020/Anti-Money Laundering Council</li> </ul>

Director Rogelio V. Garcia	2020	<ul style="list-style-type: none"> <li>Information Security Awareness for the BOD and MANCOM/DBP Information Security Risk Management Department (ISRMD) &amp; Mr. Mark Almodovar</li> <li>2020 Webinar Series - Combating Money Laundering During Pandemic/Bangko Sentral Ng Pilipinas</li> <li>Crisis-Ready Boards</li> <li>Webinar On AML Sanctions 2020/Anti-Money Laundering Council</li> <li>Strengthening MSMEs: Covid-19 Strategies And Support Measures (Part II)</li> </ul>
Director Rafael L. Reyes	2020	<ul style="list-style-type: none"> <li>Information Security Awareness for the BOD and MANCOM/DBP Information Security Risk Management Department (ISRMD) &amp; Mr. Mark Almodovar</li> <li>Onboarding/Orientation Briefing conducted by SVP Rene A. Gaerlan</li> </ul>
Director Jeannie N. Sandoval	2020	<ul style="list-style-type: none"> <li>Information Security Awareness for the BOD and MANCOM/DBP Information Security Risk Management Department (ISRMD) &amp; Mr. Mark Almodovar</li> <li>Onboarding/Orientation Briefing conducted by SVP Rene A. Gaerlan</li> </ul>

#### 5) Other biographical details of the members of the board

Name of Director	Age	Previous Experience/ Affiliations
Chairman Alberto G. Romulo	87	<ul style="list-style-type: none"> <li>Department of Budget and Management (Former Secretary)</li> <li>Department of Finance (Former Secretary)</li> <li>Land Bank of the Philippines (Former Chairman)</li> <li>Philippine Deposit Insurance Corporation, (Former Chairman)</li> <li>Asian Development Bank (Former Governor)</li> <li>International Monetary Fund (Former Alternate Governor)</li> <li>Monetary Board (Former Member)</li> <li>Senate of the Philippines (Former Chairman and Senate Majority Leader)</li> <li>Office of the President (Former Executive Secretary)</li> <li>Department of Foreign Affairs (Former Secretary)</li> </ul>
President and CEO Emmanuel G. Herbosa	67	<ul style="list-style-type: none"> <li>Bank of the Philippine Islands (Former Senior Vice President)</li> <li>Bank of Commerce (Former Executive Vice President)</li> <li>Ayala Insurance (Former Chief Operating Officer)</li> <li>Philippine Guarantee Corporation (Former President and CEO)</li> <li>De La Salle School Boards (Former Director)</li> <li>De La Salle Brothers Fund, Inc. (Former Director)</li> <li>P &amp; Gers Fund, Inc. (Former Director)</li> </ul>
Director Miguel C. Abaya	85	<ul style="list-style-type: none"> <li>Pi Gamma Mu International Honor Society in</li> </ul>



Name of Director	Age	Previous Experience/ Affiliations
		Social Sciences - University of the Philippines Diliman Alpha Chapter (Member) <ul style="list-style-type: none"> <li>• Philippine Constabulary – Integrated National Police (Former Regional Commander)</li> </ul>
Director Maria Lourdes A. Arcenas	70	<ul style="list-style-type: none"> <li>• Mothers for Peace Social Enterprises Inc. (Funding Trustee)</li> <li>• Women Institute for Social Entrepreneurship Inc. (Chairperson Emerita)</li> <li>• Local and international corporations in the mining, power, forestry and infrastructure sectors (Senior Adviser)</li> </ul>
Director Luis C. Bonguyan	72	<ul style="list-style-type: none"> <li>• LC Bonguyan &amp; Co. CPAs (Partner)</li> <li>• City Government of Davao (Former City Councilor and Mayor)</li> <li>• American Chamber of Commerce (Former Vice President)</li> <li>• Davao Jaycee Senate (Former President)</li> <li>• JCI Senate Philippines (Former National Director)</li> <li>• Ambassador Club of the Philippines (Former National President)</li> </ul>
Director Emmanuel P. Galicia, Jr.	50	<ul style="list-style-type: none"> <li>• LG Law (Senior Partner)</li> <li>• Independent Baptists Churches in the Philippines (President)</li> <li>• Various companies in Davao City (Retained Lawyer)</li> </ul>
Director Rogelio V. Garcia	72	<ul style="list-style-type: none"> <li>• Private Practice (Practicing Lawyer)</li> <li>• Junior Chamber International Senate ASEAN (Member)</li> <li>• PDPLABAN (Region XII President)</li> <li>• Batasang Pambansa (Former Member)</li> <li>• Department of Labor and Employment (Former Deputy Minister/Undersecretary)</li> <li>• Manila International Airport Authority (Former Director)</li> <li>• Integrated Bar of the Philippines (held various positions)</li> <li>• JCI Senate Philippines (Former National President)</li> <li>• JCI Senate - TOFIL Foundation (Former President)</li> <li>• Sagay Central, Inc. (Former Chairman)</li> </ul>
Director Rafael L. Reyes	52	<ul style="list-style-type: none"> <li>• FIGS, Inc. (Founder and Chief Executive Officer)</li> <li>• Management Association of the Philippines (Member)</li> <li>• Financial Executives Institute of the Philippines (Member)</li> <li>• Miascor Holdings, Inc. (Former Chief Executive Officer)</li> <li>• Prospector Investments Ltd. (Former Executive Director, Mergers &amp; Acquisitions and Strategy)</li> <li>• JG Summit Capital Services, Inc. (Former Managing Director)</li> <li>• AIG Investment Corporation (Former Executive Director, SE Asia Private Equity Head)</li> <li>• Subic Bay Metropolitan Authority (Former Deputy</li> </ul>

Name of Director	Age	Previous Experience/ Affiliations
		Administrator) <ul style="list-style-type: none"> <li>• eTelecare Global Solutions Inc. (Former Director)</li> <li>• SPI Technologies, Inc. (Former Director)</li> <li>• Rustan Supercenters, Inc. (Former Director)</li> <li>• Eng Teknologi Holdings Bhd (Former Director)</li> <li>• WTK Holdings Bhd. (Former Director)</li> <li>• Millennium Microtech Holdings Corp (Former Director)</li> </ul>
Director Jeannie N. Sandoval	55	<ul style="list-style-type: none"> <li>• Philippine Red Cross - Malabon City Chapter (Chairperson)</li> <li>• City Government of Malabon (Former Vice Mayor)</li> <li>• Soroptimist International of Malabon (Former President)</li> <li>• Genesis Industrial Gases Corporation (Former President)</li> <li>• Watercraft Venture Corporation (Former President)</li> </ul>
Director Teodoro M. Jumamil	67	<ul style="list-style-type: none"> <li>• Office of the President (Former Chief of Staff)</li> <li>• Bureau of Customs (Former Chief of Staff)</li> <li>• National Food Authority (Former Deputy Administrator)</li> <li>• Province of Northern Samar (Former Board Member)</li> <li>• Caritas Life Insurance Corporation (Former Director)</li> <li>• Caritas Financial Plans, Inc. (Former President)</li> <li>• Caritas Health Shield, Inc. (Former President and Director)</li> <li>• Caritas Life Insurance Corporation (Former President)</li> <li>• Family Clinic, Inc. (Former President)</li> <li>• National Food Authority (Former Deputy Administrator)</li> </ul>
Director Rolando L. Metin †	76	<ul style="list-style-type: none"> <li>• Development Academy of the Philippines (Former Member, Academic Council)</li> <li>• World Bank (Former Consultant)</li> <li>• Department of Environment and Natural Resources (Former Undersecretary, Assistant Secretary, and Director)</li> <li>• Center for Environmental Studies (Former Consultant)</li> <li>• Career Executive Service Board (Former Director)</li> <li>• Prism Express Consulting, Inc. (Former Director and President)</li> <li>• Environment and Climate Change Advisers, Inc. Philippine Export Zone Authority (Former Board Member)</li> </ul>

For the complete list, please refer to the [Biographical Details of Directors](#) on the DBP Website.

## B. CODE OF BUSINESS CONDUCT & ETHICS

The DBP Code of Ethics reiterates the standards of ethics expected from all civil servants working in the government, including the members of the Board. Thus, all members of the Board, officers, and employees shall observe the norms

of conduct embodied in the code by ensuring that they discharge their duties with utmost responsibility, integrity, competence, and loyalty, act with patriotism and justice, lead modest lives and uphold public interest over personal interest. Corporate principles and values are likewise enshrined in the Code of Ethics where the duties and obligations of the Bank towards its stakeholders, and the duties and responsibilities of the officers and employees towards the Bank are laid down for clear understanding and appreciation.

**1) Discuss briefly the company’s policies on the following business conduct or ethics affecting directors, officers, and employees.**

Business Conduct & Ethics	Directors	Officers and Employees
<p><b>(a) Conflict of Interest</b></p>	<p>In order to avoid conflicts of interest and violations to the interlocking directorships rule, members of the Board shall, at the beginning of their respective term, disclose to the Board and BSP any interest that they may have in any corporation, partnership, or association and shall thereafter disclose any changes thereto. In the event of a conflict with respect to any matter for discussion or resolution, wherein the Board member has a direct personal interest or any of his relatives within the second degree of consanguinity or affinity has such interest, the concerned director must inhibit from the deliberation on the matter. The minutes of the meeting shall note the Board member’s inhibition from the deliberation.</p> <p>For the interlocking directorship issue, the concerned director must resign and/or divest himself from the questioned institution except when with prior approval from the Monetary Board or when appointed as representative of the Bank.</p>	<p>As defined in Republic Act 6713, An Act Establishing A Code of Conduct and Ethical Standards for Public Officials and Employees, a “conflict of interest arises when a public official or employee is a member of a board, an officer or a substantial stockholder of a private corporation or owner or has a substantial interest in a business, and the interest of such corporation or business, or his rights or duties therein, may be opposed to or affected by the faithful performance of official duty. Such situation occurs when an individual’s private interest interferes in any way with the interests of the Bank. The Bank requires all officials and employees to conduct personal business or outside affiliation, financial and other relationships in a manner that will avoid, or resolve in a manner consistent with this Code, any conflict of interest with the Bank. This prohibition extends up to the public official’s or employee’s family members up to the 2nd degree of consanguinity or affinity.</p> <p>In all cases, conflicts of interest must be handled in an ethical manner; meaning they must be fully disclosed to the appropriate authority level in the bank and the officers and employees concerned must resign from his position in the said private business enterprise within thirty (30) days from his assumption of office and/or divest himself of this shareholding, or interest within (60) days from such assumption. Additionally, he shall inhibit himself from the transaction for whatever capacity.</p>
<p><b>(b) Conduct of Business and Fair Dealings</b></p>	<p>Ethical Leadership/Governance</p> <p>In order to demonstrate strong ethical leadership, the Board and</p>	<p>1. Commitment to public interest - to always uphold the public interest over and above personal interest. All Bank resources and</p>

	<p>each director shall strive to do what is in the best interest of the Bank for the long-term benefit of its shareholders and mindful of the interests of the Bank’s employees, customers, suppliers, and other stakeholders.</p> <p>Having an oversight function over the Bank’s operations, public disclosure, and financial reporting, the Board shall ensure transparency in disclosures of all business matters of the Bank at all times. The Board shall promote policies that lead to a positive and ethical workplace for the Bank’s officers and employees and support guidelines that prohibit retaliation against any employee who will raise issues pertaining to business conduct and ethics.</p>	<p>powers of their offices must be employed and used efficiently, effectively, honestly, and economically particularly to avoid wastage in public funds and revenues.</p> <ol style="list-style-type: none"> <li>2. Professionalism - perform and discharge duties with the highest degree of excellence, professionalism, intelligence, and skill.</li> <li>3. Fairness and Sincerity - act with fairness and sincerity and shall not discriminate against anyone, especially the poor and the underprivileged. Respect at all times the rights of others and shall refrain from doing acts contrary to law, good morals, good customs, public policy, public order, public safety, and public interest.</li> </ol>
<p><b>(c) Receipt of gifts from third parties</b></p>		<p>Prohibited acts</p> <ol style="list-style-type: none"> <li>a. Acceptance/Solicitation of Gifts, Donations or Loans without the Bank’s prior approval, to accept or solicit, either directly or indirectly, gifts from persons or entities other than a member of his immediate family, or in behalf of any member of his family or relative within the fourth degree of consanguinity or affinity, in the course of their official duties or in connection with any transaction which may be affected by the functions of their office. A “gift” includes any type of gratuity, favor, service, discount or price concession, loan, legacy (except from a relative), fee, compensation, cash, securities, real property, or anything of monetary value.</li> </ol> <p>As to gifts or grants from foreign governments or agencies, the following may be allowed:</p> <ol style="list-style-type: none"> <li>(i) a gift of nominal value tendered and received as a souvenir or mark of courtesy;</li> <li>(ii) a scholarship or fellowship grant or medical treatment;</li> <li>(iii) travel grants or expenses</li> </ol>

		for travel taking place entirely outside the Philippines (such as allowances, transportation, food, and lodging) of more than the nominal value if such acceptance is appropriate or consistent with the interests of the Philippines, and permitted by the Chairman or the President of the Bank.
<b>(d) Disciplinary action</b>	Investigation of violation of this Code by members of the Board shall be conducted by the Governance Committee and submit its report and recommendation to the Board, without prejudice to criminal and civil liabilities prescribed under existing laws.	Investigation and imposition of penalties for Violation of the Provisions of this Code by the officers and employees shall be in accordance with existing policies and after due notice and hearing in accordance with the Uniform Guidelines in Handling Administrative Cases.

The [DBP Code of Ethics](#) is downloadable from the DBP website.

**2) Does the bank disclose that all directors, officers and employees are required to comply with the code?**

The Bank's directors, officers, and employees are made aware by the Code of Ethics of the prohibited acts and transactions whereby the commission thereof will subject the personnel concerned to appropriate administrative disciplinary actions.

**3) Has the code of ethics or conduct been disseminated to all directors, senior management and employees?**

The Bank ensures the continued implementation and observance of the provisions of the Code of Ethics through information dissemination and inclusion of the topic in the module for the orientation of new hires. Meanwhile, all Directors are given a copy of the Code at the start of their term.

**4) Discuss how the company implements and monitors compliance with the code of ethics or conduct.**

The Bank continues to implement its Good Governance Program (GGP) which seeks to reinforce core ethical values critical to corporate governance. These values dictate how the Bank deals with stakeholders including the National Government, clients, subsidiaries, regulatory agencies, and its own officials and employees. Every year, DBP holds bank-wide governance-related activities featuring its Good Governance Forum. Among these are lectures or presentations on critical governance initiatives such as the Code of Ethics, "No Gift Policy", and the like. It also conducts mandatory Corporate Governance seminars and capacity-building activities for Bank personnel to promote good governance policies, initiatives, and best practices within DBP.

To monitor compliance with the code, the Bank has put in place the following:

- a) Whistleblower Policy (DBP Circular No. 16, S. 2013) which encourages responsible reporting of acts or omissions constituting illegal activity such as violation of the Code of Ethics.
- b) Bank-wide Governance Circles which are designed to promote active engagement of all Bank officers and employees and establish an effective and dynamic feedback mechanism. The DBP Governance Circles are spread across the Bank and are proven to be a source of practical and relevant feedback concerning the implementation of pertinent policies or programs. Regular meetings of the Governance Circles are documented and the suggestions/feedback were disseminated to appropriate business units.

### C. BOARD MEETINGS & ATTENDANCE

#### 1) Are Board of Directors' meetings scheduled before or at the beginning of the year?

Yes, the Board and Board-level Committee meetings in CY 2020 were set in November 2019. The first meeting was held on January 08, 2020.

#### 2) Schedule of Board Meetings

Month	Date/s <sup>3</sup>
January	8, 20 <sup>a</sup> , 22, 28 <sup>a</sup> , 31 <sup>a</sup>
February	5, 13 <sup>a</sup> , 19, 27 <sup>a</sup> , 28 <sup>a</sup>
March	4, 11 <sup>a</sup> , 13 <sup>a</sup> , 17 <sup>a</sup> , 23 <sup>a</sup> , 26 <sup>a</sup> , 27 <sup>a</sup>
April	1, 1 <sup>a</sup> , 6 <sup>a</sup> , 22, 22 <sup>a</sup>
May	4 <sup>a</sup> , 6, 6 <sup>a</sup> , 18 <sup>a</sup> , 20, 20 <sup>a</sup>
June	3, 3 <sup>a</sup> , 17, 17 <sup>a</sup> , 23 <sup>a</sup> , 24 <sup>a</sup>
July	1, 1 <sup>a</sup> , 8 <sup>a</sup> , 15, 15 <sup>a</sup> , 29 <sup>a</sup>
August	3 <sup>1</sup> , 5, 5 <sup>a</sup> , 6 <sup>a</sup> , 19, 19 <sup>1</sup> , 26 <sup>a</sup>
September	2, 2 <sup>a</sup> , 14 <sup>a</sup> , 16, 16 <sup>a</sup> , 22 <sup>a</sup> , 24 <sup>a</sup> , 28 <sup>a</sup> , 30 <sup>a</sup>
October	7, 7 <sup>a</sup> , 13 <sup>a</sup> , 21, 21 <sup>a</sup> , 27 <sup>a</sup> , 28 <sup>a</sup> , 29 <sup>a</sup>
November	4, 4 <sup>a</sup> , 9 <sup>a</sup> , 11 <sup>b</sup> , 18, 18 <sup>a</sup> , 23 <sup>a</sup> , 26 <sup>a</sup>
December	2, 2 <sup>a</sup> , 10 <sup>a</sup> , 16, 16 <sup>a</sup> , 17 <sup>a</sup> , 23 <sup>a</sup> , 29 <sup>a</sup>

#### 3) Did the Board of Directors meet at least 75% of their scheduled meetings?

Yes, the Board met 100% of their scheduled meetings to perform its duties and responsibilities under the DBP Charter and the DBP Manual of Corporate Governance.

#### 4) Attendance of Directors (Board and Board-Level Committee Meetings)

Board	Name	Date of Appointment	No. of Regular Meetings Held in CY 2020 since Assumption	No. of Meetings Attended <sup>4</sup>	%
Chairman	Alberto G. Romulo	15 February 2017	135	135/135	100
Vice-Chairman	Emmanuel G. Herbosa	1 March 2019	144	143/144	99.31
Member	Miguel C. Abaya	23 November 2016	134	134/134	100.00
Member	Maria Lourdes A. Arcenas	4 January 2017	135	135/135	100.00
Member	Luis C. Bonguyan	11 November 2016	142	142/142	100.00
Member	Emmanuel P. Galicia, Jr.	11 November 2016	146	146/146	100.00

<sup>3</sup> <sup>a</sup> Meeting via Ad Referendum; <sup>b</sup> Special Meeting

<sup>4</sup> The Board of Directors conducted fifty-seven (57) Approval by Referendum or Special Meetings in 2020.

Member	Rogelio V. Garcia	15 February 2017	160	160/160	100.00
Member	Teodoro M. Jumamil	14 December 2016	65	65/65	100.00
Member	Rolando L. Metin <sup>+</sup>	10 October 2016	38	38/38	100.00
Member	Rafael L. Reyes	November 24, 2020	11	11/11	100.00
Member	Jeannie N. Sandoval	November 24, 2020	15	15/15 <sup>5</sup>	100.00

**5) Do non-executive directors have a separate meeting during the year without the presence of any executive? If yes, how many times?**

The non-executive members of the Board of Directors have no separate meetings without the presence of the President/CEO, an executive member. However, meetings and discussions between the non-executive directors of the ROC and ACC with the three control units functionally reporting to them (Enterprise Risk Management Group with ROC, Internal Audit Group and Compliance Management Group with ACC) without the presence of senior management are already being conducted.

In addition, President and CEO Emmanuel G. Herbosa was not able to attend one (1) Trust Committee meeting on January 22, 2020.

**6) Access to Information**

**(a) How many days in advance are board papers<sup>6</sup> for board of directors meetings provided to the board?**

The members of the Board of Directors and Board Committees are furnished with copies of agenda materials at least five (5) calendar days before the scheduled meeting.

**(b) Is the company secretary trained in legal, accountancy or company secretarial practices? Please explain should the answer be in the negative.**

Yes. The Corporate Secretary, Atty. Rene A. Gaerlan, is a lawyer by profession. Prior to his designation on 2 January 2020, he was the Acting Head of the Bank's Legal Services Group. During this period, he closely supervised the Litigation & Foreclosure, Documentation & Opinion, Administrative Legal Department and Branches Supervision functions in the Head Office and the Regional lawyers.

**D. BOARD COMMITTEES**

**1) Number of Members, Functions and Responsibilities**

Provide details on the number of members of each committee.

Committee	No. of Members <sup>7</sup>		
	Executive Director (ED)	Non-executive Director (NED)	Independent Director (ID)
Executive <sup>8</sup>	1	4	4
Audit and Compliance	0	1	2

<sup>5</sup> For GCG Revalidation

<sup>6</sup> Board papers consist of complete and adequate information about the matters to be taken in the board meeting. Information includes the background or explanation on matters brought before the Board, disclosures, budgets, forecasts, and internal financial documents.

<sup>7</sup> Several Directors did not serve their whole term as a member of the DBP Board or Board-Level Committees. Thus, the total number of members of a particular committee may be higher. For instance, two directors were replaced (Director Teodoro M. Jumamil and Director Rolando L. Metin) by Director Rafael L. Reyes and Director Jeannie N. Sandoval in late November 2020. Please refer to the section on changes in the Board of Directors for more details.

<sup>8</sup> Membership of the Executive Committee is on a rotation basis every meeting.

Governance Committee (Nomination Committee)	0	1	2
Risk Oversight Committee	0	1	2
Human Resource Committee	1	2	0
IT Governance Committee	0	3	2
Trust Committee <sup>9</sup>	1	2	0
Development Advocacy Committee	1	2	3
Related Party Transaction	0	1	2
Budget Committee	0	2	1

## 2) Committee Membership and Meetings Held

### (a) Audit and Compliance Committee

No. of Meetings Held - 12

Office	Name	No. of Meetings Attended	%
Chairman (NED, ID)	Luis C. Bonguyan	12	100
Vice Chairman (NED)	Rogelio V. Garcia	12	100
Member (NED, ID)	Maria Lourdes A. Arcenas	12	100

### (b) Governance Committee (Nomination Committee)

No. of Meetings Held - 12

Office	Name	No. of Meetings Attended	%
Chairman (NED, ID)	Maria Lourdes A. Arcenas	12	100
Vice Chairman (NED)	Emmanuel P. Galicia, Jr.	12	100
Member (NED, ID)	Alberto G. Romulo	12	100

### (c) Risk Oversight Committee

No. of Meetings Held - 13

Office	Name	No. of Meetings Attended	%
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<sup>9</sup> Two qualified independent professionals are also part of the committee.



Chairman (NED, ID)	Miguel C. Abaya	13	100
Vice Chairman (NED)	Teodoro M. Jumamil (January 1 – July 1, 2020)	7	100
Vice Chairman (NED, ID)	Maria Lourdes A. Arcenas (August 3 - December 1, 2020)	4	100
Vice Chairman (NED)	Rafael L. Reyes (December 2 - 31, 2020)	1	100
Member (NED, ID)	Luis C. Bonguyan	13	13

### 3) Reports of the Audit and Compliance, Governance, and Risk Oversight Committees

Name of Committee	Report
Audit and Compliance Committee	<p>The Audit and Compliance Committee, in the exercise of its oversight function held 12 meetings during the year, where various matters involving financial, credit, operations, information systems, monitoring, and accomplishment were discussed. The ACC noted, reviewed, approved, and endorsed the annual business plans, recommendations on credit policy enhancements, independent testing frameworks, compliance, and related activities, and performance of both Internal Audit Group (IAG) and Compliance Management Group (CMG). Despite operational challenges and the risk of COVID-19, ACC ensured IAG and CMG's pivot towards the formal adoption of offsite or remote audit and compliance activities.</p> <p>In light of the evolving banking laws and regulations, CMG continuously released various materials such as infographics and manuals not only to stir interest and maintain awareness, but also to fortify the Bank's compliance culture. It also stepped up its efforts to manage business risks and continued the timely submission of covered transactions and suspicious transactions.</p> <p>Likewise, IAG conducted period monitoring of outstanding and unresolved issues to ensure timely resolution, risk mitigation, and significant improvements in the Bank's operational process and control environment. It also worked towards the full implementation and utilization of the Bank's automated Audit Management System which sped up its efficiency and productivity. These are part of IAG's work to continuously improve and innovate the Bank's internal audit process to keep its practices aligned with the best industry practices.</p>
Governance Committee (Nomination Committee)	<p>In 2020, the Governance Committee raised the bar for integrity, accountability, and efficiency in the public service through the adoption of the Conflict of Interest Disclosure Form for the Conduct of Review of Outside Activities of Senior Management, Revised Guidelines on Nominations of DBP Representatives to the Governing Board of Its Subsidiaries, Affiliates and Other Related Entities, Revised DBP Corporate Governance Self-Assessment System, and the Customer Experience (CX) Strategy Roadmap. With technology as an indispensable tool for governance under the new normal, the Governance Committee authorized and encouraged the conduct of virtual meetings, fora, and events. Governance Circles continue to meet through various video/teleconferencing platforms. Webinars on administrative and governance policies, as well as virtual streaming of the 6th DBP Good Governance Forum and DBP-RBAP Forum are some of the e-governance initiatives implemented. It held a total of 12 meetings in the past year.</p>
Risk Oversight Committee	<p>The Risk Oversight Committee remains at the forefront of the Bank's risk management initiatives and activities by continuously assisting the Board of Directors in fulfilling its statutory responsibilities of setting the risk culture and appetite. It also serves as the main driver of enhancing the Business Continuity</p>

	<p>Management Program to promote continuity of operations even considering a pandemic or any other emergency situation.</p> <p>The Committee held 13 meetings in 2020. It consistently discharged its oversight responsibilities while the Bank was adapting to the new normal not only to mitigate adverse effects on finances and operations, but also to remain competitive amongst its peers despite the ongoing pandemic. ROC likewise took steps to implement several policies and guidelines to aid borrowers and protect information assets. In addition, the Committee revised the Bank’s various market and liquidity risk models as well as updated various limits for treasury activities.</p>
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**E. RISK MANAGEMENT SYSTEM**

**1) Disclose the following:**

**(a) Risk management systems in place;**

MANAGEMENT OF RISK

The responsibility of risk management resides in all levels of the organization with the Board of Directors being ultimately responsible for the overall risk of the Bank. The Board sets the tone and risk tolerance by articulating the Bank’s risk appetite and establishing the risk management strategy for the Bank. The Banks Board of Directors takes the lead in promoting a culture of risk awareness throughout the institution. The Enterprise Risk Management Sector recommends policies and methodologies. Risk and capital management is then performed at all levels of the organization, instituting a culture of risk awareness and a risk-based approach to decision-making. Management of risk is guided and monitored by various Bank committees such as the Risk Oversight Committee, Governance Committee, Development Advocacy Committee, Audit and Compliance Committee, Executive Credit Committee, Executive Committee, Financial Risk Management Subcommittee, Asset & Liability Management Committee, Management Committee, Trust Committee, and IT Steering Committee, among others.

Management and the Board are provided with detailed analysis of the Bank’s portfolio and a comprehensive assessment of its overall risk profile to serve as guide in strategy formulation in the year 2020. The Bank follows an ER framework which integrates Strategic Planning, the Internal Capital Adequacy Assessment Process and Business Continuity Planning. The ER involves risk assessment and identification from which formulation of risk management strategies emanates. Strategies take into account capital implications and other requirements to ensure continuity of developmental service to the nation. These risk strategies, when implemented, are subject to monitoring and further evaluation with the aim of continually improving the risk management process. Capital adequacy rounds these up as it is needed to ensure financial stability as objectives are achieved even as risk management is enhanced.

**(b) Has the Board of Directors conducted a review of the bank’s material controls and risk management systems?**

Yes. For CY 2020, the Board of Directors, along with the Risk Oversight Committee, discussed the adequacy and effectiveness of the Bank’s risk management systems and operating policies in the face of changing risk exposures aggravated by the COVID-19 pandemic. It ensured the documentation of the enterprise-wide assessment of the public health crisis to the Bank’s risk profile. They also revisited and reviewed pertinent credit policies and guidelines in view of the effects of the pandemic on borrowers’ repayment capabilities. The Committee likewise revised and updated the Bank’s various market and liquidity risk models as well as various limits for treasury activities. New policies on information security risk management were also approved to ensure the protection of information assets.

**(c) Does the Board of Directors provide comment/s on the adequacy of the bank’s internal controls and risk management systems?**

Yes, the Board of Directors commented on the adequacy of the Bank’s internal controls and risk management systems in 2020. For instance, the Board of Directors noted that the Bank’s governance, risk management, and internal control processes are generally adequate and operating effectively in relation to business

objectives in 2020 during an Audit and Compliance Committee meeting on 17 March 2021.

## F. INTERNAL AUDIT AND CONTROL

### 1) Internal Audit

#### (a) Role, Scope and Internal Audit Function

Give a general description of the role, scope of internal audit work and other details of the internal audit function.

Role	Scope	Indicate whether In-house or Outsource Internal Audit Function	Name of Chief Internal Auditor	Reporting process
Provide an independent and objective assurance and consulting service designed to add value and improve the Bank's operations.	The activity covers the evaluation of the effectiveness of risk management, control and governance processes on the Bank's operations, risk asset portfolio and information systems. Results of the activities shall be reported to the Audit and Compliance Committee and/or appropriate level of management to ensure that the Board is made aware of significant risk exposures. An appropriate monitoring activity is ensured to determine corrective actions are taken on reported conditions.	In-house	SVP Ryan R. Gabinete	Directly/functionally reporting to the ACC and administratively to the President and CEO
Perform fact-finding investigation/ special audit on suspected irregularities to determine exposure of the Bank and pinpoint responsibility.	Suspected irregularities/ anomalies uncovered during regular audits and/or as directed by the ACC or senior management			

#### (b) Do the appointment and/or removal of the Internal Auditor require the approval of the audit committee?

Yes, the Audit and Compliance Committee approves the appointment and removal of the Internal Auditor pursuant to the committee's charter.

The [Audit and Compliance Committee Charter](#) is downloadable from the DBP website.

**G. ROLE OF STAKEHOLDERS**

**1) Disclose the company’s policy and activities relative to the following:**

	<b>Policies and Activities</b>
<b>(a) Customers' welfare</b>	<p>The Development Bank of the Philippines strictly adheres to the BSP Regulation on Financial Consumer Protection (BSP Circular No. 857) in providing “an enabling environment that protects the interest of financial consumers and institutionalizes the responsibilities of all stakeholders.”</p> <p>Consistent with the DBP’s Integrated Management System (IMS), the Bank subscribes to the basic tenet of providing financial and banking services in an efficient and responsive manner with emphasis on the following consumer rights as provided for under the Banking Code for Consumer Protection:</p> <p><b>Right to information.</b> The consumer has the right to be protected against fraudulent, dishonest or misleading advertising, labeling, promotion and the right to be given the facts and information needed to make an informed choice and to guide him in his dealings with the bank. Full disclosure and utmost transparency through ready access to information shall be a critical part in every transaction.</p> <p><b>Right to choose.</b> The consumer has the right to choose products at competitive prices with an assurance of satisfactory quality.</p> <p><b>Right to redress.</b> The consumer has the right to seek redress for misrepresentation, breach of contractual obligations, shoddy goods or unsatisfactory services.</p> <p><b>Right to Education.</b> The consumer has the right to be adequately educated regarding features, terms, systems and procedures, and inherent risks of bank products and services, and his responsibilities as well.</p> <p>In safeguarding these consumer rights, DBP consistently subscribes to its fundamental values of commitment to public interest, transparency, professionalism, sincerity, efficiency, and responsiveness. With these fundamental values, DBP shall consistently strive to provide banking and financial products and services in a fair and equitable manner that promotes consumer empowerment and confidence in the banking and financial services sector.</p> <p>The DBP Financial Consumer Protection (FCP) Framework institutionalizes consumer protection as an integral component of corporate governance and risk management. This, in turn, creates an environment conducive for managing consumer protection risks inherent to the operations of the Bank. Implemented across all Business Unit, DBP also seeks to foster a customer-centric mindset and institutionalizes a strong culture of service to provide adequate, fair, responsive, and inclusive financial services.</p> <p>Strategic to the implementation of this framework FCP is a fully functioning consumer assistance mechanism. With the overall objective of continually improving the delivery and responsiveness of the Bank’s products and services to the public, DBP’s consumer assistance strategy is anchored on quality service and customer satisfaction through the effective management of customer feedback (i.e., suggestions, requests, inquiries, and commendations) and complaints.</p> <p>The DBP consumer assistance mechanism focuses on the sustained</p>

implementation of a more effective DBP Customer Feedback and Complaints Handling Program towards improved customer service experience. The DBP consumer assistance mechanism covers processes and procedures in receiving, processing, evaluating/analyzing, monitoring, interpreting, and resolving customer feedback and complaints sent received through the following channels: Verbal (i.e., Phone, Walk-in) and Written (i.e., Email, Complaints Form, Correspondence). In compliance with GCG's mandatory requirements, the Bank also conducts an annual Customer Satisfaction Survey through a research service provider to determine the customer's satisfaction level with the Bank's products and services.

The Bank tasked the Customer Experience Management Department – Customer Care Unit (CEMD-CCU) to handle customer service and designed a Customer Service Officer in all Business Units to serve as the focal person in handling customer inquiries, requests, and complaints from receipt through resolution. Both CEMU-CCU and CSO ensure the timely resolution of customer concerns and provides monthly reports to the Customer Experience Management Department-Customer Concerns Analytics Unit (CEMD-CCAU). All submitted reports are then consolidated for monitoring, evaluation, and analysis to identify major and recurring issues as well as possible solutions. CEMD then presents the report to the Management Committee and the Board of Directors to determine the Bank's next steps.

In 2020, the impact of the COVID-19 pandemic worldwide triggered the immediate activation and continuous implementation of the Bank's Business Continuity Plan (BCP). The Bank dealt with constraints ranging from shortened bank hours, limited availability of branches and lending centers (e.g., branches in areas under lockdown), operational limitations of skeletal workforce, and enforcement of health and safety protocols which increased customer's preference of online banking.

DBP ensured that its Management Committee was readily available to evaluate and approve vital operational matters to sustain the Bank's delivery of services and continuously respond to the pressing needs of its customers. The Bank likewise assigned a skeletal workforce across business units with critical banking operations (e.g., Branches, Lending Centers, CEMD, Electronic Channels Operations Department, etc.). To augment ATM down time and address branches subjected to temporary closures, the Bank identified buddy branches at strategic locations to provide over-the-counter banking services.

The Bank, through its Procurement and Facilities Management Group, also provided bank service vehicles and leased private buses to ferry employees to and from the nearest pick-up and drop-off points in various locations to ensure the safety of DBP employees. PFMG facilitated bio-misting of the DBP HO Building and undertook regular disinfection of work areas, public spaces and other high contact surfaces, such as door handles, counter tops, tables, doorknobs, and automated teller machines. PFMG also assisted in the conversion of a day care room into isolation room for suspected COVID-19 patients

Meanwhile, in line with the Bank's Financial Consumer Protection Framework, the Bank ensured the timely dissemination of critical information to customers through its various communication channels in the past year. These include the following:

- Daily availability of branches and business hours (DBP Website and Facebook page)

	<ul style="list-style-type: none"> <li>• Availability of the Bank’s Customer Service for assistance and filing of concerns received from walk-in customers and via telephone, email, social media (Facebook Page), and 24/7 ATM Center (ECOD)</li> <li>• COVID-19 related advisories (e.g., health and safety protocols, waiver of bank fees, recommendation to shift to online channels), and signage (Bank premises, DBP website, and Facebook account)</li> </ul> <p>Consistent with the health and safety guidelines, the Bank equipped customer facing units with thermal scanners, face shields and masks, hand sanitizers, foot and tire baths, and strictly complied with the social distancing protocols to ensure the safety of both Bank personnel and customers. Receiving areas were devised and acrylic and modular partitions of Customers facing business offices were constructed for the protection of transaction parties.</p> <p>CEMD continued to operate on regular business hours and ensured that all inquiries, requests, and complaints received across communication channels are handled consistent with its standard operating procedures. The ECOD maintained its 24/7 operations to assist customers with urgent ATM concerns and transactions (e.g., lost ATM cards).</p> <p>Other initiatives of the bank in 2020 include the following:</p> <ul style="list-style-type: none"> <li>• DBP enforced standard monitoring and health protocols prescribed by the Inter-Agency Task Force.</li> <li>• The Bank’s Development Lending Center – Lending Program Management Group implemented aided micro, small, and medium enterprises affected by the pandemic through DBP’s MSME Response Program.</li> <li>• In anticipation of BIR payments, DBP extended over-the-counter payment collections during weekends in select branches for a limited period.</li> <li>• The Bank initiated a system upgrade to support and expedite the processing of banking transactions.</li> </ul>
<p><b>(b) Environmentally friendly value chain</b></p>	<p><b>DBP Environmental Policy</b></p> <p><b>Policy Statement:</b></p> <p>The DBP, in its developmental mission and initiatives, is committed to environmental protection and sustainable development and shall integrate and implement environmental considerations into all aspects of its operations and services, asset management, and business decisions.</p> <p>In pursuit of this policy, DBP commits to:</p> <ul style="list-style-type: none"> <li>• Develop, implement and continually improve an Environmental Management System (EMS);</li> <li>• Encourage other institutions to pursue environmental protection and pollution prevention through the Bank’s lending and technical assistance programs, and pursue environmental management practices, including environmental due diligence inquiry in risk assessment and management;</li> <li>• Comply with relevant environmental laws, regulations and agreements to which DBP subscribes;</li> <li>• Mainstream environmental, social, and climate change risks reduction in its operations and lending activities;</li> <li>• Set and review environmental objectives and targets along identified significant environmental aspects; and</li> </ul>

- Ensure that all employees at all levels are made aware of and are actively involved in the Bank's Environmental Policy and programs through appropriate training and information.

**Internal Efforts**

Through the Bank's continuing ISO 14001:2015 Certification of its EMS, DBP strives to continually green its value chain in the past year. The Bank recognizes the impact it makes to the environment, from its internal operations and from the products and services it provides.

As a development financial institution, DBP recognizes its unique position to influence environmental awareness among its clients, partners, suppliers and other stakeholders – being part of the Value Chain. As such, DBP continuously implemented environmental activities in 2020 to create and maintain an environmentally friendly value chain as part of the Bank's environmental advocacy. These include:

1. Setting environmental objectives and targets based on the Bank's Strategic environmental Plan and significant environmental aspects that impact the value chain
2. DBP's compliance with environmental laws, regulations, and pertinent agreements that also extend to pertinent compliance obligations of partners and interested parties
3. Development and adoption of value chain – led environmental programs

The Bank promotes the efficient use of resources and design programs in support thereof. This includes the use of environment-friendly office supplies, machinery, and equipment intended to address the Bank's potential negative impact to the environment.

Appropriate training and information dissemination activities are likewise executed to ensure employee awareness and engagement at all levels. Internally, DBP strengthens environmental competencies of its workforce through training and awareness-building sessions to ensure conduct of life-cycle assessment and support value chain management.

4. Encouraging clients to pursue environmental protection and pollution prevention

DBP integrates environmental and social diligence in its credit policies and procedures. This is carried out through lending and technical assistance programs that require the conduct of environmental due diligence as part of its risk assessment and management.

The Bank identifies environmental and social risks that may undermine the viability of financed projects. This is intended to improve clients' environmental management practices, as well as in their compliance with environmental regulations and standards.

DBP's various lending programs encourage clients to adopt sustainable business practices and help them capitalize on opportunities that bring positive impacts to the environment and the community where they are located.

5. Influencing suppliers and service providers to pursue environmental practices

This underscores the ISO-aligned principle on life cycle perspective that covers acquisition, use, transportation, delivery, treatment and disposal of supplies and equipment procured by the Bank. As applicable, environmental requirements are included in the technical specification of materials to be procured. Hazardous wastes generated by the Bank such as used oil, busted lamps, used batteries, empty printer ink cartridges, other wastes, etc. are disposed through a treatment, storage, and disposal (TSD) facility accredited by the Department of Environmental and Natural Resources.

Overall, DBP seeks to improve the overall sustainability of the entire chain by optimizing its links with concerned interested parties. At various points of collaboration, the Bank rationalizes its inputs into the value chain and controls its output that may potentially affect the natural environment. In terms of inputs, DBP improves its resource efficiency related to water, paper and energy consumption. In terms of outputs, the Bank's approaches focus on the prevention of pollution and wastage, and drawing on methods for control, following the life cycle perspective.

**Sustainable Financing**

DBP plays a catalytic role in financing projects with economic, environmental, and social impact. Its initiatives specifically aim at four priority thrusts: environmental protection, infrastructure development, social services, and micro, small, and medium enterprises' (MSMEs) development. These programs are aligned with the Philippine Development Plan's framework of inclusive growth that is sustainable, generates mass employment, and reduces poverty, as well as with the focus areas of the United Nations' Sustainable Development Goals.

In delivering banking and finance services, DBP adheres to sustainability principles in its operations and business decisions. The Bank's environmental efforts are critical especially because the Philippines is considered to be highly vulnerable to the impacts of climate change and natural hazards. DBP thus responds to the call for climate action by signing statements of support to both local and international initiatives.

Aside from minimizing environmental impacts of its own internal operations, DBP's stewardship extends towards influencing clients in adopting sustainability mechanisms and integrating environmental responsibility in their businesses. The conduct of due diligence on loan proposals prior to approval covers the analysis of potential environmental, social, and climate change impacts and corresponding mitigation measures. Each project is tagged according to environmental risk categorization, and, in the case of high risk projects, a more detailed assessment is made. Monitoring is also part of the credit process to ensure that projects comply with the required environmental permitting requirements and clearances which mitigating measures continue to be in place, and that benefits are realized.

DBP understands that progress must look beyond the bottom line. It believes that good economic performance must be anchored on prosperity that is equitably shared by all. The financial growth that DBP consistently attains each year continues to benefit its stakeholders towards creating a just, equitable, sustainable, and poverty-free Philippines.

DBP continues to put in a great deal of effort and attention to extending



financing support to developmental projects and activities crucial to the country socio-economic growth and the improvement of Filipino's quality of life, most especially amid the COVID-19 pandemic and its likely recessional effects.

As of 31 December 2020, out of a total loan portfolio of PhP 426.609 billion, the Bank infused substantial amounts in (a) environmental initiatives with a portfolio of PhP 27.50 billion, (b) infrastructure and logistics with PhP 85.27 billion, (c) social services and community development with PhP 18.52 billion, and (d) MSMEs with PhP 8.70 billion.

#### **Environment Initiatives**

As of 2020, DBP's lending portfolio on green and climate change projects has reached about PhP 27.50 billion. It consists of investments that promote air and water pollution prevention, solid and hazardous waste management, climate change mitigation and adaptation, and disaster risk reduction. DBP assisted in financing 2,835 brand-new and energy-efficient public vehicles; 1,155 solar powered streetlights; 3 solar powered irrigation systems with total installed capacity of 13,599 kilowatt (kW); wastewater treatment facilities serving 206 households and establishments; and waste management facilities that helped in the proper disposal of more than 1 million m<sup>3</sup> of waste. These are DBP's responses to the government's call for support to the public and private sectors in complying with various environmental laws.

#### **Infrastructures and Logistics**

As the government's infrastructure development partner, DBP funded construction projects worth billions for the improvement and expansion of transportation networks, logistics systems, tourism, and delivery of safe water and sustainable power, among others. DBP's efforts led to the addition of 52 different types of roads (e.g. farm-to-market, barangay, municipal, provincial roads, etc.) with combined 3,611.33 lane meters (LM); a bridge with 72 LM; 61 units of public utility vehicles with 220 passenger capacity; 56 water vessels with gross tonnage of 475,641; 73 water transport terminals; 40 public markets with 1,923 stalls; 6 cold storage facilities with 300,000 metric tons capacity; hotels and apartelles with 289 rooms, etc. In water and power sectors, DBP extended support to both public and private water and energy service providers that were able to supply additional 88,435,307 cubic meters (m<sup>3</sup>) per day for 550,143 households; and 2,034 megawatts (MW) new installed capacity with annual energy generation of 12,468,581 megawatt-hour (MWh).

#### **Social Services and Community Development**

To contribute to the realization of efficient social services in the country, DBP crafted lending programs for key sectors such as health care, education, and housing. The Bank funded 1,757 beds for hospitals and healthcare facilities that serviced 123,302 in-patients and 161,486 out-patients; 1,417 classrooms and 178 school buildings with around 7,000 student capacity; 263 student borrowers via on-lending programs with partner schools; and 23,980 residential units that include 2,241 socialized housing units and 800 economic housing units.

#### **Micro, Small, and Medium Enterprises**

To underscore the role of MSMEs in sustainable development and uplifting local communities, the Bank offers lending facilities with simplified procedures to cater to the needs of small businesses, such as in agriculture, agroforestry, etc. There are 126 accounts under the DBP Sustainable Agribusiness Financing

	<p>Program (SAFP), which was designed for projects engaged in the production, harvest, processing and marketing of crops, poultry, livestock, and fishery as well as other agricultural plantation projects. Optimizing the fund received by DBP under the Rice Tariffication Law of 2019 (Republic Act No. 11203), DBP has released a total of PhP 616.04 million benefitting 3,666 individual farmers. Additionally, the Bank has approved a total of PhP 2.205 billion loans with low interest and/or flexible terms to businesses adversely affected by the COVID-19 pandemic to help them in their recovery.</p>
<p><b>(c) Community interaction</b></p>	<p>As a catalyst for a progressive and poverty-free Philippines, the Development Bank of the Philippines is committed to upholding its corporate citizenship program through initiatives that promote the welfare of the Filipino people particularly the underprivileged.</p> <p><b>Programs</b></p> <p>In line with its corporate social responsibility (CSR) policy, the Bank’s programs and initiatives are founded on three main pillars, namely: environment, education, and outreach. These pillars serve as the foundations upon which DBP builds on its efforts to ensure that development trickles down to the communities and individuals served by the Bank.</p> <p>Under the environment pillar, the DBP Forest Program is an initiative that aims to reduce denudation and restore the country’s forest cover through organized collaboration with government and non-government organizations, state universities and colleges, people’s organizations, and other qualified forest partners. In protecting the country’s critical watersheds and coastal areas, the program likewise helps in reducing soil / coastal erosion, conserving water, increasing biodiversity, and promoting rural livelihood opportunities. Other similar undertakings include coastal rehabilitation through the planting of mangrove. This also represents the Bank’s response to the global call for climate change mitigation and environmental protection.</p> <p>On the education pillar, the Bank has implemented the DBP Resources for Inclusive and Sustainable Education (RISE) which provides financial assistance to enable indigent but deserving high school students to enroll in technical/vocational courses or undergraduate programs in partnership with accredited partner schools. The scholarship assistance covers a whole range of the students’ requirements, including tuition, books, cost of living, and allowances.</p> <p>This program not only provides much-needed educational opportunities to those who need it, but also strengthens the Bank’s institutional relationship with Program partners. It likewise molds the youth into honest, responsible, empowered, productive, and competitive global citizens. On the premise that labor is the most important asset of the poor, DBP RISE shall produce a pool of qualified and highly skilled professionals to serve the needs of the local and global job markets.</p> <p>Enhancements made to the DBP Rise program include:</p> <ul style="list-style-type: none"> <li>• Expansion of participant schools to include more State Universities and Technical-Vocational training institutes.</li> <li>• Expansion of coverage to more courses and degrees that are in-demand in the job market to ensure scholars easily and more quickly find employment after graduation.</li> </ul> <p>The Bank also has existing partnerships with the Department of Education covering equipment and facilities improvement, as well as provision of school</p>

	<p>supplies and learning materials for students and learners among others.</p> <p>Further, DBP actively promotes community development programs by supporting various advocacy projects and outreach activities. The Bank extends assistance to charitable institutions, organizations, and LGUs for projects aimed to augment the provision of basic social services to select vulnerable groups of society and for calamity and disaster relief operations.</p> <p>In 2020, the Bank launched a new forest project in partnership with the Organization for Industrial, Spiritual, and Cultural Advancement (OISCA) Farm Multi-Purpose Cooperative located in Marawi City. The project involves the forestation of 100 hectares of land, which is intended to support around 150 new farmer-beneficiaries. At the same time, DFP sustained the implementation of two (2) forest projects in the LGU of Eastern Samar and OISCA Farm Multi-Purpose Cooperative, and successfully released PhP 859,000 as financial assistance.</p> <p>On the other hand, DBP under its RISE program has started supporting its third batch of scholars in partnership with 10 partner schools. This initiative benefits at least 500 indigent students nationwide. The Bank also continued to support its first and second batches of scholars with a total financial assistance of PhP 49.8-million in 2020.</p> <p>During the same period, DBP has also successfully supported 28 charitable and disaster relief activities, providing a total of PhP13.3 million worth of assistance as part of the Bank’s outreach activities through its donations and contributions fund. This includes DBP’s support to Department of Education’s (DepEd’s) Brigada Eskwela, in partnership with 11 public basic and secondary schools in Visayas and Mindanao.</p> <p>Through these initiatives, DBP is able to add social value to communities, thus contributing to their growth and realization of their full potential in being a major player in the nation’s progress and prosperity.</p> <p><b>Notable activities of the Bank in 2020 also include the following:</b></p> <ul style="list-style-type: none"> <li>• The Bank continuously released Health and safety advisories (e.g. COVID-19 protocols) for its clients, employees, and other stakeholders.</li> <li>• DBP implemented a Rehabilitation Support Program on Severe Events to extend much-needed financing support for the rehabilitation efforts of both public and private institutions adversely affected by the pandemic.</li> <li>• The Bank implemented an interest rate subsidy program covering loans for local government units that will be utilized for economic and social development programs</li> <li>• DBP also kick-started its Mindanao Development Assistance Financing Program and the DBP RESPONSE – MSME Recovery Program to extend focused assistance to key constituencies</li> </ul> <p>The Bank also ensured its Innovative financial services remain responsive to the requirements of other national government agencies (e.g. facilitated the release of social amelioration funds to over three million marginalized workers affected by the national health emergency under the Department of Finance’s Small Business Wage Subsidy program)</p>
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**2) Does the company have a separate corporate social responsibility (CSR) report/section or sustainability report/section?** Yes. The Bank’s Annual Report contains an update on its CSR efforts. DBP’s website also contains a downloadable copy of the report and a section featuring the Bank’s corporate social responsibility policies and efforts

on customer welfare, interaction with communities, environment-friendly value chain, and employees' welfare and development. The Bank likewise submits quarterly reports on its fund utilization and program beneficiaries to the Commission on Audit.

### **3) Performance-enhancing mechanisms for employee participation.**

#### **(a) What are the company's policy for its employees' safety, health, and welfare? Show data.**

##### Employee Engagement

Under the Enhanced DBP Corporate Governance Framework, the Bank continued to implement the DBP Governance Circles which serves as the key participatory governance tool to ensure proper implementation of the policies that is anchored on a culture of governance, compliance, and accountability. It is a major communication channel in cascading corporate governance programs and activities to all levels of the organization through the establishment of Governance Circles per each business unit bank-wide. Moreover, proactive feedback from one of DBP's major stakeholders - its employees - is regularly gathered through this mechanism, thus, ensuring that the outstanding issues faced by the employees are given the chance to be elevated to the Board through its Governance Committee and the Management for proper resolution. In effect, challenges encountered and observed by the employees are turned into opportunities for improvement that enhance the Bank's implementation of its policies and programs encompassing the entire operations of the Bank.

For instance, work-related issues of Bank employees assigned in regional areas, such as those involving the lack of manpower or issue concerning officers in charge and/or promotion, were quickly elevated and endorsed to the Human Resource Management Group with the instruction to provide a regular updating of the status of the foregoing issues. As a result, the Human Resource Management Group is providing regular updates to the Governance Committee on the status of these issues and proper guidance is given by the Directors in how to solve and address the current situation.

Another significant impact of the Governance Circles was it served as a constant communication channel when the COVID-19 Pandemic happened in the Philippines starting March 2020. Given that the DBP, as a government financial institution, has been identified as a crucial sector and thus, continued to operate despite the risks brought about by the pandemic, the employees were provided with adequate support and resources that aimed to prevent any disruption in the delivery of its services and at the same time, protect the welfare of the employees. Regular updating of the Bank policies and programs to combat and address the impact of the pandemic were disseminated to the Governance Circles for discussion. In turn, the Governance Circles provided their feedback and suggestions to the Management on how to better serve their needs during such time. Proposals on the improvement of the transport provision for the employees were endorsed to the proper business unit.

Various proposals coming from the Governance Circles regarding the existing policies of the Bank were considered by the Management. For example, in the implementation of the Bank's No Gift Policy, the official custodian of gifts received by the employees for donation will now be transferred to a different unit due to a more aligned mandate of this new unit in handling the gifts.

At present, there are 233 DBP Governance Circles established across the DBP head office and regional units. These circles hold regular meetings attended by employees assigned or stationed in a given area.

##### Health and Wellness

The Health and Wellness Unit of the Employee Relations Department (HWU-ERD) of the Bank, with two Doctors and two Nurses on duty, oversees the implementation of DBP's healthcare plan and addresses the relevant medical needs of employees. In the past year, the unit managed to hold several health-related lectures or webinars as well as its annual flu vaccination for employees and their dependents. Aside from providing dental services, they also conduct annual executive check-ups for officers and physical examinations for rank-and-file employees. It likewise implements an integrated physical fitness program (e.g. Zumba, Cardio, Kickboxing, Yoga, etc.) to ensure employees remain fit and healthy. Employees may avail of gym training with equipment every morning or after work hours. However, due to the pandemic, such activities have either been suspended or postponed.

In 2020, the unit focused its efforts on providing medical assistance and curbing the spread of COVID-19. Once the first case of COVID-19 was reported in the Philippines, HWU-ERD immediately assessed the situation and recommended the procurement of personal protective equipment and medical supplies (e.g., surgical masks, thermo canners, gloves, alcohol, etc.) as part of its measures to control the spread of the virus.

In the succeeding months, the unit assisted all employees who had COVID-19-related concerns, including those who tested positive for COVID-19, by providing medical advice and Guarantee Letters to ease their transactions. Meanwhile, medical claims processing and reimbursements, as well as hospitalization continued even with heightened health and safety protocols. Contract tracing was facilitated by the unit by Facebook Messenger Group Chats for easy access and dispensing of recommendations or instructions to employees who have been exposed or infected by COVID-19. HWU-ERD also ensured either a Nurse or Doctor is on call or duty every day to address all queries from the Head Office and Branches.

The Bank, through HWU-ERD, also accomplished the following in 2020:

- Conducted 422 Rapid Antibody Test - electrochemiluminescence immunoassay (RAT-ECLIA) for the Bank's front liners (i.e., security guards, housekeeping staff, drivers, repair and maintenance personnel, bank tellers, members of the HWU, roving tellers)
  - Employees who tested positive are immediately isolated and scheduled for a Reverse Transcription Polymerase Chain Reaction (RT-PCR) test.
- Flu Vaccination for a total of 775 employees and their dependents
- Continuous monitoring of suspected, probably, and confirmed COVID-19 cases
- Assisted 9,144 Bank employees from the head office and branches via teleconsultation and limited face-to-face consultations
  - Guided by directives released by the Department of Health and the Inter-Agency Task Force on the Management of Emerging Infectious Diseases, HWU provides employees relevant information (e.g., medical advice, contact persons from a various medical center, etc.)

ERD conducted regular virtual meetings with the Bank's Human Resource Management Group to address concerns on how to prevent or reduce the chances of being infected or spreading COVID-19 in the Bank. It likewise shifted its Integrated Physical Fitness Program to a virtual platform to ensure the employee's health and safety in the midst of the pandemic. The unit also worked with other business units, releasing various information materials, to raise awareness and ensure strict compliance with health and safety protocols. Employees and clients are also required to undergo thermal scanning and submit an accomplished health declaration form. By 2021, DBP will hold a mass vaccination of employees and their dependents to ensure both the Bank and employees' welfare.

Meanwhile, as part of the Bank's Occupational Safety and Health Awareness, DBP continuously orients new employees and conducts an 8-hour seminar for housekeeping, maintenance, and transport personnel to ensure safety in the workplace. During this seminar, employees were encouraged to provide suggestions and comments. The Bank also conducts ocular inspections within the building premises to check and identify areas for improvement.

### Employee Welfare

In 2020, DBP, led by the Human Resource Management Group, Strategic Planning Group, and the Enterprise Risk Management Group (ERMG), implemented Alt-Work and support programs not only to ensure the safety of its employees but also to maintain Bank-wide productivity.

When a State of Public Health Emergency throughout the Philippines was declared in March last year, the Civil Service Commission released MC 7, series of 2020 which detailed a general framework for certain types of alternative work arrangements. The Bank, being a critical frontline service, was required to continuously provide financial services to its clients (e.g. ensure loan services remain available), implemented the Alt-Work pursuant to DBP Circular No. 20 dated June 30, 2020 or the Guidelines on Alternative Work Arrangements. It provides several types of work arrangements such as skeleton force, shifting, and work-from-home, among others, for business units providing critical, primary, or secondary services. It also included the necessary

protocols that both employee and his/her supervisor must adhere to. It also ensured the continued measure of performance and productivity by setting of performance agreements and proper communication lines as well as conducting feedback and reporting meetings.

Mental Health-related and COVID-19 coping-related programs were also provided to Bank Officers and Staff by tapping internal and external experts. These programs raised the awareness of employees and helped them maintain a healthy emotional well-being.

**(b) State the company's training and development programmes for its employees, including the data.**

The Bank's policy on training and development is embodied in the following policies and guidelines. It is the policy of DBP to establish a continuing professional development program that will provide employees opportunities to advance their career within the organization and allow them to continuously upgrade their skills and competencies at par with the Bank and industry standards.

- **DBP Competency Framework or Model**

Pursuant to Board Resolution No. 0386 dated November 11, 2015, the DBP Competency Framework was approved for bank-wide use in line with the Bank's objective to promote a high performance culture and to integrate the competency standards in human resource systems. The DBP Competency model outlines 11 core competencies (required for all employees across levels), 4 leadership competencies (for people managers), and a set of distinct functional or technical competencies for identified job groups in the Bank. In 2019, the Bank conducted the competency profiling and assessment establishing competency baseline of 100% of employees under the Bank Operations Group (BOG) which consist of two Departments: (1) Loans Administration Department (LAD) and (2) Foreign Domestic Settlement and Operations Department (FDSOD) as part of the Bank's commitment to the GCG under Strategic Measure No. 12 of the 2019 DBP Performance Scorecard. The results of competency assessments of Branch Heads, Account Officers and Treasury and Corporate Finance Professionals served as the basis for the design and implementation of L & D interventions for the said job groups in 2019.

- **DBP Circular No. 49 dated December 18, 2018 - DBP Learning and Career Development Plan (LCDP)**

The DBP-LCDP integrates guidelines on training, scholarships, and other HR interventions to strengthen the Bank's organizational capability and sustain a high-performing culture. The program is anchored on the Civil Service Commission (CSC) Omnibus Rules Implementing Book V of Executive Order No. 292 (Sections 1 & 2, Rule VIII) that "all government agencies are mandated to establish a continuing program on career and personnel development for all employees at all levels and to create an environment or work climate conducive to the development of skills, talents, and values for better public service". The LCDP covers all DBP officers and staff holding permanent appointments who are qualified to avail of foreign or local training or scholarships including employees holding temporary positions eligible to attend learning and development programs that support both individual and organizational development. The objectives of the DBP Learning and Career Development Plan are: (1) to enhance employee effectiveness in the performance of their functions either through in-service training, formal education, local or foreign scholarship grants; (2) to provide the employees with opportunities to pursue further studies such as masters' degree, continuing education or certification programs to support their professional and career advancement; (3) to encourage employees to take responsibility for their own career growth and development in the organization through self-development and life-long learning/education activities; (4) to develop multi-skilling by setting up a mechanism which gives employees opportunities to experience and learn other job functions and responsibilities within the Bank consistent with the Bank's needs and requirements and based the employees' Individual Development Plan (IDP).

Under the LCDP, the 70-20-10 learning philosophy is adopted which provides employees opportunities to avail of the following L& D interventions:

- **IN-SERVICE TRAINING** - refers to formal, short-term seminar or workshop designed to help address competency gaps or enhance the knowledge and skills of the employees in the performance of their functions.
  1. **Orientation Program (DBP-ONE)** - activities and courses designed to orient new hires about

the programs, thrusts, and operations of the Bank. The course also includes a briefing on the mandatory courses which Bank employees are required to attend.

2. Functional/Specialized/Technical Program – programs designed for specific functional groups to help address competency gaps or enhance knowledge and competencies in specific functional areas.
  3. Management and Leadership Development Program – program aimed at honing the skills and competencies of people managers in the Bank to effectively carry out their management and leadership functions as well as prepare them for higher responsibilities.
  4. Culture and Values Enhancement Program – courses designed for employees across all levels which promote and uphold DBP core values, public service ethics, integrity in the workplace, and good governance.
- OTHER HR DEVELOPMENT INTERVENTIONS - refers to study or other development programs that provide learning opportunities for DBP employees.
    1. Scholarship Grants — fully or partially-funded programs offered by local or foreign institutions.
    2. Professional Certification Programs — Professional credentials which may include technical, specialized, or management certification programs designed to help professionals enhance their skills or meet the standards set by the professional associations or regulatory bodies.
    3. Job Rotation — involves the temporary reassignment of one or more employees to equivalent or non-equivalent positions or levels between or among the units in an office or between or among offices. Supplemental Guidelines on DBP Job Rotation was issued per DBP Circular No. 19 dated June 30, 2020.
    4. Professional Advancement and Continuing Education Support (PACES) — refers to Bank’s sponsorships or assistance extended to employees whether through financial assistance or official time only to help the employee obtain an MBA/Master’s Degree.
    5. Coaching & Mentoring Program — provides a venue for a deliberate one-to-one process or focused conversations creating an environment of growth and continuous improvement.
- Learning and Development Needs are linked to performance and prioritized based on Individual Development Plan which is jointly planned and agreed upon by the employee (ratee) and supervisor (rater) during the Strategic Performance Management System (SPMS).

Under the existing guidelines of the Bank on SPMS Process, Stage 6: Performance Rewarding & Development Planning provides that the completion of the performance evaluation process paves the way to performance rewarding and development planning. The results of the performance review and evaluation will serve as the basis for:

1. The PRAISE Committee in identifying nominees for various awards categories;
2. The DBP-PMT in identifying the top performers in the Bank who will qualify for performance-based incentives;
3. The supervisors/department/sector heads in coordination with the Human Resources Management in lining up merit selection/career development plan of employees; and
4. The Human Resources Management (HRM) in identifying relevant and appropriate interventions based on developmental needs identified by the respective supervisors.

- Study Plan

The Bank provides Study Leave benefit with pay for qualified employees to help them prepare for Bar or Board examination or complete their master’s degree. The study leave is covered by a contract between the Bank and the employee concerned based on existing CSC guidelines.

In 2020, the Bank’s Learning and Development Program emphasized coping with and adapting to change. Considering the restrictions imposed while under community quarantine, the Human Resource Management Group (HRMG) implemented a Learn-From-Home program that allows employees to take online courses and access both the Bank’s eLearning Facility (iLearn) and eLearning platforms from reputable providers while working from home. Bank-wide employees, from the Board of Directors to Rank-and-File employees, have availed internal training programs via a blended learning approach: synchronous (webinar) or asynchronous (eLearning or micro learning). Among these programs are the Read and Learn, and Watch and Learn programs that use mixed media to improve skills and knowledge. Monthly training calendars and employee training

records were also made available for viewing on the Self-Service mode of the DBP iHRIS under the Training module. The Bank likewise continues to provide external training opportunities as well as local and foreign scholarships for qualified employees.

DBP exceeded its target milestones for Learning and Development interventions. It noted a 42% increase in the total number of interventions provided, a 30% increase in career development interventions provided for key officers and staff, and a significant increase in the participation rate of employees. Key to this is the migration of trainings to an online platform which not only ensured a 100% participation rate but also reduced operating costs. Unlike the previous years, the number of Bank officers and staff who graduated from foreign master's programs and specialized short courses also increased despite the challenges brought about by the pandemic.

The Bank also established the Developing Executives, People Managers in Transition, and High-Potential Successors (DEPTHS) which integrates and beefs up the Bank's existing management and leadership programs and initiatives. Part of its initial offerings is the Leadership Development (LEAD) Reimagined. As an integral component of DEPTHS, it is a turn-key leadership development intervention that aims to unlock one's transformation and growth potential in the future of work. It is a blended learning intervention that uses the case study method, learning management portal, group collaboration, and Action Learning Project. LEAD likewise aims to develop emerging core and leadership competencies of incumbents and potential successors.

In addition, HRMG has also led the periodic review of the DBP Succession Plan in an institutionalized mechanism to ensure leadership continuity in the Bank's key critical positions in view of operational risk management. It established documented Career Development Plans of identified successors to ensure at least 80% of have formal or official Career Development Plans in 2021.

Relevant information about these are included in either the Bank's internal (e.g. DBP Bulletin, DBP Newsgram, Career Updates) or external (e.g. Annual Report) publications.

#### **4) What is the company's statement on zero tolerance for fraud, corruption and malpractice?**

DBP seeks to uphold and embody moral excellence in public service by making integrity and decency a way of life at all levels of the organization. DBP officers and employees shall act ethically and lawfully in all transactions and dealings with stakeholders, avoiding any appearance of irregularity that could erode the Filipino's trust and confidence in the Bank as an institution and in the government as a whole.

DBP exercises zero tolerance for all types of fraud, including illegal practices, corruption, and malpractices. The Bank thus, commits to seriously deal with any allegation of fraud by initiating an objective and impartial investigation of all suspected incidents surrounding such allegation that involves its officer or employee, or that transpired in a transaction where DBP is a party.

#### **5) What are the company's procedures for handling complaints by employees concerning illegal (including corruption) and unethical behavior?**

The DBP has institutionalized a whistleblower protection policy thru DBP Circular No. 16, S. 2013 that aims to encourage responsible reporting of acts or omissions constituting illegal activities. It has also established the guidelines on reporting and investigation of allegation of commission of illegal activity reported under the policy.

A report/disclosure of an Illegal Activity shall be in writing and under oath. The report may also be made initially through telephone call, or other electronic means, provided that the report/disclosure shall be made in writing and under oath within seventy-two (72) hours from initial report. If no report under oath is made within 72 hours, it shall be treated as an anonymous complaint and if the allegations therein are verifiable and supported by evidence, a fact-finding investigation shall be conducted in accordance with the DBP's Implementing Guidelines of the Revised Rules on Administrative Cases. An investigation shall also be conducted to ascertain the identity of the person who made the report/disclosure for possible filing of appropriate charges against him if the allegations are proven to be false and malicious in accordance with Section 9.4 of this Policy.

An Illegal Activity may be reported to any of the following senior officers of the Bank:

- a. President and Chief Executive Officer



- b. Chief Governance Officer;
- c. Chief Legal Counsel;
- d. Chief Compliance Officer;
- e. Head of Internal Audit; or
- f. Head of the Human Resource Management

In case the report was made to any of the officers mentioned in Section 6.2 above other than the Chief Governance Officer, the concerned officer shall, within seventy-two (72) hours from receipt of the report, refer the same to the Chief Governance Officer. Upon receipt of the report, the CGO shall docket the same as an adverse report and proceed with the fact-finding investigation thereon until its final determination under the DBP's Implementing Guidelines of the Revised Rules on Administrative Cases.

**6) Explain how employees are protected from retaliation.**

The DBP Whistleblower Protection Policy establishes measures to ensure that Whistleblowers and Witnesses are adequately protected against any form of retaliation. Interference, retaliation, and other forms of retribution against Whistleblowers or Witnesses to a Protected Disclosure are considered grave administrative offense and shall be dealt with in accordance with DBP's Implementing Guidelines of the Revised Rules on Administrative Cases.

All officers and employees can freely report irregularities, violations of laws, rules and regulations, or even corrupt practices or non-observance of the Bank's Code of Ethics without fear of retaliation. The Bank also maintained its dedicated hotline for internal and external reporting under the policy.

**7) Does the company provide contact details via its website or Annual Report which stakeholders (e.g. employees, clients, the general public, etc.) can use to voice their concerns and/or complaints about any possible violations of their rights?**

Yes. There is a Complaints Handling section on the Corporate Governance Page of the DBP Website which specifies how (instructions are in English and Tagalog) and where clients and consumers can file their feedback and complaints. It includes the contact details (address, telephone number, and email address) of the department in charge as well as the 24/7 ATM Hotline. Relevant details are also displayed on the footer of the Bank's website.

**H. DISCLOSURE AND TRANSPARENCY**

**1) Does the Annual Report disclose the following:**

Corporate objectives	Yes
Financial performance indicators	Yes
Non-financial performance indicators	Yes
Biographical details (at least age, qualifications, date of first appointment, relevant experience, and any other directorships of listed companies) of directors/commissioners	Yes

**2) Does the bank confirm its full compliance with the Code of Corporate Governance and where there is non-compliance, identify and explain the reasons for such issue for 2020.**

Yes, the Bank has confirmed its full compliance with the Code of Corporate Governance (Governance Commission for GOCCs Memorandum Circular No. 2012-07). The copy of certification is downloadable from the Bank website.

**3) Is the Annual Report downloadable from the website? Yes.**

**4) Does the bank practice Global Reporting Index (GRI) on its annual reports? No.** The Bank uses standard BSP disclosure format for the annual report. However, the GRI is observed in the DBP Annual Sustainable Development Report.

**5) Are there members of the Board of Directors who hold more than five (5) positions in GOCCs and PLCs? None**

- 6) Date of Receipt of Audited Financial Report from COA : July 30, 2021  
 7) Date of Release of Audited Financial Report : August 17, 2021

**8) Is the true and fairness/fair representation of the annual financial statements/reports affirmed by the board of directors and/or the relevant officers of the company?**

Yes. The Bank’s Chairman, President and CEO, and other executives released the statement of management’s responsibility for financial statements for 2019 – 2020 on June 15, 2021. The copy of statement is downloadable from the DBP website.

**I. BOARD, DIRECTOR, COMMITTEE, AND CEO APPRAISAL**

**1) Disclose the process followed and criteria used in assessing the annual performance of the board and its committees, individual director, and the CEO/President.**

In line with the principles of good governance and in compliance with the Bank’s Manual on Corporate Governance, the Bank conducted the annual Peer Assessment on the performance of the members of the Board of Directors for the period January to December 2020. The results of the Peer Assessment have been a regular subject of examination conducted by the Bangko Sentral ng Pilipinas in its annual audit of the Bank.

**a) Guidelines on the Peer Assessment System for the Members of the Board**

1. Every January of each year or on a date decided upon by the Board, a peer assessment of effectiveness for each Director shall be conducted using the criteria and rating system presented in the attached form.
2. Assessment shall only be applicable to Directors who have served the Bank for at least six (6) months prior to the rating date. The Board may extend the rating date for Director/s who has/have not reached the minimum six (6) months period.
3. The accomplished forms shall be submitted to a unit or person designated by the Board who will consolidate, compute the average rating and forward the collective Board rating to the Chairman of the Governance Committee, the Chairman of the Board and the President/CEO of the Bank.
4. This collective Board rating will be derived from the Individual Director’s Peer Ratings which shall be computed as follows;

a. Add all equivalent points for each item using the following:

<b>STRONG</b> (demonstrates excellent level of skills, ability, performance, etc.)	-	3 points
<b>ADEQUATE</b> (demonstrates effective level of skills, ability, performance, etc.)	-	2 points
<b>NEEDS IMPROVEMENT</b> (demonstrated minimal level of skills, ability, performance, etc.)	-	1 point

b. Multiply the results with the corresponding weight equivalents for each criteria.

c. Sum up all results and compare to the schedule below to obtain the average adjectival rating:

<b>STRONG</b>	-	Between 9.6 – 14.25 points
<b>ADEQUATE</b>	-	Between 4.76-9.5 points
<b>NEEDS IMPROVEMENT</b>	-	4.75 points or less

d. For the Board’s collective rating, average up the numerical equivalent points obtained by each director and translate to the adjectival rating using the same grid/scale used for the individual rating as shown in 4c.

5. It shall be the responsibility of the Office of the Corporate Secretary to furnish each Director with the relevant documents/information for the proper accomplishment of the assessments such as: bio data, attendance record, etc.

**b) Guidelines on the Appraisal of Board Committee Performance**

1. Every first quarter of each year or on a date decided upon by the Board, an appraisal of effectiveness for each board committee shall be conducted using the criteria and rating system presented in the attached form.
2. The raters shall be the regular members of the specific committee, except for the Executive Committee where the raters shall be all members of the Board, for at least three (3) months prior to the rating date. The Board may extend the rating date for director/s who has/have not reached the minimum three (3) months period.
3. The accomplished forms shall be submitted to the Corporate Governance Unit of the Office of the Corporate Secretary (CGU-OCS) which will consolidate, compute the average rating and present a summary report to the Board of Directors through the Governance Committee.
4. The numerical rating per each statement shall be as follows:

Rating	Description
5	Strongly Agree
4	Agree
3	Somewhat Agree
2	Disagree
1	Strongly Disagree

5. In order to arrive at the collective rating of the performance of board committee, the following computation shall be used:
  - a. Add all equivalent points for each item per category and divide by the total number of statements per category;
  - b. Multiply the results with the corresponding weight equivalents for each category;
  - c. Sum up all results and compare to the schedule below to obtain the average adjectival rating:

OUTSTANDING	-	5
VERY SATISFACTORY	-	Between 4.0-4.99
SATISFACTORY	-	Between 3.0-3.99
UNSATISFACTORY	-	Between 2.0-2.99
POOR	-	Between 1.0-1.99

**2) Discuss the results of the assessment or appraisal conducted for the year.**

- a. Consolidated results of the annual peer assessment of the DBP Governing Board have shown that the Directors have an adjectival rating of **STRONG**.

The summary of rating is as follows:

Criteria		Rating	Max. Points
A.	Competence	1.55	1.80
B.	Independence	2.35	2.70
C.	Prepared as a Director	2.58	3.00
D.	Practice as a Director	3.09	3.60
E.	Committee Activity	1.18	1.35
F.	Development Process of the Corporate Enterprise	1.56	1.80
<b>GRAND TOTAL</b>		<b>12.31</b>	<b>14.25</b>

The **12.31** rating signifies that the members of the Board have demonstrated excellent levels of skills and ability which positively translated to the good performance of the Bank in CY 2020.

- b. Consolidated Results of the Performance Appraisal of the DBP Board-Level Committees for CY 2020 have garnered an adjectival rating of **4.76 (VS)**.

Each Board Committee's assessment is provided below:

<b>Committee</b>	<b>CY 2020</b>
Executive Committee	<b>4.84(VS)</b>
Audit and Compliance Committee	<b>4.88 (VS)</b>
Risk Oversight Committee	<b>4.73 (VS)</b>
Trust Committee	<b>4.74 (VS)</b>
Human Resource Committee	<b>4.68 (VS)</b>
Governance Committee	<b>5.00 (O)</b>
Development Advocacy Committee	<b>4.80 (VS)</b>
IT Governance Committee	<b>4.50 (VS)</b>
Related Party Transaction Committee	<b>4.67 (VS)</b>
<b>Overall Rating</b>	<b>4.76 (VS)</b>

Generally, the board committees continue to display exemplary effectiveness and efficiency for the subject period as the over-all rating remains to be **"Very Satisfactory"**.

**J. IS THERE NON-COMPLIANCE WITH GOOD GOVERNANCE CONDITIONS?**

DBP remains steadfast in its commitment to promote and maintain the highest standards of good governance by complying with key practices, such as the GCG Code of Corporate Governance (Memorandum Circular No. 2012-07) and the BSP Enhanced Corporate Governance Guidelines (Circular No. 969, Series of 2017).

The **Annual Corporate Governance Report** was presented to the DBP Board of Directors on \_\_\_\_\_.