

The Global Compact

As one of the signatories of the United Nations Global Compact, DBP has strictly adhered to its core values in the areas of (1) *human rights*, (2) *labor standards*, (3) *environment* and (4) *anti-corruption*. The Bank remains firmly supportive of the ten principles espoused by the Global Compact and keeps abreast of developments and various undertakings.

The Bank has sustained its efforts towards concretizing the tripod of success towards the pursuit of its mission statement: ethical and value-based-leadership of personnel, good management and continuous welfare promotion for employees.

With a diverse range of responsive personnel services, special focus was given on enhancing the quality of lives and implementing responsive human resource development strategies to enhance the productivity of personnel, thus further enabling them to contribute significantly towards the Bank's mandate of national development

Aware of the importance of maintaining a climate of mutual trust and cooperation between employees and management as a requirement towards effectively achieving organizational objectives, the 2007 Collective Negotiation Agreement (CNA) between Management and the DBP Employees Union (DBPEU) was signed on June 8, 2007. It was ratified by the members of the Collective Negotiation Unit and the DBP Board of Directors in June and July 2007, respectively.

In addition to a strong human resource development program, the DBP earned recognition for its sustainable development programs. The Bank's Environmental Management System continued to be operational and in 2007, easily hurdled the 2nd surveillance audit that confirmed its sustained compliance with the requirements of ISO 14001 standards.

DBP has likewise influenced its clients to invest in environmental projects to address the adverse environmental impacts of their business activities, and monitored the environmental performance of its various funded projects to ensure compliance with the environmental regulatory requirements. In 2007, DBP released a total of P13.84 billion in loans for environmental projects.

The DBP Forest program is a unique undertaking that supports and encourages the forestation of open and denuded areas through the planting of high value fruit trees and other useful plant species. It is a multi-sectoral environmental initiative that also seeks to protect coastal areas and conserve soil and water in the uplands while improving spawning grounds for terrestrial and marine aquatic life. In the long run, it also aims to help develop downstream industries in the countryside. The program has 25 existing forest projects consisting of 5,946 hectares of upland and coastal areas.

In 2007, the Bank launched its 24th reforestation project in Tarlac, a 275-hectare plantation expected to heighten the Bank's environmental protection efforts as well as generate economic opportunities in the province. Five micro-enterprises will manage the plantations, giving job opportunities to upland farmers and residents of two municipalities.

During the year, the Bank signed a Memorandum of Agreement with the provincial government of Marinduque for the reforestation of identified sites in the area. The DBP Forest in Marinduque, its 25th project, will be implemented in three modules involving watershed rehabilitation, fruit tree forest development and coastal rehabilitation. Reforestation and agro-forestry activities will be undertaken for the development and rehabilitation of a 240-hectare watershed spanning identified barangays in the municipalities of Sta. Cruz and Torrijos. A 160-hectare agro-forest plantation will also be established in the provincial capital of Boac, with at least 250 families targeted to benefit from livelihood opportunities to be generated.

In compliance with the global drive against money laundering, the Bank pursued the development of an electric money laundering transaction monitoring and/or detection system. The system would provide the Bank with a central repository of customer information for all Bank's customers that can be linked to the Bank's various core system servers for comprehensive processing and monitoring of covered and suspicious transactions, transactions under watch list and other relevant reports that will support investigation, if any. The Money Laundering Detection system offered by SAS Institute (Philippines), Inc. was implemented in 2007. It was also audited and declared generally compliant by the BSP.

To address the requirements under the Implementing Rules and Regulations of the Anti-Money Laundering Act (AMLA) to provide all responsible Bank officers and employees with efficient and effective training and continuing education programs, 12 series of AMLA briefings/seminars for both the head office and its branches were conducted.

The Office of the Legal Counsel also continued to refine its portal that provided effective awareness on the relevant opinions, circulars, rulings or memoranda from the BSP, the Department of Justice (DOJ) and other government agencies affecting the Bank and its operations. The soft launching of the OLC Portal was held among the lawyers of the Regional Management Offices (RMOs) and branches during the Anti-Money Laundering Seminar from December 13-14. Region-wide launching will be held in 2008 upon the completion of intranet access of all the Bank's regional offices.

The Bank also observed the guidelines governing the acceptance of valid identification cards for all financial transactions made through banks and the filing of suspicious transaction reports (STRs) with the Anti-Money Laundering Committee (AMLC) for transactions involving fraudulent or suspicious checks under BSP Circular No. 564 and Circular Letter No. 10. Regarding the guidelines on the submission of Crimes and Losses report to BSP using the revised format under BSP Circular No. 587, uniform compliance and implementation by concerned Bank units and branches was effected. Existing policies and procedures under the Bank's Manual of Operating Procedures were likewise reviewed for necessary amendments.

The Bank also attended the round table discussion on the implication to the banking industry of Republic Act No. 9372 or the Human Security Act of 2007. Enacted for the purpose of securing the Philippines and protecting the people from acts of terrorism, this law specifically provides for the classification and contents of the Court Order authorizing the examination of bank deposits, accounts and records.

Corporate Social Responsibility

The Bank reinforced its corporate citizenship thrust in 2007 with the launching of the DBP Endowment for Education Program (DEEP), a non-credit program to be implemented starting academic year 2008-2009. DEEP offers poor but deserving high school graduates the opportunity to pursue higher education as a means to break the vicious cycle of poverty confronting their families.

A key feature of the DEEP programs is its “pay it forward” scheme. Instead of paying back DBP’s financial support, beneficiaries will pay forward or contribute to a fund that will allow others to access the same opportunity.

DEEP aims to enroll around 150 nursing students from all over the country in selected partner schools with outstanding performance record. The partner school benefits from an endowment portion wherein DBP pre-pays the tuition for the entire four-year course. While this is a variant of a pre-need scheme, it provides the school with funds to undertake investments to improve its facilities, faculty and curriculum.

Corporate social responsibility initiatives were also conducted by the Bank through separate outreach projects in typhoon-ravaged Bicol region specifically in Iriga, Camarines Sur. The Bank conducted a relief mission for typhoon and mudslide victims in Daraga, Albay and assisted Daraga National High School in the repair of its school buildings that were badly damaged by the typhoons. During the year, a donation drive was also coordinated for the benefit of 1,356 families left homeless by a four-hour fire that razed Mandaue City.