



DEVELOPMENT BANK OF THE PHILIPPINES

Head Office: Sen. Gil J. Puyat Avenue corner
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02 December 2025

ATTY. SUZY CLAIRE R. SELLEZA
Head, Issuer Compliance and Disclosure Department
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8751 Paseo de Roxas
Makati City 1226

SUBJECT: Clarification of News Article by the Manila Bulletin entitled “DBP seeks relief extension to recover ₱25-billion Maharlika loss”

Dear Atty. Selleza:

We reply to your inquiry through email dated 01 December 2025, requesting clarification of the following news article published in the Manila Bulletin dated 01 December 2025 entitled, “DBP seeks relief extension to recover ₱25-billion Maharlika loss”.

The article reported the following:

“State-run Development Bank of the Philippines (DBP) will continue to seek regulatory and dividend relief for several more years as it aims to recover the capital it infused into the Maharlika Investment Corp. (MIC).

DBP President and Chief Executive Officer Michael O. de Jesus told reporters last week that the bank, which has enjoyed dividend relief for over six years, plans to seek yearly dividend relief for another five to seven years.

The plan will be evaluated annually, according to De Jesus. “For the dividend relief, my answer is five to seven years. As for the regulatory relief, let’s see — hopefully in about two years, we may no longer need it,” he said.

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“We need to strengthen our capital. Right now, our total equity is about ₱97 billion. When I joined three years ago, it was only about P80 billion or so. So we need to build up as a bank, and that’s why we’re asking for dividend relief,” De Jesus said.

“We also need it so we can recover. Remember, the bank lost ₱25 billion to Maharlika, so we need to rebuild our capital base,” he added.

In 2023, the DBP remitted P25 billion to the Bureau of the Treasury for its investment in the Maharlika Investment Fund (MIF).

As of end-October, government financial institutions (GFIs) had remitted ₱45.3 billion to the Treasury. These include remittances from the Bangko Sentral ng Pilipinas (BSP) at ₱18.9 billion and Landbank at P26 billion.



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Overall dividends from all government-controlled and/or -owned corporations (GOCCs) totaled ₱106.5 billion in the first 10 months of the year.

DBP-Leasing Corporation (DBP-LC), the bank's subsidiary, has remitted ₱111 million in dividends since January."

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With reference to the said article, we wish to clarify that the statements made by our President and CEO Michael O. de Jesus refers to an opportunity loss from the investment of the Bank in the Maharlika Investment Corporation (MIC) rather than an actual financial loss. To ensure safe and sound banking practices and adherence to the BASEL III Framework, all bank's risk-activities, which include lending, are limited to the overall level of capital adequacy of the institution. Another limitation on our part would be that apart from generating higher retained earnings, any increase in our total capital to better accommodate the investment in the MIC, would need amendments to our Charter.

The reliefs being sought out are to ensure that the Bank remains steadfast on its trajectory and plan to continue supporting the Nation's development and economic growth by providing financial services to key sectors.

Thank you.

Sincerely,



ALLEN LOUIS V. YANZA

Associated Person/Deputy Corporate Information Officer