

The background features a vibrant green bokeh effect. In the foreground, a red watering can is pouring water into a hole in dark soil. A small green plant is growing from the soil, and several stacks of silver coins are visible, symbolizing investment and growth.

DBS Green Bond Report

June 2018

Introduction

- In July 2017, DBS issued our first green bond in accordance with [DBS Green Bond Framework](#) (Framework). The issuance amplifies our commitment to sustainability and to supporting projects which have positive impacts. This is our first green bond report on the allocation of proceeds and impact achieved from the issuance of the bond.
- Since the issuance of the bond, we have continued to undertake initiatives to create value for multiple stakeholders under our four sustainability pillars: Responsible Banking, Responsible Corporate Citizenship, Creating Social Impact and Employer of Choice. More information can be found on pages 97 to 107 of our [2017 Annual Report](#) and our website go.dbs.com/sustainability.
- In January 2018, in conjunction with the Singapore government's declaration of 2018 as the Year of Climate Action, we shared publicly our [commitments](#) towards addressing climate change. These include managing our own environmental footprint, promoting sustainable finance, responsible financing and commitment to transparent disclosures.

Allocation of proceeds

- The USD 500 million floating rate green bonds due 2022 were issued under DBS' USD 30 billion Global Medium Term Note Programme in July 2017. The bonds bear a quarterly coupon of 3-month USD LIBOR + 0.62%.
- In accordance with the [Pricing Supplement](#) dated 18 July 2017, we have allocated the net proceeds from the issuance of the green bonds towards the financing of green projects or assets as described under the Eligibility Criteria in the Framework.
- From the date of issuance to the date of this report, **100% of the net proceeds have been allocated to green assets comprising DBS' financing of a green building – Marina Bay Financial Centre Tower 3 (MBFC T3), a commercial property in Singapore certified Green Mark Platinum by the Building and Construction Authority (BCA).**

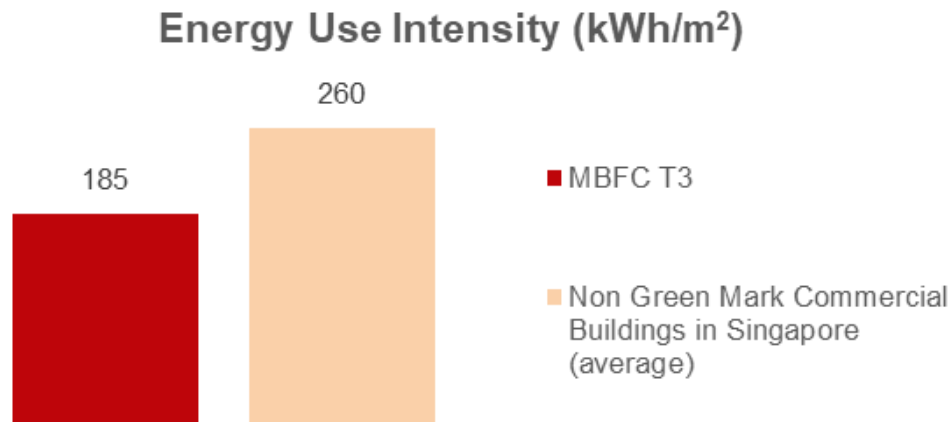
Impact reporting (1/2)

- In 2016, MBFC T3 was awarded the Green Mark Platinum Award by BCA in recognition of its best practices in environmental design and construction, and the adoption of green building technologies. This is the highest honour in BCA's Green Mark scheme.
- The building's low-emissivity glass minimises heat load and thermal transfer. Energy efficient air-conditioning system and lighting are installed throughout the building. The use of motion sensors, energy saving lifts and escalators also reduces energy consumption.
- MBFC T3 was also awarded the Green Mark Pearl Award which recognises the strong commitment of landlords and tenants of the same building working in tandem to achieve greater environmental sustainability. The award is given to landlords who have a substantial number of tenants and percentage of net lettable area which are certified Green Mark or higher by BCA.



Impact reporting (2/2)

- To quantify the CO₂ impact of our green bond issuance, we have benchmarked the actual energy performance of MBFC T3 against non-green commercial buildings in Singapore. In 2017, MBFC T3 achieved an energy use intensity (EUI) of 185 kWh/m², compared to the average EUI of 260 kWh/m² for non-green commercial buildings in Singapore¹.



Estimated energy savings
in 2017

11,423 MWh

(based on gross floor area of 151,777 m²)

CO₂ avoided²

4,848 tonnes



The energy savings are equivalent to powering more than 2,400³ public housing units in Singapore for one year

1. Source: [BCA Building Energy Benchmarking Report 2017](#)

2. Source: Based on [Singapore Electricity Grid Emission Factor](#) of 0.4244 for FY 2016

3. Source: Based on [Energy Market Authority data](#)

Approval and independent assurance

- This report has been reviewed and approved by the DBS Sustainability Council on 29 June 2018.
- We have also engaged Ernst & Young LLP to provide independent verification and assurance on our reporting and management of Proceeds in accordance with the Framework. Please refer to Appendix 1 for the Independent Limited Assurance Report.

Appendix 1



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Independent Limited Assurance Report in connection with DBS Green Bond Report to the Sustainability Council of DBS Group Holdings Ltd

Assurance conclusion

Based on our limited assurance procedures, as described in this statement as of 29 June 2018, nothing has come to our attention that causes us to believe that the proposed use of proceeds, policies and procedures for project evaluation and selection, policies and procedures for management of proceeds, and policies and procedures for reporting on use of proceeds and project performance in relation to DBS Group Holdings Ltd's (DBS) 2017 first Green Bond issuance does not meet the criteria outlined in DBS' Green Bond Framework, in all material respects.

Scope

We have performed a limited assurance engagement on the Subject Matter Information set out in the Subject Matter Information section below. These Subject Matter Information are included in the Green Bond Report of DBS for the financial year ended 31 December 2017 (DBS' Green Bond Report).

Subject Matter Information

Our limited assurance engagement covers the following Subject Matter information:

- Management of the DBS' USD 500 million floating rate green bonds' (DBS' Green Bond) proceeds (Proceeds)
- Reporting on the use of Proceeds and project performance

Reporting Criteria

The reporting criteria of the Subject Matter Information are set out in the DBS Green Bond Framework. The DBS Green Bond Framework sets out the guidelines for DBS Green Bond issuances in accordance with the following four core components of the Green Bond Principles issued by the International Capital Market Association (ICMA): Use of Proceeds; project evaluation and selection process; management use of proceeds; and reporting.

Management Responsibility

The management of DBS ('Management') is responsible for the collection, preparation, presentation and implementation of the Subject Matter in accordance with the Reporting Criteria; and for implementing appropriate risk management, internal controls and maintaining of records in respect of the Subject Matter so that it is free from material misstatement, whether due to fraud or error; and making estimates that are reasonable in the circumstances.

Assurance Practitioner's Independence and Quality Control

We have complied with the independence and other ethical requirements of the Accounting and Corporate Regulatory Authority (ACRA) Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (ACRA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Assurance Practitioner's Independence and Quality Control (Cont'd)

Our firm applies Singapore Standard on Quality Control 1 and, accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have the required competencies and experience to conduct this assurance engagement.

Assurance Practitioner's Responsibility

Our responsibility is to form a conclusion on DBS' preparation of the Subject Matter Information in compliance with the Framework based on our work. We performed our work in accordance with International Standard on Assurance Engagements Other than Audits or Reviews of Historical Financial Information ('Standard'). This Standard requires that we plan and perform our work to form the conclusion. The extent of our work performed depends on our professional judgment and our assessment of the engagement risk.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

A limited assurance engagement consists of making enquiries and applying analytical and other limited assurance procedures. Our procedures were designed to provide a limited level of assurance and as such do not provide all the evidence that would be required to provide a reasonable level of assurance.

Assurance Practitioner's Responsibility (Cont'd)

The procedures performed depend on the assurance practitioner's judgement including the risk of material misstatement of the specific activity data, whether due to fraud or error. While we considered the effectiveness of Management's internal controls when determining the nature and extent of our procedures, our review was not designed to provide assurance on internal controls. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Our Approach

Our review was limited to the Subject Matter Information set out in the Subject Matter Information section above and did not include statutory financial statements of DBS Group. We designed our procedures in order to form a conclusion whether we are aware of any material amendments that need to be made to the Subject Matter Information to be in accordance with the Framework. Our procedures performed included, but were not limited to:

- Reviewing the implementation of DBS' procedures in relation to how Management used and managed Proceeds appropriately in the relevant documentation for DBS' Green Bond;
- Reviewing selected environmental performance information for disbursed project and documentation supporting assertions made in the Subject Matter;
- Checking the accuracy of environmental performance calculations and;
- Obtaining and reviewing relevant evidence to support that DBS' Green Bond is in compliance with the Reporting Criteria.

Restriction of use

Our responsibility in performing our assurance activities is to the Sustainability Council of DBS only and in accordance with terms of reference for this engagement as agreed with them. We do not therefore accept or assume any responsibility for any other purpose or to any other person or organisation. Any reliance any such third party may place on DBS Green Bond Report is entirely at its own risk. No statement is made as to whether the criteria are appropriate for any third party purpose.

Ernst & Young LLP
Signed for Ernst & Young LLP by
K Sadashiv
Managing Director,
Climate Change and Sustainability Services
Singapore, 29 June 2018