



DBS Green Bond Report

June 2019

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 second-year green bond report on the allocation of proceeds and impact achieved from the issuance of the bond. The reporting period is from 1 January 2018 to 31 December 2018.
- Since the issuance of the bond, we have continued to undertake initiatives to create value for multiple stakeholders under our three sustainability pillars: Responsible banking, Responsible business practices and Creating social impact. More information can be found on our standalone [Sustainability Report 2018](#) and our [website](#).

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).**

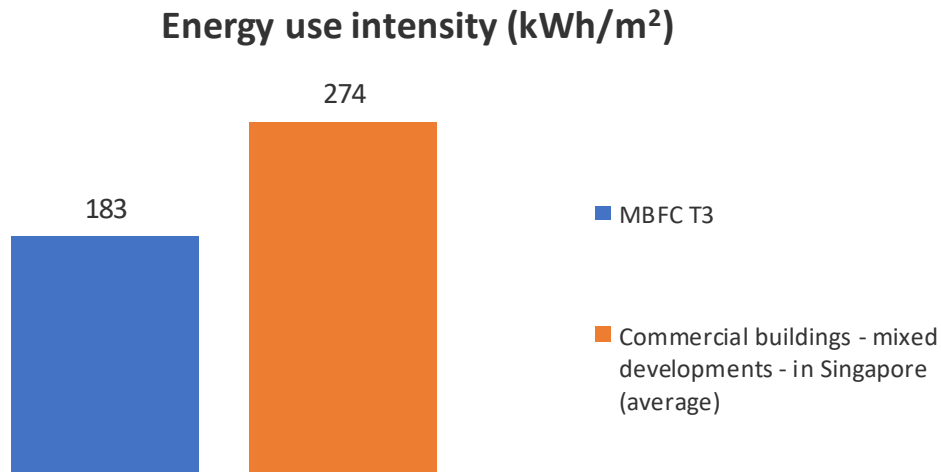
Impact reporting (1/2)

- 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 letter of award for recertification was obtained in January 2019.
- 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 commercial buildings – mixed development – in Singapore. In 2018, MBFC T3 achieved an energy use intensity (EUI) of 183 kWh/m², compared to the average EUI of 274 kWh/m² for mixed developments in Singapore¹.



Estimated energy savings
in 2018

13,843 MWh

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

CO₂ avoided²

5,803 tonnes



The energy savings are equivalent to powering approximately 2,500³ public housing 5-room & executive in Singapore for one year

1. Source: <https://www.bca.gov.sg/BESS/BenchmarkingReport/BenchmarkingReport.aspx>

2. Source: Based on https://www.ema.gov.sg/cmsmedia/Publications_and_Statistics/Publications/SES18/Publication_Singapore_Energy_Statistics_2018.pdf of 0.4192 kgCO₂/kWh

3. Source: Based on https://www.ema.gov.sg/cmsmedia/Publications_and_Statistics/Publications/SES18/Publication_Singapore_Energy_Statistics_2018.pdf of 453.9kWh/month for 5-room & executive

Approval and independent assurance

- This report has been reviewed and approved by the DBS Sustainability Council on 30 May 2019.
- We have also engaged Ernst & Young LLP to provide independent 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 13 June 2019, nothing has come to our attention that causes us to believe that the 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 for the period from 01 January to 31 December 2018 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 2018 ('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 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 of proceeds; and reporting.

Management Responsibility

The management of DBS ('Management') is responsible for the collection, preparation, presentation and implementation of the Subject Matter Information in accordance with the Reporting Criteria; and for implementing appropriate risk management, internal controls and maintaining of records in respect of the Subject Matter Information 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 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 limited assurance engagement 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 limited assurance engagement 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 other information disclosed in DBS' Green Bond Report;
- ▶ 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
Simon Yeo
Partner, Climate Change and Sustainability Services
Singapore, 13 June 2019