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).
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.

![Energy use intensity (kWh/m²)]


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.
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

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 2015, nothing has come to our attention that causes us to believe that the disclosure of the specific activity, 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 conclusions.

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 DBS Green Bond Report for the financial year ended 31 December 2015 (DBS Green Bond Report).

Subject Matter Information

Our limited assurance engagement covers the following Subject Matter Information:

Management of the DBS USD 400 million floating rate green bonds (DBS Green Bond) processes and procedures.

Reporting on the use of proceeds and project development.

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 guidance for DBS Green Bond issuances in accordance with the following four components of the Framework:

- Purpose and Principles announced by the Green Bond Market Association (GBMA).
- Use of Proceeds.
- Project evaluation and selection process.
- Management of proceeds and reporting.

Management Responsibility

The engagement of DBS (‘Engagement’) is responsible for the selection, preparation and presentation of the Subject Matter Information in accordance with the Reporting Criteria, and for implementing appropriate internal controls and maintaining records in respect of the Subject Matter Information so that they are adequate to ensure that the information is free from material misstatement, whether due to fraud or error, and misrepresentations that are material 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 Rules for Public Accountants and Accounting Entities (ACRA Code), which is based on frameworks 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 judgment including the size of material misstatement of the specific activity, 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 conclusions.

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 any other financial statements of DBS Group, our design of procedures in order to form a conclusion whether we were 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 distressed project and other performances disclosed in the DBS Green Bond Report.
- Checking the accuracy of environmental performance information, calculations and figures.
- Obtaining and reviewing relevant evidence to support the DBS Green Bond in line with the Reporting Criteria.

Restriction of use

Our responsibility in performing our assurance services is to the Sustainability Council of DBS only and in accordance with terms of reference for this engagement are agreed with them. We do not therefore accord or assume any responsibility for any other purpose or to any other person or organisation. Any reliance on our work or report by any other person or organisation would be contrary to the Framework. No statement to the contrary or otherwise is 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 2015