

The background of the slide features a close-up photograph of several small green seedlings with two leaves each, growing out of stacks of gold coins. The coins are stacked on a bed of dark brown soil. The background is a soft, out-of-focus green. A semi-transparent red rectangle is overlaid on the right side of the image, containing the title and date.

DBS Green Bond Report

June 2020

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 third-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 2019 to 31 December 2019.
- 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 2019](#) 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).

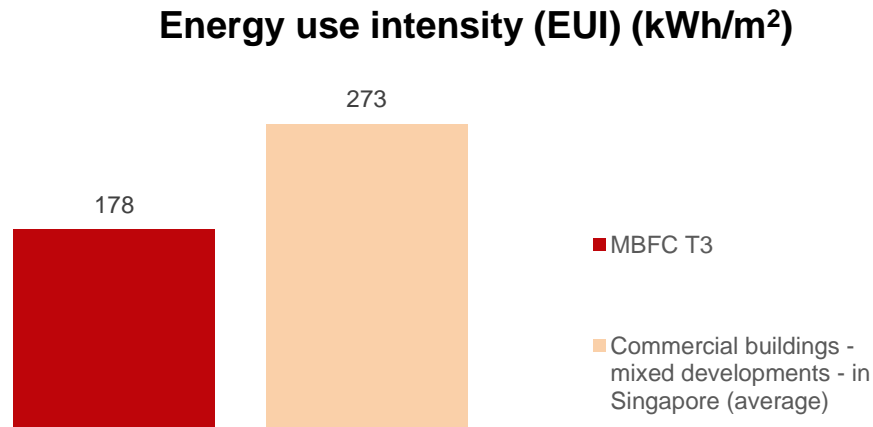
Impact reporting (1/2)

- 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 awarded the Green Mark Pearl Award for the second time. It is recognised for 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 2019, MBFC T3 achieved an energy use intensity (EUI) of 178 kWh/m², compared to the average EUI of 273 kWh/m² for mixed developments in Singapore¹.
- At MBFC T3, the Air Handling Unit (AHU) condensate water is collected to be reused for carpark washing, landscape irrigation, general cleaning and others.



Estimated energy savings in 2019
14,372 MWh
 (based on gross floor area of 151,777 m²)



The energy savings are equivalent to powering about 2,785³ public housing 5-room & executive in Singapore for one year

CO₂ avoided²
6,019 tonnes

Estimated water savings in 2019
7,260 m³
 (based on AHU condensate water reused)

1. Source: <https://www.bca.gov.sg/BESS/BenchmarkingReport/BenchmarkingReport.aspx>
 2. Source: Based on <https://www.ema.gov.sg/Singapore-Energy-Statistics-2019/Ch02/index2> of 0.4188 kgCO₂/kWh
 3. Source: Based on <https://www.ema.gov.sg/Singapore-Energy-Statistics-2019/Ch03/index3> of 430.1 kWh/month for 5-room & executive

Approval and independent assurance

- This report has been reviewed and approved by the DBS Sustainability Council on 11 June 2020.
- 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 relation to DBS Group Holdings Ltd Green Bond Report (FY2019) to the Sustainability Council of DBS Group Holdings Ltd

Assurance conclusion

Based on our limited assurance procedures, as described in this statement as of 15 June 2020, nothing has come to our attention that causes us to believe that the use of proceeds, policies and procedures for project evaluation and selection, management of proceeds and reporting on use of proceeds and project performance for the period from 01 January to 31 December 2019 in relation to DBS Group Holdings Ltd's 2017 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 in relation to the post-issuance of DBS Group Holdings Ltd's 2017 Green Bond ('the Bond' or 'Green Bond'), in order to provide an opinion as to whether the subject matter detailed below ('Subject Matter') meets, in all material respects, the criteria as presented below as at 15 June 2020.

Subject Matter and Criteria

The subject matter and associated criteria for this limited assurance engagement are set out in the table below:

Subject Matter	Criteria
<p>DBS Group Holdings Ltd's Green Bond post-issuance process, covering the following Subject Matter Information:</p> <ul style="list-style-type: none"> Management of the Green Bond proceeds ('Proceeds') Reporting on the use of proceeds and project performance 	<ul style="list-style-type: none"> The reporting criteria of the Subject Matter Information are set out in the DBS Green Bond Framework ('the Framework'), version 1 dated 1 July 2017. The Framework sets out the guidelines for Green Bond issuances in accordance with the following four core components of the Green Bond Principles issued by the International Capital Market Association (ICMA): <ul style="list-style-type: none"> Use of Proceeds Project evaluation and selection process Management of proceeds Reporting Criteria found at this link: https://www.dbs.com/wow-resources/images/sustainability/img/DBS-Green-Bond-Framework.pdf

Management Responsibility

The management of DBS Group Holdings Ltd ('Management') is responsible for the collection, preparation, and presentation of the Subject Matter in accordance with the criteria and for maintaining adequate records and internal controls that are designed to support the Green Bond issuance process.

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.

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.



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Assurance Practitioner's Responsibility

Our responsibility is to express a limited assurance opinion as to whether the subject matter is presented in accordance with the criteria, in all material aspects. Our assurance engagement has been planned and performed in accordance with the International Standard on Assurance Engagements 3000 (revised) *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* ('ISAE 3000').

Level of Assurance

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.

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 procedures were 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 opinion.

Our Approach

Our limited assurance engagement was limited to the Subject Matter set out in the Subject Matter and Criteria section above and did not include statutory financial statements of DBS Group Holdings Ltd. 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 to be in accordance with the Framework. Our assurance procedures performed included, but were not limited to:

- Reviewing the implementation of procedures in relation to how Management used and managed Proceeds appropriately in the relevant documentation for the Green Bond;
- Reviewing selected environmental performance information for disbursed project and other information disclosed in DBS Group Holdings Ltd's Green Bond Report ('Green Bond Report');
- Checking the accuracy of environmental performance calculations and;
- Obtaining and reviewing relevant evidence to support that the Green Bond is in compliance with the reporting criteria.

Limitations

There are inherent limitations in performing assurance – for example, assurance engagements are based on selective testing of the information being examined – and it is possible that fraud, error, or non-compliance may occur and not be detected. There are additional inherent risks associated with assurance over non-financial information including reporting against standards which require information to be assured against source data compiled using definitions and estimation methods that are developed by the reporting entity. Finally, adherence to ISAE 3000, Green Bond Principles (June 2017) and the Framework is subjective and will be interpreted differently by different stakeholder groups.

Our assurance was limited to the Green Bond post-issuance and did not include statutory financial statements. Our assurance is limited to the policies and procedures in place and information set out within the Green Bond Report from 01 January 2019 to 31 December 2019 and our responsibility does not include information prior to 01 January 2019 and subsequent to 31 December 2019.

Use of Report

Our responsibility in performing our assurance activities is to the Management of DBS Group Holdings Ltd only and in accordance with the 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 the Green Bond issuance is entirely at its own risk. No statement is made as to whether the reporting criteria are appropriate for any third-party purpose.

Appendix 1



Our Independence and Assurance Team

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. Our team has the required competencies and experience for this assurance engagement.

Observations on particular aspects of our engagement:

We provide selected observations aligning to the Framework, to provide the reader with further understanding on how this Green Bond meets the criteria. These observations are not intended to detract from our conclusion provided above.

- **Use of Proceeds:**
 - The use of proceeds aligns with the Framework's eligible green project category "green buildings that meet recognised standards, such as Singapore Building and Construction Authority (BCA) Green Mark (Gold Plus and above)".
- **Management of Proceeds**
 - The proceeds were allocated to finance designated eligible green assets and were selected in accordance with the eligibility criteria and exclusionary criteria as stated in the Framework.
 - DBS Group Holdings Ltd has an internal information system in place to monitor the allocation of proceeds and a register is used to facilitate the monitoring and reporting of the issued Green Bond.
- **Reporting**
 - DBS Group Holdings Ltd has been publishing an annual Green Bond Report which includes information relating to the allocated proceeds by eligibility criteria, together with a description of the asset being financed. As of 31 December 2019, all the net proceeds have been allocated to green assets comprising the financing of a green building – Marina Bay Financial Centre Tower 3 (MBFC T3).
 - The annual Green Bond Report was approved by the DBS Sustainability Council.
 - Project performance metrics have been presented as prescribed in the Framework.

Ernst & Young LLP
Signed for Ernst & Young LLP by
Simon Yeo, Partner Climate Change and Sustainability Services
Singapore
15 June 2020