

## **DBS Bank and AU Optronics sign first sustainability-linked loan for Taiwan**

***The three-year NTD 2 billion sustainability-linked loan is also the first for an IT company in Asia***

**Taipei, 21 May 2019** – DBS Bank Taipei Branch signed a three-year, NTD 2 billion (SGD 88 million) sustainability-linked loan with AU Optronics, marking a new milestone in sustainable development in Taiwan. This is the first sustainability-linked loan in Taiwan and the first of its kind for an IT company in Asia Pacific. The loan is evaluated based on a series of environmental, social and governance (ESG) performance metrics.

DBS is partnering with customers to remain at the forefront of their industries, as sustainability considerations are gaining more attention globally. By launching Taiwan's first sustainability-linked loan, which pegs the interest rate to sustainability performance targets, the bank hopes to encourage more customers to build businesses that will leave a positive impact for the future.

AU Optronics has always been committed to supporting sustainable development. It has been listed on the Dow Jones Sustainability Index (DJSI) for nine consecutive years. It is also on the MSCI World ESG Leaders Index and the FTSE4Good Index. In addition, it has been ranked among the top 5% in Taiwan Stock Exchange's Corporate Governance evaluation. AUO has an excellent performance track record in diversified areas such as corporate governance, environmental sustainability, science education, culture preservation, social citizenship and creating an inclusive workplace. Being the first to sign the sustainability-linked loan with DBS Bank Taipei Branch, AUO represents its sustainable approach in business operation and being a role model for Taiwan companies in this area.

Lim Him Chuan, General Manager of DBS Bank (Taiwan), said that there is a growing trend for corporates to adopt more sustainable practices in doing business. While seeking business growth, they also consider social, environmental and governance factors. In 2018, DBS Group inked four sustainability performance-linked loans amounting to over SGD 600 million, demonstrating the bank's commitment to sustainability while offering financial innovation to customers.

Tony Luo, Head of Institutional Banking Group at DBS Bank (Taiwan) said, “The core value of a sustainability-linked loan is to incentivise and reward corporations to advance their sustainability agenda.”

For DBS Bank’s sustainability-linked loans, corporates are evaluated based on an annual sustainability review report assessed by an external independent party, tracking the performance of corporates in terms of governance, environmental and social criteria. When the borrower meets or exceeds pre-determined ESG targets, the interest rate will be reduced. Borrowers not only share their commitment to sustainability but are also entitled to a competitive interest rate.

Luo further explained that unlike green loans which are used to exclusively finance or re-finance eligible green projects, capital from sustainability-linked loans can be used for general corporate purposes. This provides more flexibility to borrowers, and the impact goes beyond environmental aspects to cover comprehensive ESG developments of an organisation.

In 2018, DBS became the first bank in Southeast Asia and one of five Singapore-listed companies to be included in the DJSI Asia Pacific. The DJSI Asia Pacific serves as a valuable reference point for investors and companies and consists of businesses that have committed to corporate sustainability practices, and which seek to create long-term stakeholder value.

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#### **About DBS**

DBS is a leading financial services group in Asia with a presence in 18 markets. Headquartered and listed in Singapore, DBS is in the three key Asian axes of growth: Greater China, Southeast Asia and South Asia. The bank’s “AA-” and “Aa1” credit ratings are among the highest in the world.

Recognised for its global leadership, DBS has been named “[Global Bank of the Year](#)” by The Banker and “[Best Bank in the World](#)” by Global Finance. The bank is at the forefront of leveraging digital technology to shape the future of banking, having been named “[World’s Best Digital Bank](#)” by Euromoney. In addition, DBS has been accorded the “[Safest Bank in Asia](#)” award by Global Finance for ten consecutive years from 2009 to 2018.

DBS provides a full range of services in consumer, SME and corporate banking. As a bank born and bred in Asia, DBS understands the intricacies of doing business in the region’s most dynamic markets. DBS is committed to building lasting relationships with customers, and positively impacting communities through supporting social enterprises, as it banks the Asian way. It has also established a SGD 50 million foundation to strengthen its corporate social responsibility efforts in Singapore and across Asia.

With its extensive network of operations in Asia and emphasis on engaging and empowering its staff, DBS presents exciting career opportunities. The bank acknowledges the passion, commitment and can-do spirit in all of our 27,000 staff, representing over 40 nationalities. For more information, please visit [www.dbs.com](http://www.dbs.com).