

**Media Release****HK green bond issuance at USD2.6bn in 2019, year of diverse issuer types  
Low carbon buildings remain dominant theme**

**Climate Bonds Initiative releases Hong Kong Green Bond Market Briefing 2019  
In partnership with HSBC, supported by HKMA & HKGFA**

**London/Hong Kong: 6 May 2020: 09:00/16:00 GMT+7:** Climate Bonds Initiative launches today the Hong Kong Green Bond Market Briefing 2019, which provides an overview of an evolving market characterised by government issuance and regulatory support.

Produced in partnership with HSBC, and supported by the Hong Kong Monetary Authority (HKMA) and the Hong Kong Green Finance Association (HKGFA), Climate Bonds Initiative's second Hong Kong Briefing Paper examines a range of green bond deals from domestic issuers, and for the first time assesses their post-issuance disclosure. The Briefing also analyses market dynamics from a broader perspective including green bond deals arranged in Hong Kong, reflecting its increasing role as a green and sustainable finance hub for the region.

**2019 highlights:**

- Green bonds from Hong Kong issuers in 2019 totalled USD2.6bn from 6 issuers, down 5% from 2018 volume
- Cumulative issuance has reached USD7.1bn overall
- Market saw the HKSAR Government's inaugural green bond issuance and most diverse use of proceeds
- Low-carbon buildings dominated use of proceeds at record high of 61% of green issuance
- 85% of issuance has at least one type of external review
- 81% of HK green bonds carry post-issuance disclosure
- Green bonds arranged and issued in HK as a financial centre comprised USD 10bn in 2019\* (\*According to HKMA methodology)

**Three major trends to watch in 2020/21**

Notwithstanding the economic and financial impacts of Covid-19, the Briefing identifies the following major drivers that would bring fresh momentum to Hong Kong's green and climate initiatives:

**Greater synergies among the Greater Bay Area cities**

-Cities working together via the GBA-GFA to green the Bay Area and incubate green investments

**Enhancing green finance and climate-related risk disclosure**

-Improving TCFD uptake and ESG based disclosure and transparency

**Accelerating green transition – the opportunity of the decade**

-Involvement of all parts of the private sector in seeking green and transition aligned investments

**Sean Kidney, CEO of Climate Bonds Initiative:**

“The Covid-19 crisis has devastating impact and there will be a long road to recovery. It’s a harsh reinforcement of the importance of mitigating risks and building resilience, particularly climate resilience & sustainability into economic and financial recovery plans.”

“We have seen a silver lining in the crisis, with growing global voices calling for green plans and governments to steer policy towards a green recovery.”

“This latest Briefing reveals that Hong Kong is maintaining its focus on green finance with new policy settings to encourage transition and sustainable finance. There is tremendous potential for Hong Kong to play a pivotal role in facilitating green financing of the post-virus recovery and longer term in low carbon transition investment in mainland China and the wider region.”

**Darryl Chan, Executive Director (External) of The Hong Kong Monetary Authority:**

“Hong Kong's green bond market saw another rewarding year in 2019, with increased diversity in product type and over half of issuers making their debut issuance here. Our robust green bond platform is underpinned by supportive government policies, strong expertise, and broad investor base. The HKSAR Government's inaugural green bond issuance also helped to set an important new benchmark.”

“Looking ahead, we expect the market to ride on current momentum and continue to diversify, in terms of products, issuers and investors. We will continue to work with the Government and the industry to enhance Hong Kong's role as a regional green finance hub, as well as the green finance centre for the Greater Bay Area.”

**Sean McNelis, Managing Director, Global Co-Head of Debt Capital Markets, Global Banking, HSBC:**

“HSBC acted as the Green Structuring Bank and Joint Global Coordinator on Hong Kong Government’s debut Green bond, as the sole green finance adviser and joint mandated lead arranger for the first Green loan in Hong Kong, as well as issued Asia’s first Green retail certificates of deposit in Hong Kong. These are exciting milestones for HSBC in the sustainable finance market which underpins our commitment to playing a meaningful part in the transition to a greener economy.”

“HSBC has been embedding sustainability into our products and services, including access to capital markets, lending, transaction banking, advisory services, and investments. Issuers and investors in Hong Kong and across Asia are demonstrably prioritizing environmental and social issues with their increased support. With our global network and expertise, HSBC will continue to support the development of Hong Kong as a global Green finance centre in the Greater Bay Area.”

**Ma Jun, Chairman and President of the Hong Kong Green Finance Association**

“As a rapidly growing green finance market, Hong Kong will play a key role in the green development of the Greater Bay Area, including by assisting on green bond issuance and project financing. The Government’s blueprint for the Greater Bay Area provides a golden opportunity for the green finance sector in the region, and will stimulate further knock-on growth for Hong Kong’s banking, investment management, insurance and private equity industries.”

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#### Notes for Journalists

**About Climate Bonds Initiative:** The Climate Bonds Initiative is an investor-focused not-for-profit, promoting large-scale investment in the low-carbon economy. It undertakes advocacy and outreach to inform and stimulate green bond markets, provides policy models and government advice, international development programs, market data and analysis and administers the Standards & Certification Scheme. For more information, please visit [www.climatebonds.net](http://www.climatebonds.net).

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