

Climate Bonds Launches Germany Green Finance Report

Germany firms position in global top 5 - EUR6.6bn issued in 2018 - Strong start in 2019

London/Munich: 9th July 2019: 14:00 GMT+1: Climate Bonds Initiative has launched the *Germany Green Finance State of the Market – 2019 (GGF 2019)* with a focus green bond issuance, policy developments and market growth during 2018 and early 2019.

Produced with the support of DZ Bank and DekaBank and launched today in Munich, GGF 2019 analyses developments in the world's fourth largest national green bond market. Available in [English](#) and [German](#) it is the second Germany report in an ongoing series from Climate Bonds analysing green finance developments in Europe.

Germany Summary

Total green bond issuance reached EUR6.6bn (USD7.6bn) in 2018, placing Germany fourth in annual country rankings. Climate Bonds forecasts on [current trends](#) that Germany will remain in the global top 5 at end 2019.

Renewable energy tops use of proceeds followed by low carbon buildings and low carbon transport. The five biggest green bond issuers were KfW EUR1.6bn (USD1.9bn), Berlin Hyp EUR1.0bn (USD1.2bn), Deutsche Hypo EUR0.6bn (USD0.7bn), LBBW EUR0.5bn (USD0.6bn) and Commerzbank EUR0.5bn (USD0.6bn).

KfW has also issued the largest domestic green bond to date with their May 2019 EUR3bn (USD3.4bn) offering. Use of proceeds are committed to renewable energy and low carbon buildings.

2018 also saw a 20% rise of financial corporate issuance as more banks including Commerzbank and DZ Bank entered the market with green instruments financing renewable energy. German issuers also continue to lead in providing transparency to the market: 99% of cumulative issued volume benefits from an external review.

2018 Annual Highlights:

- EUR6.6bn (USD7.6bn) green bonds were issued in 2018, which was the 4th largest amount globally after the US, China and France
- Renewable energy dominated use of proceeds with 60% in 2018, low-carbon buildings (37%) and transportation (2.6%) the next largest categories
- Financial corporates dominated the issuer type mix with 43% - a 20% year-on-year increase
- 89% of 2018 green bonds were EUR denominated up from 69% in 2017. The second most popular currency after EUR is USD with SEK third.

Cumulative Market Highlights:

- 12% of the overall market is Climate Bonds Certified
- 99% of all German green bonds to date benefit from at least one external review
- 91% (by number) also provide post-issuance disclosure with 78% publishing both use of proceeds as well as impact reporting**
- Renewable energy leads cumulative use of proceeds at 70%, with low-carbon buildings next at 25% and transport at 1%. Water, waste, land use and ICT comprise the remaining 2.5%
- 87% of cumulative issuance is bonds of EUR500m or above, indicating a healthy pipeline of green assets and projects and further head room for growth

Four Catalysts for Accelerating Green Growth:

- Issuance of a green sovereign and public sector green bonds; Signalling to the market to support green finance growth
- Awareness-raising and stakeholder dialogues; Implementation of EU TEG outcomes and supporting sustainable finance activities
- Policy framework development; Sustainable finance hub development and strategies
- Accelerated energy transition (*Energiewende*) financing;

Viktoria Gerling, verantwortlich für Sustainability Bonds im Kapitalmarktgeschäft der DekaBank:

“With climate change turned from a threat into an acute emergency, we need to deploy and finance ambitious climate mitigation and adaptation projects and assets at scale, at speed. Germany has already shown tremendous leadership at home, in Europe and beyond. We now need to bring that leadership from the political and energy utility space into the finance space. This report depicts the status quo, lessons learned and opportunities going forward.”

Marcus Pratsch, Head of Sustainable Bonds & Finance bei der DZ BANK:

“DZ Bank is excited to work with other market players and the Climate Bonds Initiative to further deepen and broaden national and international climate finance. Cooperation is the way forward to tackle the challenges in front of us, and we invite all other influential players to come to this exciting climate finance space and make the largest possible contribution.”

Manuel Adami, Head of Investor Engagement at Climate Bonds Initiative:

“Germany is already a global voice on climate action at COP, the OECD and G20. Its domestic banking, finance, technology and industrial sectors provide a platform to cement a leading role in the area of energy transition (*Energiewende*) and green finance. The GGF 2019 report reflects these strengths and opportunities for Germany in an expanding market for sustainable investment that supports the shift towards zero carbon.”

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Notes for Journalists:

About the Climate Bonds Initiative: The Climate Bonds Initiative is an investor-focused not-for-profit, promoting large-scale investment in the low-carbon economy. More information on our website www.climatebonds.net.

Climate Bonds Europe Reports: *German Green Bonds Market 2017* released in May 2017 is [available here](#). *France Green Bond Market Overview* released in April 2018 is [available here](#). *Green Bond Markets in Europe*, released in May 2018 is [available here](#).

Cumulative figures: The first green bonds issued in Germany was from Landwirtschaftliche Rentenbank at EUR67m (USD50 m) in [September 2013](#). Climate Bonds Initiative cumulative data for Germany is calculated from 2013.

Note: ** 91% figure as at November 2017. 2018 figures are yet to be calculated.

3 Largest German Green Bond Issuers 2018

Issuer name	Amount (EUR)	Amount (USD)	Bond count
KfW	1.6 Bn	1.9 Bn	3
Berlin Hyp	1.0 Bn	1.2 Bn	2
Deutsche Hypo	0.6 Bn	0.7 Bn	3

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