

## CLIMATE BONDS INITIATIVE

For Immediate Release

### **New report reveals 25% growth in issuance of climate-themed bonds over past year**

HONG KONG, 15 June 2013 – The Climate Bonds Initiative, in collaboration with the HSBC Climate Change Centre of Excellence, today launches its 2013 review of Bonds and Climate Change at the First Global Investor Forum on Climate Change being held in Hong Kong.

The report finds that:

- > The total universe of bonds linked to key climate themes stands at USD346bn, double last year's estimate.
- > The issuance of new climate-themed bonds was USD74bn in 2012, up 25% on 2011.
- > China accounts for USD127bn of the total (XX%), followed by the UK and France.
- > Carbon-efficient transport, notably rail, accounts for 75% of the total, followed by clean energy and climate finance.
- > 89% of the USD346bn universe is investment grade.

Nick Robins, Director at the HSBC Climate Change Centre of Excellence said that: "Over the past year, we have seen impressive growth in the issuance of climate-themed bonds, as well as much greater granularity in key sectors and countries. We believe that bonds will play an increasingly critical role in financing the substantial scale-up in low-carbon infrastructure that the world economy urgently requires".

Welcoming the report, Karsten Löffler, CFO at Allianz Climate Solutions said: "To mobilize finance for low-carbon projects is key for effective climate protection. A large part of institutional investors' portfolio is composed of bonds. Our needs are for investment-grade, liquid and benchmarked bonds. We're cheered to see the report suggest the climate bond market is developing in the direction corresponding to our investment universe."

According to Climate Bonds CEO Sean Kidney, "Applying an index-type filter —credit ratings, currencies eligible on benchmark indices, bonds over USD100m — shows there are USD163bn of investment-grade bonds available to international investors on the secondary market."

"Looking ahead, we believe that there will be further expansion of interest from multilateral, municipal and corporate issuers. We also expect increasing demand from the USD21 trillion of institutional investors aligned with the new Global Investor Coalition on Climate Change."

The biggest slice of the universe — 75% — is made up of transport bonds, mainly rail. Rail is seen as a low-carbon transport, essentially to reducing use of short haul aviation and fuel-based vehicles.

The next two areas are clean energy and climate finance. China is the largest issuer at USD127bn, followed by the UK and France.

The report also explores opportunities for investing in climate-themed bonds and identifies where new innovative issuance may originate over the next year. ENDS

#### **For more information**

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#### **About Climate Bonds Initiative:**

The Climate Bonds Initiative is an investor-focused not-for-profit, promoting large-scale investment in the low-carbon economy. [www.climatebonds.net](http://www.climatebonds.net)