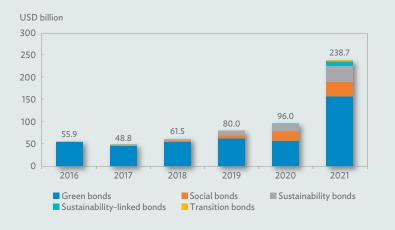
ASEAN+3 Sustainable Bonds Highlights

January 2022

2021 was a banner year for sustainable bonds. **The issuance volume of sustainable bonds in ASEAN+3 markets more than doubled** in 2021 from a year earlier to reach USD238.7 billion. Green bonds dominated regional sustainable bond issuance in 2021, accounting for 66% of total issuance.



Issuance Volume of Sustainable Bonds in ASEAN+3 Markets



While green bonds continued to dominate ASEAN+3 sustainable bond issuance and bonds outstanding, their share of total outstanding sustainable bonds in ASEAN+3 fell to 69% in 2021 from 76% in 2020. The decline was driven by **rising interest in social-related investments during the COVID-19 pandemic**.

In Q4 2021, 48.0% of sustainable bonds in ASEAN+3 markets carried a maturity of more than 5 years.

The average tenor of bond issuances has increased since Q2 2021.

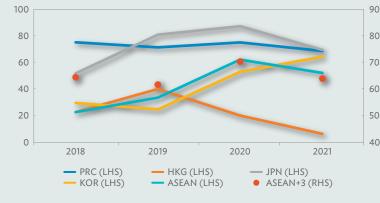
In Q4 2021, the value-weighted average tenor of sustainable bonds reached 8.7 years, while the simple (unweighted) average tenor was 10.5 years.



Maturity Profile Based on Issuance of Sustainable Bonds in ASEAN+3 Markets

Shares of Local-Currency-Denominated Sustainable Bond Issuance across Markets

Local currency sustainable bonds dominated sustainable bond issuance in ASEAN+3 markets in 2021, accounting for about 64% of total sustainable bond issuance. In recent years, the share of local-currency-denominated issuance has increased in the Republic of Korea, Japan, and ASEAN.



Issuance of Sustainable Bonds in ASEAN+3 by Sector of Issuer (share of total) % 100 80 60 40 20 0 2021 2019 2020 2021 2020 2021 2020 2020 Transition Green Bonds Social Bonds Sustainability Bonds Sustainability-Linked Bonds Bonds Consumer discretionary Energy Communications Consumer staples Financials Government Health care Industrials Materials Real estate Technology Utilities

The financial sector dominates issuances of sustainable bonds in ASEAN+3 markets, with **issuers becoming more diverse as markets evolve**. Green bonds and sustainabilitylinked bonds have the most diverse issuer profile.

ASEAN = Association of Southeast Asian Nations; COVID-19 = coronavirus disease, HKG = Hong Kong, China; JPN = Japan; KOR = Republic of Korea; LHS = left-hand side; PRC = People's Republic of China; Q1 = first quarter; Q2 = second quarter; Q3 = third quarter; Q4 = fourth quarter; RHS = right-hand side; USD = United States dollar.

%

Notes:

- 1. Data for sustainable bonds include green, social, sustainability, sustainability-linked, and transition bonds, and include both local currency and foreign currency issues. Data for maturity profile exclude perpetual bonds.
- 2. ASEAN includes the markets of Indonesia, Malaysia, the Philippines, Singapore, Thailand, and Viet Nam.
- 3. ASEAN+3 includes ASEAN members plus the People's Republic of China; Hong Kong, China; Japan; and the Republic of Korea.

Source: AsianBondsOnline computations based on Bloomberg LP data.



AsianBondsOnline is part of the Asian Bond Markets Initiative. Funded by Japan's Ministry of Finance, through the Investment Climate Facilitation Fund, it is a one-stop clearinghouse of information on sovereign and corporate bonds. It presents both regional and market-specific information in a structured format, giving market participants and potential investors a clear perspective of the current market. Government and private sector initiatives to enhance market depth and liquidity are also detailed.



