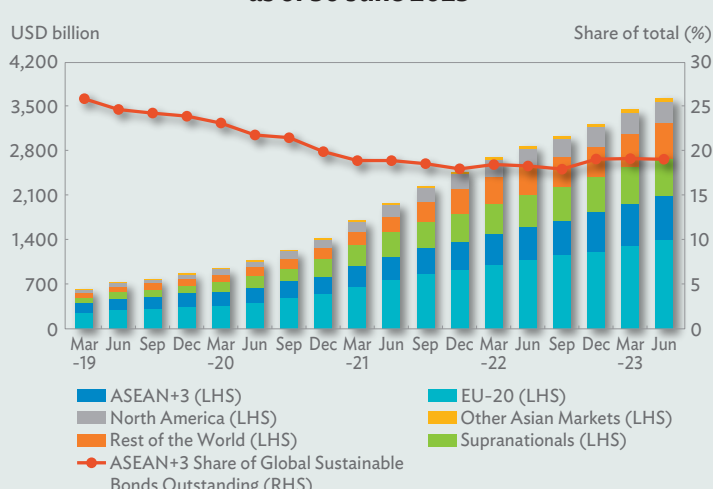
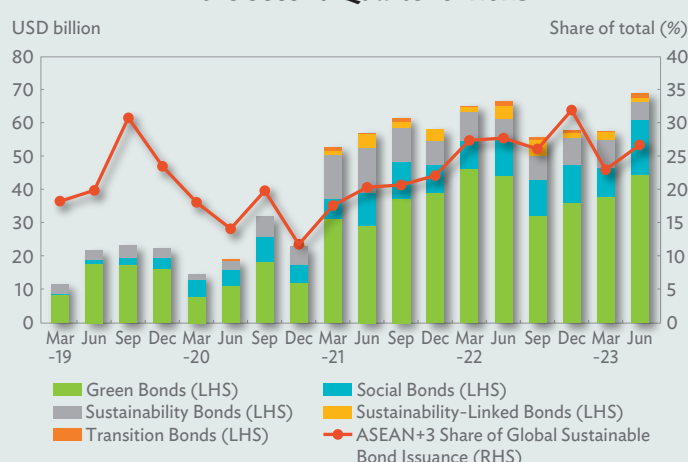


The outstanding amount of sustainable bonds in ASEAN+3 markets hit USD694.4 billion at the end of June 2023 on a q-o-q growth of 5.1%. The growth was down from 7.4% q-o-q in the prior quarter and less than the 5.5% q-o-q growth posted in the global sustainable bond market during the same period. ASEAN+3 markets accounted for 19.1% of the global sustainable market at the end of 30 June 2023. The EU-20 market remained the world's largest sustainable bond market with USD1.4 trillion of outstanding sustainable bonds, accounting for 38.5% of the global total

**Global Sustainable Bonds Outstanding as of 30 June 2023**



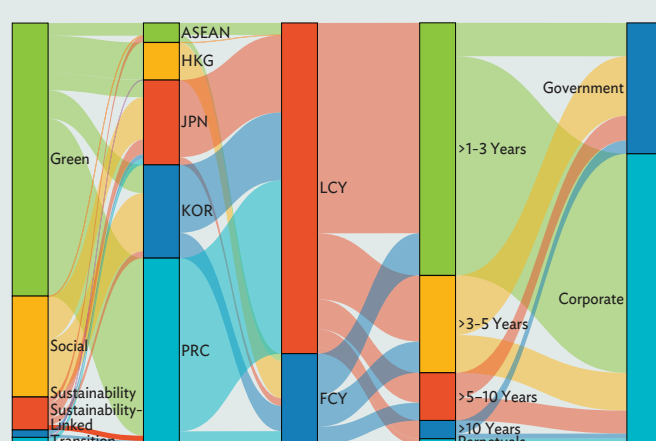
**ASEAN+3 Sustainable Bond Issuance in the Second Quarter of 2023**



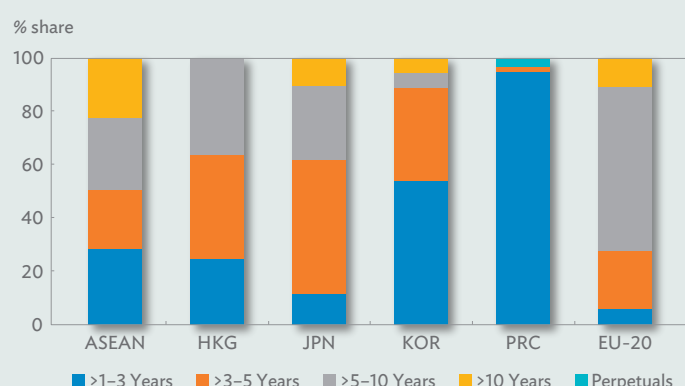
ASEAN+3 sustainable bond issuance reached USD69.0 billion in Q2 2023, surging 19.7% q-o-q after contracting 0.6% q-o-q during Q1 2023. The region's share of global sustainable bond issuance rose to 26.8% in Q2 2023 from 23.0% in Q1 2023. The rebound in sustainable bond issuance in ASEAN+3 was led by a surge of social bond issuance in Q2 2023. Social bonds witnessed growth of 86.6% q-o-q in Q2 2023 on total issuance of USD16.5 billion due largely to issuances from the Republic of Korea and Japan.

Green bonds and private sector financing comprised the majority of sustainable bond issuance in ASEAN+3 in Q2 2023. In Q2 2023, green bond issuance reached USD44.7 billion, accounting for 64.8% of the region's total issuance, followed by social bonds at USD16.5 billion (23.9%). Sustainability bonds, sustainability-linked bonds, and transition bonds collectively accounted for 11.3% of regional total issuance with USD7.8 billion. The share of private sector issuance rose to 69.0% in Q2 2023 from 59.7% in Q1 2023, with corporate sustainable bond issuance of USD46.7 billion in Q2 2023. In the ASEAN+3 general bond market, the private sector accounted for only 29.2% of total issuance during the same period, suggesting that the public sector could play a more active role in sustainable bond markets. Hong Kong, China's public sector had the largest sustainable bond issuance share in Q2 2023 at 96.9%.

**ASEAN+3 Sustainable Bond Issuance by Sector and Economy in the Second Quarter of 2023**



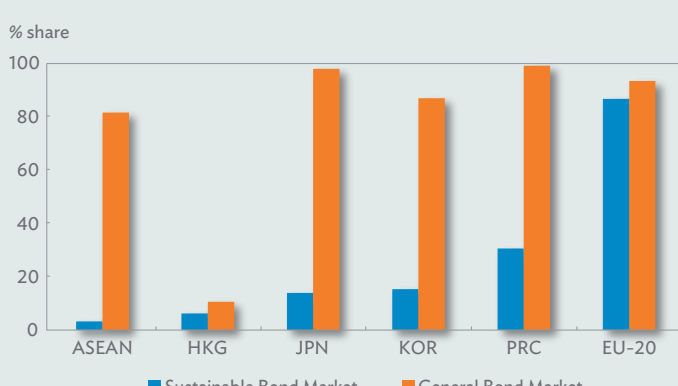
**Maturity Profiles of ASEAN+3 and EU-20 Sustainable Bond Issuances by Economy in the Second Quarter of 2023**



Sustainable bond issuance in ASEAN+3 in Q2 2023 mainly comprised relatively short maturities, with tenors of 5 years or less accounting for 82.9% of ASEAN+3 sustainable bond issuance in Q2 2023. The size-weighted average tenor of ASEAN+3 sustainable bond issuance in Q2 2023 was 4.8 years, compared to 9.1 years in the EU-20 sustainable bond market and 8.7 years in the ASEAN+3 general bond market during the same period. ASEAN markets had a relatively larger share of longer-tenor issuances, with 49.2% of sustainable bond issuance in Q2 2023 comprising tenors of 5 years or more.

Local currency issuance accounted for 78.4% of ASEAN+3 sustainable bond issuance in Q2 2023. ASEAN+3's local currency sustainable bond issuance was less than the corresponding share of 86.6% in the EU-20 sustainable bond market during the same period. This was also lower than in the ASEAN+3 general bond market, where local currency issuance accounted for 97.2% of total issuance in Q2 2023.

**Share of Local Currency Bond Issuance in ASEAN+3 and EU-20 Sustainable Bond and General Bond Markets in the Second Quarter of 2023**



ASEAN+3 = Association of Southeast Asian Nations (ASEAN) plus the People's Republic of China (PRC), Hong Kong, China (HKG), Japan (JPN), and the Republic of Korea (KOR); EU = European Union; FCY = foreign currency; LCY = local currency; LHS = left-hand side; Q1 = first quarter; Q2 = second quarter; q-o-q = quarter-on-quarter; RHS = right-hand side; USD = United States dollar.

- Notes:
1. Data for green, social, sustainability, sustainability-linked, and transition bonds include both local currency and foreign currency issues.
  2. ASEAN includes the markets of Indonesia, the Lao People's Democratic Republic, Malaysia, the Philippines, Singapore, Thailand, and Viet Nam.

Source: AsianBondsOnline computations based on Bloomberg LP data.