ASEAN+3 Sustainable Bonds Highlights

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JFPR Japan Fund for Prosperous and Resilient Asia and the Pacific

From the People of Japan

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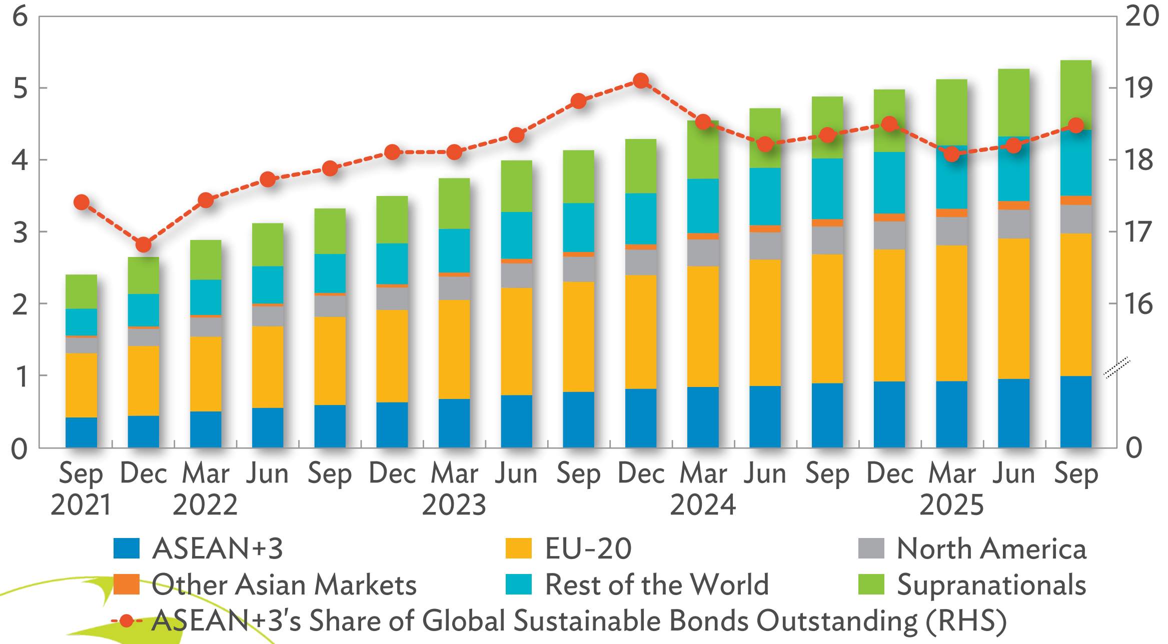
Growth in the ASEAN+3 sustainable bond market accelerated in Q3

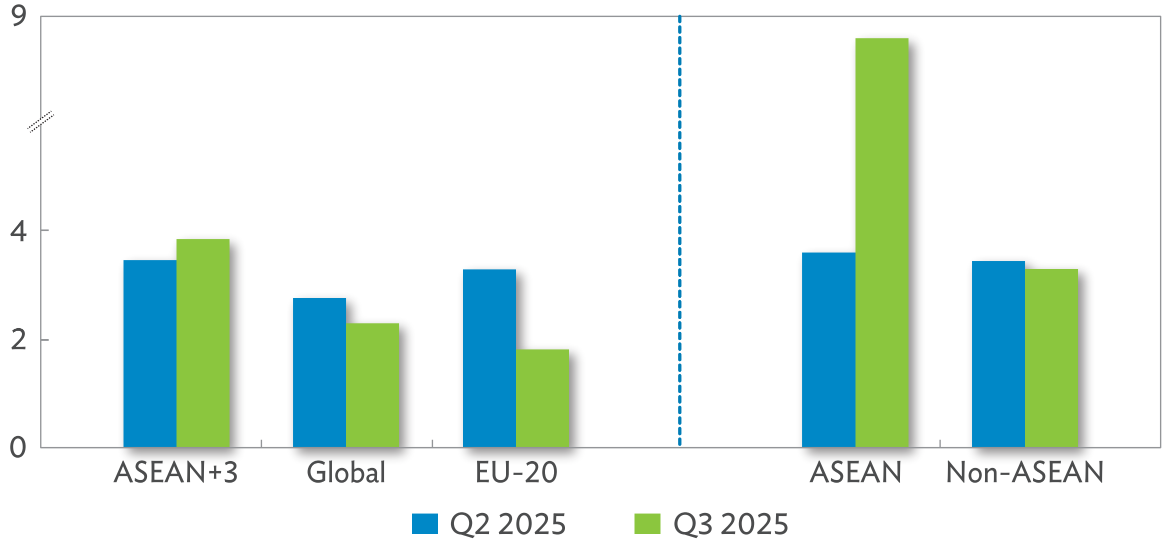
ASEAN+3 sustainable bonds outstanding reached USD994.4 billion at the end of September, accounting for 18.5% of the global total—second only to the EU-20 (36.8%). In Q3, ASEAN+3's sustainable bond market expanded 3.9% q-o-q, outpacing growth in the EU-20 (1.8%) and the global market (2.3%).

ASEAN markets led the ASEAN+3 sustainable bond market's expansion in Q3 with growth of 8.6% q-o-q, driven by increased issuance from nearly all member economies amid continued monetary easing.

Global Sustainable Bonds Outstanding



Sustainable Bond Market Growth in Q2 and Q3 2025



Source: *AsianBondsOnline* calculations based on Bloomberg LP data.

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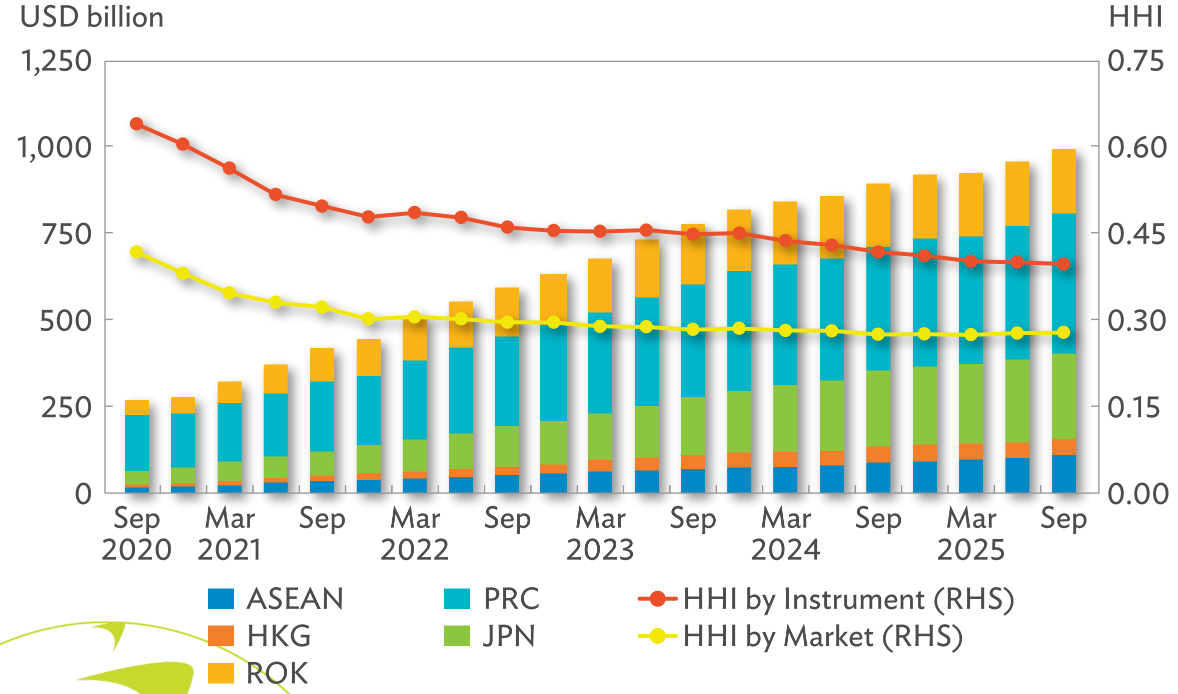
ASEAN+3's sustainable bond market expanded rapidly in the last 5 years, while also increasing its market and instrument diversity

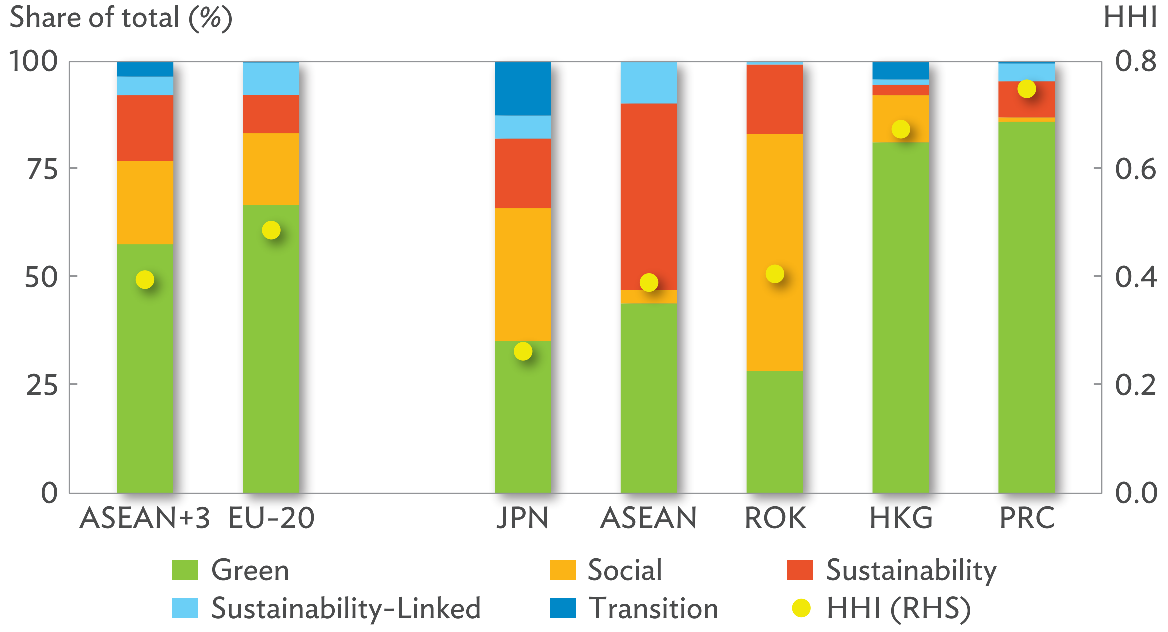
Sustainable bonds outstanding in ASEAN+3 increased nearly four-fold over the last 5 years. ASEAN markets accounted for 11.0% of the regional total in September 2025, up from 6.0% in September 2020. In comparison, ASEAN markets accounted for 5.9% of the ASEAN+3 general bond market in September 2025.

Green bonds are the predominant sustainable bond instrument in ASEAN+3, accounting for 57.7% of the total. In terms of instrument type, the ASEAN+3's sustainable bond market is more diversified than the EU-20's.

ASEAN+3 Sustainable Bonds Outstanding by Market



Sustainable Bonds Outstanding by Instrument Type



Source: *AsianBondsOnline* calculations based on Bloomberg LP data.

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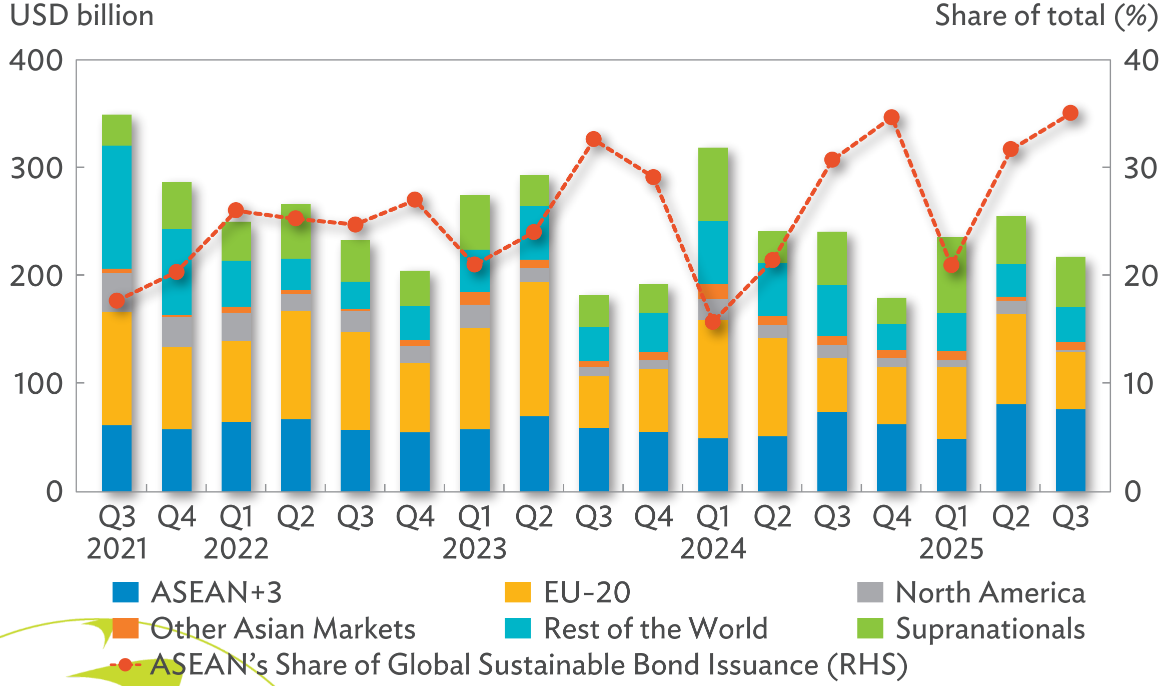
ASEAN+3 led global sustainable bond issuance in Q3, with notable contributions from ASEAN markets

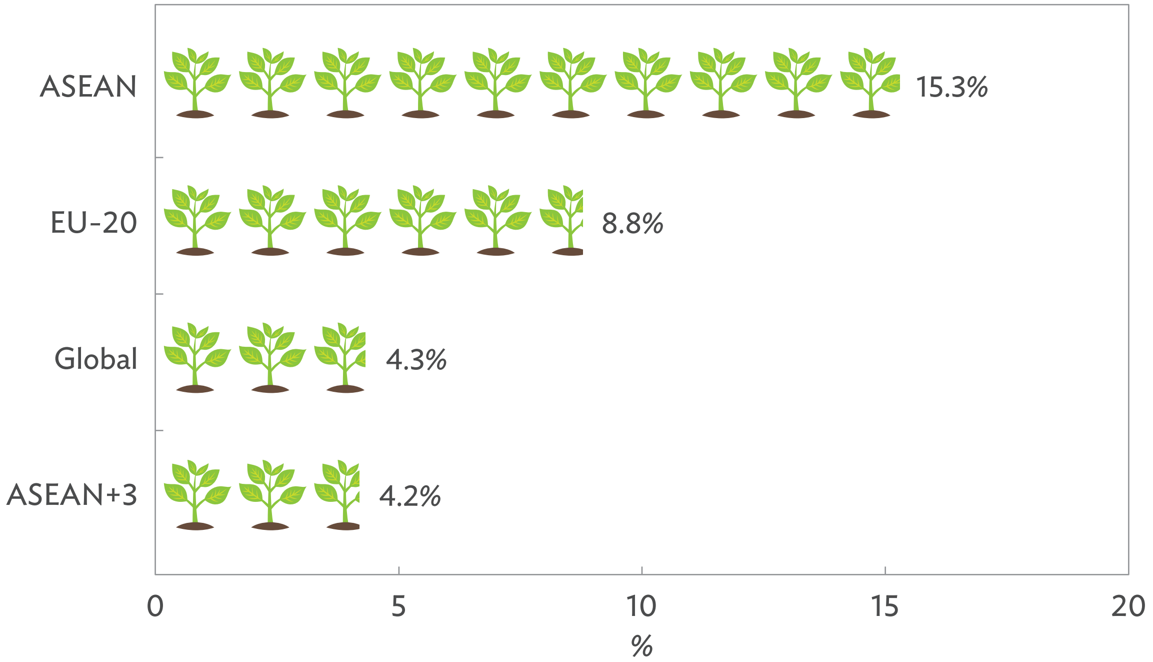
Sustainable bond issuance in ASEAN+3 tallied USD76.7 billion in Q3, accounting for 35.2% of the global total and outpacing that of the EU-20 (24.3%). However, ASEAN+3's Q3 issuance was down from Q2 on reduced issuance from the public sector, particularly state-owned institutions in the PRC and the Republic of Korea.

Sustainable bonds accounted for 4.2% of ASEAN+3's total bond financing in Q3, similar to the corresponding share in the global bond market (4.3%) but less than half that in the EU-20 (8.8%). In ASEAN economies, sustainable bonds comprised 15.3% of total quarterly bond issuance.

Global Sustainable Bond Issuance



Sustainable Bond Issuance as a Share of Total Bond Issuance in Q3 2025



Source: *AsianBondsOnline* calculations based on Bloomberg LP data.

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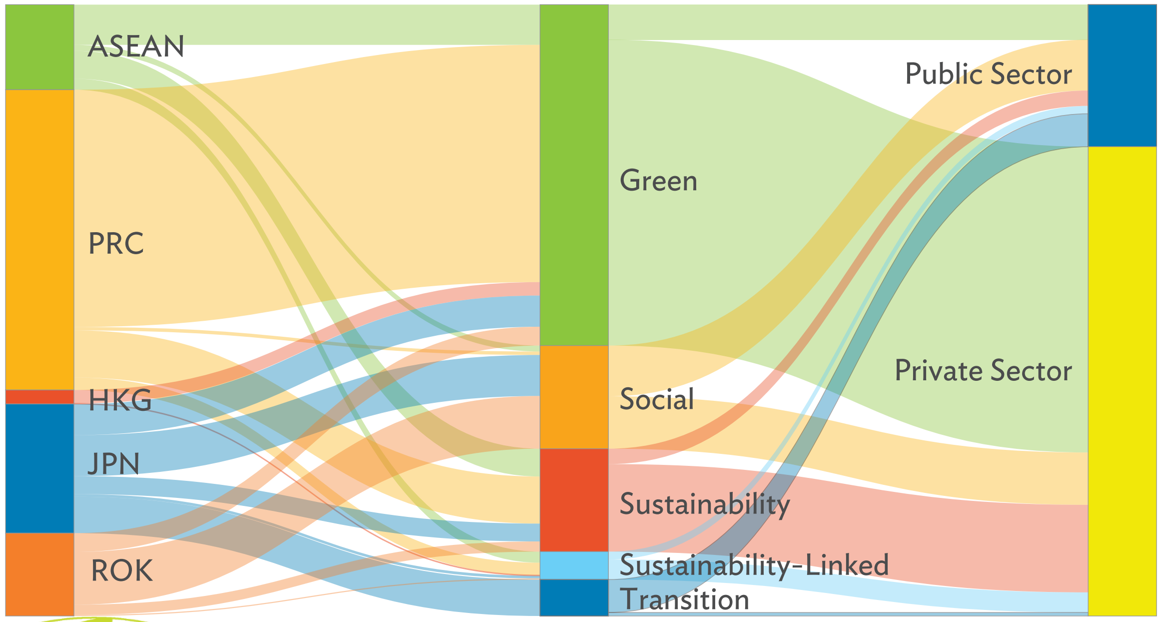
ASEAN's sustainable bond issuance growth and average maturity in Q3 exceeded those of ASEAN+3

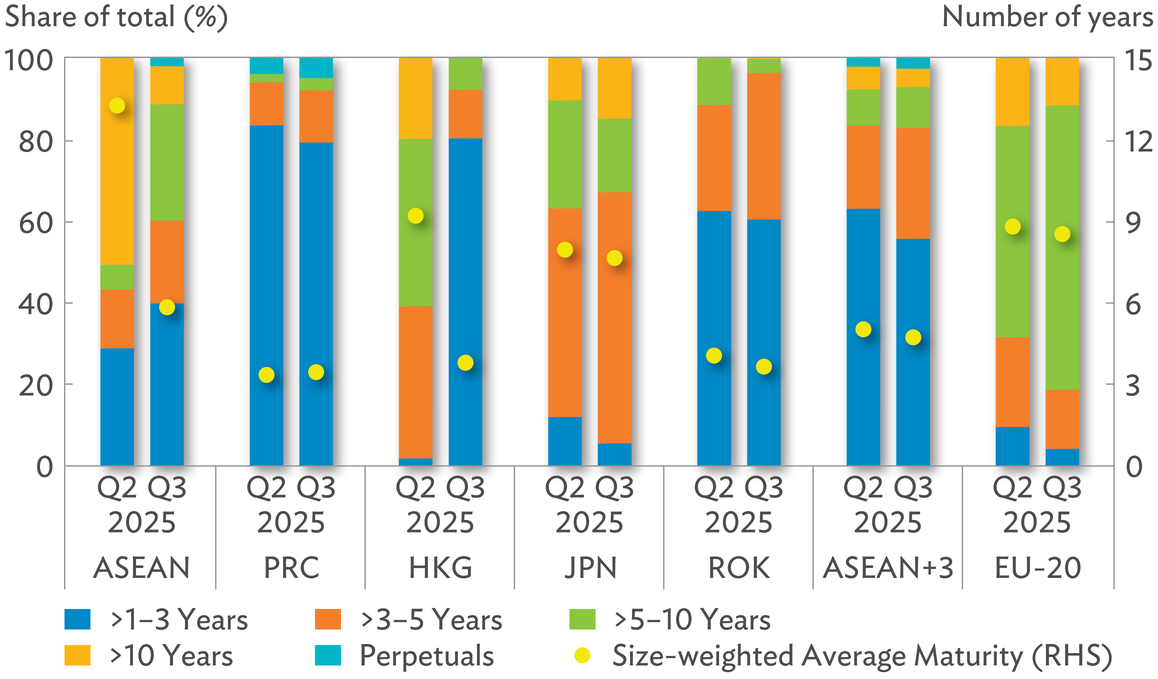
Supported by monetary easing, sustainable bond issuance in ASEAN economies rose to USD10.7 billion in Q3. ASEAN accounted for 13.9% of ASEAN+3 sustainable bond issuance in Q3, up from 6.4% in Q2 and exceeding its corresponding share of 3.8% in the region's general bond market.

ASEAN's size-weighted average maturity for sustainable bond issuance fell to 5.8 years in Q3 from 13.2 years in Q2 due to reduced public sector issuance. The corresponding average maturity for ASEAN+3 in Q3 was 4.7 years.

Profile of ASEAN+3 Sustainable Bond Issuance in Q3 2025



Maturity Structure of Sustainable Bond Issuance by Economy



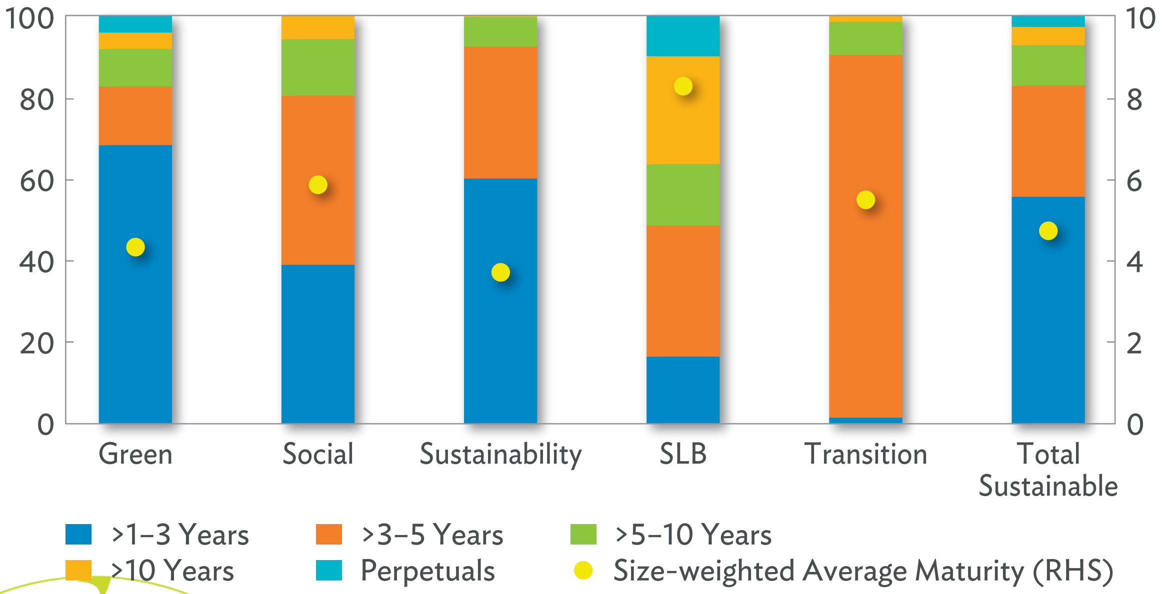
Source: *AsianBondsOnline* calculations based on Bloomberg LP data.

Sustainability-linked bond issuances recorded longer financing maturity in Q3, driven by the public sector

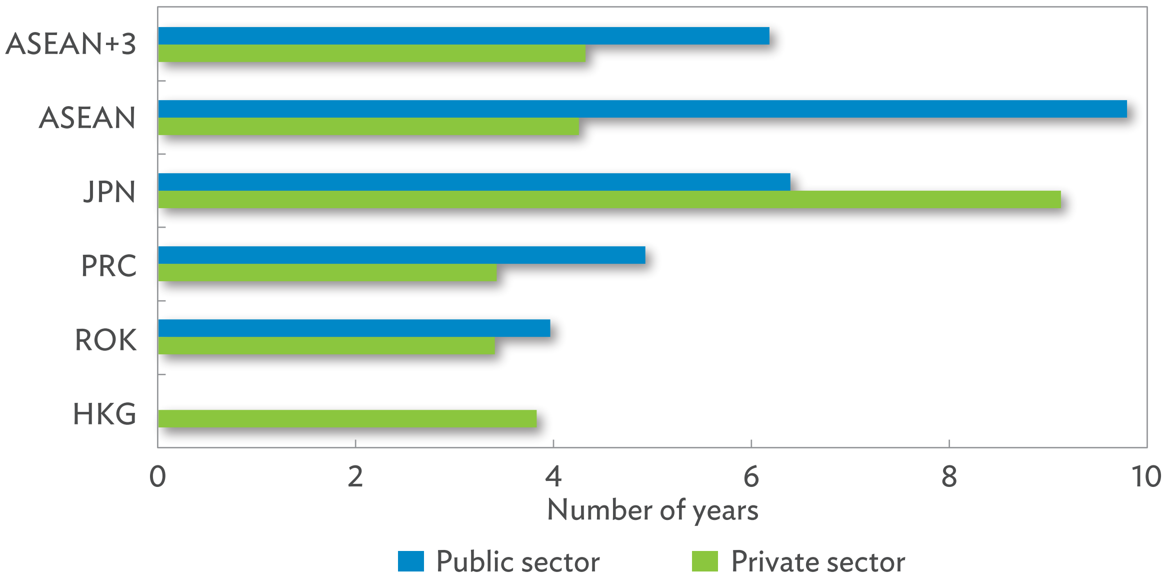
Driven by public sector issuance, sustainability-linked bonds had the longest average maturity (8.3 years) among all bond instruments, with about a third carrying a maturity longer than 10 years.

In Q3, the public sector accounted for 32.9% of ASEAN+3's long-term sustainable bond financing, with a size-weighted average maturity of 6.1 years. The private sector averaged 4.3 years, with Japanese corporates having the longest average maturity (9.1 years).

Maturity Profile of Sustainable Bonds in ASEAN+3



Size-Weighted Average Maturity of ASEAN+3 Sustainable Bond Issuance in Q3 2025



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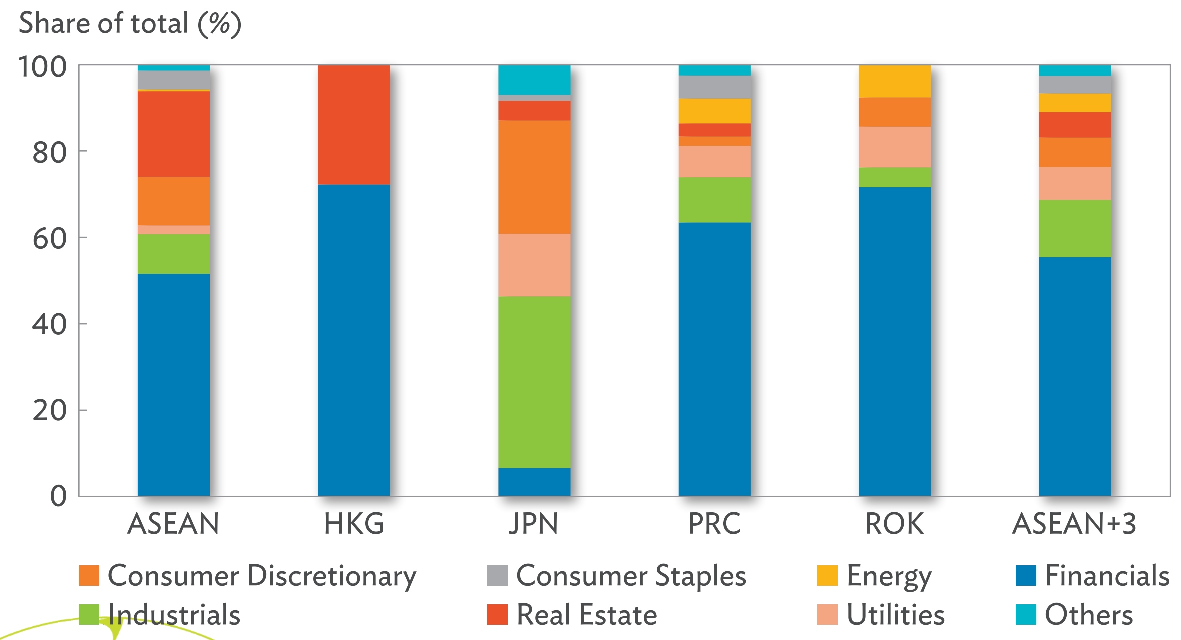
The financial sector contributed a majority of ASEAN+3 sustainable bonds issued in Q3, with local currency the predominant financing option

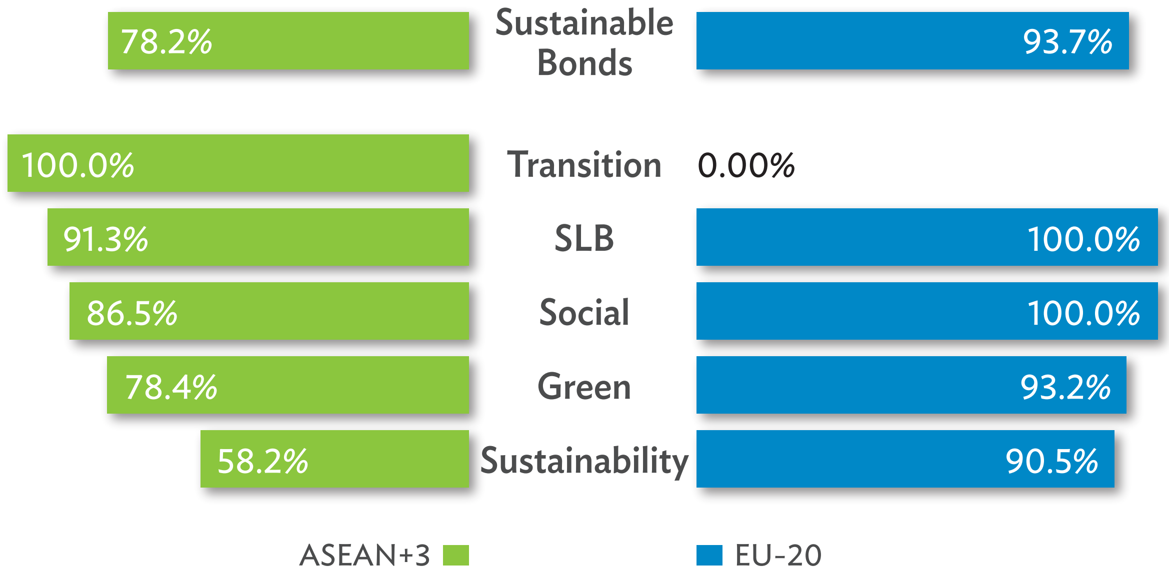
By sector, financials led sustainable bond issuance in ASEAN+3 in Q3 with 55.5% of the total, followed by industrials at 13.3%. In the EU-20, sustainable bond issuance was also led by financials (46.2%), followed by utilities (29.7%). ASEAN+3's and the EU-20's sectoral HHI scores of 0.34 and 0.32, respectively, were largely comparable.

In Q3, 78.2% of ASEAN+3's sustainable bond issuance was LCY-denominated, which lagged the EU-20's corresponding share of 93.7%. Sustainability bond issuance in ASEAN+3 had a lower LCY-denominated share (58.2%) compared with the EU-20 (90.5%).

ASEAN+3 Sustainable Bond Issuance in Q3 2025 by Sector



LCY Share in Sustainable Bond Issuance in Q3 2025



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Notes and Definitions List

ASEAN = Association of Southeast Asian Nations; PRC = People's Republic of China; EU-20 = European Union 20; HHI = Herfindahl–Hirschman Index; HKG = Hong Kong, China; JPN = Japan; ROK = Republic of Korea; LCY = local currency; Q1 = first quarter; Q2 = second quarter; Q3 = third quarter; Q4 = fourth quarter; q-o-q = quarter-on-quarter; RHS = right-hand side; SLB = sustainability-linked bond; USD = United States dollar.

Notes:

1. ASEAN+3 is defined to include member states of ASEAN plus the People's Republic of China; Hong Kong, China; Japan; and the Republic of Korea. ASEAN includes the markets of Cambodia, Indonesia, Malaysia, the Lao People's Democratic Republic, the Philippines, Singapore, Thailand, and Viet Nam.
2. The EU-20 includes European Union member markets Austria, Belgium, Croatia, Cyprus, Estonia, Finland, France, Germany, Greece, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, the Netherlands, Portugal, Slovakia, Slovenia, and Spain.
3. Sustainability-linked bonds include transition-linked bonds.
4. The private sector includes financial institutions and private institutions, while excluding state-owned enterprises.
5. Data include both local currency and foreign currency issues.

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