ASEAN+3 Sustainable Bonds Highlights

MARCH 2026

JFPR
Japan Fund for Prosperous and Resilient Asia and the Pacific

From the People of Japan

The *AsianBondsOnline* web portal is part of the Asian Bond Markets Initiative supported by the Asian Development Bank and funded by the Government of Japan through the Japan Fund for Prosperous and Resilient Asia and the Pacific.

ABO
AsianBondsOnline
An ASEAN+3 Initiative

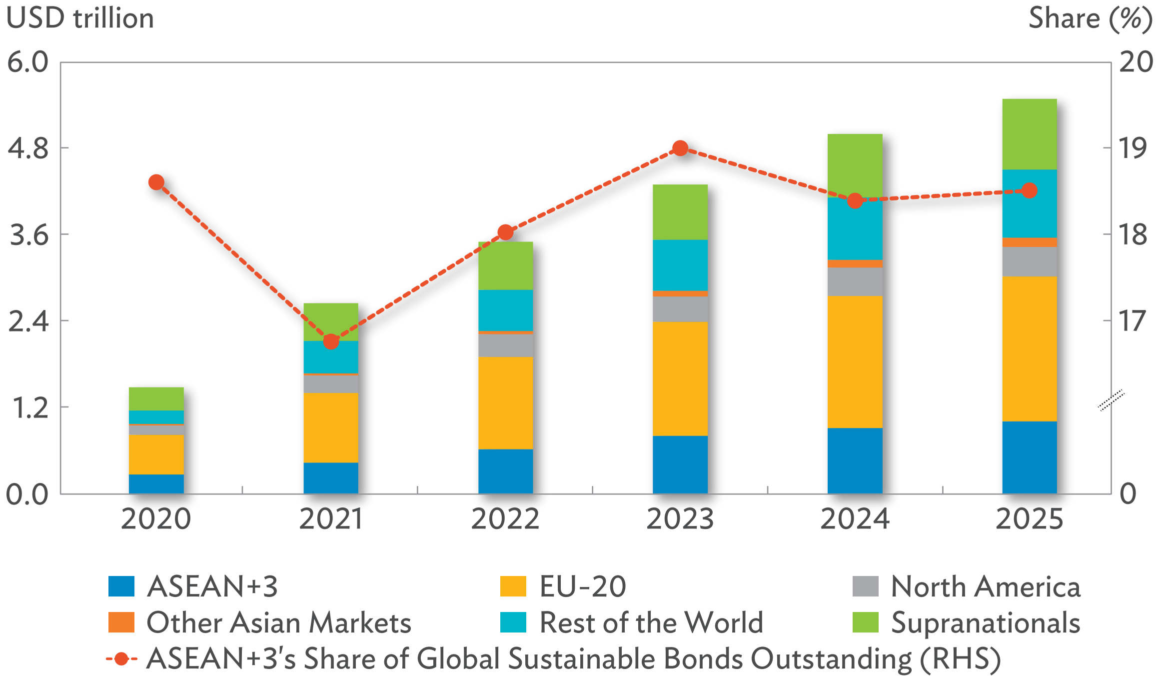
ADB

ASEAN+3 sustainable bond issuance accelerated in 2025, accounting for 30% of the global total

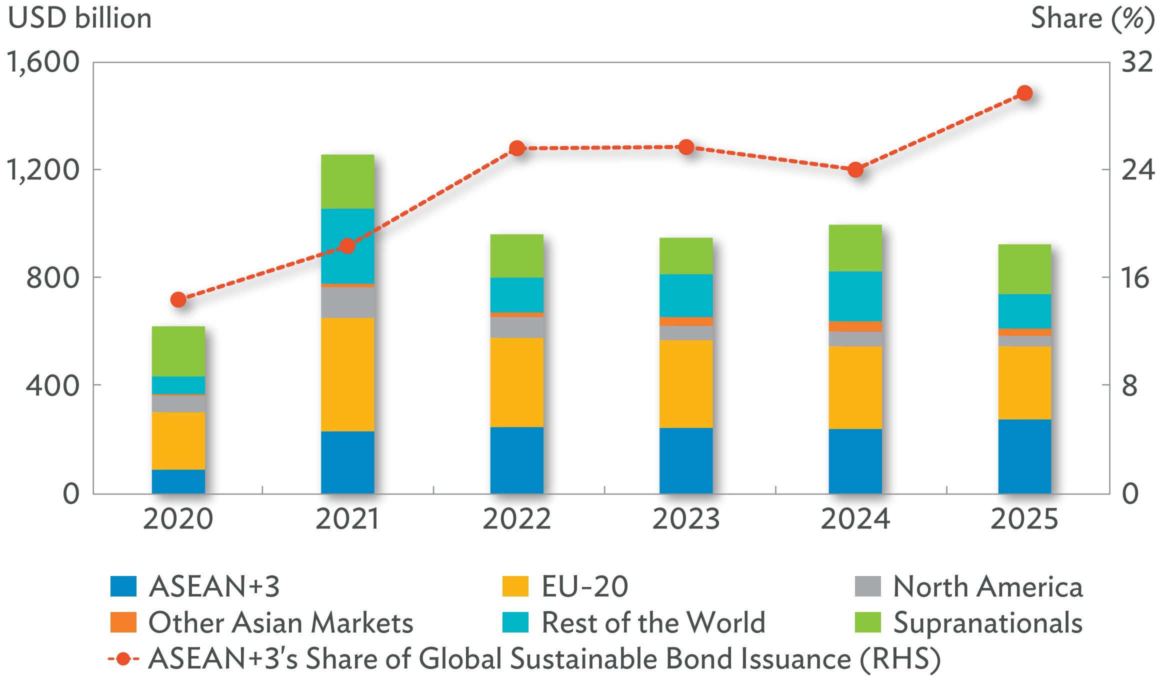
Global sustainable bonds outstanding reached USD5.5 trillion at the end of 2025 on a 9.8% y-o-y expansion. ASEAN+3 accounted for 18.5% of the global total, trailing the EU-20 (36.7%) as the world's second-largest sustainable bond market. ASEAN economies saw the region's fastest expansion (29.5% y-o-y), with their aggregate sustainable bonds outstanding reaching USD121.4 billion.

Supported by monetary easing and improved financial conditions, ASEAN+3 sustainable bond issuance surged to USD275.9 billion in 2025 from USD240.6 billion in 2024. ASEAN+3's 14.7% y-o-y increase in issuance contrasted with the y-o-y contractions recorded in the EU-20 and global sustainable bond markets. ASEAN+3 accounted for 29.8% of global sustainable bond issuance in 2025, surpassing the EU-20's contribution of 29.3%.

Global Sustainable Bonds Outstanding



Global Sustainable Bond Issuance

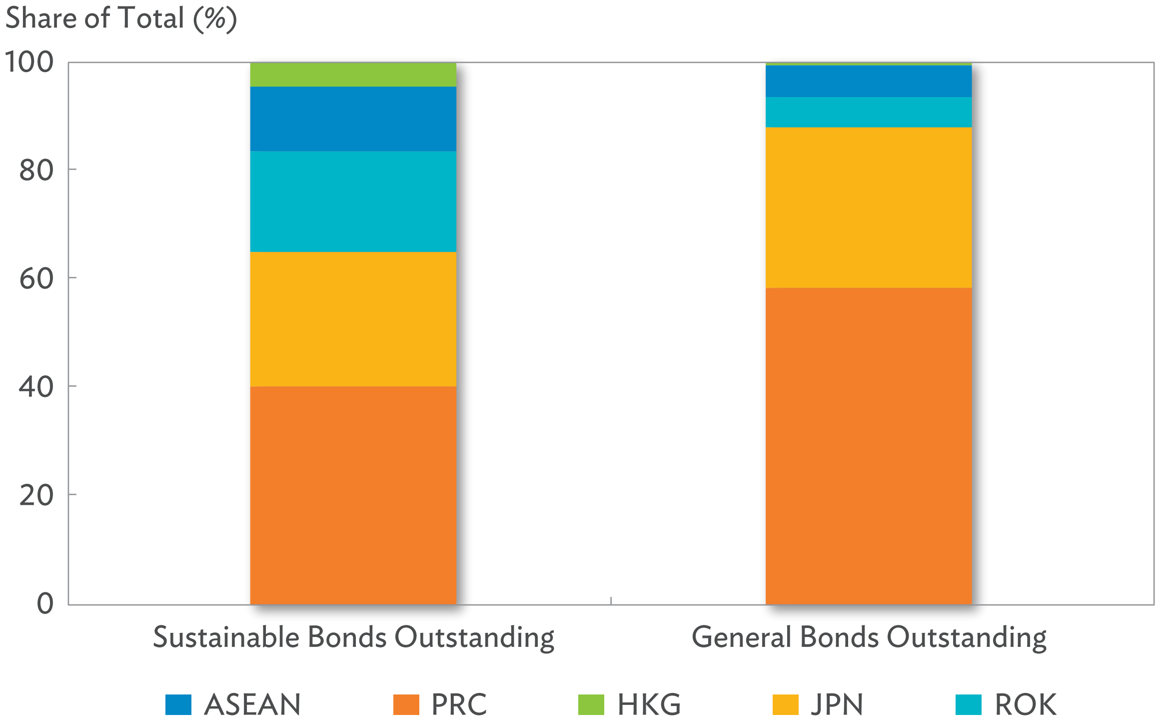


ASEAN economies are active issuers of sustainable bonds with relatively diverse instrument profiles

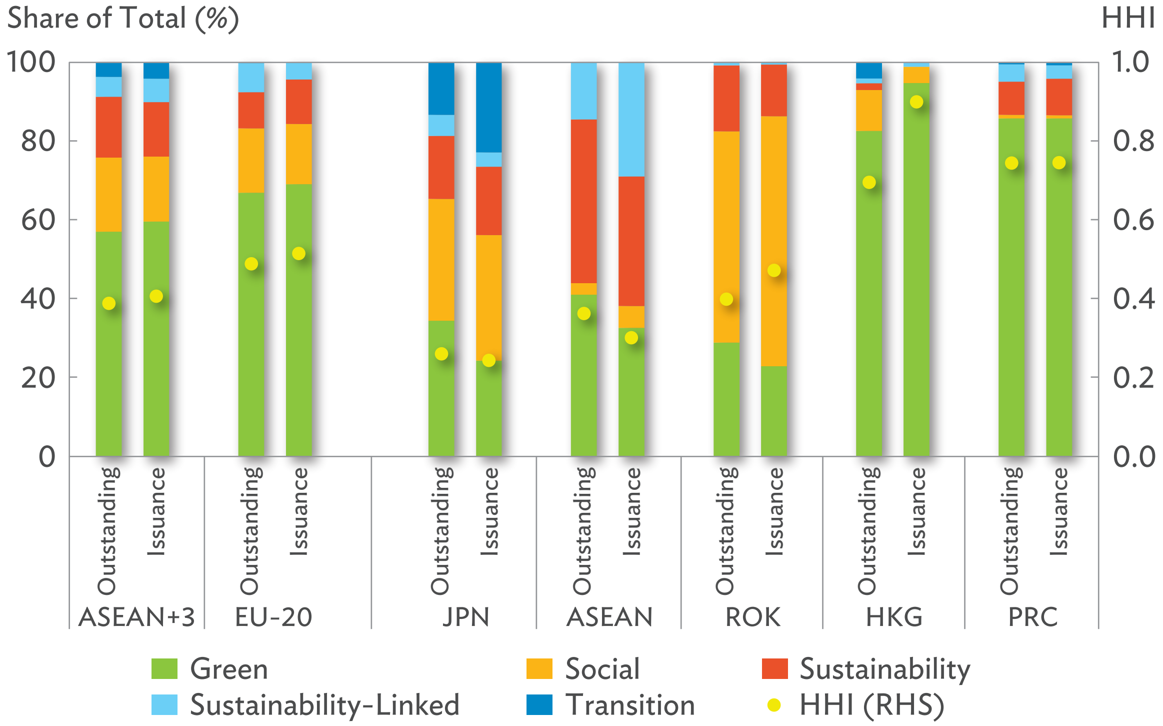
ASEAN and the Republic of Korea contributed 11.9% and 18.5% of ASEAN+3 sustainable bonds outstanding at the end of 2025, respectively, exceeding their corresponding shares of 5.9% and 5.5% in the region's general bond market. As the region's largest bond market, the PRC accounted for 40.2% of ASEAN+3 sustainable bonds outstanding, lower than its share of 58.3% in the region's general bond market.

Japan and ASEAN have relatively more diverse sustainable bond markets in terms of instrument types, as reflected by their lower HHI scores for sustainable bonds outstanding. The PRC and Hong Kong, China mostly issued green bonds in 2025, while a majority of the Republic of Korea's issuance comprised social bonds. Overall, ASEAN+3's sustainable bond market had greater diversity compared with the EU-20.

Market Shares of ASEAN+3 Sustainable Bonds and General Bonds Outstanding at the End of 2025



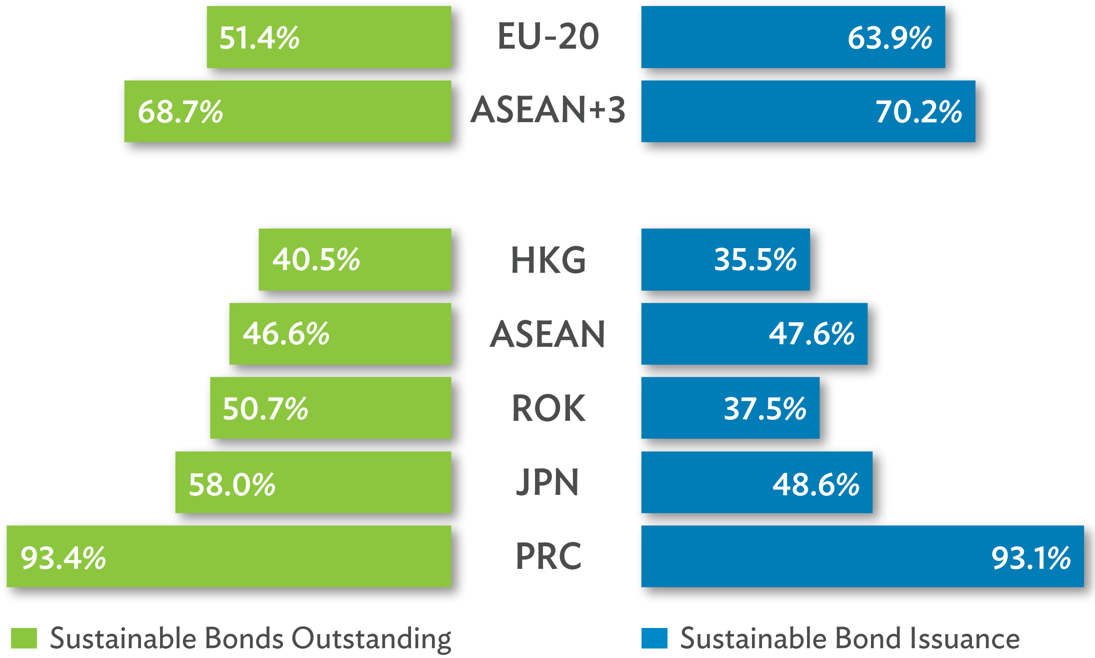
ASEAN+3 and EU-20 Instrument Profile of Sustainable Bonds Outstanding and Issuance in 2025 by Market



ASEAN sustainable bond markets mostly comprise public sector bonds and longer-term financing

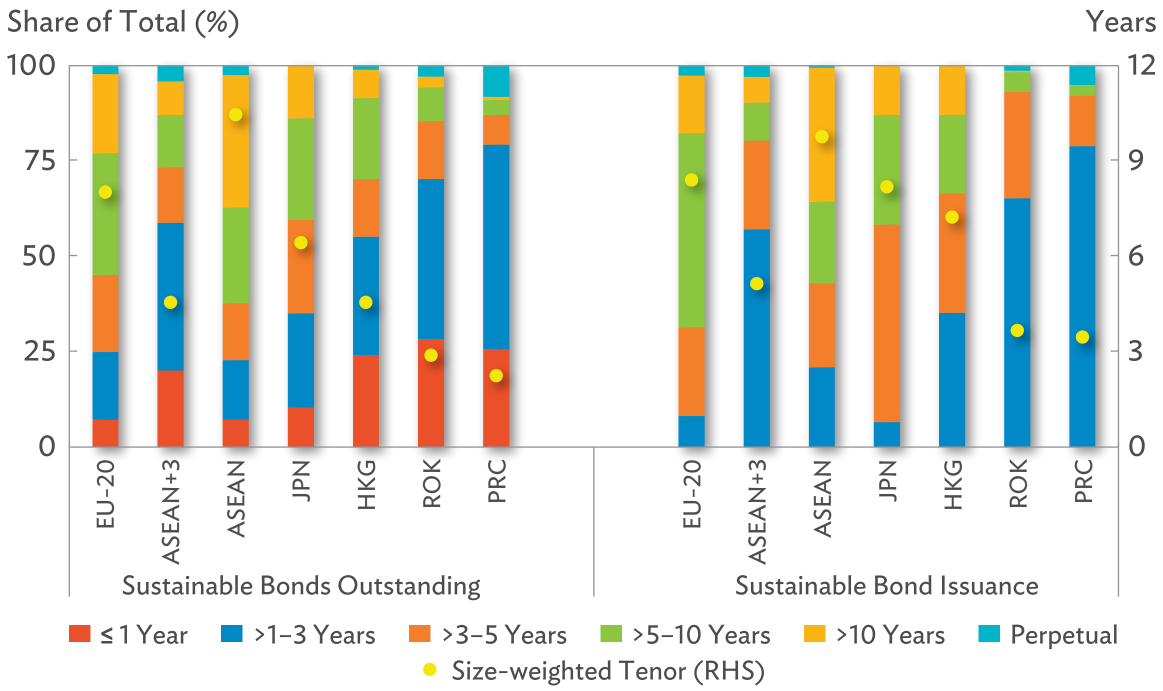
The ASEAN+3 sustainable bond market has a larger share of private sector financing (68.7% of bonds outstanding) than the EU-20 (51.4%). However, the public sector is the major issuer of sustainable bonds in ASEAN economies—accounting for 53.4% of sustainable bonds outstanding—as some central governments regularly issue sustainable bonds as part of their sustainability commitments.

Private Sector Shares in ASEAN+3 and EU-20 Sustainable Bonds Outstanding and Issuance in 2025



Sustainable bonds with tenors of less than 5 years accounted for 73.2% of ASEAN+3 sustainable bonds outstanding at the end of 2025, compared with the EU-20's corresponding share of 45.1%. Meanwhile, ASEAN sustainable bonds outstanding recorded a size-weighted average tenor of 10.4 years, longer than the averages for both ASEAN+3 (4.5 years) and the EU-20 (8.0 years). This is largely due to the strong presence of public sector issuances in ASEAN markets, which normally have larger issuance sizes and longer maturities than private sector financing.

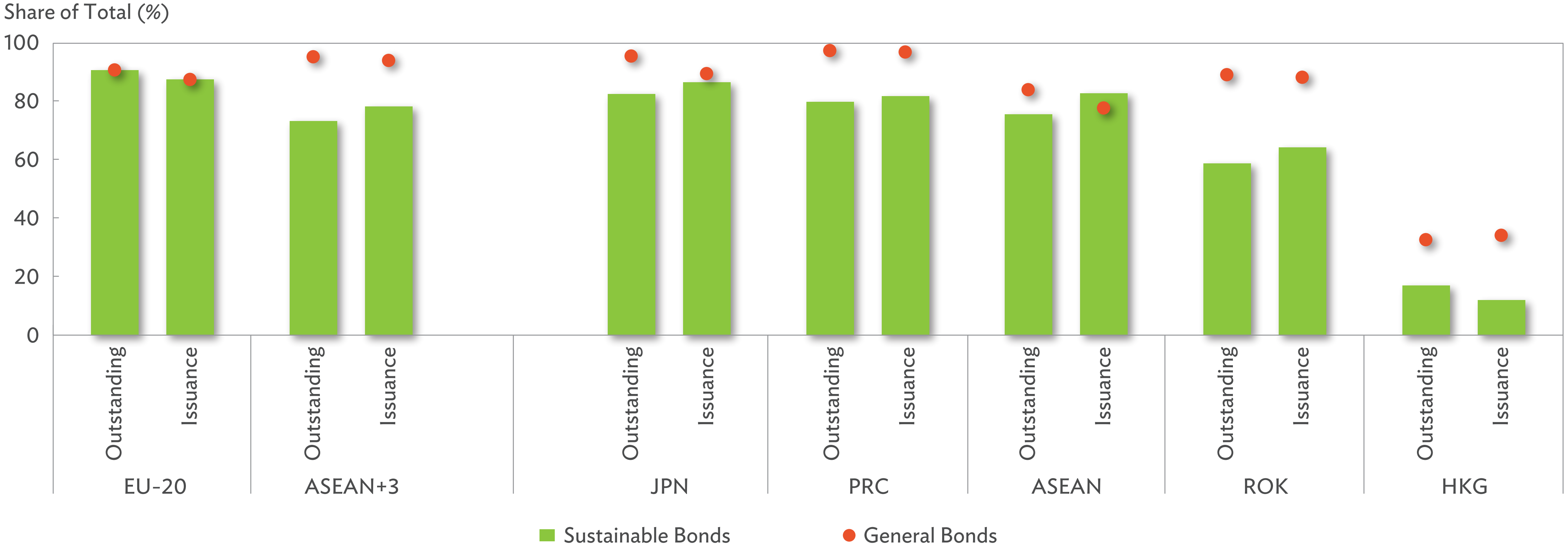
Maturity Profiles of ASEAN+3 and EU-20 Sustainable Bonds Outstanding and Issuance in 2025



The LCY financing share of ASEAN sustainable bond issuance in 2025 exceeded that of ASEAN general bond issuance

LCY financing accounted for 73.4% of ASEAN+3 sustainable bonds outstanding at the end of 2025. This lagged the corresponding share of 95.4% in its general bond market. In the EU-20, the LCY financing share was similar in its sustainable bond market (90.9%) and general bond market (91.0%). Lower LCY shares for sustainable versus general bonds outstanding were consistent across ASEAN+3 at the end of 2025. However, 82.9% of sustainable bond issuance in ASEAN economies in 2025 was LCY-denominated, exceeding the LCY financing share of 77.9% for ASEAN general bond issuance, due to slightly higher LCY-denominated issuances from the private sector.

Local Currency Financing in ASEAN+3 and EU-20 Sustainable and General Bond Markets in 2025



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; RHS = right-hand side; USD = United States dollar, y-o-y = year-on-year.

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. The Herfindahl–Hirschman Index is a commonly accepted measure of market concentration. The index is used to measure the instrument profile diversification of bond markets and is calculated by summing the squared share of each instrument type in the market. A lower HHI indicates greater diversification across different instrument types, while a higher HHI suggests a more concentrated market structure dominated by fewer instruments.
4. Sustainability-linked bonds include transition-linked bonds.
5. The private sector includes financial institutions and private institutions, while excluding state-owned enterprises.
6. Data include both local currency and foreign currency sustainable bonds.

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

More information available at:
https://asianbondsonline.adb.org

For further information inquiries, contact us at:
asianbonds_info@adb.org