ASEAN+3 Sustainable Bonds Highlights

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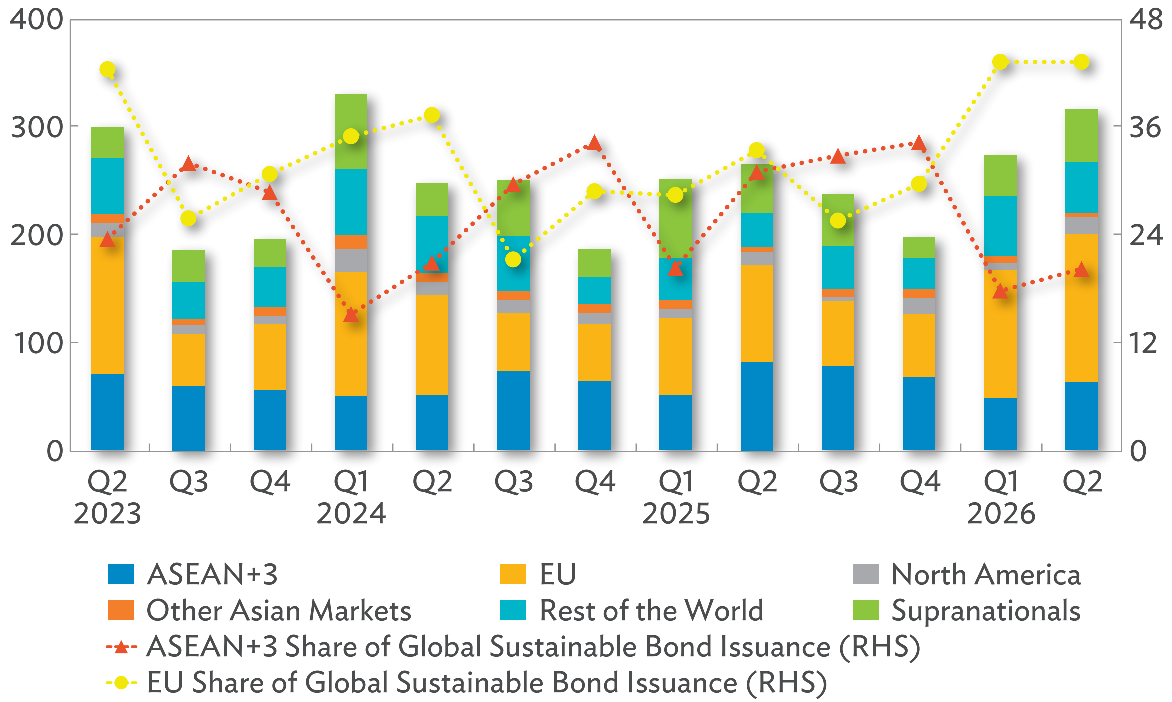
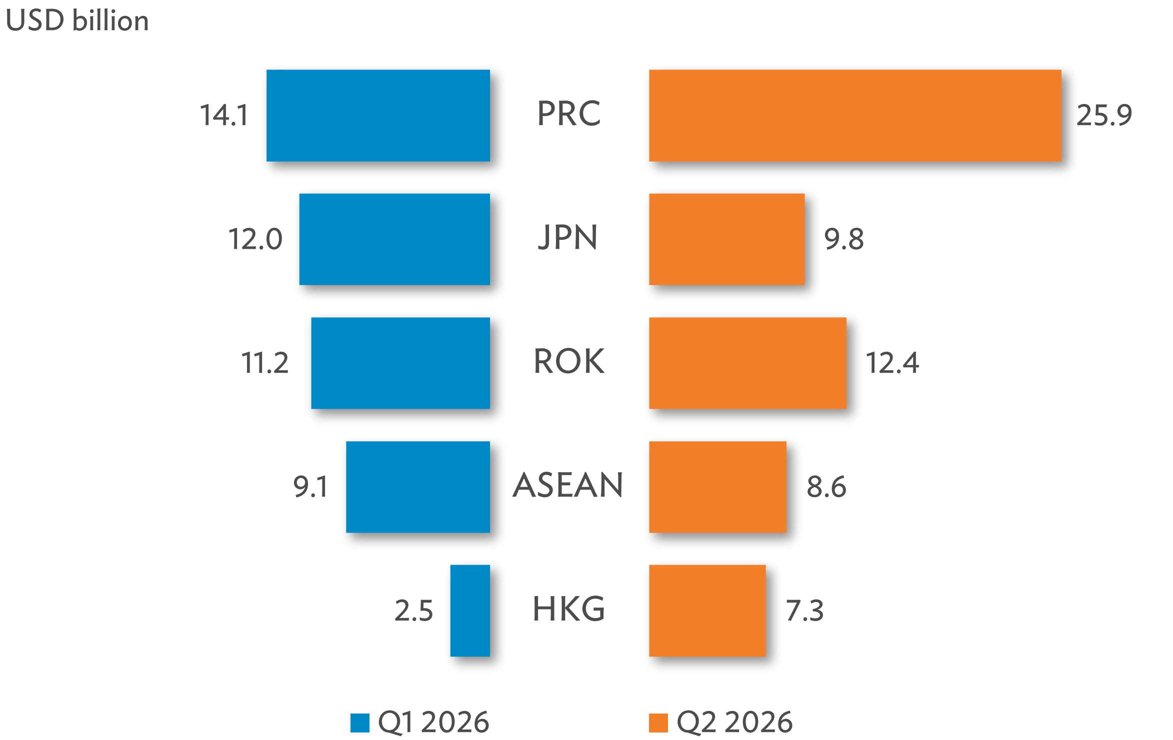
Global sustainable bond issuance reached USD316.9 billion in Q2 2026 on 15.5% q-o-q growth, driven by increased fund-raising activities as global uncertainties eased. Sustainable bond issuance in the EU rose by 15.4% q-o-q to USD137.2 billion, comprising 43.3% of the global total during the quarter. Issuance in ASEAN+3 rebounded in Q2 2026 to USD64.1 billion, increasing by 31.3% q-o-q and lifting its share of global issuance to 20.2%.

The PRC and Hong Kong, China drove ASEAN+3's sustainable bond issuance growth in Q2 2026. Growth in the PRC (84.6% q-o-q) was supported by both the public and private sectors. In Hong Kong, China (194.1% q-o-q), the surge was largely attributable to MTR Corporation's substantial green bond issuance. Issuance in other ASEAN+3 markets remained broadly stable during the quarter compared to Q1 2026.

Global Sustainable Bond Issuance in the Second Quarter of 2026



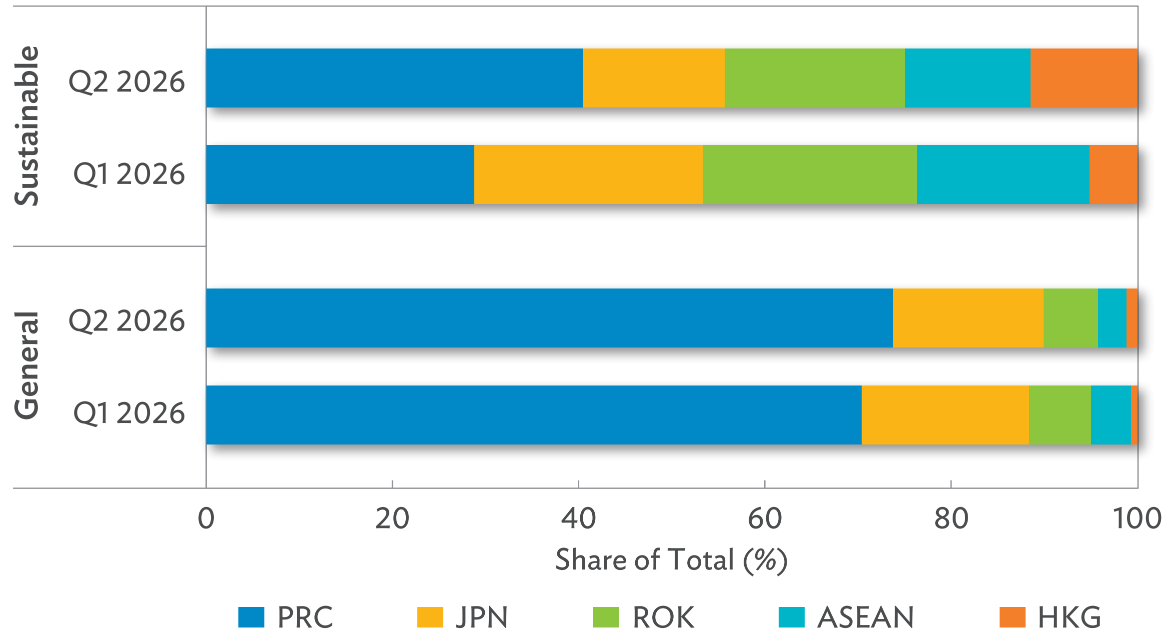
ASEAN+3 Sustainable Bond Issuance in the First and Second Quarters of 2026



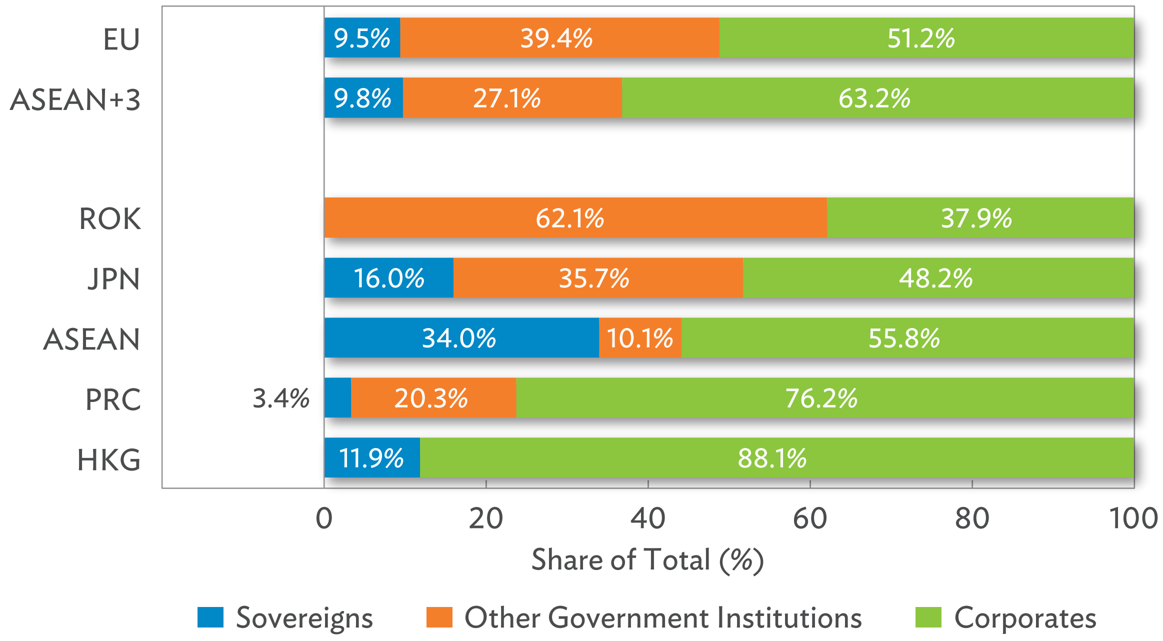
Sustainable bond issuance in ASEAN+3 had a more diversified market profile compared to its general bond market in Q2 2026. ASEAN; Hong Kong, China; and the ROK all had greater issuance shares for sustainable bonds than for general bonds, reflecting their active participation in the sustainable bond market. The PRC is the largest sustainable bond issuer in ASEAN+3, accounting for 40.4% of total regional issuance.

The private sector accounted for 63.2% of sustainable bond issuance in ASEAN+3 during Q2 2026. This exceeded the private sector's corresponding shares in the EU sustainable bond market (51.2%) and the ASEAN+3 general bond market (43.3%). Within ASEAN+3, private sector issuance comprised the largest shares in Hong Kong, China (88.1%) and the PRC (76.2%). In contrast, the share of sovereign bond issuance was the highest in ASEAN markets (34.0%), while the Republic of Korea saw substantial issuance from other government institutions (62.1%).

Market Profile of ASEAN+3 Bond Issuance in the First and Second Quarters of 2026

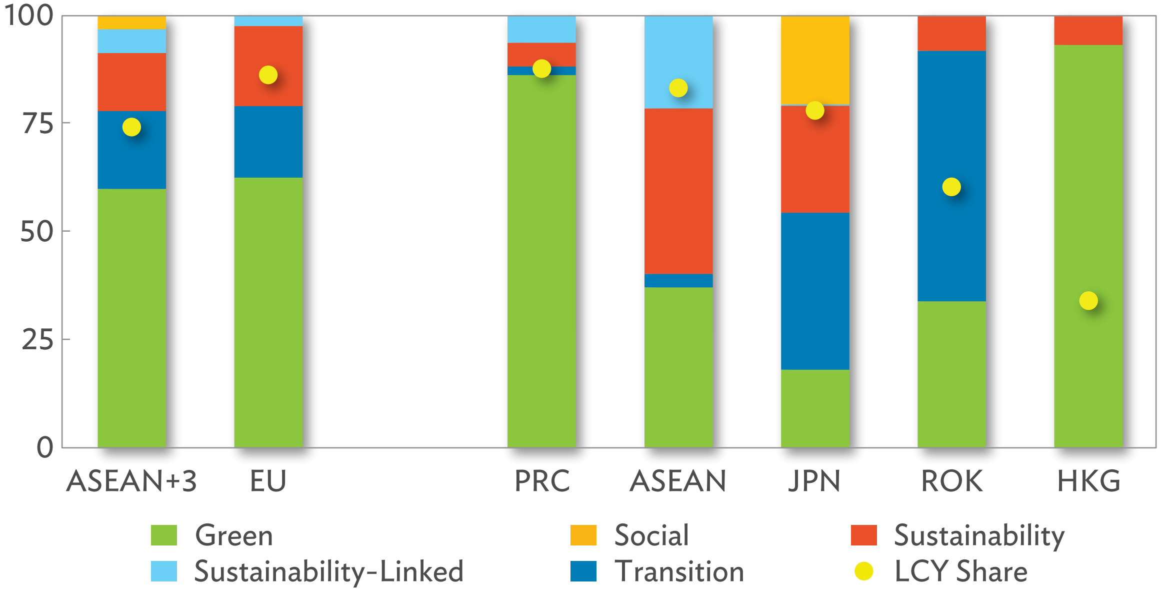


Sector Profiles of Sustainable Bond Issuance in the Second Quarter of 2026



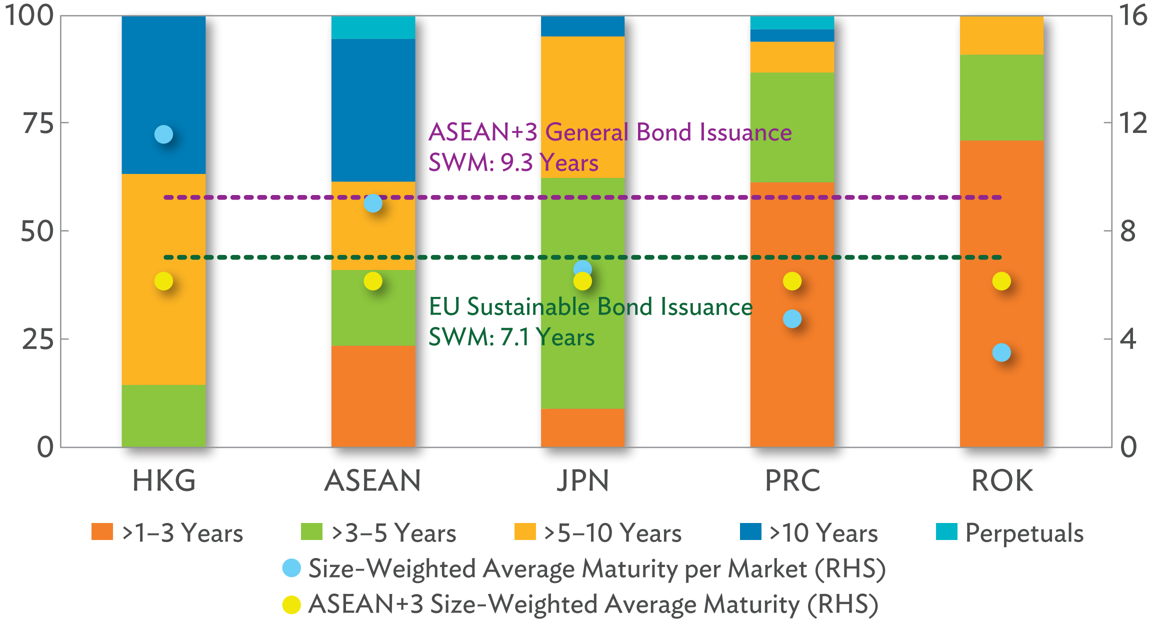
Green bond financing and LCY financing dominated ASEAN+3 sustainable bond issuance in Q2 2026. Markets in the PRC and Hong Kong, China mainly issued green bonds, together contributing 76.0% of ASEAN+3's green bond financing during the quarter, while other ASEAN+3 markets had more diversified instrument profiles. ASEAN+3's LCY financing share (74.3%) remained below that of the EU (86.3%), with LCY financing in ASEAN accounting for a larger share in its sustainable bond market (83.3%) than its general bond market (62.4%) in Q2 2026.

Instrument and Currency Profiles of ASEAN+3 Sustainable Bond Issuance in the Second Quarter of 2026



Nearly 70% of ASEAN+3's sustainable bond issuance carried maturities of 5 years or less in Q2 2026. This led to a size-weighted average maturity of 6.2 years, shorter than in the EU sustainable bond market (7.1 years) and the ASEAN+3 general bond market (9.3 years). The PRC and the ROK accounted for 75.9% of ASEAN+3's issuance of less than 5 years, with size-weighted average maturities of 4.8 years and 3.5 years, respectively. ASEAN and Hong Kong, China had 58.8% and 85.4% of their respective issuances carrying maturities exceeding 5 years. In Hong Kong, China, the size-weighted average maturity rose to 11.6 years from 6.6 years in Q1 2026, driven by MTR Corporation's multi-tranche green bond issuance of USD5.9 billion in maturities ranging from 5 years to 30 years.

Maturity Profile of Sustainable Bond Issuance in the Second Quarter of 2026



ASEAN = Association of Southeast Asian Nations; EU = European Union; HKG = Hong Kong, China; JPN = Japan; LCY = local currency; PRC = People's Republic of China; Q1 = first quarter; Q2 = second quarter; Q3 = third quarter; Q4 = fourth quarter ; q-o-q = quarter-on-quarter; RHS = right-hand side; ROK = Republic of Korea; SWM = size-weighted average maturity; 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 includes the member markets of Austria, Belgium, Bulgaria, 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 sector profile is based on Bloomberg Industry Classification System (BICS) categories. Central Government is based on BICS sovereign categories. Other Government includes BICS Classification for Development Banks, Government Local, Government Regional, and Government Agencies and Some State-Owned Companies. All other BICS categories are classified as Corporates.
5. Non-USD denominated bonds are converted to USD values based on Bloomberg's currency conversion at the time of issuance.

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

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