

2019: A RECORD YEAR FOR GREEN BOND ISSUANCE

“Strong momentum for climate transition indicates a turning point for investors but market still struggles with transparency in reporting and a clear demonstration of positive impact.”

NEW YORK – 03 February, 2020: A record \$234bn in green bond issuance was added to the market in 2019¹, an increase of more than 50% on the \$150bn issued in 2018. While issuance in 2018 and 2017 was relatively flat, we observed a significant jump up in issuers joining the market in 2019, when compared to previous years. This watershed moment marks a turning point in the depth of opportunities available to investors, according to Insight Investment, a leading asset manager.

The core sectors for these instruments - financials, governments, utilities, energy and industrials - all experienced significant growth in issuance with financials leading the charge, adding more than \$78bn in green bonds over the course of the year¹. Diversity improved with the telecommunication sector now part of the market. The Netherlands issued its inaugural green bond in 2019 and Germany said it intends to issue a green bond later in 2020.

Josh Kendall, senior ESG analyst at Insight Investment, said: “Green bond issuance in 2019 reached record levels, deepening the universe to more than \$747bn. This strong momentum in support of climate transition indicates a turning point for investors. We believe 2020 is likely to be another record year for green bonds with early indications suggesting a total close to \$300bn in issuance.”

Social and sustainable impact bonds issuance increased, adding \$35bn in 2019, which, together with green bonds, brought total issuance of impact instruments over the year to almost \$300bn (\$299.8bn). The market also saw the evolution of new types of impact instruments, for example a transition bond, which may present a model for further issuance from petroleum companies in 2020.

Kendall said: “The overall growth in impact instruments is encouraging but in too many instances we are finding that the targets set out by issuers lack conviction and ambition. We want to see far more attention paid to the quality of the underlying propositions. Insight has awarded ‘green flag’ status² to only 27% of the more than 120 impact bonds we have reviewed. This is because the market still struggles with transparency reporting and a clear demonstration of positive impact.”

Ends



Media update

Insight North America

[Emma Clarke](#)

+1 917 765 8720

UK press contacts

Jonathan Hodgkinson

+44 20 7321 1900

jonathan.hodgkinson@insightinvestment.com

Lisa McHugh

+44 20 7321 1444

lisa.mchugh@insightinvestment.com

Insight Investment is a leading asset manager focused on designing investment solutions to meet its clients' needs. Founded in 2002, Insight's collaborative approach has delivered both investment performance and growth in assets under management. Insight managed \$870bn as at 31 December 2019 across liability-driven investment, fixed income & currency, global multi-asset and absolute return and specialist equities³. Insight Investment is owned by BNY Mellon, a global leader in investment management and investment services with US\$1.9 trillion in assets under management (excludes securities lending cash management assets and assets managed in the Investment Services business). The value of investments and any income from them will fluctuate and is not guaranteed (this may be partly due to exchange rate fluctuations). Investors may not get back the full amount invested.

More information about Insight Investment can be found at: www.insightinvestment.com

¹ All data sourced from Bloomberg. Figures shown in USD.

² A 'green flag' indicates that the bond reaches meets Insight's minimum sustainability requirements

³ As at 31 December 2019. Assets under management (AUM) are represented by the value of cash securities and other economic exposure managed for clients. Reflects the AUM of Insight, the corporate brand for certain companies operated by Insight Investment Management Limited (IIML). Insight includes, among others, Insight Investment Management (Global) Limited (IIMG), Insight Investment International Limited (IIIL) and Insight North America LLC (INA), each of which provides asset management services.

This document is for use by journalists and media professionals only.

This document is a not a financial promotion and is not investment advice. Unless otherwise attributed the views and opinions expressed are those of Insight Investment at the time of publication and are subject to change. This document may not be used for the purposes of an offer or solicitation to anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation.

Past performance is not indicative of future results.

Investment in any strategy involves a risk of loss which may partly be due to exchange rate fluctuations.

© 2020 Insight Investment. All rights reserved.