

Sustainable Green Financing: Trends and Future Directions

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Green Finance Is Now \$31 Trillion and Growing

• The value of green bonds traded could soon hit \$2.36 trillion.

OCBC Bank launches green financing framework for SMEs

Up to S\$20 million available for small businesses in Singapore to accelerate their sustainability plans

Bank wins award for financing green tech and renewable energy projects



Evolution of Sustainable Economy & Finance



1960s & 1970s
Laissez-faire Economics

1980's & 1990s
Sociology & Income
Inequality

21st Century
Responsible Investment
ESG

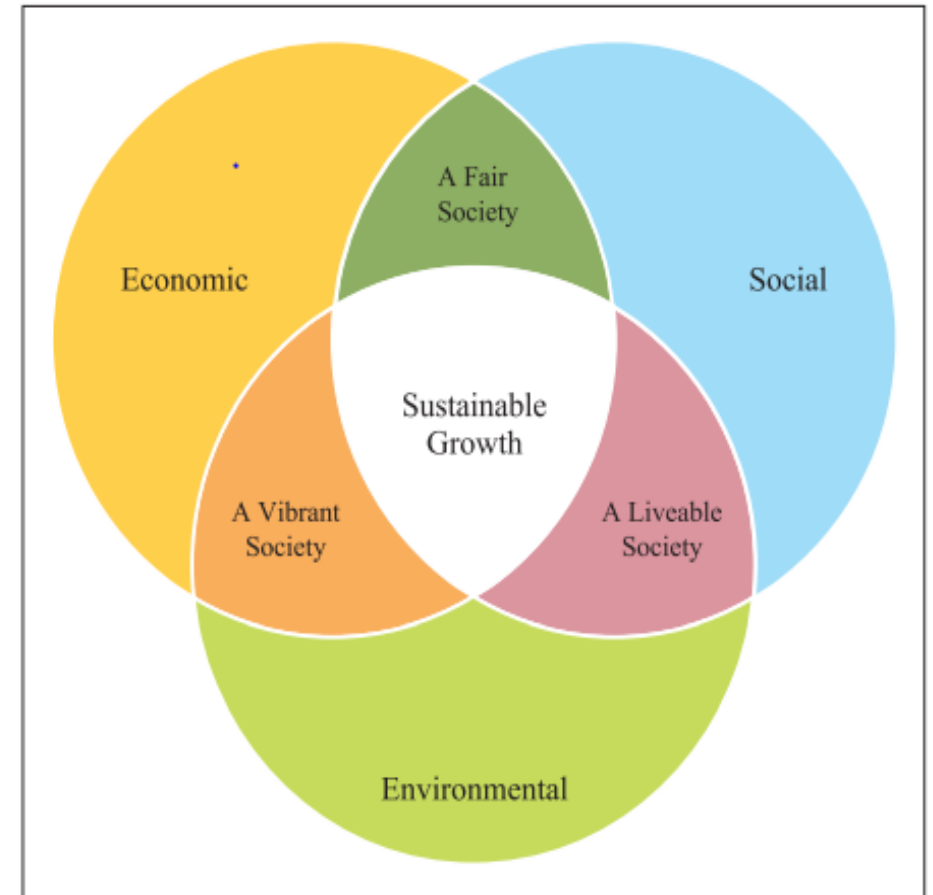
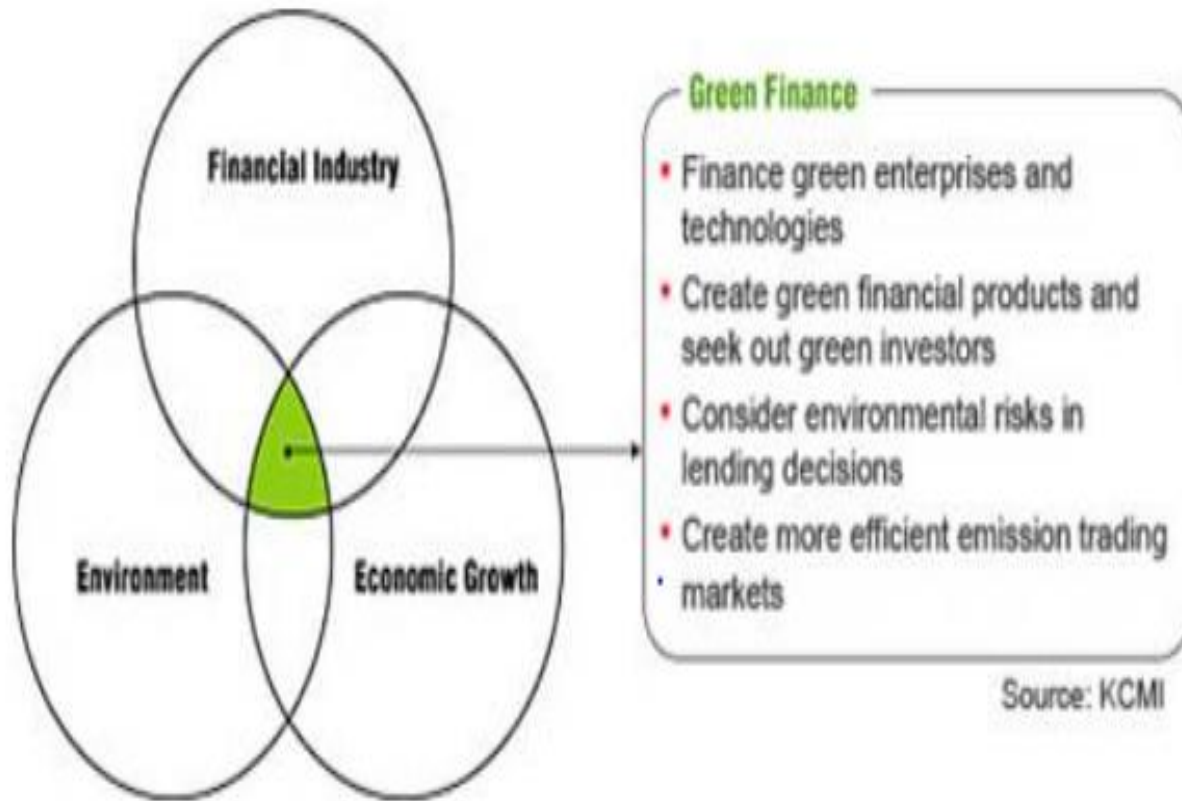
Key Facts about Sustainable Financing

Estimated green
investment needed
in ASEAN 2030
USD\$200 billion

Funding of Renewable
energy project are 90%
debt-based financing



Green Financing & Sustainable Growth

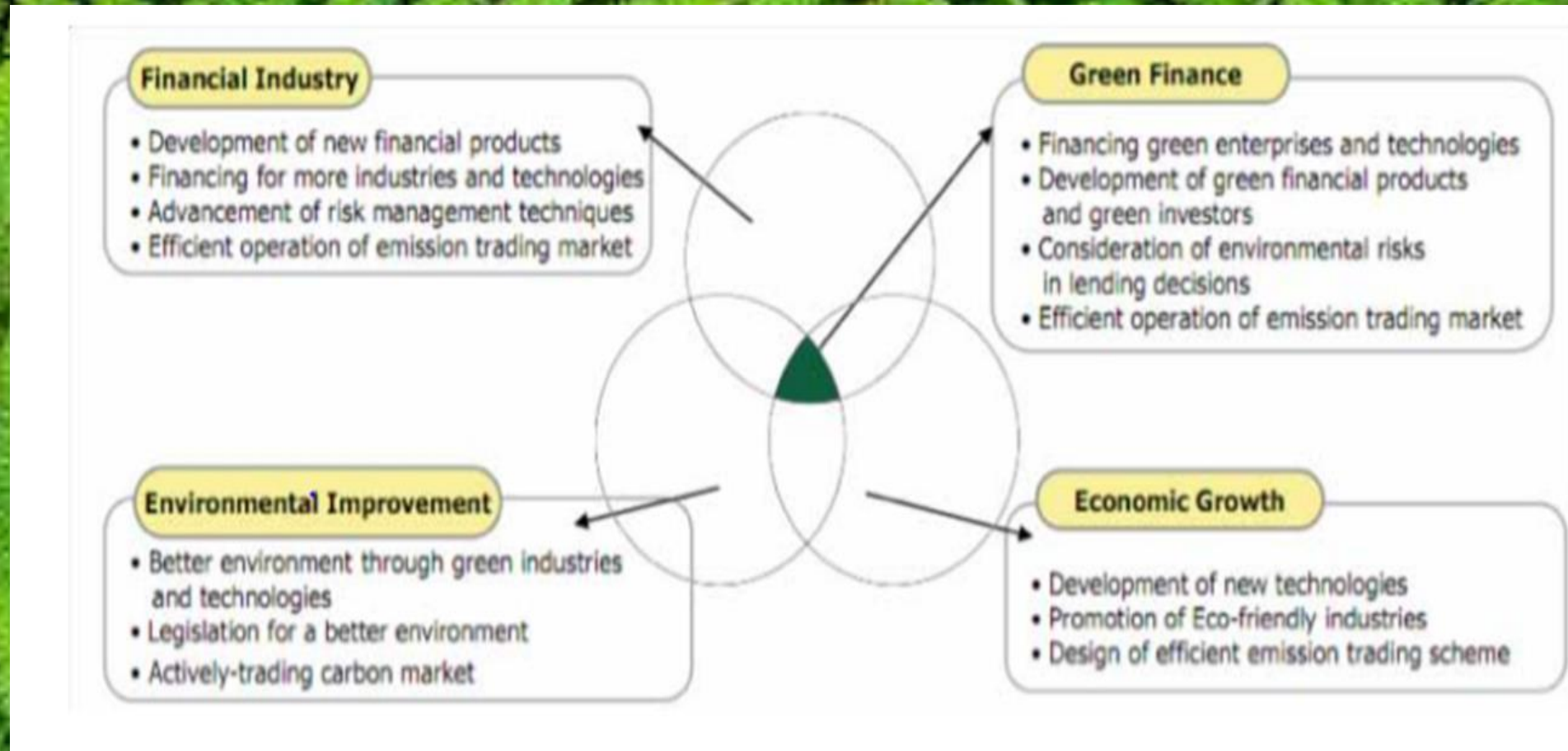


The Pillars of Green Financing

1. Benchmarking
2. Underwriting
3. Strategy Funding
4. Integration



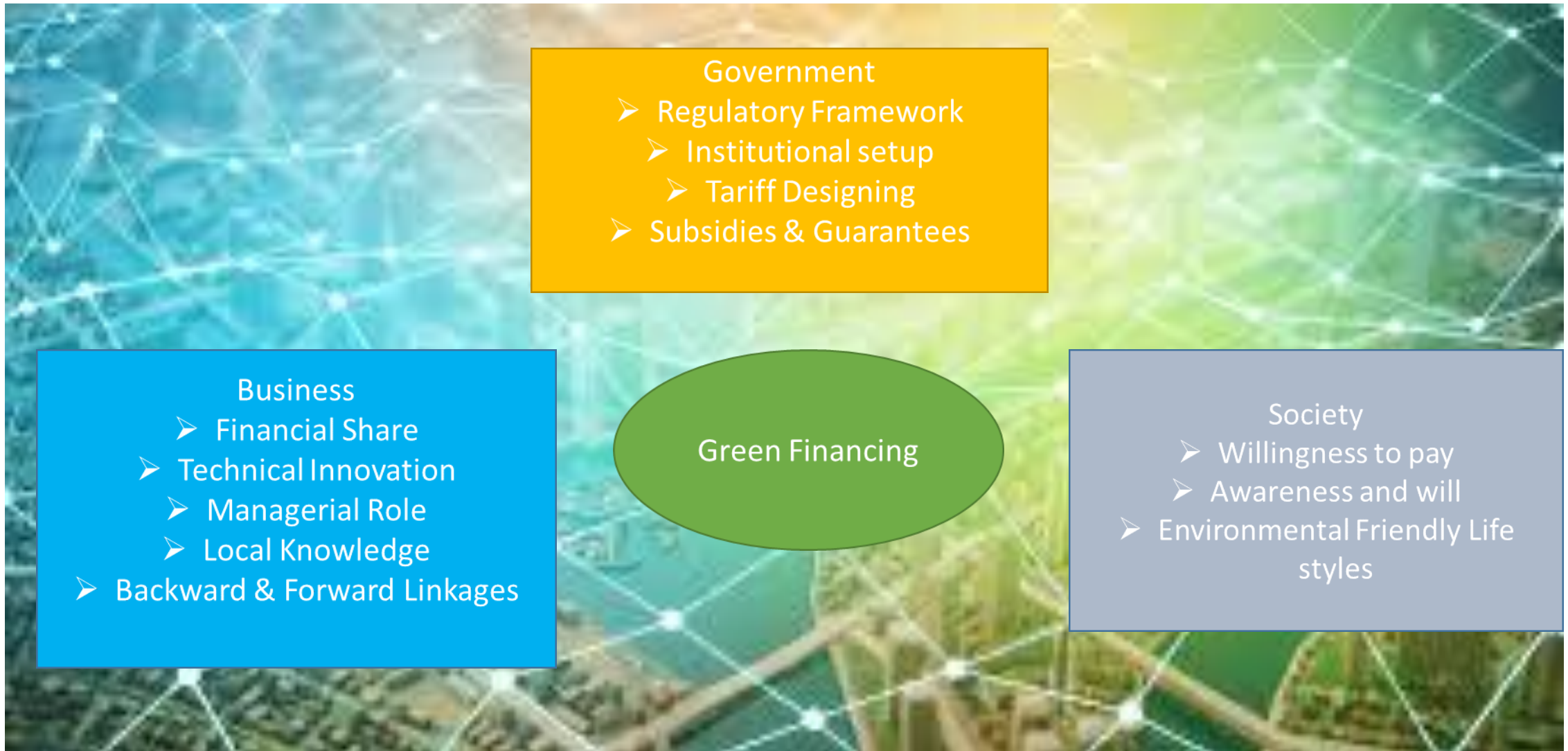
The Green Finance Interface



Green Financing Products



Players in Green Financing



Types of innovative instruments in Green Financing

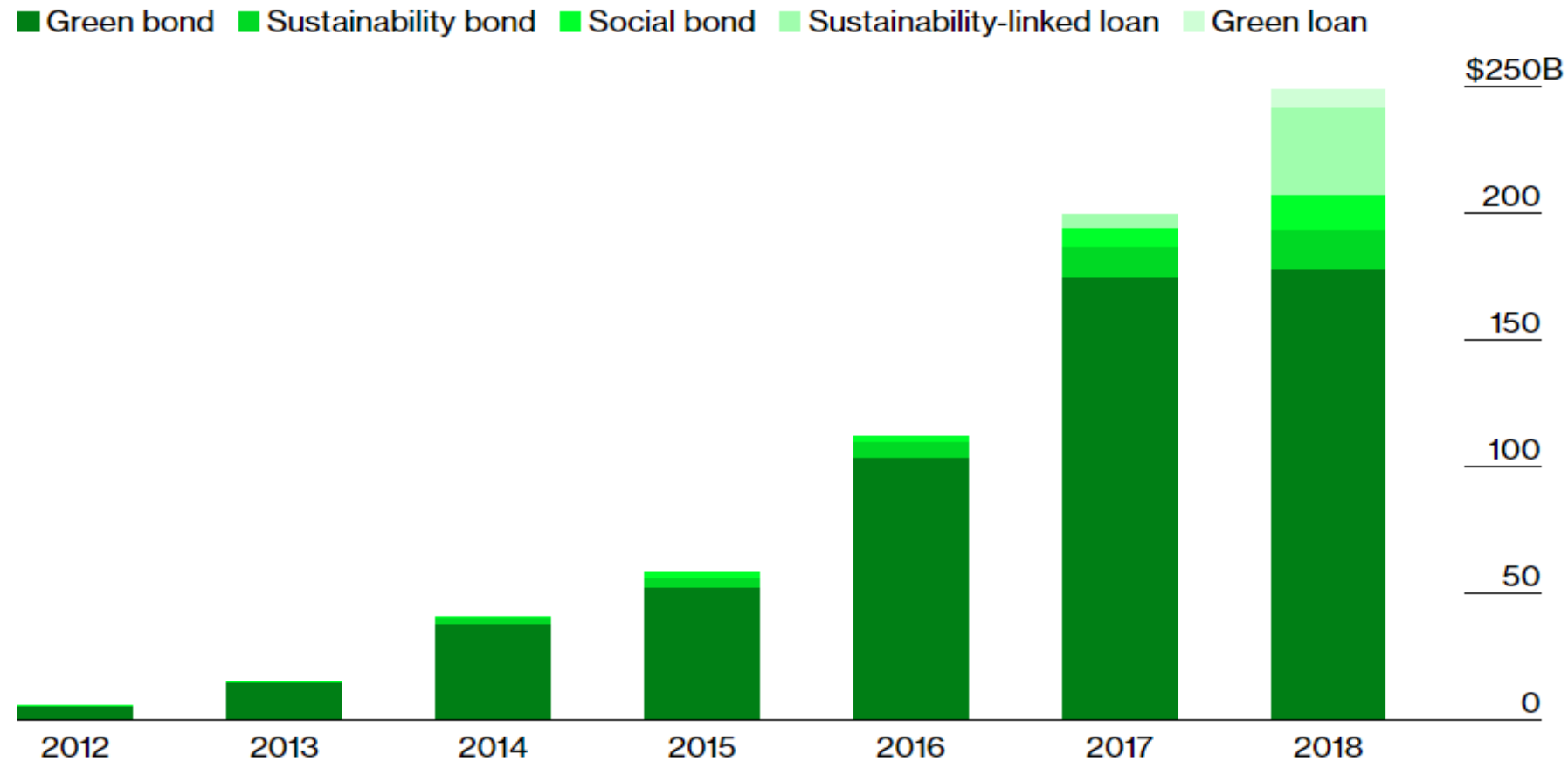
Green Bond

Sustainable Bond

Sustainability-linked bond

Green Loan

Issuing trends of innovative instruments in Green Finance



Source: BloombergNEF

Green Bond

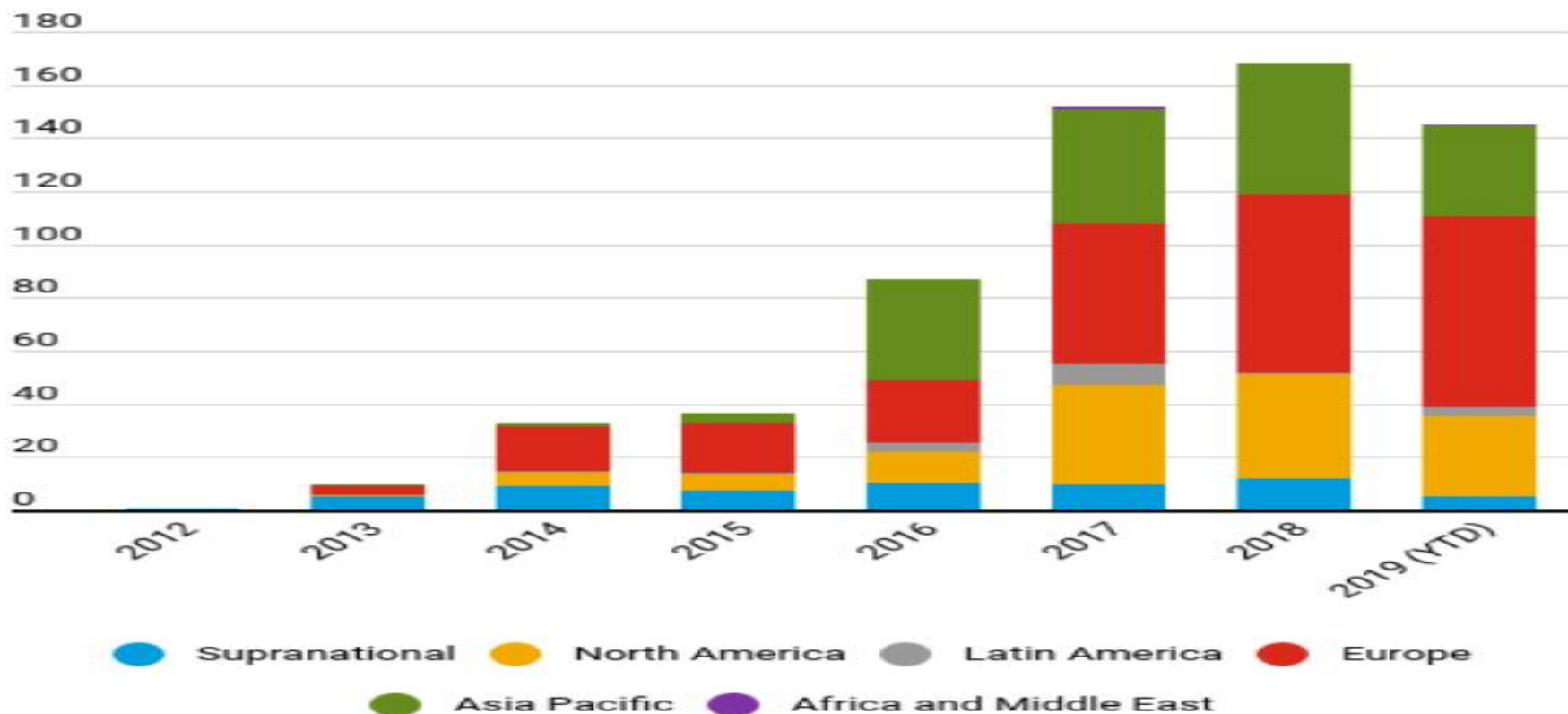
A type of debt issued by public or private institutions which undertake to use the funds for environmental purposes, unlike other credit instruments



Green bond issuance

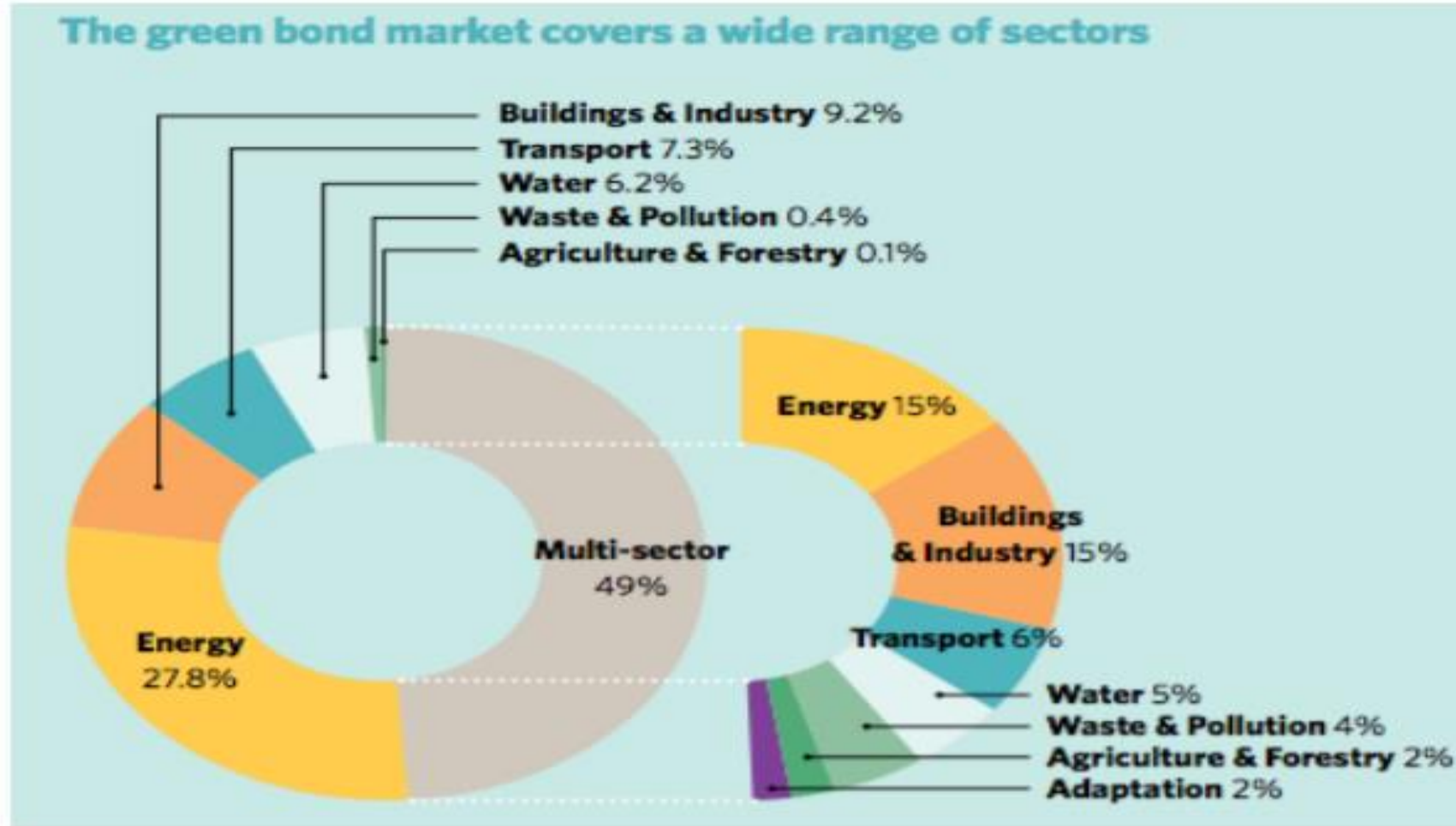
Green bonds are on the rise in recent years, mostly in Europe and Asia.

(billions of US dollars)



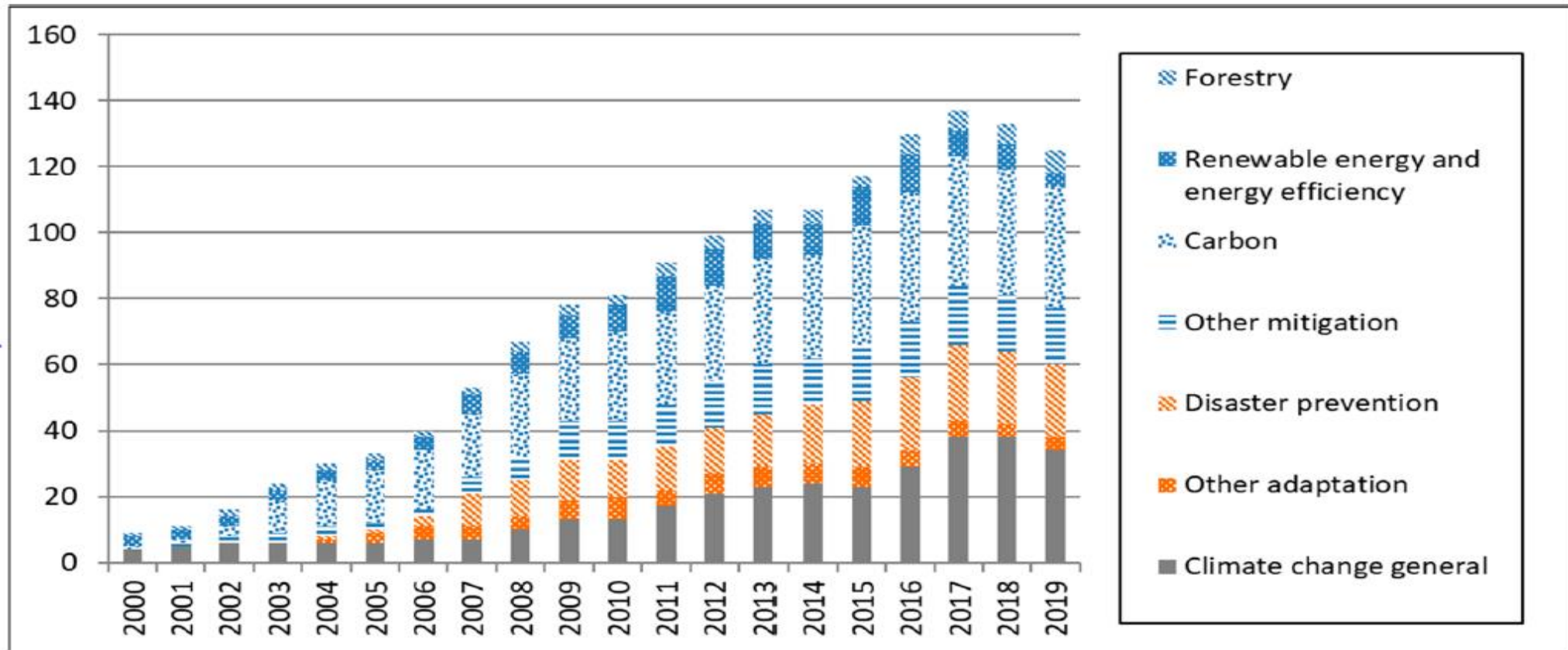
Sources: Dealogic, IMF staff calculations. Note: 2019 until August.

Green Bond Sector of financing



Source: Bonds & Climate Change: The state of the bond market in 2016

Global Sustainable financing allocated in different sector (2000-2019)



Conclusion

- “We have to see the bigger sustainability picture and work towards it – with the public and private sectors working together to enable innovation, extend supply chain reach and open access to capital”

