

THE GREEN BOND OPPORTUNITY

As the global green bond market continues to see significant growth, it is also attracting a larger and wider issuer base. This growth reflects \$155.5 billion in labelled green bonds, incorporated into a larger \$895 billion universe of 'climate aligned bonds' that contribute to a low carbon economy.¹

Use of green bond proceeds shows how issuers are raising capital to conserve energy and resources, transform transportation systems, and protect water, land and forests.

These investments also offer the opportunity for investors to support society's transition to a more sustainable future while generating financial value. However, no single agreed definition of 'green' yet exists.

There are industry-recognized voluntary standards such as the Green Bond Principles and Climate Bond Standards² but the lack of consistency presents a market challenge.

BNY Mellon is committed to fostering the integrity and strength of the market to help our clients mobilize investment capital towards their sustainable financial objectives.

What is a Green Bond?

The green bond classification is used when the use of a bond's proceeds are exclusively applied to environmentally sustainable projects and activities.

Market growth

Total Green Bond issuance



New market entrants in 2017

239 issuers came to market	146 new market issuers	37 countries represented
◀ Argentina	◀ India	◀ Nigeria
◀ Denmark	◀ Lithuania	◀ Switzerland
◀ Fiji	◀ Malaysia	◀ UAE

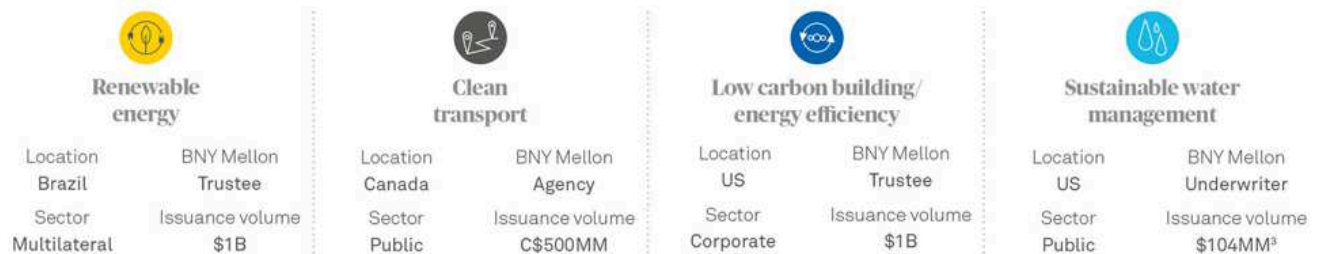
Most common use of proceeds

Growth and diversification of green projects continued in 2017



Examples of BNY Mellon client impacts in 2017

BNY Mellon is involved throughout the lifecycle of a green bond transaction from creation, through distribution, administration and management



Sources:

Green Bond Highlights 2017, Climate Bonds Initiative, 2018. <https://www.climatebonds.net/files/reports/cbi-green-bonds-highlights-2017.pdf>
ICMA, 2017; <https://www.icmagroup.org/.../Green.../Green-Bond-Principles---Brochure-2014.pdf>

¹ Bonds and Climate Change: State of the Market 2017, Climate Bonds Initiative, 2017.

² Climate Bonds Initiative, 2017.

³ Two series