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Global green loan volume tops US$10bn ytd, shadowing record 2018 pace

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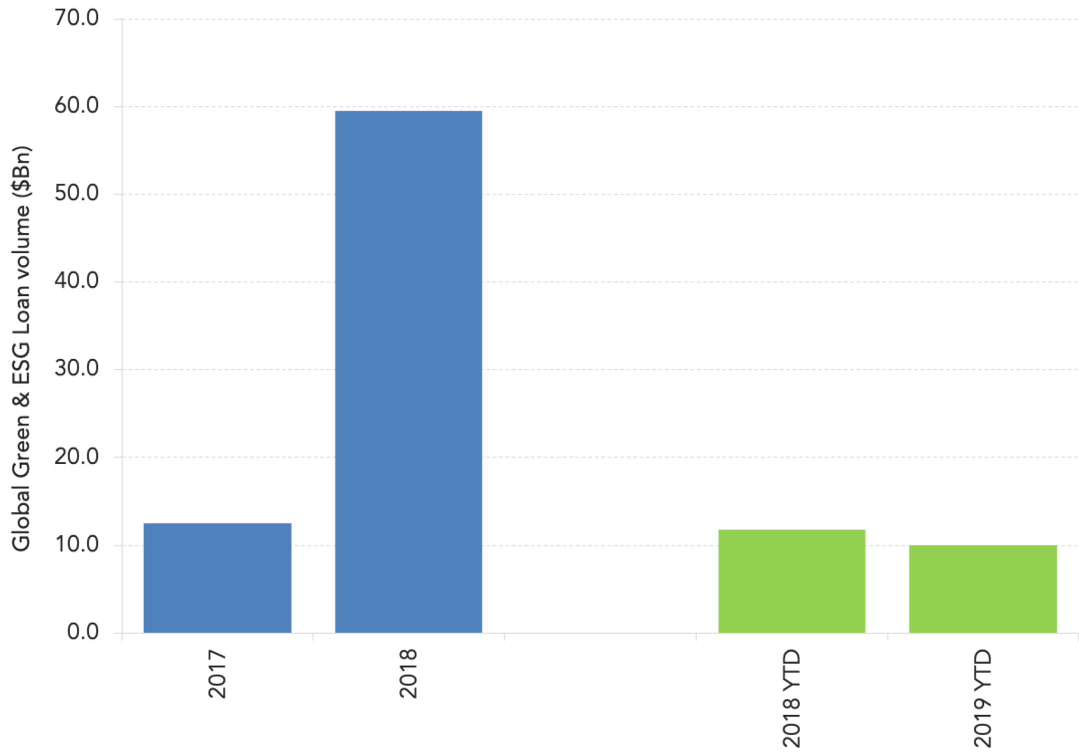

At a pace reminiscent of the record setting US$59.5bn total set in 2018, 2019 green loan issuance topped US$10.0bn so far in 1Q19. This is modestly off from results at the same time last year which stood at nearly US$11.8bn. More interesting is the slow but steady traction that green lending has gained across the global loan market. At the outset, the mix of deals which have been completed are more regionally diverse: In the Americas, US$1.3bn of green loan volume has worked its way through the market so far this year, to make up over 50% of full year 2018 regional totals. The results also represented a dramatic increase from the US$130m raised at the same time last year. Similarly, in the Asia Pacific region (ex. Japan), nearly US$1.4bn in green loan volume has been completed, more than two times totals at the same time last year. A US$229m financing for water ultility Beijing Capital Co Ltd which was signed at the beginning of March represents the most recent example. Hand in hand with a growing pipeline, borrowing terms are hinting at greater specificity around sustainability performance metrics. Most recently, Xylem, a global water technology company tapped the market for a US$800m revolving credit which includes credit based pricing which may subsequently be adjusted based on the issuer's sustainability ratings.

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