

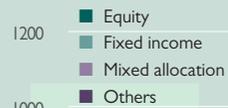
# Decarbonisation & Green Finance

CATELLA

## The Rapid Growth of ESG Funds

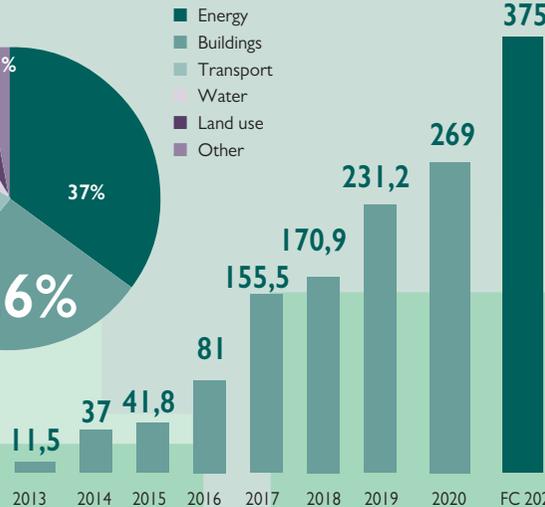
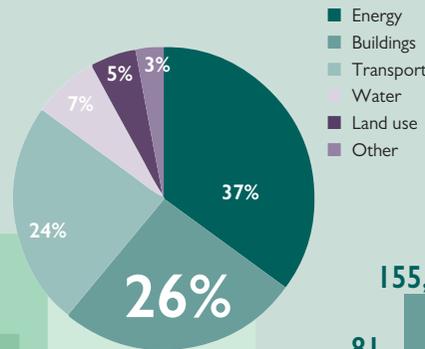
Assets of global ESG funds by asset class

in billion US\$

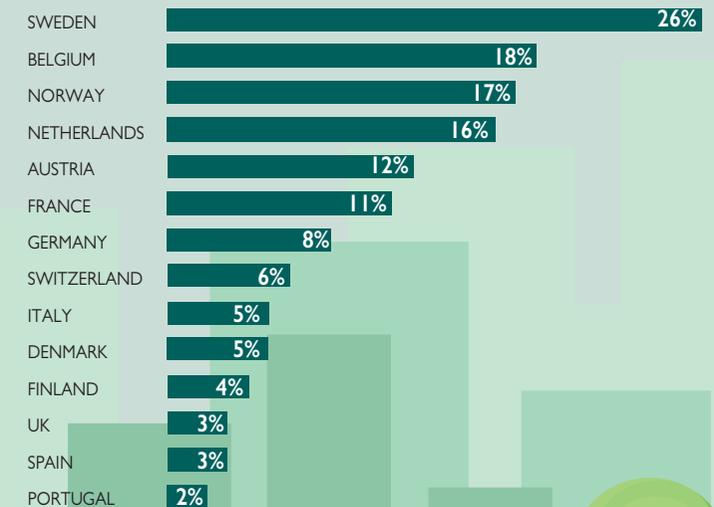


Green bond issuance

in billion US\$

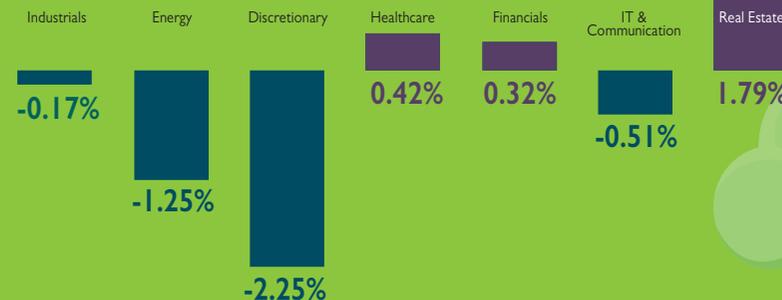


Market share of sustainable funds in selected European countries



The median share of green investments is still only just above 1% of total bank securities holdings. Moody's forecasts social (\$150 bn), sustainability (\$125 bn) and green bonds (\$375 bn) to grow by 33% to \$650 bn in 2021, representing 8-10% of total global bond issuance.

Sectoral exposure of ESG and non-ESG funds\* in Europe



\* based on 1,076 ESG funds and 23,699 non-ESG funds domiciled in the euro area and with geographical focus in Europe. For each fund type, the average investments in each sector by ESG and non-ESG funds are compared (>0: ESG funds invest more). ESG funds in Europe invest much more in the Real Estate sector than non-ESG funds.

Global ESG funds have grown by 170% since 2015 to more than \$1.3 trillion in 2020. Euro area exposure to ESG funds has increased by 20% over the last year. Euro area FI's and households reduced their non-ESG fund holdings (down by 1-8%) in favour of ESG funds (up by 4-10%) in Q1 2020.