

DANMARKS NATIONALBANK

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The market for green bonds is booming

Since the first green bond was issued in Denmark in 2015, the market has risen to kr. 169 billion as of May 2022.

What is a green bond?

A green bond finances new or existing green projects. The issuer of the bond thus commits to using the funding for renewable energy, environmentally friendly transport, adaptation to climate change or other green projects, which are described in the legal documentation of the bond.²

Especially green mortgages are growing

Green bonds are divided into mortgage, corporate and government bonds. Mortgage bonds constitutes a growing share, which primarily finance ener-

gy efficient buildings and renewable energy. Of the total green bond market, mortgage bonds account for about half, corresponding to kr. 80 billion.

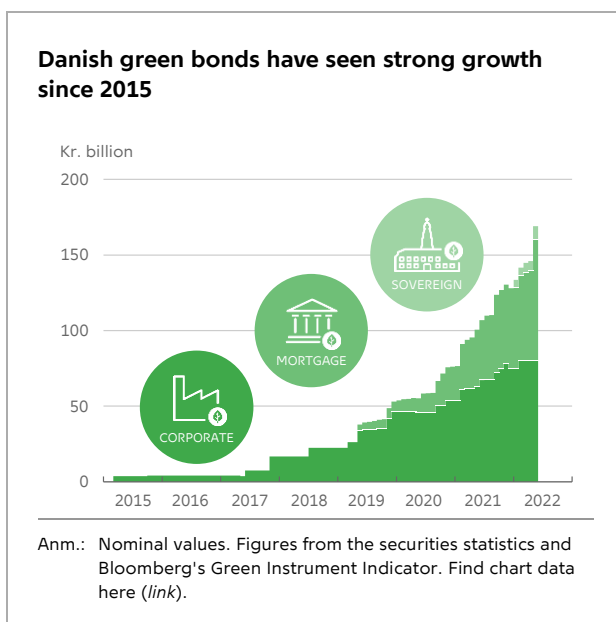
Green corporate bonds also amount to kr. 80 billion. Ørsted A/S is the largest issuer of green corporate bonds and has issued a total of kr. 29 billion. The funding is used to finance the company's global expansion of renewable energy.

Since the beginning of 2022, the Danish government has issued green government bonds to finance government spending on sustainable energy like wind and solar energy and the green transformation of the transport sector. The Danish government has issued kr. 9 billion since January and aims to issue kr. 15 billion during 2022.

Foreign appetite for green corporate bonds

Foreign investors own 53 per cent of the Danish green bonds. Corporate bonds are particularly popular abroad, as foreign investors own about 92 per cent. The Danish corporate bonds are issued primarily in foreign currency while the majority of green mortgage bonds are issued in Danish kroner. Green mortgage bonds are therefore primarily owned by Danish investors, in particular the insurance and pension sector as well as the banking sector.¹

[MORE INFORMATION ABOUT THE STATISTICS HERE](#)



¹ See more about the guidelines for green bonds with International Capital Market Association: ([link](#)).