



Session 12:
Finance for Sustainable Investing

DZ BANK Sustainable Finance

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**2026 ASIAN REGIONAL FORUM
ON INVESTMENT MANAGEMENT
OF FOREIGN EXCHANGE RESERVES**



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Session 12: Finance for Sustainable Investing

2026 Asian Regional Forum on Investment Management of Foreign Exchange Reserves, Hanoi, 7-9 October



ESG in the traditional sense is “dead”, BUT...

#SustainableFinancelsHereToStay

Sustainable Finance 2.0: The evolving agenda

The agenda is broadening beyond mitigation

Transition

- Credible pathways
- Not just a label

Adaptation & resilience

- Flood and disaster resilience
- Early-warning systems
- Resilient health and infrastructure

Nature

- Biodiversity and ecosystems
- Nature-positive investment
- Stronger nature-related disclosure

Civil defence & security

- Security and institutional resilience also matter
- Emergency operations and stockpiling
- Cybersecurity and data protection
- Institutional continuity and R&D
- Digital transformation

DZ BANK guideline explicitly excludes armament

Sustainability is an economic and financial-resilience **process**, not a radical change

More focus on credible **transition** pathways, **adaptation**, **nature** and **resilience**

Snapshot: Sustainable Bond Market

Sustainable bond market: pause, then growth



Asia-Pacific: a major source of sustainable debt

#2

Largest source of sustainable bonds
after Europe

+4%

APAC sustainable issuance in 2025
year on year

+31%

APAC green-bond segment growth
in 2025

In 2025 Green bonds' share of APAC new sustainable issuance

~63%

China accounted for around two-thirds of APAC green-bond issuance.

~60+ sovereign issuers have issued a sustainable bond

~170 countries issue sovereign debt

The opportunity set is broadening

Sovereign issuers

More first-time and repeat sovereign issuers could broaden currency, country and maturity choices.

Financials & corporates

Expect momentum from financial-institution and corporate issuance in Asia-Pacific to continue.

Refinancing

Maturing labelled bonds create an opportunity for issuers to refresh frameworks and reporting.

The **‘four Rs’** – *revenue growth, risk management, resilience and reputation* – are influencing issuance strategies, investor expectations, and the next stage in the evolution of the market.

Investment strategy: The reserve manager's lens

The reserve manager's lens

Credible sustainable finance and prudent reserve management share the same foundations. Sustainable finance should **strengthen**—not displace—**reserve discipline**

A **label** is additional information—not a **substitute** for credit, valuation or liquidity analysis

The question is not “**How green should reserves be?**” but “**Which risks and opportunities are financially material?**”

Any '**greenium**' is a market signal, not an **investment or issuance strategy**

The practical question: where can sustainable finance **add value** without compromising **reserve objectives?**

Three messages for reserve managers

1 | The agenda is evolving

Sustainable finance is broadening beyond mitigation to transition, adaptation, nature and resilience.

2 | Labels are not a shortcut

A sustainable label can help explain purpose. It does not replace credit, liquidity, valuation or governance analysis.

3 | Allocation matters

Asia-Pacific is a major source of sustainable debt. The opportunity is to identify credible issuers and measurable use of proceeds.