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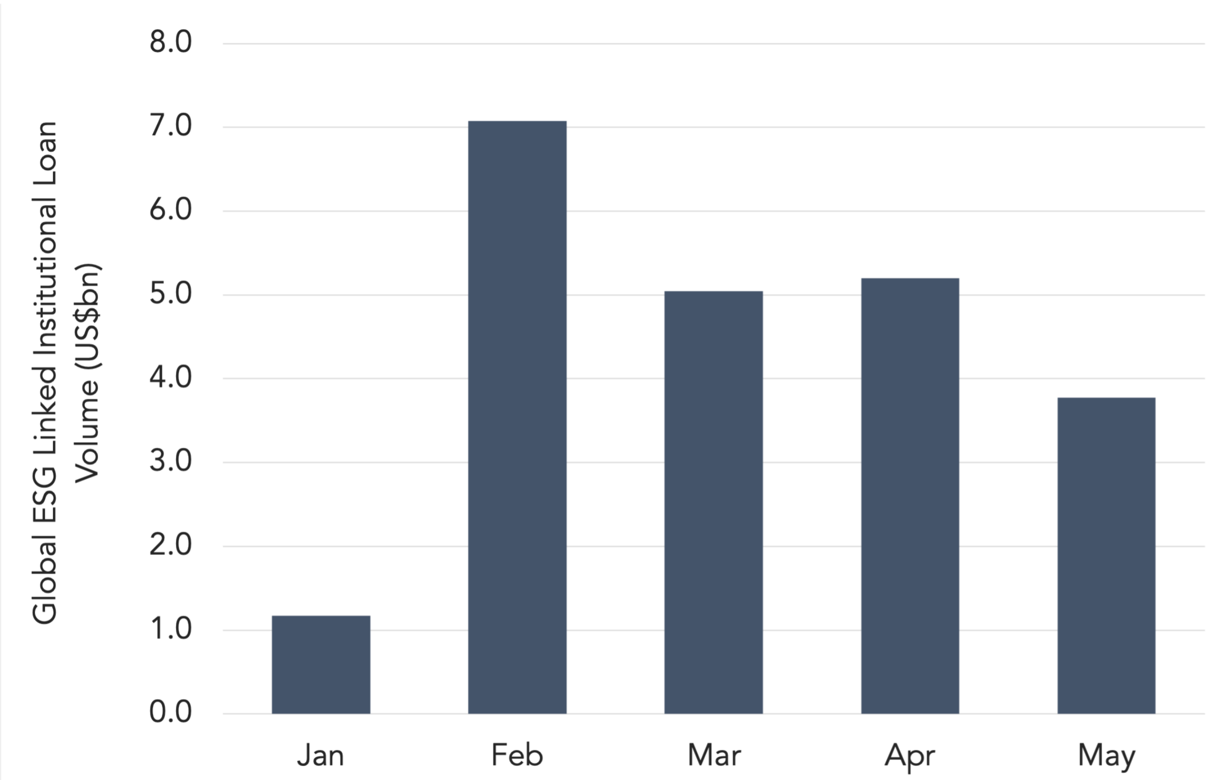
Global ESG-linked institutional loan volume sets steady pace in 2021

LSEG | June 3, 2021



In a testament to the broadening reach of Sustainability linked lending, the global loan market has been tapped with over US$22bn of ESG-linked institutional loan volume via 21 issues so far this year, up from a small handful during all of 2020.

In fact, after raising over US$1bn of ESG linked TLB volume in January 2020, borrowers saw the pipeline jump to over US$7bn in February, maintaining a steady calendar in the range of US$5bn in each of the next three months. This growth comes on the back of an increase among corporate backstop facilities for high grade issuers who have already incorporated ESG performance metrics into their financings for a few years.

A record setting US$231bn in green and ESG linked loan volume has come to market thus far in 2021, far exceeding full year 2020 results. Although institutional issuance represents only a small fraction of this total, strong investor demand for assets coupled with an expansion of ESG loan principles and guidance is expected to standardize and fuel incremental supply.

(Past performance is no guarantee of future results.)