



RBC Green Bond Capital Incentives

Insurance Authority

11 September 2025



Insurance (Valuation and Capital) Rules

- preferential capital treatment for **recognized green bonds** under rule 48(3)(c)
- a factor of 90% is multiplied to the stress factor for credit spread risk.

Guideline on Valuation and Capital Requirements (GL36) and Gazette Notice on the green criteria or principles under rule 48(4) of the Insurance (Valuation and Capital) Rules (G.N. 3634 of 2025, dated 20 June 2025)

- detailed criteria of recognized green bond



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Recognized Green Bond

1

Principles or Standards

- 1) China Green Bond Principles (*China Green Bond Standard Committee*);
- 2) Climate Bonds Standard (*Climate Bonds Initiative*);
- 3) European Green Bond Standard (*European Commission*); OR
- 4) Green Bond Principles (*International Capital Market Association*)

100% proceeds of the bond for green activities

2

Pre-issuance external report

Opinion on the alignment with the Principles or Standards

3

Independent and qualified third party

- 1) List of Approved Verifiers under the Climate Bonds Standard (*Climate Bonds Standard Board*);
- 2) List of Registered Green Bond Review and Certification Organizations from Market-driven Evaluations (*China Green Bond Standard Committee*);
- 3) Recognized External Reviewer List of Green and Sustainable Finance Grant Scheme (*Hong Kong Monetary Authority*); OR
- 4) List of External Reviewers of European Green Bonds (*European Securities and Markets Authority*)