The Box: syndication fee league tables Q4 25

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Banks are key in facilitating access to capital markets. When arranging a bond or loan, despite not directly using its balance sheet, the reputation of the bank is essential in representing the borrower to investors, and enabling debt to be raised. Historically, it has been hard to influence this activity; it is often not covered by banks' sustainability policies, which may focus only on direct lending.

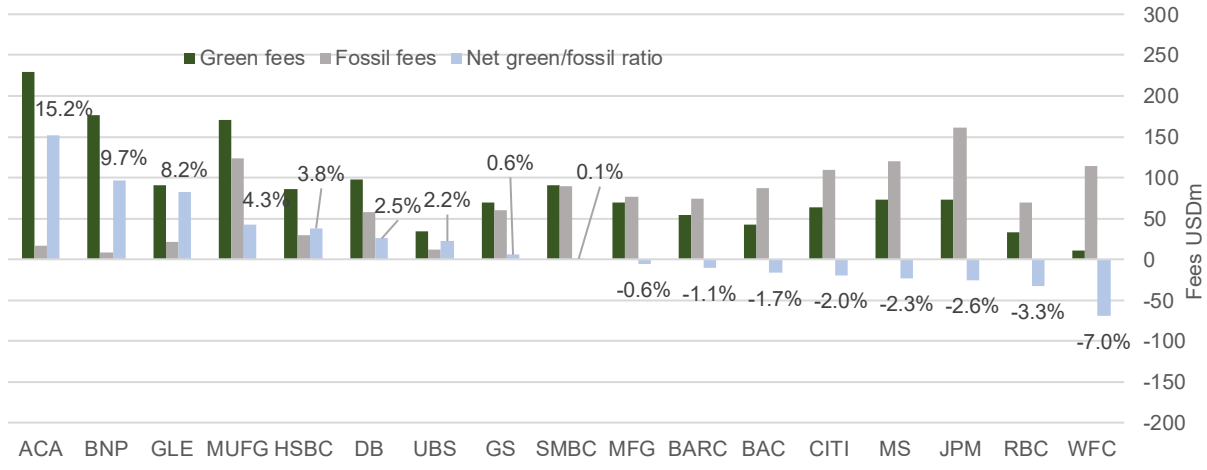
By monitoring syndication fees from sustainable and unsustainable activities, investors can direct business to the best performers and so incentivise a change in behaviour within banks.[1]

AFII has been recording these league tables for several years, and provides updates ahead of IMM derivative roll dates, which are typically high-volume trading days. We have published the data on a webpage, where investors can directly interact with the league tables here.

In this note, we present the December 2025 tables, with the following conclusions:

- **The financial benefits of focusing on sustainability continue to grow.** The gap between total green wallet versus fossil has continued to increase for large banks. Over the last year green fees were USD1.465 billion compared to USD1.233 billion for fossil transactions.
- The top and bottom of the league tables are fairly static. **Credit Agricole, Societe Generale and BNP Paribas** have topped the table since Sep 2023, with over 2x the net fees of the fourth-placed bank. **Wells Fargo** and **TD Securities** are at the bottom, both with over 2x the negative net fees of the third-from-last bank.
- The league tables continue to expose regional inconsistencies. **SMBC** and **MUFG** rank at the bottom in ASEAN yet still generate net positive fees globally — while **Mizuho** improved slightly in ASEAN but turned net negative in fees globally in Q4.

Figure 1. Green/fossil absolute fees for large banks. Source: AFII, Bloomberg Finance L.P., effective date 30 Nov 2025.



[1] For full details please see "The Box: a tool for bank influence", AFII, 20 Dec 2023.

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Green/fossil fee league tables

The green/fossil league table ahead of the IMM date of December 2025 is shown in Table 1 for banks considered large in terms of global DCM activities. Table 2 shows the same data for banks considered intermediate. The tables begin on the following page.

Two methodological changes have been made compared to our report in Q3 2025. Firstly, we have adjusted the data-collection dates to align with the end of the month prior to publication. This should make period-on-period comparisons clearer and more consistent going forwards. The period of data for this report is 1 Dec 2024-30 Nov 2025.

Secondly, we have reviewed the constituent banks of the large and intermediate tables. While the classification is based primarily on total fee volumes, there is some discretion applied to maintain stability, which also helps with comparative analyses. After a review of the total fees for the past few years, TD Securities and Banco Santander have been moved from the intermediate to the large banks ranking.

The historical tables and rankings remain the same, so period-on-period changes include ranking moves due to shifts in population.

1. Rankings – large banks

Rank: current rank
3m/1y/2y change: change in ranking in 3 months/1 year/2 years
Total fees: all fees from eligible deals in the period

Net green/fossil: (total green fees – total fossil fees)/total fees
Chg in fossil fees: % change in fossil fees compared to the average of 1 year/2 years ago

The table is ordered according to the net fee number, which is expressed as a percentage of total fee generation. This makes the figure comparable across banks of different sizes, which is important as the total fees vary from around USD1 billion (SocGen, SMBC, MUFG) to over USD3 billion (JP Morgan).

The change in total fossil fees is also included for context, as it helps explain the ranking changes in this period. This is calculated as total fees over the last year compared to the average of the prior two years.

Table 1. The green/fossil fee league table. A top rank (low ranking number = 1) indicates a higher degree of green activities relative to fossil. Source: AFII, Bloomberg Finance L.P., effective date 30 Nov 2025.

Rank	Bank	Net green/fossil	*3m change*		1y change		2y change		Total fees USDmn	Chg in fossil fees
1	Credit Agricole	15.2%	0	~	2	↑	1	↑	1,393	-55%
2	BNP Paribas	9.7%	1	↑	0	~	-1	↓	1,742	-53%
3	Societe Generale	8.2%	-1	↓	-2	↓	0	~	846	-31%
4	MUFG	4.3%	1	↑	0	~	9	↑	1,094	-2%
5	Banco Santander	3.8%	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	947	-29%
6	HSBC	3.8%	-2	↓	-1	↓	-1	↓	1,487	-37%
7	Deutsche Bank	2.5%	-1	↓	1	↑	0	~	1,564	6%
8	UBS & Credit Suisse	2.2%	-1	↓	-2	↓	-4	↓	963	-34%
9	Goldman Sachs	0.6%	1	↑	4	↑	8	↑	1,790	-33%
10	SMBC	0.1%	-1	↓	-3	↓	2	↑	1,236	-16%
11	Mizuho Financial	-0.6%	-3	↓	-1	↓	4	↑	1,210	-24%
12	Barclays	-1.1%	-1	↓	0	~	-4	↓	1,743	1%
13	BofA Securities	-1.7%	-1	↓	3	↑	-2	↓	2,681	-44%
14	Citi	-2.0%	-1	↓	0	~	-5	↓	2,344	-13%
15	Morgan Stanley	-2.3%	0	~	-4	↓	-5	↓	2,050	103%
16	JP Morgan	-2.6%	0	~	-1	↓	-2	↓	3,439	-2%
17	RBC	-3.3%	-3	↓	0	~	1	↑	1,139	-34%
18	Wells Fargo	-7.0%	-1	↓	0	~	1	↑	1,485	-14%
19	TD Securities	-7.4%	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	897	-13%

The top of the table remains static and is dominated by French institutions.[2] Credit Agricole continues to reign in the top spot, with a net green/fossil figure of 15.2%. The bank increased its net green/fossil fees substantially in 2025, from 6.9% in March[3] to 15.6% in September. This was the highest positive percentage recorded by any large bank since the inception of these rankings.

[2] For previous rankings please see "The Box: syndication fee league tables Q2 25", AFII, 16 Jun 2025.
[3] "The Box: syndication fee league tables Q1 25", AFII, 11 Mar 2025.

There has been some reshuffling at the bottom of the table. RBC (-3) has reclaimed the third-to-last spot. Wells Fargo is second to bottom; in the previous table it had, by a substantial margin, the most negative ratio, but now it is joined by TD Securities — a new addition to this table.

A notable fossil deal involving RBC is its joint lead manager role together with Citi, Deutsche Bank, and Mizuho in a USD 1 billion bond issued by Santos, an Australian oil and gas producer. Mizuho's participation in this transaction contributed to its net green/fossil ratio flipping from positive to negative in the global tables in Q4. The deal generated US$1.35 million in total estimated fees.

Two US banks have increased their green fees over the prior period. Morgan Stanley improved its net fees from -3.4% to -2.3%, and JP Morgan from -3.6% to -2.6%. However, they did not move up the rankings as new entrant Banco Santander joined the table above them. Still, this does suggest an improved business mix. For example, a green deal where both JP Morgan and Morgan Stanley were joint lead managers (amongst others) was a EUR1 billion green bond issued by the Portuguese utilities company EDP.

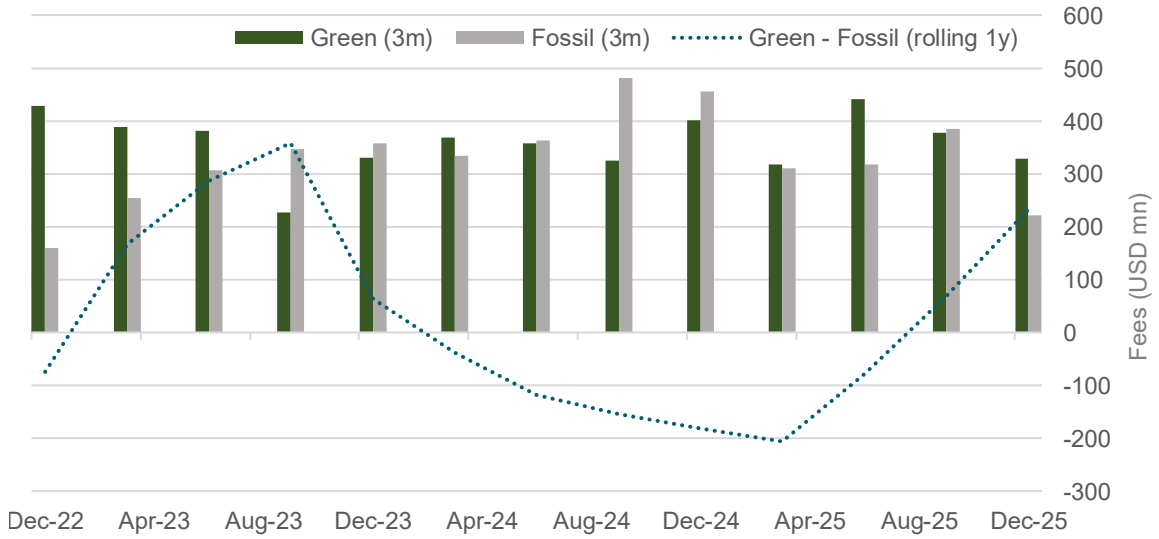
It is worth noting that the net green/fossil ratios for ranks 12-17 are very close. This suggests that a few significant fossil or green transactions could lead to a shake-up in positions.

Total green versus fossil wallet

In Q3 we commented that the large banks were generating more fees from green deals than fossil, with total 1-year green fees of USD1.530 billion being higher than fossil fees of USD1.462 billion, a positive gap of USD68 million. **This gap widened in Q4 to USD231 million. Total green fees in this latest 1-year period were USD1.465 billion while fossil fees were USD1.233 billion.**

This widening can also be observed in Figure 2 which shows the 3-month green and fossil fees for the large banks over time, compared with the rolling-1y net figure (which is used to generate the Box rankings). As the dotted line indicates, net fees peaked in September 2023 before reducing. The ratio has been on the rise compared to fossil fees since the recent low point in September 2024.

Figure 2. Quarterly fees over time for large banks. Source: AFII, Bloomberg Finance L.P., effective date 30 Nov 2025.



2. Rankings – intermediate banks

Table 2 shows the rankings for intermediate institutions.[4] The top and bottom of this table are broadly stable quarter-on-quarter.

All institutions in the top and bottom four spots improved their net green/fossil ratios slightly relative to Q3 2025 except US Bancorp, a trend that also could be seen in the last report. US Bancorp participated as joint lead manager in a USD1 billion fossil transaction with US mid-stream pipeline company Transcontinental last quarter.

The most notable mover in the recent period is Rabobank, which climbed 10 places, improving its net fees from 6.5% to 10.1%. It participated as joint lead manager in a recent EUR570 million green deal issued by Ardagh Metal Packaging, a US supplier of recyclable beverage cans.

Table 2. Green/fossil fee league table for intermediate-sized institutions. Source: AFII, Bloomberg Finance L.P., effective date 30 Nov 2025.

Rank	Bank	Net green/fossil	*3m change*	1y change	2y change	Total fees USDmn	Chg in fossil fees
1	Swedbank	38.9%	*0* ~	0 ~	0 ~	107	671%
2	SEB	24.0%	*0* ~	0 ~	1 ↑	323	-62%
3	Danske Bank	22.9%	*1* ↑	0 ~	1 ↑	336	43%
4	ABN Amro	18.9%	*1* ↑	1 ↑	2 ↑	83	-31%
5	Nordea	18.8%	*-2* ↓	-1 ↓	-3 ↓	410	-53%
6	Natixis	12.5%	*0* ~	3 ↑	8 ↑	533	-50%
7	NatWest Markets	10.5%	*0* ~	1 ↑	0 ~	420	-48%
8	Rabobank	10.1%	*10* ↑	5 ↑	10 ↑	180	-47%
9	DNB ASA	9.8%	*0* ~	12 ↑	11 ↑	348	-1%
10	ING Groep	8.6%	*7* ↑	1 ↑	7 ↑	602	-8%
11	BBVA	8.1%	*-3* ↓	-4 ↓	-6 ↓	481	19%
12	NAB	7.2%	*1* ↑	7 ↑	1 ↑	200	-100%
13	Lloyds Bank	7.2%	*-3* ↓	4 ↑	8 ↑	213	-62%
14	Commonwealth Bank	6.9%	*-2* ↓	-4 ↓	-5 ↓	229	17%
15	ANZ Banking Group	6.8%	*-4* ↓	1 ↑	-3 ↓	312	-79%
16	Westpac Banking	6.7%	*-1* ↓	-2 ↓	-5 ↓	203	-15%
17	Intesa Sanpaolo	6.3%	*-1* ↓	-11 ↓	5 ↑	321	-71%
18	Nomura	5.4%	*1* ↑	0 ~	-8 ↓	379	-77%
19	UniCredit	5.1%	*2* ↑	-4 ↓	-4 ↓	487	-29%
20	Commerzbank	4.1%	*0* ~	-8 ↓	-12 ↓	442	-27%
21	ICBC	4.0%	*1* ↑	-1 ↓	-5 ↓	745	35%
22	Standard Chartered Bank	-0.3%	*1* ↑	0 ~	-3 ↓	747	-19%
23	Jefferies	-1.4%	*1* ↑	1 ↑	0 ~	335	-61%
24	BMO Capital Markets	-2.8%	*1* ↑	1 ↑	1 ↑	703	-53%
25	US Bancorp	-5.1%	*1* ↑	-2 ↓	-1 ↓	471	-14%
26	Scotiabank	-7.1%	*1* ↑	0 ~	0 ~	575	-32%

[4] Banks are classified as large or intermediate based primarily on total fee volumes, with some discretion applied to reflect their significance as counterparties in hard currency secondary markets. The tables were reviewed in this period and TD Securities and Banco Santander were moved to the large bank table.

Regional fossil rankings

1. ASEAN

We began producing an ASEAN[5] green/fossil fee league table in November 2023.[6] This encompasses deals by banks from the in-scope countries. Table 3 shows the rankings for the major institutions with deals in the ASEAN region. Due to deal volumes being lower, we show the rankings for three years of data.

Table 3. ASEAN green/fossil fee league table (fees from deals from ASEAN-based issuers). Source: AFII, Bloomberg Finance L.P., effective 30 Nov 2025.

Rank	Bank	Net green/fossil	3m change		1y change		2y change		Total fees USDmn
1	BDO Unibank Inc	38.4%	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	50
2	OCBC	23.0%	-1	↓	-1	↓	-1	↓	282
3	United Overseas Bank	21.8%	-1	↓	-1	↓	-1	↓	384
4	DBS Group	15.1%	-1	↓	-1	↓	-1	↓	324
5	CIMB Group Holdings Bhd	3.3%	-1	↓	1	↑	0	~	416
6	HSBC	2.4%	0	~	-2	↓	0	~	154
7	Kasikornbank PCL	2.4%	-2	↓	4	↑	9	↑	104
8	Bank of China	2.3%	4	↑	12	↑	10	↑	71
9	BNP Paribas	2.1%	-1	↓	-2	↓	0	~	72
10	Siam Commercial Bank PCL	1.2%	-3	↓	-2	↓	0	~	92
11	Maybank	0.1%	0	~	-6	↓	-7	↓	349
12	Government Savings Bank	-1.0%	-2	↓	-3	↓	-5	↓	50
13	Indo Premier Securities	-1.6%	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	55
14	Bangkok Bank PCL	-1.8%	-5	↓	5	↑	3	↑	111
15	Trimegah Securities	-2.4%	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	53
16	RHB	-2.6%	-3	↓	-3	↓	-4	↓	164
17	Krung Thai Bank	-2.8%	-3	↓	-3	↓	2	↑	78
18	Standard Chartered Bank	-3.8%	-2	↓	-3	↓	2	↑	159
19	AmInvestment Bank Bhd	-4.1%	-4	↓	-3	↓	-5	↓	114
20	Bank Mandiri	-6.0%	-1	↓	5	↑	4	↑	137
21	Bank Negara Indonesia	-6.0%	-4	↓	-4	↓	-8	↓	105
22	Mizuho Financial	-7.4%	-1	↓	4	↑	-7	↓	60
23	Bank Rakyat Indonesia PT	-7.7%	-5	↓	-1	↓	-1	↓	66
24	Deutsche Bank	-8.6%	-4	↓	-3	↓	-1	↓	68
25	ING Groep	-10.3%	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	78
26	MUFG	-12.3%	-4	↓	-3	↓	-5	↓	147
27	SMBC	-20.0%	-4	↓	0	~	0	~	141

We construct the table using banks that generate a minimum fee. This has been adjusted from USD10 million in one year to USD50 million in three years to provide a longer look-back period. On the basis of this adjustment ING Groep, Indo Premier Securities, Trimegah Securities, and BDO Unibank have been added to the table for this period. As in previous tables, the historical rankings

[5] A region which comprises Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand, and Vietnam.

[6] For the inaugural analysis please see "Asia bank league table of green and fossil bond syndication fees", AFII, 29 Nov 2023.

have been maintained, so quarter-on-quarter changes include movements due to banks being added or removed from the population.

The same banks as last quarter occupy the top and bottom three spots, except for the newly added BDO Unibank at first place and ING Groep in 25th place.

The biggest improver was Bank of China (+4), with net fees at 2.3%. This is the first time this bank has been in positive territory since we started tracking ASEAN data in November 2023. The bank has shown steady improvement, climbing the rankings in each of the past three years. The recent change was mainly due to participation in two large SGD green bond deals by the Housing & Development Board, Singapore's public housing authority, in July and September.

BDO (Banco de Oro), a newcomer to the rankings table, leads the ASEAN ranking due to one green term loan executed in February 2025. This was a PHP150 billion (~USD2.59 billion) loan to Terra Solar Philippines, maturing in 2040, to finance development of its integrated solar photovoltaic (PV) equipment and battery storage system. This is interesting as the Philippines government is pushing for growth in its renewable energy generation.[7]

At the bottom of the rankings, Japanese banks MUFG and SMBC are financing more fossil deals in the region, with -12.3% and -20% net fees, respectively. SMBC continues to hold the bottom spot here, although globally it generates almost the same amount of green fees as fossil fuel fees, with a net figure of +0.1%.

When comparing MUFG and Mizuho, the latter now has negative net fees both in ASEAN and globally while the former generates more fees from green than fossil at the global level. This is likely due to their regional lending books in ASEAN being focused on the power/resources sector, while more of their green lending activities are conducted globally. Mizuho generates roughly 4% and MUFG around 10-11% of their global fees from the ASEAN region.

That eleven banks generate net positive fees in ASEAN suggests the net/green fossil fee gap is not driven by structural differences in issuance patterns. The discrepancies offer an opportunity for engagement, where investors can push for the global business split to be consistently applied across all regions.

Region-wide, there's been a smaller — but still notable — positive shift in the net green/fossil ratio, with average net fees improving from -2.2% in March, to -1.65% in June, to -1.1% in September, and to -0.45% in the most recent period if we use only the same bank population as previously. Notably, the full table has an average of 0.5%, which suggests the smaller banks have higher green/fossil ratios, a trend we also see in the global tables.

2. Japan

Table 4 shows the net green/fossil fee league table for major banks conducting Japanese deals, using a 1-year analysis period.

We have used a minimum threshold of USD10 million in total fees for deals where the issuers' country of risk is Japan in this period. On this basis, ANZ falls out of the table due to it only having generated USD4 million over the past year in total fees, while HSBC, Societe Generale, Okasan Securities Group, and Deutsche Bank are all added.

[7] For a proposal on how the sovereign can use SLBs to accelerate the transition please see "Philippines: supercharging the transition", AFII, 14 Aug 2025.

All the banks have zero or positive net fees for this segment. ANZ was the only bank with negative fees in the previous period, but it has since been removed. This is a potential indicator that Japan's GX transition program is having an effect on issuance patterns. However, it may also reflect the fact that the country does not have its own fossil fuel resources and therefore needs little capex for extractive businesses.[8]

Table 4. Japan green/fossil fee league table (fees from deals with Japanese issuers). Source: AFII, Bloomberg Finance L.P., effective 30 Nov 2025.

Rank	Bank	Net green/fossil	3m change	1y change	2y change	Total fees USDmn
1	Barclays	6.4%	1 ↑	1 ↑	15 ↑	28
2	BNP Paribas	6.2%	-1 ↓	1 ↑	5 ↑	29
3	Daiwa Securities	5.1%	0 ~	1 ↑	8 ↑	119
4	Nomura	4.9%	0 ~	2 ↑	2 ↑	128
5	Morgan Stanley	4.8%	0 ~	2 ↑	7 ↑	153
6	Mizuho Financial	3.8%	0 ~	2 ↑	2 ↑	277
7	Okasan Securities Group	2.0%	n.a. n.a.	n.a. n.a.	n.a. n.a.	11
8	SMBC	1.8%	1 ↑	4 ↑	1 ↑	347
9	Goldman Sachs	0.8%	1 ↑	1 ↑	-4 ↓	40
10	Societe Generale	0.8%	n.a. n.a.	n.a. n.a.	n.a. n.a.	14
11	BofA Securities	0.5%	-3 ↓	-2 ↓	-9 ↓	53
12	MUFG	0.4%	0 ~	5 ↑	-9 ↓	201
13	JP Morgan	0.1%	0 ~	-8 ↓	0 ~	109
14	SBI Holdings Inc/Japan	0.1%	0 ~	2 ↑	3 ↑	17
15	Credit Agricole CIB	0.0%	-8 ↓	-1 ↓	0 ~	17
15	Citi	0.0%	-4 ↓	-4 ↓	-5 ↓	47
15	HSBC	0.0%	n.a. n.a.	n.a. n.a.	n.a. n.a.	19
15	Deutsche Bank	0.0%	n.a. n.a.	n.a. n.a.	n.a. n.a.	10

The top two banks, BNP Paribas and Barclays, show lower net green fees: from 9% in the previous quarter to around 6% this quarter. These two banks have been the leading underwriters for green Eurobonds from Japanese issuers this year. However, their overall market share in the Japanese market is low, at less than 1.6%. Most of the Japanese banks have had stable positive net fees these past few quarters.

The biggest mover was Credit Agricole, which dropped eight spots this quarter and recorded zero net fees in the period. It had 2.0% net fees in the prior period.

Table 5. Green/fossil fee league table for Japanese banks. Source: AFII, Bloomberg Finance L.P., effective 30 Nov 2025.

Rank	Bank	Net green/fossil	3m change	1y change	2y change	Total fees USDmn
1	Nomura	5.4%	0 ~	0 ~	0 ~	379
2	MUFG	4.3%	0 ~	0 ~	1 ↑	1,094
3	SMBC	0.1%	1 ↑	0 ~	-1 ↓	1,236
4	Mizuho Financial	-0.6%	-1 ↓	0 ~	0 ~	1,210

In Table 5, we present the rankings solely for Japanese banks. This information may be relevant for an issuer looking to identify a local Japanese bank that is best aligned with its own climate policy.

[8] For more info see "Transition power, a JGB SLB, prints in USD", AFII, 2 Feb 2024.

Nomura remains in the top spot, while at the bottom of the table Mizuho has taken over last place, and also seen its green/fossil share flip negative, as mentioned above.

3. Canada

Table 6. Green/fossil fee league table for Canadian banks. Source: AFII, Bloomberg Finance L.P., effective 30 Nov 2025.

Rank	Bank	Net green/fossil	3m change	1y change	2y change	Total fees USDmn
1	BMO Capital Markets	-2.8%	1 ↑	1 ↑	3 ↑	703
2	CIBC	-3.2%	-1 ↓	-1 ↓	-1 ↓	459
3	RBC Capital Markets	-3.3%	0 ~	0 ~	0 ~	1,139
4	Scotiabank	-7.1%	0 ~	0 ~	1 ↑	575
5	TD Securities	-7.4%	0 ~	0 ~	-3 ↓	897

Table 6 shows the net green/fossil fee league table for Canadian banks with the highest fee generation from deals globally. These institutions have traditionally been very active in fossil lending, as the net fee numbers demonstrate.[9] As in the other tables, there has been a general improvement in net green/fossil ratios among Canadian lenders, with all banks but CIBC improving net green/fossil ratios compared to Q3. On average, the ratio has risen from -5.4% in Q3 2025 (and -8.4% in Q1 2025) to -4.7% now.

Appendix 1 – Bank ranking methodology

In order to rank banks' performances supporting access to capital markets, we must first collect data on deals. With a comprehensive universe of securities, we can then compile rankings to understand the relative behaviour of banks.

1. Syndication fees

Syndication fees are USD payments which a bank receives for arranging and organising issuances. Typically, a number of banks would be involved in a deal. However, the fees paid are not split equally, with 'lead' arrangers receiving more.

These fees are allocated in line with how much work each bank contributed to arrange the bond or loan and how important it was for the issuer to have that bank involved. Banks do not work for free, and issuers do not pay fees that they do not have to.

There is good competition in the market for bond and loan syndication, and so we expect fee levels to reflect bank appetite for certain businesses, i.e. for a controversial issuer who may have fewer banks offering to represent it, we would expect fees to be higher.

We also look at syndication fees on a relative basis, i.e. what portion of total bank syndication revenues are represented by selected desirable or undesirable activities. This is essential to adjust for the total size of different banks, and to make the league tables comparable.

[9] AFII has commented on BMO's environmental credentials in "The Montreal-West Virginia-Frankfurt price stability paradox", AFII, 5 Jun 2024.

2. Data collection

Data is collected at the deal level, and then aggregated to produce the rankings.

We restrict the population only to vanilla deals, to get a good overview of the market. The following are excluded: variable interest redemptions, bonds without warrants or that are credit linked, convertibles, retained deals, and schuldscheins. Self-led deals must have a transaction amount above USD50 million. Deal call, put, and maturity length must be more than 540 days. Only deals with an effective date within the specified time window are included.

Eligible securities, both bonds and loans, are identified in Bloomberg Finance L.P., alongside the fees paid to participating banks. Where fee information is not available, they are estimated using Bloomberg Finance L.P.'s Bond Fee Model. This leverages as-reported values where available to predict non-reported fees based on issuer and security-level information.[10]

Current fees are collected over a one-year rolling window. We collect data for the past three years, to calculate two years' worth of rolling fees, in order to understand changes in behaviour. This means that for tables which are effective 30 November 2025 (as the tables in this document are), the initial ranking uses an observation period of 1 December 2024 – 30 November 2025, and earlier periods are used accordingly.

This granular dataset can also be used to identify individual transactions that may be misaligned with a bank's sustainability policy, and which therefore present an engagement priority.

3. Ranking

The dataset above gives us, for each institution and period, fees generated from the undesirable behaviour we are seeking to discourage, fees generated from desirable behaviour we are seeking to encourage, and total fees which are used to consider relative performance.

The metric used for ranking is a percentage, as per the below calculation:

$$Net\ aligned\ fee\ share\ for\ bank_i = \frac{\sum_{r=1}^{m} Aligned\ fees_r - \sum_{r=1}^{n} Non\text{-}aligned\ fees_r}{\sum_{r=1}^{p} Total\ fees_r}$$

where *m, n, p* are the total number of relevant deals for bank *i* in the specified rolling window.

When both positive and negative behaviour is included, the net fees for consideration can be positive or negative, and further analysis can reveal whether this an important delineator of overall performance.

Clearly, the net fee number will be dependent on market conditions, e.g. there may be greater need for issuances in certain sectors versus others,[11] which makes it useful to look at net fee shares on a relative basis within certain groups of banks, rather than an outright number. We create this relative comparison simply by ranking peer groups of banks. The ranking is monitored over time, with changes in ranking being identified and analysed. This gives a real-time estimate of how the bank is behaving in the market in terms of their focus in facilitating deals that are undesirable.

[10] For more information see the Wallet Share Fact Sheet in the LEAG help section in Bloomberg Finance L.P.
[11] For example, renewable energy structurally has larger funding needs in a build-out compared to oil and gas companies that may be almost self-financing through cash flows in already established activities.

Appendix 2 – "The Box'' implementation

We propose the following implementation procedure for "The Box":

1) Generate a league table of banks' syndication activities, with a preference for climate-aligned activities.

2) Communicate to the bottom-ranked banks that they are 'at risk' from fee-generating activity exclusion, either bilaterally or publicly. A bilateral discussion is likely to be better at driving direct alignment with the individual counterparty, as there is less stigma attached to it, whereas a public announcement is likely to cause friction among all counterparties. The pre-exclusion discussion is also important to verify the underlying data for the process, as fee data can be imprecise.

3) Execute and communicate a de-selection for the poorest performing bank(s) in terms of business flows. For example:

    a. Asset owners/managers: De-list the institutions from the eligible counterparty list for new trades for a certain set of products such as cash bonds, credit derivatives, IR swaps and futures, and FX transactions. On primary market transactions, communicate such preferences to the syndicate.

    b. Bond issuers: De-list the institution from syndicating bond deals or executing other financing transactions over the boxed period.

4) After a pre-set period, say 3-6 months, repeat the process starting at step 1. An advantage of this process is that the feedback, positive or negative, can be relatively quick and contained within single compensation cycles, thus driving short-term behaviour more efficiently than an annual cycle.

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