

Net green/fossil bond syndication league table – Jun23

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Presented below are the net/green fossil bond syndication league tables ahead of the IMM date (and rolls) in Jun-23.[1] These league tables proxy the relative tilt of individual institutions' debt capital markets activities in terms of climate alignment.

Using fee-intake rather than nominal volumes of financing and/or underwriting is a way to adjust for (and thus) the risk appetite of the bank for particular types of transactions.[2] Transactions where the bank is a more important facilitator to enable the capital flow ('additionality') are likely to generate higher fees than deals where the bank is more replaceable.

Figure 1 shows that the most noteworthy changes observed among the major institutions are the continued improvement of MUFG (+4) coming up from its bottom position last year, as well as Credit Agricole (+1) moving into the top position through both a decrease in fossil fees and increase in green fees. Furthermore, SMBC (-2) continues to decline into the bottom three.

Figure 1. Large net green/fossil league table based on bond and loan syndications. A top rank (low ranking number=1) indicates a higher degree of green activities relative to fossil. Source: AFII, Bloomberg.

Rank	Chg vs Mar-23	vs Jun-2022	vs Jun-2021	Bank	Net green/fossil fees pct	Total fees USDmn	Net green/ fossil revenue USDmn	Chg in fossil fees vs -21/22	SLB fees of total	Net fees (green+ SLB) /fossil
1	1 ↑	0 ~	0 ~	Credit Agricole	9.4%	1,153.0	108.7	-53%	2.9%	12.3%
2	-1 ↓	2 ↑	2 ↑	HSBC	6.7%	1,176.2	79.4	-75%	1.6%	8.3%
3	2 ↑	-1 ↓	-1 ↓	BNP Paribas	6.5%	1,476.7	95.7	-60%	2.2%	8.7%
4	-1 ↓	-1 ↓	1 ↑	UBS & Credit Suisse	4.8%	2,635.3	127.0	92%	1.9%	6.8%
5	-1 ↓	6 ↑	3 ↑	Societe Generale	4.4%	659.8	29.2	-37%	2.5%	6.9%
6	4 ↑	10 ↑	8 ↑	MUFG	3.8%	950.1	36.4	-35%	0.8%	4.7%
7	-1 ↓	-2 ↓	-4 ↓	Deutsche Bank	2.7%	1,158.6	31.3	-1%	1.6%	4.3%
8	1 ↑	1 ↑	-1 ↓	Barclays	1.9%	1,356.0	26.0	-40%	0.5%	2.4%
9	-1 ↓	-3 ↓	-3 ↓	Morgan Stanley	1.2%	1,068.3	13.0	-45%	1.5%	2.7%
10	-3 ↓	-3 ↓	-1 ↓	Goldman Sachs	1.2%	1,152.8	13.8	-62%	1.2%	2.4%
11	0 ~	2 ↑	1 ↑	Citi	1.1%	1,912.7	21.8	-55%	1.1%	2.3%
12	0 ~	-2 ↓	-2 ↓	BofA Securities	1.0%	2,352.9	23.3	-29%	0.8%	1.8%
13	1 ↑	-1 ↓	-2 ↓	JP Morgan	-0.9%	2,324.8	-20.7	-48%	0.6%	-0.3%
14	1 ↑	0 ~	-1 ↓	Mizuho Financial	-2.2%	920.9	-20.4	-2%	1.5%	-0.7%
15	-2 ↓	-7 ↓	2 ↑	SMBC	-2.6%	779.8	-20.4	-15%	1.2%	-1.4%
16	0 ~	-1 ↓	0 ~	RBC	-5.9%	1,002.9	-58.8	2%	0.4%	-5.4%
17	0 ~	0 ~	-2 ↓	Wells Fargo	-7.3%	1,234.8	-90.4	-8%	0.4%	-6.9%

[1] The introductory article on this subject, also devising a system to apply these league table to drive climate ambition among counterparties "The Box: Algorithmic climate impact for fixed income markets", AFII, 25 Sep 2021. Implementations of this are discussed in, for example, "Buy-side traders start to cool on ESG-deficient dealers", Risk.Net, 11 Jan 2022.

[2] BloombergNEF presents a volume based approach in "Banks Need Even Bigger Low-Carbon Pivot to Avert Climate Crisis", 28 Feb 2023. The study, which also accounts for equity underwriting, replicates many of the relative ranking results of this study and other previous AFII studies (e.g. our Dec22 ranking).

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In Figure 2, displaying the intermediate institutions, BBVA (+5), Westpac Banking (+5) and Rabobank (-5) exhibit the largest moves. Swedbank's high % change in fossil fees vs -21/22 is particularly notable, going from USD 0.16mn in -21/22 compared to USD 2.01mn in 2023, making the change on %-age basis slightly misleading, as the numbers in absolute terms are very small.

Figure 2. Intermediate net green/fossil league table based on bond and loan syndications. A top rank (low ranking number=1) indicates a higher degree of green activities relative to fossil. Source: AFII, Bloomberg.

Rank	Chg vs Mar-23	vs Jun-2022	vs Jun-2021	Bank	Net green/fossil fees pct	Total fees USDmn	Net green/fossil revenue USDmn	Chg in fossil fees vs -21/22	SLB fees of total	Net fees (green+SLB) /fossil
1	1 ↑	0 ~	0 ~	Swedbank	20.6%	96.0	19.8	1148%	na.	20.6%
2	-1 ↓	0 ~	0 ~	SEB	20.3%	221.2	45.0	-51%	2.4%	22.7%
3	0 ~	0 ~	0 ~	Nordea	19.3%	282.0	54.6	-69%	2.7%	22.1%
4	1 ↑	0 ~	2 ↑	ABN Amro	15.2%	90.4	13.7	-81%	3.0%	18.1%
5	-1 ↓	2 ↑	0 ~	DNB ASA	10.9%	217.5	23.6	29%	1.8%	12.7%
6	1 ↑	3 ↑	1 ↑	Commerzbank	10.7%	298.3	32.0	-85%	2.1%	12.8%
7	-1 ↓	-2 ↓	-3 ↓	NatWest Markets	9.8%	347.4	34.2	-68%	0.4%	10.2%
8	1 ↑	13 ↑	5 ↑	ING Groep	7.8%	514.3	40.1	-59%	1.2%	9.0%
9	5 ↑	-3 ↓	-1 ↓	BBVA	7.6%	351.9	26.8	110%	3.5%	11.1%
10	1 ↑	-2 ↓	-1 ↓	Nomura	6.3%	423.9	26.6	2%	0.3%	6.6%
11	-1 ↓	-1 ↓	12 ↑	ICBC	5.2%	652.2	34.2	-28%	0.5%	5.7%
12	5 ↑	1 ↑	-2 ↓	Westpac Banking	4.8%	187.4	9.1	-53%	na.	4.8%
13	-5 ↓	4 ↑	7 ↑	Rabobank	4.5%	140.5	6.3	-65%	1.8%	6.3%
14	-1 ↓	2 ↑	1 ↑	NAB	4.1%	198.8	8.1	-74%	na.	4.1%
15	3 ↑	5 ↑	3 ↑	Lloyds Bank	3.4%	174.3	5.9	-80%	0.1%	3.5%
16	-4 ↓	-5 ↓	-5 ↓	Banco Santander	3.0%	661.9	20.2	6%	1.6%	4.6%
17	-1 ↓	1 ↑	8 ↑	Standard Chartered Bank	2.1%	484.4	10.0	-61%	0.8%	2.8%
18	-3 ↓	-6 ↓	-4 ↓	Natixis	1.9%	463.8	8.7	-45%	3.4%	5.3%
19	1 ↑	0 ~	-7 ↓	Intesa Sanpaolo	1.2%	360.2	4.3	20%	4.4%	5.6%
20	1 ↑	-6 ↓	-4 ↓	ANZ Banking Group	0.8%	318.3	2.6	13%	0.3%	1.1%
21	-2 ↓	-6 ↓	-4 ↓	UniCredit	0.1%	529.5	0.5	44%	3.6%	3.7%
22	0 ~	0 ~	-3 ↓	Jefferies	0.0%	181.8	0.1	-88%	na.	0.0%
23	0 ~	1 ↑	-2 ↓	US Bancorp	-2.2%	454.9	-10.0	-25%	0.0%	-2.2%
24	1 ↑	2 ↑	-2 ↓	TD Securities	-4.8%	742.0	-35.8	40%	0.2%	-4.6%
25	-1 ↓	-2 ↓	-1 ↓	BMO Capital Markets	-6.4%	610.4	-39.1	7%	0.3%	-6.1%
26	0 ~	-1 ↓	0 ~	Scotiabank	-8.4%	756.0	-63.4	39%	1.1%	-7.2%

Table column fields:

- The term *fossil*: bond and/or loan issuance from sectors classified as fossil fuel exploration, production, refining or services.
- The term *green*: green bond and/or loan issuance.
- *Net green/fossil pct:* % fees of total fees from green deals minus % fees of total fees from fossil deals.
- *Total fees*: total fee intake from public deals
- *Net green/fossil revenue:* dollar value of fees from green deals minus dollar value of fees from fossil deals
- *Chg in fossil fees vs 21/22:* % change in fees from fossil deals in 2023 compared to the average of 2021/22. Note that 2020 was the highest ever year for oil bond issuance.
- *SLB fees of total:* % of total fees from SLB deals
- *Net green+SLB deals/fossil:* % fees of total fees from green and SLB deals minus % fees of total fees from fossil deals

Methodology

Refer to "Net green/fossil bond syndication league tables", AFII, 23 Sep 2021, for a broader discussion on methodology. Above tables are based on 05 Jun start and end dates, e.g. 2023 = 5 Jun 2022 – 5 Jun 2023. The league tables shown in Figure 1 highlight banks that we deem to be likely international counterparties. AFII is able to provide similar lists for extended and bespoke counterparty-lists, please contact the team for further discussions.

Numbers are based on Bloomberg data and are in many cases inferred or estimated: thus we would be wary of using the absolute dollar number (e.g. "Bank X made Ymn in fees") but hypothesize that the number on an aggregate level is valid for relative rankings.

Fees are calculated over a two-year rolling window, and changes versus the last report (Mar-23) as well as a rolling window ending Jun-22 and Jun-21 are reported. AFII will continue to produce these tables ahead of the IMM dates, to allow investors to apply fresh counterparty selection routines when rolling various futures and derivatives contracts.

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