The Box: syndication fee league tables Q2 26

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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.

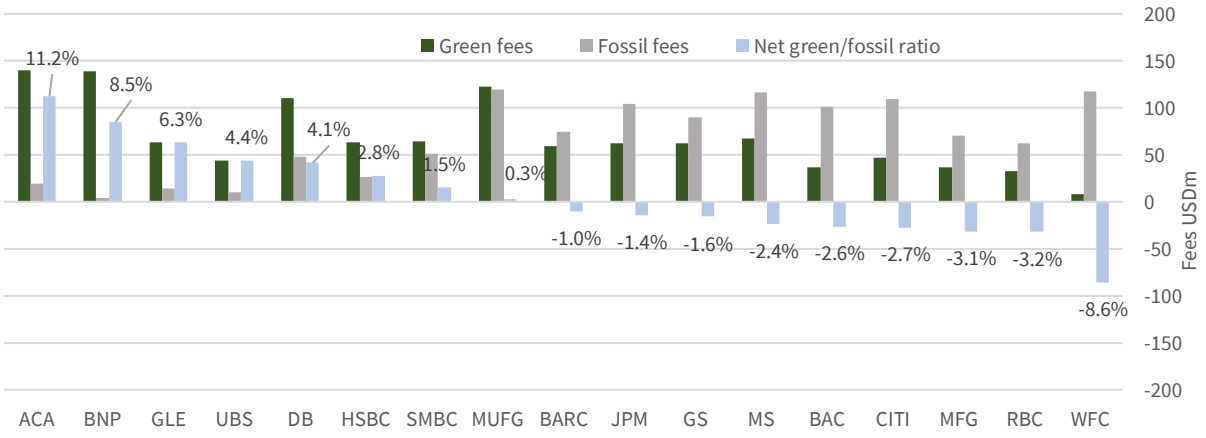
By monitoring syndication fees from sustainable and unsustainable activities, investors can direct business to the best performers and so incentivise a change in behaviour within banks.[1]

AFII has been recording league tables of these syndication fees for several years, and provides updates ahead of IMM derivative roll dates, which are typically high-volume trading days. We have refreshed our interactive webpage, which now includes both trend analysis and the direct league tables. Investors can directly interact with the league tables here.

In this note, we present the June 2026 tables, with the following conclusions:

- **The trend has shifted with fossil fees now outpacing green fees.** Syndication fees have risen quarter-on-quarter, with fossil up +252% and green +62%. This leads to the net figure turning negative, with USD-19 million net fees in the past year for large banks.
- The top and bottom of the league tables remain static. **Credit Agricole, Societe Generale, and BNP Paribas** remain at the top, but all worsening their net fees compared to the last report. **Wells Fargo** also worsens its net fees at the bottom.
- **The overall fee trend however is contrary in ASEAN and Japan**. In ASEAN the average net fee ratio has continued to rise in the latest period and in Japan all banks have a positive net figure. This may indicate regional divergence in themes of energy investments.

Figure 1. Green/fossil absolute fees for large banks for last year. Source: AFII, Bloomberg Finance L.P., effective date 31 May 2026.



[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 June 2026 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.[2]

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 under USD1 billion (SocGen, UBS and TD Securities) to over USD3 billion (JP Morgan).

The change in total fossil fees is included, 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.

[2] We last reviewed the table constituents in Q4 2025 which resulted in moving TD Securities and Banco Santander out of the intermediate set and into the large tables. The historical tables and rankings remain the same, so period-on-period changes include ranking moves due to shifts in population.

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 31 May 2026.

Rank	Bank	Net green/fossil	3m change	1y change	2y change	Total fees USDmn	Chg in fossil fees
1	Credit Agricole	11.2%	0 ~	0 ~	2 ↑	1,073	-43%
2	BNP Paribas	8.5%	1 ↑	1 ↑	-1 ↓	1,594	-79%
3	Societe Generale	6.3%	-1 ↓	-1 ↓	-1 ↓	774	-52%
4	UBS & Credit Suisse	4.4%	4 ↑	4 ↑	0 ~	767	-43%
5	Deutsche Bank	4.1%	-1 ↓	2 ↑	2 ↑	1,498	-11%
6	HSBC	2.8%	-1 ↓	0 ~	-1 ↓	1,323	-49%
7	SMBC	1.5%	4 ↑	3 ↑	-1 ↓	896	-56%
8	MUFG	0.3%	-1 ↓	-4 ↓	7 ↑	957	-8%
9	Banco Santander	-0.1%	-3 ↓	n.a. n.a.	n.a. n.a.	900	-23%
10	Barclays	-1.0%	0 ~	4 ↑	1 ↑	1,504	-9%
11	JP Morgan	-1.4%	2 ↑	5 ↑	3 ↑	3,052	-44%
12	Goldman Sachs	-1.6%	-3 ↓	0 ~	1 ↑	1,739	16%
13	Morgan Stanley	-2.4%	3 ↑	-2 ↓	-4 ↓	2,078	80%
14	BofA Securities	-2.6%	1 ↑	1 ↑	2 ↑	2,426	-37%
15	Citi	-2.7%	-1 ↓	-2 ↓	-3 ↓	2,310	-19%
16	Mizuho Financial	-3.1%	-4 ↓	-7 ↓	-6 ↓	1,091	-26%
17	RBC	-3.2%	0 ~	0 ~	0 ~	942	-37%
18	TD Securities	-4.8%	0 ~	n.a. n.a.	n.a. n.a.	758	-41%
19	Wells Fargo	-8.6%	0 ~	-1 ↓	0 ~	1,276	-10%

The top of the table remains fairly static and is dominated by French institutions.[3] BNP and SocGen have swapped second and third place quarter-on-quarter, while Credit Agricole remains in the top spot. Credit Agricole last quarter had the highest positive percentage recorded by any large bank since the inception of these rankings at 16.7%, but has this time come down to 11.2%, a theme that also holds for both BNP and SocGen, and several of the other banks as can be seen in the total green versus fossil wallet section further below.

At the bottom of the table the biggest mover is Mizuho which dropped -4 spots quarter-on-quarter due to both an increase in fossil fees and decrease in green fees. A deal involving Mizuho was its Co-Lead Arranger role in the USD7.5 billion loan to Venture Global CP2 LNG, the liquefied natural gas producer together with Santander, BofA, Deutsche Bank, JP Morgan, MUFG, RBC, SMBC, BBVA and others in March 2026. The loan was to finance an LNG liquefaction and export project on the Calcasieu ship channel in Louisiana.

Wells Fargo has worsened its net green/fossil ratio since last quarter, now being at -8.6%, while having stayed fairly flat over the prior two quarters (-7.0% in Q4 2025). A notable recent fossil deal involving Wells Fargo is its Co-lead arranger role together with BofA, Citi, Credit Agricole, HSBC, MUFG, RBC, BBVA, Santander and more in a USD8.458 billion loan in May issued by Commonwealth LNG, a midstream LNG company. Another deal involving Wells Fargo was its joint lead manager role together with Deutsche Bank, Goldman Sachs and others in a USD675 million bond issued by the UK oil production company Enquest PLC in April.

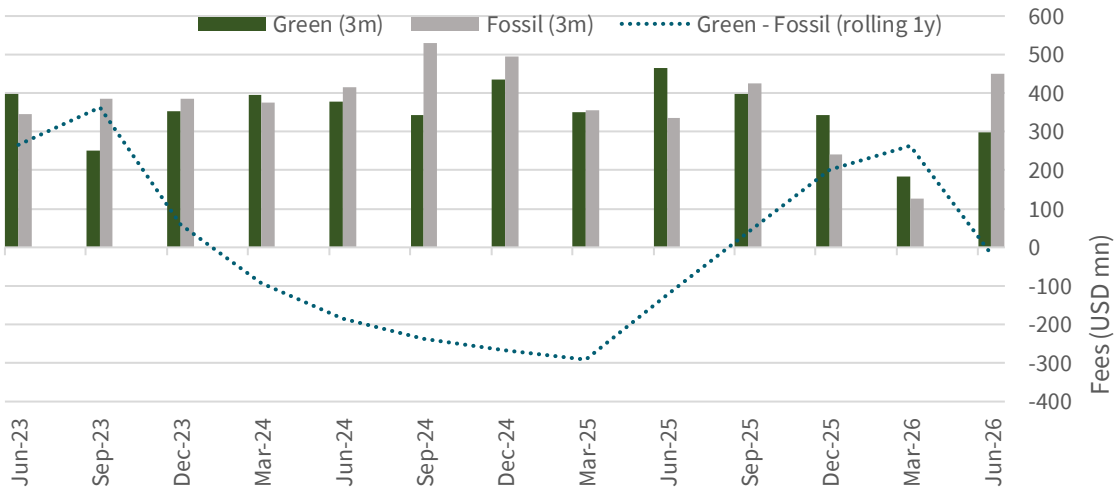
[3] For previous rankings please see "The Box: syndication fee league tables Q1 26", AFII, 18 Mar 2026.

The firms that climbed the table the most last quarter are UBS and SMBC, both going up four places, with UBS now being in the top four, having improved its net fees from 2.5% to 4.4% over the prior period. This was driven by both an increase in green fees as well as a decrease in fossil fees globally. A green deal involving UBS is the AUD7.5 billion Australian green government bond issued in May where it acted as a joint lead manager together with Commonwealth Bank, NAB and Westpac.

Total green versus fossil wallet

In Q1 2026 we commented that the large banks were generating more fees from green deals than fossil, albeit alongside a trend of reducing market activity, with a positive differential of USD263 million.

Figure 2. Quarterly fees over time for large banks. Source: AFII, Bloomberg Finance L.P., effective date 31 May 2026.



This trend has reversed. In Q2 2026 all fees have risen, but fossil was 51% higher than green in the period, driving the rolling 1-year net figure slightly negative at USD-19 million. Total green fees in this latest one-year period were USD1.223 billion while fossil fees were USD1.243 billion.

Figure 2 shows the details, the three-month green and fossil fees for the large banks over time, compared with the rolling one-year net figure (which is used to generate the Box rankings). The 1-year rolling figure (dotted line) peaked most recently in the last quarter.

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.

Table 2. Green/fossil fee league table for intermediate-sized institutions. Source: AFII, Bloomberg Finance L.P., effective date 31 May 2026.

Rank	Bank	Net green/fossil	3m change	1y change	2y change	Total fees USDmn	Chg in fossil fees
1	Swedbank	49.0%	0 ~	0 ~	0 ~	91	-100%
2	Danske Bank	29.9%	1 ↑	1 ↑	2 ↑	289	-66%
3	SEB	26.1%	-1 ↓	-1 ↓	-1 ↓	260	-100%
4	ABN Amro	24.3%	1 ↑	1 ↑	1 ↑	56	-44%
5	Nordea	22.0%	-1 ↓	-1 ↓	-2 ↓	306	-82%
6	NAB	11.5%	6 ↑	9 ↑	13 ↑	190	-100%
7	ING Groep	9.9%	2 ↑	10 ↑	0 ~	477	-29%
8	Commonwealth Bank	9.6%	7 ↑	-1 ↓	1 ↑	181	-100%
9	Westpac Banking	9.2%	9 ↑	1 ↑	5 ↑	202	-54%
10	NatWest Markets	8.6%	-3 ↓	-1 ↓	-2 ↓	336	-47%
11	Lloyds Bank	7.5%	2 ↑	5 ↑	10 ↑	149	-94%
12	DNB ASA	6.0%	-4 ↓	2 ↑	10 ↑	247	-25%
13	UniCredit	5.8%	1 ↑	8 ↑	0 ~	371	-26%
14	Commerzbank	5.4%	5 ↑	5 ↑	-4 ↓	295	-74%
15	Natixis	4.9%	-9 ↓	-7 ↓	-9 ↓	416	-22%
16	Rabobank	4.9%	-5 ↓	-4 ↓	-5 ↓	115	-64%
17	Nomura	4.8%	0 ~	-4 ↓	-2 ↓	347	-72%
18	ANZ Banking Group	1.8%	2 ↑	-7 ↓	-1 ↓	230	-83%
19	Intesa Sanpaolo	0.8%	-3 ↓	-1 ↓	-3 ↓	263	0%
20	ICBC	0.3%	1 ↑	0 ~	-2 ↓	741	91%
21	BBVA	-1.7%	-11 ↓	-15 ↓	-9 ↓	435	106%
22	BMO Capital Markets	-1.8%	0 ~	2 ↑	3 ↑	543	-68%
23	Jefferies	-1.9%	0 ~	0 ~	3 ↑	226	-78%
24	Standard Chartered Bank	-3.7%	0 ~	-2 ↓	-4 ↓	724	-1%
25	US Bancorp	-5.7%	0 ~	0 ~	-1 ↓	405	-27%
26	Scotiabank	-9.8%	0 ~	0 ~	-3 ↓	550	-2%

Looking at the top five spots all banks but SEB improved their net green/fossil ratios slightly relative to Q1 2026, following on from the progress seen in the last two reports. At the bottom of the table, all banks in the bottom five spots worsened or kept their net green/fossil ratios compared to the last report.

BBVA dropped -11 spots quarter-on-quarter mainly due to green fees falling out of the rolling period and an increase in fossil fees. Notable deals involving BBVA were its role in the Commonwealth and Venture Global deals mentioned in the previous section.

[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.

Natixis also took a substantial fall moving down -9 spots and was also involved in the Venture Global deal. Another deal it was involved in was the EUR750 million bond issued by the Oil & Gas company Var Energi in April where it acted as joint lead manager together with BBVA, ING, Standard Chartered, UniCredit, DNB and others.

Looking at the total fees in Q2 2026, and the split between fossil and green, we see a similar story to the large banks where all fees have risen, but fossil fees have risen more (+148%) compared to green fees (+89%) quarter-on-quarter. However, the gap between green vs fossil fees is still positive for the intermediate bank population, at USD178 million in this latest one-year period.

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 (overleaf) shows the latest 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.

The table is comprised of banks that generate a minimum in syndication fees. Unlike the large and intermediate tables above, which use a USD10 million annual threshold, this table applies a USD50 million minimum over three years to allow for a longer look-back period.[7]

BDO Unibank remains in the top spot for yet another quarter, with the same top five banks as the previous quarter and the last spots showing no change. ING Groep, MUFG, and SMBC respectively occupy the 25th, 26th and 27th place. BDO (Banco de Oro) continues to benefit from its large USD2.6 billion loan to Terra Solar Philippines signed in February 2025, which provides the uplift in its ranking due to this single deal dominance for this smaller sized bank that overall has fewer total deals relative to the larger ASEAN and international banks.

In terms of patterns of green lending, in the last quarter, we have seen an absolute increase in green fees for two Malaysian banks Maybank and CIMB Group that is notable, although their overall ranking in terms of net green/fossil fees show little movement. The last quarter shows several solar and data centre and real estate lending deals in the region for both banks that would put them in leadership position for green fees in isolation for the second quarter.[8]

In general, the quarterly rankings do not show major moves due to lack of large green deals in this quarter. HSBC dropped 3 places with net fees of 0.9% versus 1.5% in the previous quarter. This is due to a larger base of total fossil loans and bonds in the most recent quarter compared to the

[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.
[7] This was reviewed in Q1 2026 when ING Groep, Indo Premier Securities, Trimegah Securities, and BDO Unibank were added to the table. Note, the historical rankings are maintained even when the universe of banks is adjusted, so quarter-on-quarter changes include any movements due to population change.
[8] Princeton Digital Group (PDG) secured USD456mn of green loans as part of its financing for the development of a 120MW data centre campus in Indonesia. PDG has raised multiple green loans in the region, including Malaysia. Tenaga raised MYR1.05bn in sukuk green bonds in May to finance a large-scale solar plant.

previous quarter, while fees from green loans and bonds increased slightly in the most recent quarter.

Table 3. ASEAN green/fossil fee league table (fees from deals from ASEAN-based issuers). Source: AFII, Bloomberg Finance L.P., effective 31 May 2026.

Rank	Bank	Net green/fossil	3m change	1y change	2y change	Total fees USDmn
1	BDO Unibank Inc	35.4%	0 ~	n.a. n.a.	n.a. n.a.	52
2	OCBC	24.7%	0 ~	0 ~	-1 ↓	281
3	United Overseas Bank	22.1%	0 ~	0 ~	-1 ↓	373
4	DBS Group	14.8%	0 ~	0 ~	-1 ↓	287
5	Deutsche Bank	8.9%	0 ~	19 ↑	19 ↑	62
6	Kasikornbank PCL	3.4%	1 ↑	0 ~	10 ↑	100
7	CIMB Group Holdings Bhd	3.4%	-1 ↓	0 ~	-1 ↓	425
8	Bank of China	3.2%	0 ~	10 ↑	9 ↑	49
9	BNP Paribas	2.1%	2 ↑	0 ~	0 ~	65
10	Siam Commercial Bank PCL	1.2%	0 ~	-5 ↓	0 ~	88
11	Maybank	1.2%	1 ↑	1 ↑	-6 ↓	372
12	HSBC	0.9%	-3 ↓	-4 ↓	-8 ↓	146
13	Bangkok Bank PCL	0.5%	3 ↑	1 ↑	5 ↑	98
14	RHB	-0.5%	0 ~	3 ↑	-2 ↓	154
15	Government Savings Bank	-0.9%	-2 ↓	-4 ↓	-7 ↓	57
16	Bank Rakyat Indonesia PT	-1.1%	3 ↑	5 ↑	5 ↑	54
17	Krung Thai Bank	-1.5%	0 ~	-2 ↓	2 ↑	71
18	Indo Premier Securities	-2.3%	-3 ↓	n.a. n.a.	n.a. n.a.	51
19	Bank Negara Indonesia	-2.5%	3 ↑	-3 ↓	-5 ↓	91
20	Bank Mandiri	-2.6%	3 ↑	2 ↑	5 ↑	125
21	Trimegah Securities	-3.5%	-3 ↓	n.a. n.a.	n.a. n.a.	53
22	Standard Chartered Bank	-4.5%	-2 ↓	-2 ↓	-7 ↓	175
23	AmInvestment Bank Bhd	-4.6%	-2 ↓	-4 ↓	-10 ↓	97
24	Mizuho Financial	-9.7%	0 ~	1 ↑	-4 ↓	60
25	ING Groep	-11.3%	0 ~	n.a. n.a.	n.a. n.a.	78
26	MUFG	-11.8%	0 ~	-3 ↓	-4 ↓	139
27	SMBC	-17.0%	0 ~	0 ~	0 ~	118

At the bottom of the rankings, Japanese banks MUFG and SMBC, saw their net green/fossil ratios deteriorating since the last report, with -11.8% and -17% in net fees (-11.3% and -15.6% in the previous period respectively). SMBC continues to hold the bottom spot here, with concentrated financing to Trafigura Group, including a deal in the latest quarter. The substantial loans to Trafigura Group executed in March 2026 involved a consortium of banks, including MUFG, SMBC and ING, which bumped up their fossil fuel lending fees ranking compared to other banks that were not involved in the transactions. Thus, we continue to see these 3 banks taking bottom spots again this quarter. However, globally MUFG and SMBC generate a larger amount of green fees relative to fossil fuel fees, with a net figure of 0.3% and 1.5% respectively.

Mizuho has negative net fees both in ASEAN (-9.7%) and globally (-3.1%), which has deteriorated since last quarter as well. The recent trend of higher fossil fees in the last quarter in ASEAN is consistent with the global observations, while green lending fees have also increased compared to the previous quarter.

That thirteen banks (an increase from twelve in the prior report) generated net positive fees in ASEAN suggests the net green/fossil fee gap is not driven by structural differences in issuance patterns. The discrepancies between their regional and global activity offer an opportunity for engagement, where investors can push for the global business split to be consistently applied across all regions.

At the ASEAN level overall, against the global trend there has been an ongoing positive shift in the net green/fossil ratio, with average net fees improving from - 1.65% in June 2025, to 0.8% in March 2026, and to 1.3% in the most recent period (if we use only the same bank population as previously). Notably, the full table has an average ratio of 1.8%, which suggests the smaller bank constituents have higher green/fossil ratios than their larger peers, 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 one-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.

All the banks in this quarter have zero or positive net fees for this segment (compared to the prior report where MUFG was -0.1%). This is a potential indicator that Japan's GX transition program is influencing 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.[9]

Table 4. Japan green/fossil fee league table (fees from deals with Japanese issuers). Source: AFII, Bloomberg Finance L.P., effective 31 May 2026.

Rank	Bank	Net green/fossil	3m change	1y change	2y change	Total fees USDmn
1	Barclays	6.0%	0 ~	1 ↑	13 ↑	33
2	Nomura	5.7%	2 ↑	2 ↑	3 ↑	121
3	BNP Paribas	5.1%	0 ~	0 ~	6 ↑	35
4	Daiwa Securities	5.1%	-2 ↓	1 ↑	2 ↑	131
5	Morgan Stanley	3.8%	0 ~	1 ↑	-1 ↓	153
6	Mizuho Financial	2.7%	0 ~	1 ↑	2 ↑	344
7	SMBC	2.1%	0 ~	8 ↑	0 ~	287
8	Okasan Securities Group	1.8%	0 ~	n.a. n.a.	n.a. n.a.	10
9	Goldman Sachs	0.9%	0 ~	4 ↑	2 ↑	47
10	SBI Holdings Inc/Japan	0.5%	1 ↑	7 ↑	4 ↑	16
11	BofA Securities	0.5%	1 ↑	0 ~	-9 ↓	49
12	MUFG	0.0%	6 ↑	2 ↑	5 ↑	174
13	Credit Agricole CIB	0.0%	0 ~	-5 ↓	1 ↑	24
13	Citi	0.0%	0 ~	3 ↑	-1 ↓	45
13	JP Morgan	0.0%	0 ~	-3 ↓	-3 ↓	56
13	HSBC	0.0%	0 ~	n.a. n.a.	n.a. n.a.	16
13	Societe Generale	0.0%	-3 ↓	n.a. n.a.	n.a. n.a.	12
13	Deutsche Bank	0.0%	0 ~	n.a. n.a.	n.a. n.a.	11

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

Barclays remains at the top spot although its overall market share in the Japanese market is not high. Barclays has been active in the green Eurobond space for Japanese issuers over some of the bigger issues in 2025 and in the first quarter of 2026. Nomura has gained two spots to take the second place this quarter as it has been an active underwriter of the green bond deals in the latest quarter.

Table 5. Green/fossil fee league table for Japanese banks. Source: AFII, Bloomberg Finance L.P., effective 31 May 2026.

Rank	Bank	Net green/fossil	3m change	1y change	2y change	Total fees USDmn
1	Nomura	4.8%	0 ~	0 ~	0 ~	347
2	SMBC	1.5%	1 ↑	2 ↑	0 ~	896
3	MUFG	0.3%	-1 ↓	-1 ↓	1 ↑	957
4	Mizuho Financial	-3.1%	0 ~	-1 ↓	-1 ↓	1,091

In Table 5, we present the rankings solely for Japanese banks globally. This information may be relevant for an issuer looking to identify a local Japanese bank that is best aligned with its own climate policy. Nomura remains in the top spot, while at the bottom of the table Mizuho occupies last place.

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.

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 31 May 2026 (as the tables in this document are), the initial ranking uses an observation period of 1 June 2025 – 31 May 2026, 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.

[10] For more information see the Wallet Share Fact Sheet in the LEAG help section in Bloomberg Finance L.P.

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.

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.

[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.

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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