

Net green/fossil bond syndication league table 2021

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Good news - 2021 marked the first time that fees from green bond syndication surpassed those of direct fossil related syndications (red marker in Figure 1).¹ On the less positive side: the relative shift comes mainly from more green and not less issuance activities for fossil focused businesses (grey dotted line in Figure 1). The fees charged for fossil issuances are in line with the past decade, whereas green fees appear to have been trending down as the market has grown in the past five years, arguably from higher competitive pressure (Figure 2).

The full year numbers establish further evidence on some themes highlighted in our earlier pieces: 1/ French banks climb significantly and land themselves at the upper part of the table; 2/ MUFG firmly sits at the bottom of the table, and Japanese banks are all in the bottom third together with more “regional” North American banks WFC and RBC.

For suggestions on how investors can use this data for positive climate impact, please refer to “[The Box: counterparty climate impact](#)”, AFII, 15 Sep 2021.

Figure 1. Fee revenue for total (LHS), green and fossil (RHS) bond syndications. Source: AFII, Bloomberg.

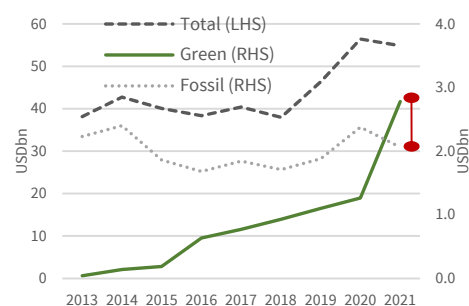


Figure 2. Average fees as % of issuance size. Source: AFII, Bloomberg.

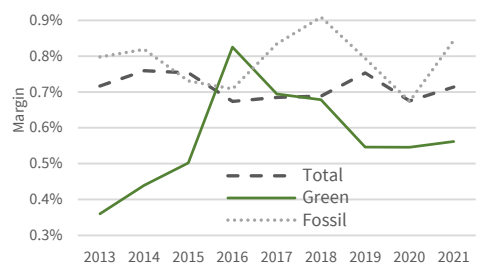


Figure 3. League table with rankings based on percentage net green vs fossil fee intake. Next page for explanations on calculations. Source : AFII, Bloomberg.

Rank	Chg vs 2020	Chg vs 2019	Bank	Net green/fossil fess pct	Total fees USDm	Net green/fossil revenue USDm	Chg in fossil fees vs -19/20	SLB fees of total	Net fees (green+ SLB) /fossil
1	4	↑ 0	~ Credit Agricole	12.5%	632.2	79.2	-49%	4.2%	16.8%
2	0	~ 0	~ BNP Paribas	8.7%	1260.0	109.9	-41%	2.9%	11.6%
3	-2	↓ -4	↓ UBS	7.1%	548.0	38.7	-56%	0.8%	7.8%
4	0	~ -4	↓ Deutsche Bank	4.0%	1341.1	53.1	14%	1.4%	5.3%
5	2	↑ 1	↑ HSBC	3.2%	1344.3	43.1	3%	2.5%	5.7%
6	2	↑ 3	↑ Societe Generale	1.8%	514.2	9.2	-14%	2.7%	4.5%
7	4	↑ -3	↓ JP Morgan	1.5%	2350.6	34.7	16%	1.4%	2.9%
8	-5	↓ 3	↑ Credit Suisse	1.4%	872.3	11.9	99%	0.9%	2.3%
9	3	↑ 3	↑ BofA Securities	1.4%	1862.2	25.4	-20%	1.8%	3.1%
10	0	~ 1	↑ Barclays	1.2%	1294.9	15.6	-12%	3.9%	5.1%
11	-5	↓ -2	↓ Morgan Stanley	0.1%	1413.0	1.8	31%	1.2%	1.3%
12	3	↑ -5	↓ Citi	0.0%	1951.4	0.8	-6%	1.4%	1.5%
13	-4	↓ 1	↑ Goldman Sachs	0.0%	1477.6	-0.2	18%	1.2%	1.2%
14	0	~ 3	↑ Mizuho Financial	-1.3%	685.3	-8.8	10%	2.0%	0.7%
15	2	↑ 1	↑ SMBC	-3.7%	458.7	-17.1	22%	1.7%	-2.0%
16	0	~ 0	~ RBC	-4.1%	672.3	-27.5	49%	1.0%	-3.1%
17	-4	↓ 2	↑ Wells Fargo	-6.1%	658.3	-40.0	48%	1.4%	-4.7%
18	0	~ 0	~ MUFG	-6.5%	475.4	-30.9	-7%	2.6%	-3.9%

¹ Refer to “[Net green/fossil bond syndication league tables](#)”, AFII, 23 Sep 2021, and overleaf for methodology. Please contact the AFII team for further details and rankings on a broader set of banks.

Methodology

Refer to "[Net green/fossil bond syndication league tables](#)", AFII, 23 Sep 2021, for a broader discussion on methodology. Earlier results used a two year rolling window for calculating league tables: the above results are based one year instead. Using a longer window gives less volatile results and has more memory of deals, whereas the shorter time frame is more appropriate in states of transition.

The league table shown in Figure 3 highlights banks that we have selected on basis of their importance in terms of international trading activity. Please contact the AFII team for an expansion on that list in terms of more banks.

We select traditional league-table criteria for bonds only (not loan) and use Bloomberg flags for green bonds. Sustainability linked bonds are not defined as 'green' in terms of the league table construction, but separated out as in the rightmost columns of Figure 3. Rankings are more or less the same when adding SLBs to the calculations, with the exception of WFC and MUFG trading last place.

The rankings are based on percentage of total fees rather than in absolutes. We opine that absolute based rankings unnecessarily punishes large banks.

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

Note that the below table does not account for loan syndications (available upon request) or private transactions. Especially in the latter case, there are indications that banks may be picking up exposure instead, see "[Operation Private Markets: A Bridge CO2 Far](#)", AFII, 16 Dec 2021.

Further reading

"[Notable fixed income fossil funding deals 2021](#)", AFII, 21 Dec 2021.

"[Banks risk becoming new fossil fuel villains in 2022](#)", Financial Times, 7 Jan 2022.

"[Bank fees for Green Debt Surpass Fossil-Fuel Financing](#)", Bloomberg, 5 Jan 2022.

"[Anthropocene Fixed Income Market Themes 2022](#)", AFII, 30 Dec 2021.

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