

Net green/fossil bond syndication league table – Jun22

Ulf Erlandsson(*)

With an increased scrutiny of counterparties ESG policies, and some real-world examples of investors and bond issuers starting to apply ‘[The Box](#)’ type of strategies,¹ going forward AFII will start producing updated net green/fossil syndication league tables well ahead of IMM dates (ie. the third Wednesday of March, June, September and December). Clearly, updating counterparties and specifically reducing fee flow to counterparties that are non-aligned on asset owner/manager climate strategy is more effective around times of increases in trading flow. As there are a plethora of financial contracts that roll on IMM dates, e.g. equity and treasury futures, credit derivatives and more, refreshing counterparty lists ahead of that seems a reasonable thing to do.²

In Figure 1, we show the league table in terms of fees for the year of 10 Jun 2021 to 10 Jun 2022, which would have been relevant for the Jun22 IMM date. Rankings are based on the net green/fossil fee number, which is the % fee generation in green bonds versus the % fee generation in fossil sectors (%-ages as of total fee revenue). This measure is designed to reflect, irrespective of size of the counterparty, how tilted the capital market activities are to driving green versus fossil investments. We can note that the rankings are relatively stable across time and also in line with our results in “[Net green/fossil bond syndication league table 2021](#)”, AFII, 10 Jan 2022. Figure 2 overleaf adds public loan deal fee generation with relatively minor ranking changes.

Figure 1, Net green/fossil league table based on bond syndications only. A top rank (low ranking number=1) indicates a higher degree of green activities relative to fossil, “more sustainable.” Source: AFII, Bloomberg.

Rank	Chg vs 2021	Chg vs 2020	Bank	Net green/fossil fees 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	1	↑ 0	~ Credit Agricole	13.8%	529.5	72.9	-66%	3.11%	16.9%
2	2	↑ 0	~ BNP Paribas	10.9%	991.1	107.7	-77%	2.17%	13.0%
3	-2	↓ 1	↑ UBS	9.1%	460.9	42.0	-75%	0.83%	9.9%
4	5	↑ 2	↑ Societe Generale	5.6%	442.0	24.9	-71%	2.70%	8.3%
5	0	~ 0	~ HSBC	4.6%	1057.3	49.0	-20%	3.36%	8.0%
6	-3	↓ 3	↑ Deutsche Bank	3.8%	1142.9	43.2	0%	1.66%	5.4%
7	1	↑ 5	↑ Barclays	3.0%	1011.4	30.1	-56%	3.93%	6.9%
8	2	↑ 2	↑ JP Morgan	2.5%	1794.7	44.8	-42%	1.91%	4.4%
9	-2	↓ -1	↓ Morgan Stanley	2.4%	1079.6	25.7	-41%	1.57%	4.0%
10	2	↑ 1	↑ BofA Securities	2.2%	1572.6	35.1	-42%	2.23%	4.5%
11	-5	↓ -8	↓ Credit Suisse	2.2%	649.1	14.3	-28%	0.84%	3.0%
12	-1	↓ -5	↓ Goldman Sachs	1.5%	1235.5	18.7	-24%	1.82%	3.3%
13	1	↑ 2	↑ Mizuho Financial	1.4%	596.3	8.1	-41%	1.91%	3.3%
14	2	↑ 2	↑ SMBC	1.2%	365.8	4.5	-48%	2.68%	3.9%
15	2	↑ -2	↓ RBC	0.6%	577.2	3.4	-44%	1.92%	2.5%
16	-3	↓ 1	↑ Citi	0.5%	1708.1	8.1	-40%	1.89%	2.4%
17	-2	↓ -3	↓ Wells Fargo	-5.0%	571.5	-28.7	-12%	1.24%	-3.8%
18	0	~ 0	~ MUFG	-6.5%	402.5	-26.1	-29%	0.00%	-6.5%

¹ “[The Box: algorithmic counterparty climate impact](#)”, AFII, 15 Sep 2021.

² We would suggest to use the March and September IMM dates for fixed income investors, as these will be the dates when both single name and index CDS rolls.

Figure 2. Net green/fossil league table based on bond and loan syndications. Source: AFII, Bloomberg.

Rank	Chg vs 2021	Chg vs 2020	Bank	Net green/fossil fees pct	Total fees USDmn	Net green/fossil revenue USDmn	Chg in fossil fees vs -19/20	SLB fees of total	Net fees (green+SLB)/fossil		
1	0	~	0	~	Credit Agricole	7.6%	1068.1	81.6	-48%	2.44%	10.1%
2	3	↑	0	~	UBS	6.3%	700.0	44.1	-95%	1.05%	7.4%
3	4	↑	3	↑	SMBC	5.8%	891.5	51.7	-48%	1.27%	7.1%
4	-2	↓	7	↑	BNP Paribas	5.6%	1905.6	107.2	-64%	2.36%	8.0%
5	1	↑	2	↑	HSBC	3.7%	1613.0	60.0	-37%	2.47%	6.2%
6	3	↑	-2	↓	Credit Suisse	2.9%	1214.2	35.3	-60%	2.02%	4.9%
7	-3	↓	1	↑	Deutsche Bank	2.9%	1956.7	56.7	-15%	1.40%	4.3%
8	-5	↓	-5	↓	Societe Generale	2.2%	850.6	19.0	-40%	3.28%	5.5%
9	1	↑	7	↑	Barclays	2.0%	1656.0	32.4	-65%	1.45%	3.4%
10	-2	↓	-5	↓	Morgan Stanley	1.6%	1593.2	25.8	-33%	1.95%	3.6%
11	2	↑	-2	↓	Goldman Sachs	1.4%	2000.2	28.4	-44%	1.91%	3.3%
12	4	↑	-2	↓	Mizuho Financial	0.9%	1032.7	9.7	-26%	1.57%	2.5%
13	-2	↓	1	↑	BofA Securities	0.8%	3441.7	28.6	-38%	0.88%	1.7%
14	0	~	1	↑	Citi	0.5%	2577.7	13.8	-38%	1.16%	1.7%
15	0	~	-2	↓	JP Morgan	0.5%	3508.5	16.6	-32%	1.23%	1.7%
16	-4	↓	-4	↓	MUFG	-1.4%	914.9	-12.7	-36%	2.01%	0.6%
17	0	~	1	↑	RBC	-2.5%	1190.5	-29.5	-12%	1.41%	-1.1%
18	0	~	-1	↓	Wells Fargo	-2.8%	1481.8	-42.1	-36%	0.23%	-2.6%

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 10 June start and end dates, e.g. 2021=10 Jun 2020-9 Jun 2021. The league tables shown in Figures 1-2 highlight banks that we deem to be likely international counterparties.³ Numbers are based on Bloomberg 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 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.

Table column fields:

- › *Net green/fossil pct*: % fees of total fees from green deals minus % fees of total fees from grey 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 grey deals
- › *Chg in fossil fees vs 19/20*: % change in fees from grey deals in 2021 compared to the average of 2019/20. 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 grey deals

³ Please contact the AFII team for an expansion of the list in terms of possible counterparties.

IMPORTANT DISCLAIMER:

This report is for information and educational purposes only. The Anthropocene Fixed Income Institute ('AFII') does not provide tax, legal, investment or accounting advice. This report is not intended to provide, and should not be relied on for, tax, legal, investment or accounting advice. Nothing in this report is intended as investment advice, as an offer or solicitation of an offer to buy or sell, or as a recommendation, endorsement, or sponsorship of any security, company, or fund. AFII is not responsible for any investment decision made by you. You are responsible for your own investment research and investment decisions. This report is not meant as a general guide to investing, nor as a source of any specific investment recommendation. Unless attributed to others, any opinions expressed are our current opinions only. Certain information presented may have been provided by third parties. AFII believes that such third-party information is reliable, and has checked public records to verify it wherever possible, but does not guarantee its accuracy, timeliness or completeness; and it is subject to change without notice.

The Anthropocene Fixed Income Institute is a non-profit organization “to monitor, advocate for and influence the impact of the fixed income and bond markets in the age of human induced climate change.” For more information about the Institute, please visit www.anthropocenefii.org or follow us using the hashtag #anthropocenefii.

