This document provides additional detail on the methodology used in Banking on Climate Chaos 2021. The report was published on March 24, 2021 by Rainforest Action Network, BankTrack, Indigenous Environmental Network, Oil Change International, Reclaim Finance, and Sierra Club. Banking on Climate Chaos 2021 and other additional resources are available for download at bankingonclimatechaos.org.

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Fossil Fuel Financing Data

General questions

**How do you get the data?**

Financing data are pulled using the LEAG function on the Bloomberg terminal, which aggregates lending and underwriting (of share and bond issuances) led by a given bank. This means that according to Bloomberg’s league table methodology, the total value of a deal is split among the banks leading the transaction. This methodology assigns banks league credit when financing is initially issued or renewed, provided the event meets certain criteria. A full explanation of how league credit is assigned is available to Bloomberg subscribers.¹

In addition, for the top 30 coal power and LNG companies, we researched additional deals using UGlobal, a project finance database. For these, the value of a deal is split among all banks on a given transaction, with allocations assigned by UGlobal.

**What about financing for diversified companies?**

Each transaction is adjusted based on the particular company’s involvement in the fossil fuel sector. For each company in the dataset, a segment adjuster was calculated or estimated. Segment adjusters detail a percentage of a company’s operations in a specific activity in order to estimate how much financing is directed towards this activity.

The research consultancy Profundo calculated many of the segment adjusters used in this dataset, as described below (researched by Léa Pham Van and Ward Warmerdam).

In general, in applying the adjusters to finance data, the adjuster depends on the particular entity borrowing money or issuing debt or equity. For instance, if a bank is credited for loaning $1,000,000 to a diversified oil and gas company, and 20 percent of that company’s business is in tar sands, then the bank will be credited with a $200,000 loan to the tar sands sector. But if a bank is credited for loaning $1,000,000 to that company’s tar-sands-only subsidiary, the full $1,000,000 will be counted.

Segment adjusters were calculated using the following sources: Bloomberg Finance L.P., Rystad Energy, company annual reports, and other publications. For all companies in the expansion and sector datasets, annual adjusters were used. In this case, where no data could be identified for one or multiple years, the segment adjuster from the most recent previous year was applied.

¹ Enter LEAG <GO>, then click Reports, then click League Table Standards and Guidelines to get the most current version of the document.
using 2016 at the earliest. For all other companies, one adjuster was applied to all five years of data.

See the following sections (named, “How were these transactions adjusted?”) for specifics on how adjusters were calculated for each league table.

All transactions marked as green bonds or loans were removed from the dataset.

**Where can I download the data?**

Various datasets are available for download at [www.bankingonclimatechaos.org](http://www.bankingonclimatechaos.org).

**How do banks’ fossil fuel financing compare to their sustainable financing commitments?**

In general, this is tricky to compare, because banks’ sustainable finance commitments vary in accounting methodology and transparency, and in most cases are thus not directly comparable to the fossil fuel financing numbers in this report.

[WRI made a tool](https://www.wri.org) in July 2019 analyzing banks’ sustainable financing commitments and comparing them to the banks’ fossil fuel financing, with numbers for the latter taken from *Banking on Climate Change 2019.*

**Which banks are covered and why?**

Previous editions of this report have analyzed approximately 35 large private-sector commercial banks. This year’s report marks a significant expansion in scope, analyzing the world’s 60 largest relevant banks by assets, according to the S&P Global Market Intelligence ranking from April 2020.2 Banks with less than $500 million in league credit for economy-wide financing from 2016–2020 were deemed irrelevant to this analysis and thus excluded. This resulted in the exclusion of three Japanese banks: Japan Post Bank (11th largest by assets), Norinchukin Bank (28th largest by assets), and Resona Holdings (56th largest by assets).

See the first appendix of the report for the full list of the 60 banks included.

---

How much of a bank’s business does this fossil fuel financing represent?

These banks have many different business activities and providing financing (lending and underwriting services) is just one of them. That said, we can calculate what percentage of a bank’s total financing this fossil fuel financing represents, by looking at the unadjusted financing that these banks provided overall, economy-wide, and seeing what percentage is accounted for by the adjusted fossil fuel financing we calculated.

Of course, in climate terms, these percentages don’t make a difference — what matters is the absolute amount of financing.

The chart on the following pages ranks banks by the percentage of fossil financing in their 2016–2020 total financing. “Financing” here refers to lending, and the underwriting of corporate bonds, government bonds, and equity issuances. The chart also shows the percentage from looking at 2020 alone. Total financing was researched on the Bloomberg terminal using the league table function, which is also the basis for our fossil fuel financing calculations. Some IJGlobal transactions are included in the fossil fuel financing numbers but not the overall financing numbers, which means the resulting percentages may be slight overestimations.

<table>
<thead>
<tr>
<th>Bank</th>
<th>Country</th>
<th>2016–2020 Fossil Fuel Financing as a % of Total Financing</th>
<th>2020 Fossil Fuel Financing as a % of Total Financing</th>
</tr>
</thead>
<tbody>
<tr>
<td>SuMi TRUST</td>
<td>Japan</td>
<td>35%</td>
<td>79%</td>
</tr>
<tr>
<td>Sberbank</td>
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<tr>
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<tr>
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<tr>
<td>SMBC Group</td>
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<td>Bank</td>
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<td>2020 Fossil Fuel Financing as a % of Total Financing</td>
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<td>Mizuho</td>
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<tr>
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<tr>
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<td>Bank</td>
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<td>2016-2020 Fossil Fuel Financing as a % of Total Financing</td>
<td>2020 Fossil Fuel Financing as a % of Total Financing</td>
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<td>Australia</td>
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<tr>
<td>DZ Bank</td>
<td>Germany</td>
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</tr>
</tbody>
</table>

**Does this report cover fossil fuel investment?**

No. Big banks are also significant supporters of the fossil fuel sector through investments made by their asset management arms (shares of bonds and companies held). In contrast, this report focuses on the investment banking part of a bank’s business, in which it lends to and provides underwriting services for companies.
Banking on Fossil Fuels League Table

Which fossil fuel companies are included?

This league table analyzes bank financing for approximately 2,300 companies that received financing led by one or more of the 60 banks analyzed, and that are: involved in the extraction, transportation, transmission, combustion, or storage of any fossil fuels or fossil-based electricity, globally, according to either Bloomberg Industry Classification Standard (BICS) or relevant company metrics in the Bloomberg Terminal; or are on the Global Coal Exit List; or are in the scope of any of the other tables in the report, as listed in the appendix of the report.

All companies are included that are classified under the following BICS categories, or that are marked in Bloomberg Terminal as having a recent percentage of assets, revenue, or operating income in these categories:

- Energy > Oil & Gas
  - Includes Integrated Oils, Exploration & Production, Midstream - Oil & Gas,
    Refining & Marketing, Drilling & Drilling Support, Oil & Gas Services & Equipment
- Materials > Materials > Metals & Mining > Coal Mining > Thermal Coal
- Materials > Materials > Metals & Mining > Mining Services > Coal Support Services
- Industrials > Industrial Services > Engineering & Construction > Infrastructure Construction > Energy Infra Construction > Oil & Gas Infra Construction
- Industrials > Industrial Services > Transportation & Logistics > Marine Shipping > Tanker Shipping > LPG & LNG Tanker Shipping
- Industrials > Industrial Services > Transportation & Logistics > Marine Shipping > Tanker Shipping > Oil Tanker Shipping
- Industrials > Industrial Services > Transportation & Logistics > Rail Freight > Total Commodity - Rail > Coal Freight - Rail
- Utilities > Utilities > Electric Utilities > Power generation > Fossil electric generation
- Utilities > Utilities > Gas & Water Utilities > Gas Utilities

Companies that are classified primarily under the following more ambiguous BICS category are included if they have a non-estimated fossil fuel adjuster, as described in the "How were these transactions adjusted?" section below:

- Utilities > Utilities > Electric Utilities

How were these transactions adjusted?

To adjust each transaction based on the particular company’s involvement in fossil fuels, each transaction was multiplied by one of the following adjuster percentages, using whichever was available first in the following order:

1. Percentage fossil fuels calculated this year by Profundo (see description below).
2. Percentage fossil fuels calculated manually by asset or revenue percentage found in the most recent annual report. (This was only done for a select few companies, especially those with high financing totals. This includes percentages calculated in previous years of the report, including the largest companies categorized as ambiguous Utilities and Power Generation categories that otherwise had no available adjuster.)

3. Whichever of the following two is larger:*  
   a. The annual “coal share of revenue” percentage listed in the Global Coal Exit List (GCEL). Where values are marked as greater than or less than a certain percentage, that percentage was used.
   b. The first available of the following percentages from Bloomberg Terminal data:
      i. Largest >0 value of: % assets from last filing, % assets from most recent yearly filing, % assets from most recent quarterly filing, and % assets from 2020 filing
      ii. Largest >0 value of: % revenue from last filing, % revenue from most recent yearly filing, % revenue from most recent quarterly filing, and % revenue from 2020 filing
      iii. Largest >0 value of: % operating income from last filing, % operating income from most recent yearly filing, % operating income from most recent quarterly filing, and % operating income from 2020 filing
      iv. Largest >0 value of: % assets from 2019 filing, and % assets from 2nd most recent yearly filing
      v. Largest >0 value of: % revenue from 2019 filing, and % revenue from 2nd most recent yearly filing
      vi. Largest >0 value of: % operating income from 2019 filing, and % operating income from 2nd most recent yearly filing
      vii. % assets from 2018 filing >0
      viii. % revenue from 2018 filing >0
      ix. % operating income from 2018 filing >0
      x. % assets from 2017 filing >0
      xi. % revenue from 2017 filing >0
      xii. % operating income from 2017 filing >0
      xiii. % assets from 2016 filing >0
      xiv. % revenue from 2016 filing >0
      xv. % operating income from 2016 filing >0

4. The value of 1. (hand-checked) for the issuer’s parent company*

5. The value of 3. (larger of 3.a. and 3.b.) for the issuer’s parent company (GCEL parent being the named parent company in the GCEL, and only used if the issuer company has coal share of revenue of NA, NI, or blank)*

6. The value of 1. (hand-checked) for the issuer’s CAST parent company

7. The value of 3.b. for the issuer’s CAST parent company

8. For the small percentage of companies for which none of the adjusters above were available, the average (mean) adjuster value of all other companies in the dataset that
share the same primary category of the Bloomberg Industry Classification Standard (BICS) Level 5 Segment category. If there were fewer than three other companies in the same Segment with adjusters in the dataset, the mean from all companies with the same BICS Level 4 Sub Industry category was used. If there were fewer than three other companies in the same Sub Industry with adjusters in the dataset, the mean from all companies with the same BICS Level 3 Industry category was used. Estimates were only used for companies with a primary BICS category that is explicitly fossil fuel related.

*If the sum of percentage adjusters for all fossil fuel sectors in the report as researched by Profundo (described in the following sections) is greater than the value used in 3. 4. or 5. above, that percentage was used instead.

Percentage fossil fuels calculated by Profundo: For the 100 companies on the list of top fossil fuel expanders, and any of their subsidiaries, the research consultancy Profundo calculated annual adjusters, which were used in this dataset. These adjusters take into account a company’s upstream, midstream, and downstream fossil fuel operations.

- For electric utility companies – first the proportion of a company’s activities in the power sector was determined using the company’s segment assets or segment revenues as available. This figure was then further adjusted using the company’s installed capacity that was based on fossil fuel feedstocks.
- For oil and gas companies – the proportion of the company’s activities related to the sector were determined on the basis of their segment information.
- For coal mining companies – the segment adjusters were primarily calculated based on a company’s total coal assets, as a percentage of the company’s total assets, especially in the case of companies that are only involved in mining or have a segment dedicated to coal mining and production.

Banking on Fossil Fuel Expansion League Table

Which fossil fuel companies are included?

We compiled a list of 100 top companies expanding fossil fuels:

- Oil and gas: Top 60 companies by emissions from reserves projected to be produced from 2021–2050 (hereafter written as “expansion reserves”) and 15 companies behind key pipelines and LNG terminals that would expand extraction upstream
  - Source: Rystad Energy AS provided by Oil Change International, and company reporting³

³ Rystad Energy AS is an independent oil and gas consulting services and business intelligence data firm, see rystadenergy.com. Company reporting was used to update the list of key oil and gas midstream companies included.
Coal: Top 11 companies by annual coal production that have mining expansion plans (limited to one per country except for China, where three are included), and top 15 companies proposing new coal power plants (limited to one per country except for India and China, where three each are included) — an approach that covers key regional players while also accounting for the prominence of Chinese and Indian companies in these sectors — for a total of 25 coal mining and power companies due to overlap

Source: urchwald e.V.⁴

See the appendix section of the report for the full list of companies included.

How were these transactions adjusted?

For the 100 companies on the list of top fossil fuel expanders, and any of their subsidiaries, the research consultancy Profundo calculated annual adjusters, which were used in this dataset. These adjusters take into account a company’s upstream, midstream, and downstream fossil fuel operations.

- For electric utility companies – first the proportion of a company’s activities in the power sector was determined using the company’s segment assets or segment revenues as available. This figure was then further adjusted using the company’s installed capacity that was based on fossil fuel feedstocks.
- For oil and gas companies – the proportion of the company’s activities related to the sector were determined on the basis of their segment information.
- For coal mining companies – the segment adjusters were primarily calculated based on a company’s total coal assets, as a percentage of the company’s total assets, especially in the case of companies that are only involved in mining or have a segment dedicated to coal mining and production.

For many companies the segment adjusters for respective sectors, as described in the following sections, formed the basis of the overall fossil fuel adjusters. However, where the sector adjusters were focused on primarily upstream activities, the overall fossil fuel adjusters also included mid- and downstream operations.

Note that even though this list focuses on top fossil fuel expanders, the adjuster takes into account current operations only. This effectively undercounts financing for fossil fuel expansion.

⁴“Global Coal Exit List,” urchwald e.V., November 2020.
Banking on Tar Sands, Arctic Oil and Gas, Offshore Oil and Gas, and Fracked Oil and Gas League Tables

Which fossil fuel companies are included?

**Tar Sands Oil**
Scope: Top 30 companies by tar sands reserves under production plus expansion reserves, and the five companies with existing or proposed pipelines to carry tar sands oil out of Alberta
Source: Rystad Energy AS provided by Oil Change International, and Oil Sands Magazine

**Arctic Oil and Gas**
Scope: Top 30 companies by onshore and offshore Arctic oil and gas reserves under production plus expansion reserves
Source: Rystad Energy AS provided by Oil Change International

**Offshore Oil and Gas**
Scope: Top 30 companies by offshore oil and gas reserves under production plus expansion reserves
Source: Rystad Energy AS provided by Oil Change International

**Fracked Oil and Gas**
Scope: Top 30 companies by shale oil and gas reserves under production plus projected shale production between 2021 and 2050 from currently undrilled wells, and 10 key fracked oil and gas pipeline companies
Source: Rystad Energy AS provided by Oil Change International and company reporting

See the appendix sections of the report for the full lists of companies included.

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5 Rystad Energy’s UCube database is an exploration and production upstream database with reserves, production profiles, and economical figures for all fields, discoveries, and exploration licenses globally. See “UCube,” Rystad Energy, and “Oil Pipelines,” Oil Sands Magazine. In addition to the companies listed at that site, Kinder Morgan is also included because through September 2018 it was the owner of the Trans Mountain Pipeline. “Kinder Morgan Canada Limited – Trans Mountain Pipeline and Expansion Project Transaction Closes,” Trans Mountain, 31 August 2018.

6 Ibid; “Arctic” is defined as all onshore and offshore reserves north of the 66th parallel north.

7 Ibid.

8 Ibid; Company reporting was used to review fracked oil and gas infrastructure projects in order to select 10 of the companies behind the most projects.
How were these transactions adjusted?

Explanation provided by Profundo:

This research uses companies’ oil and gas reserves as the basis to define the proportion of selected companies’ activities respectively in Arctic oil and gas, tar sands, offshore oil and gas, and shale oil and gas. Information about selected companies’ reserves in the respective sectors and their total reserves was collected from Rystad Energy, provided by Oil Change International. Where financing was identified, sector-specific and total reserves were retrieved for each selected company by year between 2016 and 2020.

For each of the selected upstream oil and gas sectors, adjusters are primarily calculated based on the sector reserves that a selected company owns, as a percentage of the total reserves in oil and gas of the company. When the company is vertically integrated in oil and gas, the adjuster is solely based on the company’s reserves percentage in the relevant sector.

When the company is involved in other industries in addition to oil and gas, the proportion of reserves is applied to the company’s reported oil and gas business segment(s) capital expenditure, when available, as reported in the company’s annual report for the respective year. If the company does not report capital expenditure by business segment, this calculation is made based on the business segment(s) assets. If assets are not reported by business segment, this calculation is made based on the reported segment(s) revenue.

Group-level adjusters are applied to both parent companies and subsidiaries that were found to have activities in the associated oil and gas sector. When a subsidiary is identified to only have activities in a relevant upstream oil and gas sector, 100% is applied. For subsidiaries for which no link could be found related to the relevant sector, 0% is applied. For financing or trading subsidiaries, group-level adjusters are applied.

For a midstream-focused subsidiary of an oil and gas company included for its upstream oil and gas activity, when it is identified to only have activities in the relevant oil and gas sub-sector, 100% is applied. When it is not possible to identify the proportion of activities linked to the different oil and gas sectors, group-level adjusters are applied.

For the key pipeline companies in the tar sands and fracked oil and gas sectors, adjusters are based on the estimated percentage of pipeline miles transporting tar sands or fracked oil and gas, respectively.
Banking on LNG League Table

Which fossil fuel companies are included?

Scope: Top 30 companies by attributable capacity in current and planned LNG import or export terminals worldwide
Source: Bloomberg New Energy Finance

See the appendix section of the report for the full list of companies included.

How were these transactions adjusted?

Explanation provided by Profundo:

Segment adjusters for LNG included all LNG-related activities at the midstream level. This excludes natural gas production and regasification, which form part of LNG supply chains but also includes other parts of the natural gas sector that are unrelated to LNG. The methodology used to calculate LNG segments was primarily based on segment assets, when a specific LNG segment was reported by the companies themselves. In the case where total LNG assets could be estimated from subsidiaries whose assets in LNG could be identified, these were calculated as a percentage of the group company’s total assets. If this could not be identified, the adjuster was calculated based on LNG production capacity as a proportion of the group’s total oil and gas production capacity. If production capacity could not be identified, the adjuster was calculated based on LNG sales as a proportion of total revenue. If no activities could be found in LNG for subsidiaries, 0% was applied for the subsidiary.

Banking on Coal Mining League Table

Which fossil fuel companies are included?

Scope: Top 30 companies by annual coal production
Source: urgewald e.V.

See the appendix section of the report for the full list of companies included.

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10 While all other sectors rank and include companies by some metric that takes into account both current and planned activities, the Global Coal Exit List does not have sufficient quantitative information on coal mining companies’ expansion plans to take this into account. Instead, this analysis covers the biggest 30 coal mining companies by production.
How were these transactions adjusted?

Explanation provided by Profundo:

Segment adjusters for coal mining were primarily calculated based on a company’s total coal assets, as a percentage of the company’s total assets, especially in the case of companies that are only involved in mining or have a segment dedicated to coal mining and production. In the case where coal assets could not be determined, the adjuster was calculated based on the company’s coal revenues as a percentage of total revenues. When no specific assets or revenues could be determined, an estimation of coal mining percentage was made based on the total number of various operations, and a 1:1 percentage of operations related to coal mining. For example, if the company has eight different subsidiaries in different sectors, of which five or six are coal mining subsidiaries, a percentage of 62.5% or 75% was applied. In the same case where no assets or revenues could be found, but the company seemed clearly only or primarily involved in coal mining, with no specific indicator for other activities, 100% was applied. If a subsidiary was found to not be involved in coal mining, 0% was applied.

For companies that are involved both in coal mining and coal power and where assets could not be identified, the adjuster for coal mining was based on the revenue percentage from coal. However, these revenues only account for coal that is sold to third parties, whereas these companies likely use the coal that is mined primarily for their own coal-fired power assets. Therefore, in these cases, coal mining segments are likely much larger than represented by the adjusters here calculated.

Banking on Coal Power League Table

Which fossil fuel companies are included?

Scope: Top 30 coal power companies by installed plus planned coal power capacity
Source: urgewald e.V.\(^{12}\)

See the appendix section of the report for the full list of companies included.

How were these transactions adjusted?

Explanation provided by Profundo:

Segment adjusters for coal power were calculated as coal-fired power capacity as a percentage of the company’s total power capacity, based on the concept that generation capacity is most parallel to calculations of a company’s adjuster by assets. In the context where a company was involved in activities other than energy generation and distribution, the coal-

\(^{12}\) Ibid.
fired capacity percentage was applied to the electricity generation or power segment of the company as a percentage of total assets. If a subsidiary was found to not be involved in power or not have any capacity in coal-fired power, 0% was applied. For subsidiaries that are only involved in transmission of electricity but are part of a group that includes coal generation capacity, the parent company level adjuster was applied. If no adjusters could be found for coal capacity or coal-power assets, revenues from coal-power generation as a percentage of total revenues was applied. When no coal-power capacity, assets or revenues could be identified, the segment adjuster was calculated based on thermal capacity or assets, as a percentage of total capacity or assets. For companies that are involved both in coal mining and coal power, the coal capacity percentage was applied to assets or, if not available, to annual revenues.

Policy scores

How does this year’s policy assessment approach compare to last year’s?

In scoring banks’ fossil fuel policies, this year’s approach is quite similar to last year’s. Some aspects of the scoring system are made more stringent each year, in order to keep up with best practice and the urgency of the climate crisis. In particular:

- The thresholds for which companies must be excluded in order to merit “weak exclusion,” “moderate exclusion,” or “strong exclusion” in various categories were made more stringent in this edition, with the largest impact on tar sands policy scores in particular.
- Point values were adjusted so that this year, “other oil and gas” makes up a larger portion of the 120 oil and gas points available, to account for the fact that though unconventional oil and gas policies are critical, they leave a vast portion of the industry untouched.

For these reasons, scores published in this year’s report are not directly comparable to scores published in last year’s report.

How are banks’ fossil fuel policies scored?

Scoring criteria for each section are published in the appendices of the report.

We looked at every bank’s public-facing documentation and assessed its score based on our best understanding of the policy. We then sent this assessment to all banks profiled in the report and invited comment, which we took into account in finalizing policy assessments. We also consulted with campaigning groups that have particular expertise on the major fossil banks in their countries (Market Forces in Australia, urgewald in Germany, ReCommon in Italy, Solutions for Our Climate in South Korea, etc.).
Each bank’s score in every category, as well as an explanation of why it got that score, is available for download at www.bankingonclimatechaos.org.

**How are banks’ financed emissions commitments assessed?**

This report does not score financed emissions commitments in the same quantitative way that it scores fossil fuel policies, but rather provides a more detailed assessment of various banks’ commitments, given that best practice is still emerging. We assess banks on their commitments to measure, disclose, and ultimately cut their financed emissions in absolute terms. See the relevant section in the report for more context and the full chart, and www.bankingonclimatechaos.org for a downloadable version of the chart with further explanation provided.