

Banking on **CLIMATE CHANGE**

FOSSIL FUEL FINANCE REPORT **2020** SUMMARY VERSION

This is a summary of the 11th edition of the annual fossil fuel finance report, ***Banking on Climate Change 2020***. The report lays out banks' support for fossil fuels in the four years after the Paris Agreement was adopted, which alarmingly, is overall on the rise.

Read the full report at: [RAN.org/bankingonclimatechange2020](https://ran.org/bankingonclimatechange2020). »

Over the past year, fossil fuel finance campaigning has caught fire. The role of banks, money managers, and insurance companies as drivers of climate change via their fossil financing, investing, and insuring is garnering unprecedented attention. This comes with a recognition — from their clients, shareholders, regulators, and the general public — that as climate actors, financial institutions have a responsibility to mitigate their climate impact.

For the banks highlighted in this report, the last year has brought a groundswell of activism demanding banks cut their fossil fuel financing, at the same time that increasingly extreme weather events have further underscored the urgency of the climate crisis.

The climate movement is spotlighting an urgent and growing problem: since the adoption of the Paris agreement in late 2015, the 35 private banks in the scope of this report have provided \$2.7 trillion in lending and underwriting to the fossil fuel industry, with annual fossil financing increasing each year. **JPMorgan Chase** became the first bank to blow past the quarter-trillion dollar mark in post-Paris fossil financing, with \$269 billion in 2016–2019.

JPMorgan Chase is followed by its U.S. peers: **Wells Fargo**, **Citi**, and **Bank of America** are the world's second, third, and fourth biggest funders of fossil fuels since Paris. Over those four years, **RBC** was the biggest fossil bank in Canada, **MUFG** in Japan, **Barclays** in Europe, and **Bank of China** in China.

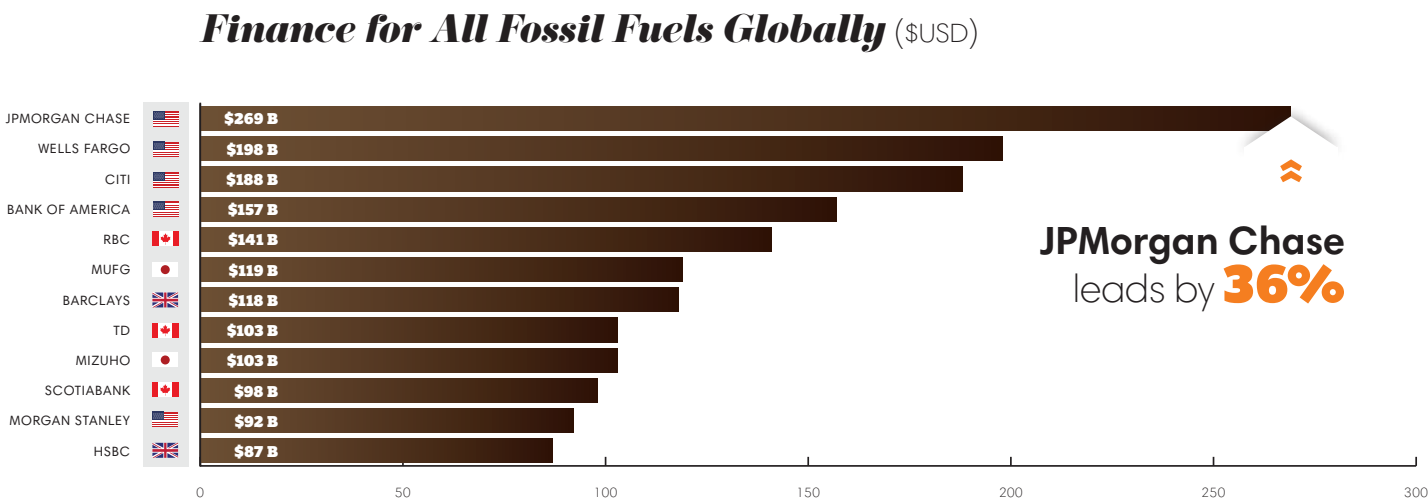
This report ranks bank policies on a 0–200 point scale, focusing on policies restricting financing for fossil fuel expansion, as well as commitments to phase out or exclude financing for fossil fuel companies. **Crédit Agricole** has the strongest overall fossil policy of the banks analyzed, but by earning only about 40% of total possible points, demonstrates how far the banking sector still must move in order to align with climate stability.

As in past editions, this fossil fuel finance report also assesses bank policy and practice around financing in certain key fossil fuel subsectors, with league tables, case studies, and policy grades on tar sands oil, Arctic oil and gas, offshore oil and gas, fracked oil and gas, liquefied natural gas (LNG), coal mining, and coal power.

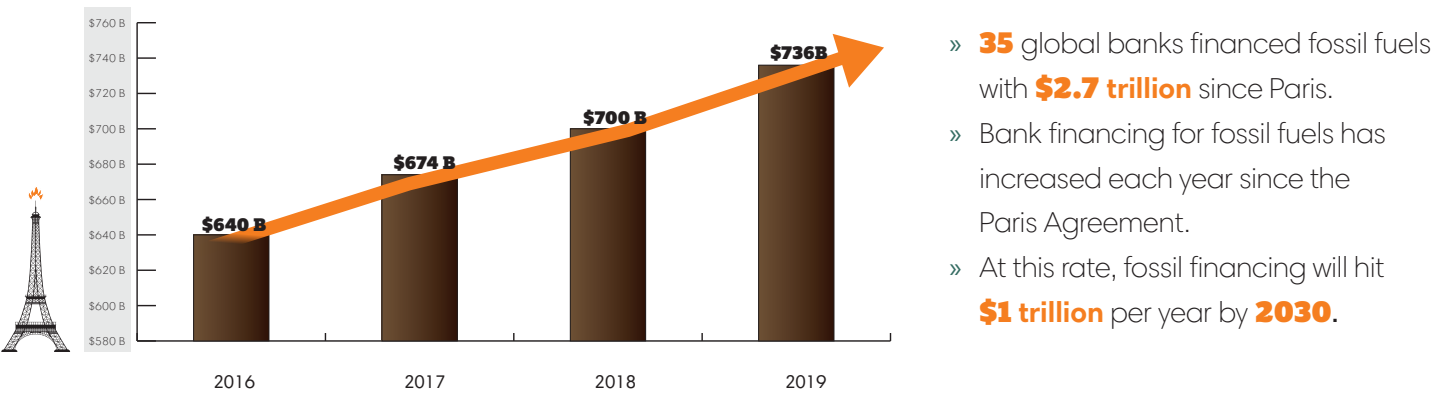
While banks and other financial institutions are rapidly waking up to the severity of these climate risks to their own bottom lines, the climate movement is driving home the fact that by increasing financing of fossil fuels, banks are responsible for an extremely high risk of massive harm to the planet and its people — that is, banks and the financial industry at large have enormous climate impact. Financiers need to cut their climate impact with the utmost urgency.

KEY FINDINGS

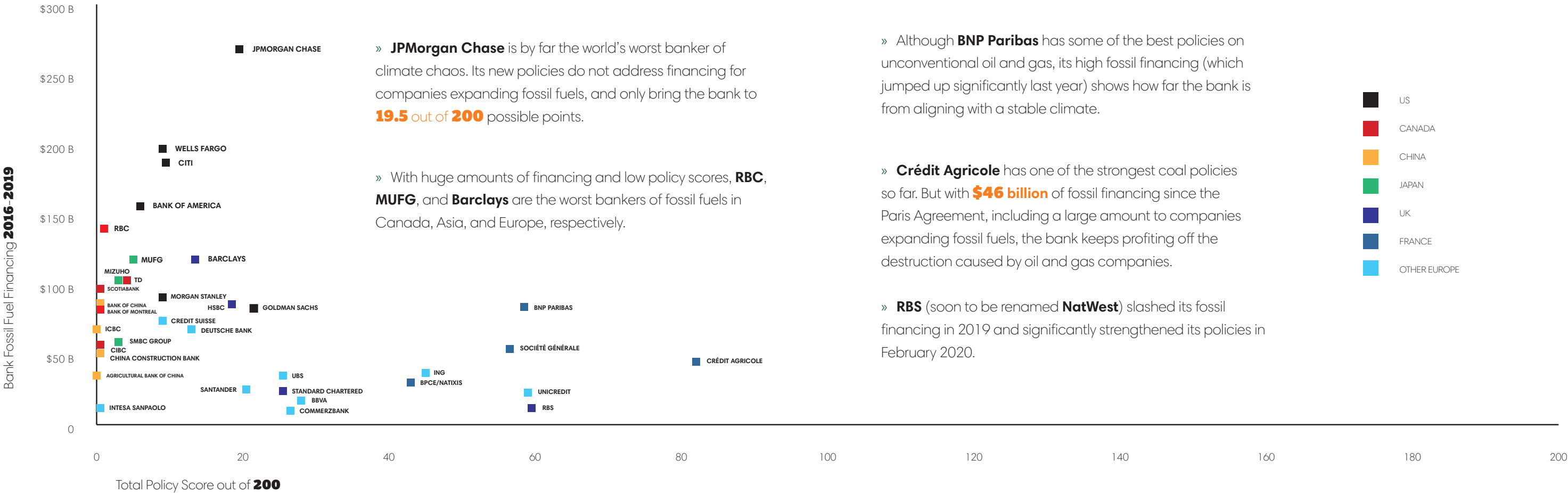
DIRTY DOZEN: Worst Banks Since the Paris Agreement (2016-2019)



TOTAL FINANCING for Fossil Fuels (\$USD)



BANK FOSSIL FUEL FINANCING 2016-2019 v. TOTAL POLICY SCORE (OUT OF 200)

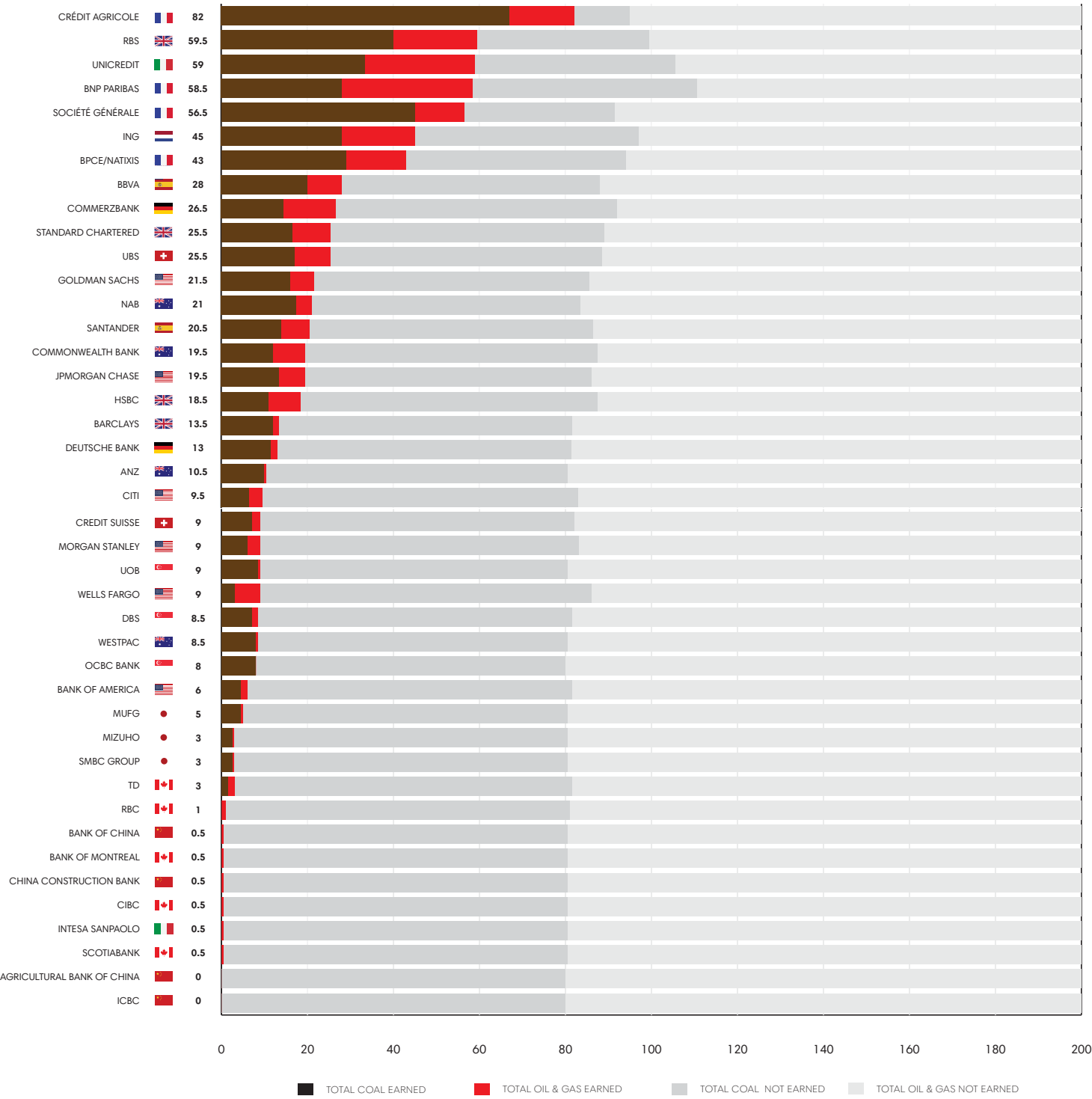


| BANK | | ALL FOSSIL FUELS GLOBALLY (THOUSANDS OF COMPANIES) | | | EXPANSION (TOP 100 COMPANIES) | | TAR SANDS (TOP 35 COMPANIES) | | ARCTIC OIL & GAS (TOP 30 COMPANIES) | | OFFSHORE OIL & GAS (TOP 30 COMPANIES) | | FRACKED OIL & GAS (TOP 40 COMPANIES) | | LNG (TOP 40 COMPANIES) | | COAL MINING (TOP 30 COMPANIES) | | COAL POWER (TOP 30 COMPANIES) | | | |
|--------|----------------------------|---|----------------|----------------------------|----------------------------------|---------------------------|---------------------------------|---------------------------|--|---------------------------|--|---------------------------|---|---------------------------|---------------------------|---------------------------|-----------------------------------|---------------------------|----------------------------------|---------------------------|----------------------|---------------------------|
| | | 2016-19 FINANCING | GLOBAL RANK | POLICY SCORE OUT OF 200 | 2016-19 FINANCING | POLICY SCORE OUT OF 89 | 2016-19 FINANCING | POLICY SCORE OUT OF 20 | 2016-19 FINANCING | POLICY SCORE OUT OF 20 | 2016-19 FINANCING | POLICY SCORE OUT OF 20 | 2016-19 FINANCING | POLICY SCORE OUT OF 20 | 2016-19 FINANCING | POLICY SCORE OUT OF 20 | 2016-19 FINANCING | POLICY SCORE OUT OF 32 | 2016-19 FINANCING | POLICY SCORE OUT OF 32 | 2016-19 FINANCING | POLICY SCORE OUT OF 32 |
| USA | JPMORGAN CHASE | \$268.593 B | 1 | 19.5 | \$102.304 B | 10 | \$10.399 B | 0.5 | \$1.708 B | 4.5 | | | \$19.556 B | 0 | \$43.231 B | 0.5 | \$6.188 B | 0 | \$1.842 B | 8 | \$4.298 B | 5.5 |
| | WELLS FARGO | \$197.914 B | 2 | 9 | \$52.181 B | 3.5 | \$1.235 B | 0.5 | \$383 M | 3.5 | | | \$1.560 B | 0.5 | \$30.888 B | 0.5 | \$323 M | 0.5 | - | 2.5 | \$3.699 B | 0.5 |
| | CITI | \$187.666 B | 3 | 9.5 | \$71.685 B | 4 | \$2.716 B | 0.5 | \$1.440 B | 0.5 | | | \$18.038 B | 0.5 | \$27.967 B | 0.5 | \$4.730 B | 0.5 | \$1.459 B | 2 | \$6.727 B | 4.5 |
| | BANK OF AMERICA | \$156.925 B | 4 | 6 | \$61.655 B | 2 | \$2.491 B | 0.5 | \$859 M | 0.5 | | | \$14.966 B | 0 | \$30.267 B | 0 | \$4.177 B | 0 | \$426 M | 2 | \$4.333 B | 2.5 |
| | MORGAN STANLEY | \$91.969 B | 11 | 9 | \$33.533 B | 2.5 | \$637 M | 0.5 | \$540 M | 0.5 | | | \$10.403 B | 0.5 | \$9.359 B | 0.5 | \$6.609 B | 0.5 | \$785 M | 2.5 | \$2.587 B | 3.5 |
| | GOLDMAN SACHS | \$83.754 B | 14 | 21.5 | \$30.791 B | 15 | \$579 M | 0.5 | \$789 M | 3.5 | | | \$6.654 B | 0.5 | \$11.466 B | 0.5 | \$2.730 B | 0 | \$1.380 B | 9.5 | \$2.984 B | 6.5 |
| CANADA | RBC | \$140.683 B | 5 | 1 | \$40.115 B | 0 | \$21.780 B | 0.5 | \$123 M | 0 | | | \$2.240 B | 0 | \$11.395 B | 0 | \$2.533 B | 0 | \$314 M | 0 | \$3.116 B | 0 |
| | TD | \$103.431 B | 8 | 3 | \$43.727 B | 0.5 | \$22.509 B | 0.5 | \$496 M | 0 | | | \$699 M | 0 | \$10.811 B | 0.5 | \$45 M | 0 | \$228 M | 1 | \$725 M | 0.5 |
| | SCOTIABANK | \$97.745 B | 10 | 0.5 | \$39.155 B | 0 | \$7.244 B | 0 | \$21 M | 0 | | | \$1.144 B | 0 | \$16.645 B | 0 | \$2.478 B | 0 | \$228 M | 0 | \$1.956 B | 0 |
| | BANK OF MONTREAL | \$82.115 B | 16 | 0.5 | \$36.718 B | 0 | \$8.505 B | 0 | \$30 M | 0 | | | \$13 M | 0 | \$6.160 B | 0 | \$20 M | 0 | \$589 M | 0 | \$132 M | 0 |
| | CIBC | \$57.728 B | 21 | 0.5 | \$14.783 B | 0 | \$9.765 B | 0 | \$7 M | 0 | | | \$58 M | 0 | \$1.447 B | 0 | \$139 M | 0 | \$35 M | 0 | - | 0 |
| JAPAN | MUFG | \$118.811 B | 6 | 5 | \$39.860 B | 2.5 | \$1.428 B | 0 | \$1.273 B | 0 | | | \$5.360 B | 0 | \$17.449 B | 0 | \$3.389 B | 0 | \$536 M | 1 | \$5.048 B | 3.5 |
| | MIZUHO | \$103.079 B | 9 | 3 | \$34.333 B | 2 | \$742 M | 0 | \$845 M | 0 | | | \$8.668 B | 0 | \$15.150 B | 0 | \$4.766 B | 0 | \$291 M | 0 | \$4.244 B | 2.5 |
| | SMBC GROUP | \$59.559 B | 20 | 3 | \$24.769 B | 2 | \$532 M | 0 | \$934 M | 0 | | | \$5.930 B | 0 | \$5.825 B | 0 | \$4.835 B | 0 | \$229 M | 0 | \$1.114 B | 2.5 |
| CHINA | BANK OF CHINA | \$83.676 B | 15 | 0.5 | \$31.862 B | 0 | \$159 M | 0 | \$807 M | 0 | | | \$3.181 B | 0 | \$641 M | 0 | \$1.483 B | 0 | \$11.535 B | 0 | \$20.456 B | 0 |
| | ICBC | \$68.940 B | 18 | 0 | \$32.437 B | 0 | \$265 M | 0 | \$832 M | 0 | | | \$3.725 B | 0 | \$874 M | 0 | \$1.509 B | 0 | \$7.281 B | 0 | \$21.469 B | 0 |
| | CHINA CONSTRUCTION BANK | \$51.148 B | 23 | 0.5 | \$16.331 B | 0 | \$58 M | 0 | \$210 M | 0 | | | \$775 M | 0 | \$204 M | 0 | \$154 M | 0 | \$13.200 B | 0 | \$14.310 B | 0 |
| | AGRICULTURAL BANK OF CHINA | \$35.945 B | 26 | 0 | \$17.665 B | 0 | \$92 M | 0 | \$442 M | 0 | | | \$1.791 B | 0 | \$371 M | 0 | \$15 M | 0 | \$4.178 B | 0 | \$13.727 B | 0 |
| EUROPE | BARCLAYS | \$118.106 B | 7 | 13.5 | \$34.931 B | 8 | \$3.244 B | 0.5 | \$1.125 B | 0.5 | | | \$9.171 B | 0 | \$17.456 B | 0 | \$1.932 B | 0 | \$343 M | 4 | \$5.867 B | 8 |
| | HSBC | \$86.528 B | 12 | 18.5 | \$33.385 B | 12 | \$2.587 B | 3.5 | \$903 M | 3 | | | \$13.711 B | 0 | \$4.399 B | 0.5 | \$2.267 B | 0 | \$349 M | 8.5 | \$3.011 B | 2.5 |
| | BNP PARIBAS | \$84.223 B | 13 | 58.5 | \$29.628 B | 28.5 | \$705 M | 9 | \$978 M | 8 | | | \$15.041 B | 0.5 | \$2.162 B | 9 | \$2.088 B | 3.5 | \$354 M | 9 | \$2.613 B | 19 |
| | CREDIT SUISSE | \$74.305 B | 17 | 9 | \$22.981 B | 6 | \$941 M | 0.5 | \$622 M | 0.5 | | | \$3.067 B | 0 | \$11.873 B | 0.5 | \$2.062 B | 0 | \$2.181 B | 2.5 | \$4.090 B | 4.5 |
| | DEUTSCHE BANK | \$68.885 B | 19 | 13 | \$25.150 B | 9 | \$1.565 B | 0 | \$1.378 B | 0.5 | | | \$5.267 B | 0 | \$6.688 B | 0.5 | \$1.337 B | 0 | \$1.664 B | 4 | \$1.975 B | 6.5 |
| | SOCIÉTÉ GÉNÉRALE | \$54.099 B | 22 | 56.5 | \$20.735 B | 29 | \$493 M | 5 | \$955 M | 5 | | | \$5.422 B | 0 | \$3.871 B | 0.5 | \$4.597 B | 0.5 | \$578 M | 19 | \$487 M | 19 |
| | CRÉDIT AGRICOLE | \$45.863 B | 24 | 82 | \$18.704 B | 40 | \$466 M | 9 | \$747 M | 5 | | | \$7.892 B | 0 | \$3.331 B | 0.5 | \$2.108 B | 0 | \$301 M | 27 | \$1.425 B | 27 |
| | ING | \$37.462 B | 25 | 45 | \$5.070 B | 15.5 | \$24 M | 8 | \$619 M | 5 | | | \$164 M | 0 | \$47 M | 3.5 | \$2.173 B | 0 | \$377 M | 13 | \$222 M | 13 |
| | UBS | \$35.061 B | 27 | 25.5 | \$12.420 B | 9 | \$278 M | 3.5 | \$292 M | 3.5 | | | \$3.460 B | 0.5 | \$2.029 B | 0.5 | \$3.943 B | 0.5 | \$714 M | 8 | \$3.201 B | 9 |
| | BPCE/NATIXIS | \$30.483 B | 28 | 43 | \$4.470 B | 20 | \$32 M | 9 | \$17 M | 3 | | | \$2.013 B | 0.5 | \$1.140 B | 0.5 | \$1.197 B | 0.5 | - | 14 | \$1.150 B | 14 |
| | SANTANDER | \$25.736 B | 29 | 20.5 | \$13.742 B | 12 | \$91 M | 0.5 | \$635 M | 4 | | | \$8.456 B | 0.5 | \$449 M | 0.5 | \$1.948 B | 0.5 | \$384 M | 7 | \$721 M | 7 |
| | STANDARD CHARTERED | \$24.017 B | 30 | 25.5 | \$5.753 B | 18 | \$40 M | 4 | \$218 M | 4 | | | \$2.058 B | 0 | \$137 M | 0.5 | \$733 M | 0 | \$328 M | 7.5 | \$1.336 B | 9 |
| | UNICREDIT | \$23.245 B | 31 | 59 | \$4.854 B | 32 | \$25 M | 5 | \$1.185 B | 5 | | | \$1.448 B | 3.5 | - | 8 | \$1.158 B | 3.5 | \$604 M | 18 | \$321 M | 15 |
| | BBVA | \$17.452 B | 32 | 28 | \$7.678 B | 17 | \$44 M | 4 | \$142 M | 3 | | | \$3.327 B | 0.5 | \$1.330 B | 0 | \$1.276 B | 0 | \$278 M | 7 | \$428 M | 13 |
| | INTESA SANPAOLO | \$12.118 B | 33 | 0.5 | \$5.624 B | 0 | \$25 M | 0 | \$167 M | 0 | | | \$1.527 B | 0 | - | 0 | \$1.258 B | 0 | \$436 M | 0 | \$456 M | 0 |
| | RBS | \$12.116 B | 34 | 59.5 | \$2.654 B | 15.5 | \$45 M | 3.5 | \$310 M | 3.5 | | | \$742 M | 3.5 | \$865 M | 3.5 | \$7 M | 2 | \$319 M | 20 | \$198 M | 20 |
| | COMMERZBANK | \$10.005 B | 35 | 26.5 | \$3.364 B | 19 | \$30 M | 4 | \$681 M | 3 | | | \$589 M | 0 | \$435 M | 4 | \$118 M | 0.5 | \$713 M | 7 | \$101 M | 7 |
| TOTAL | | \$2.749 T | | | \$975.049 B | | \$101.772 B | | \$22.714 B | | | | \$188.117 B | | \$296.361 B | | \$76.324 B | | \$54.462 B | | \$138.524 B | |

POLICY SCORES SUMMARY

This point system assesses bank policies on ending financing for fossil fuel expansion and phasing out overall fossil fuel financing.

Even the banks at the top of this chart still have a long way to go to truly align their policies with the goals of the Paris Agreement.



BANK SUPPORT FOR SPOTLIGHT FOSSIL FUELS



TAR SANDS OIL



ARCTIC OIL & GAS



OFFSHORE OIL & GAS



FRACKED OIL & GAS



LNG



COAL MINING



COAL POWER

The biggest bankers of tar sands — the Canadian banks, led by **TD** and **RBC**, plus **JPMorgan Chase** and **Barclays** — all lack policies restricting their financing to this subsector.

2019 saw a slew of bank policies restricting financing primarily for project financing in the Arctic. But overall, bank financing to top Arctic oil and gas companies has gone up every year since Paris.

This year's report looks not just at ultra-deepwater oil and gas, but rather all offshore oil and gas, where the biggest bankers since Paris are **JPMorgan Chase**, **Citi**, and **BNP Paribas**.

Fracking financing is dominated by the U.S. banks: **JPMorgan Chase**, **Wells Fargo**, **Bank of America**, and **Citi**. Only a handful of banks, all European, have begun to place significant restrictions on financing for fracked oil and gas.

Morgan Stanley and **JPMorgan Chase** are the world's biggest bankers since Paris of top companies building LNG import and export terminals, but **Mizuho** was biggest in 2019.

China Construction Bank and **Bank of China** are the biggest bankers of coal mining, while French banks **Crédit Mutuel** and **Crédit Agricole** have the strongest policy scores.

This is the area where bank policy scores are strongest overall; yet funding for top coal power producers is not dropping rapidly enough. Financing is led by **ICBC** and **Bank of China**, with **Citi** as the top non-Chinese banker of coal power.

JPMORGAN CHASE

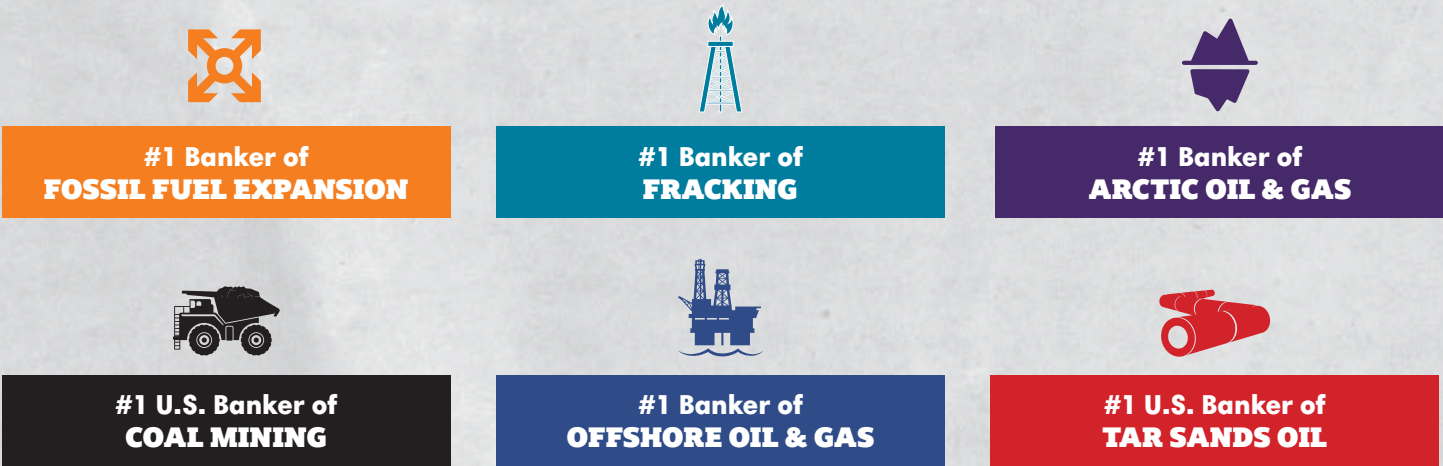
IS THE WORLD’S WORST BANKER OF CLIMATE CHAOS

In the **4** years since the Paris Agreement, **JPMorgan Chase** has been:



Worst in the world each year since Paris: 2016, 2017, 2018, and 2019

The first bank to blow past a **QUARTER TRILLION DOLLARS** for fossil fuels since the Paris Agreement!



» Even with new Arctic and coal policies, **JPMorgan Chase** will still fund **companies actively expanding Arctic drilling and coal plants**



WHAT BANKS MUST DO

To align their policies and practices with a world that **limits global warming to 1.5°C** and fully **respects human rights**, and **Indigenous rights** in particular, banks must:

- » Explicitly acknowledge the central role of the fossil fuel industry as the major driver of climate breakdown, as well as the banks’ own role in financing this sector.
- » Prohibit all financing for all fossil fuel expansion projects and companies expanding fossil fuel extraction and infrastructure (such as plants and pipelines).
- » Commit to phase out all financing for fossil fuel extraction and infrastructure, on an explicit timeline that is aligned with limiting global warming to 1.5°C.
- » Phase out financing for existing projects and companies active in tar sands oil, Arctic oil and gas, offshore oil and gas, fracked oil and gas, liquefied natural gas, coal mining, and coal power, with ending financing for expansion of these subsectors as an urgent first step.
- » Fully respect all human rights, particularly the rights of Indigenous peoples, including their rights to their water and lands and the right to free, prior, and informed consent, as articulated in the UN Declaration on the Rights of Indigenous Peoples.¹ Prohibit all financing for projects and companies that abuse human rights, including Indigenous rights.

¹ “United Nations Declaration on the Rights of Indigenous Peoples,” United Nations, 07-58681, March 2008

METHODOLOGY

This report card analyzes fossil fuel financing and policies from 35 large, private-sector commercial and investment banks based in Canada, China, Europe, Japan, and the United States.

For the companies included in this analysis, we assessed each bank’s involvement in corporate lending and underwriting transactions from 2016 through 2019 (in U.S. dollars). For the league tables measuring financing for all fossil fuels (approximately 2,100 companies), and the top fossil fuel expanders (100 companies), transactions were adjusted based on each company’s fossil fuel-based assets or revenue. For subsector financing (30-40 top companies in each subsector), each transaction was weighted based on the proportion of the borrower or issuer’s operations devoted to the subsector in question. These adjusters were provided by Profundo.

Transaction data were sourced from Bloomberg Finance L.P., where the value of a transaction is split between leading banks, and IJGlobal.

For each particular spotlight fossil fuel and for fossil fuels overall, the point-based policy ranking assesses bank policies in four ways:

- » Does the bank restrict financing for expansion, via (1) restrictions on direct financing for projects and/or (2) restrictions on financing for expansion companies?
- » Does the bank commit to (3) phase out financing for and/or (4) exclude companies active above a certain threshold?

For a full explanation of methodology and scope, lists of companies included, detailed explanations of how policy points are allocated, as well as full breakdowns of each bank’s policy assessment, visit [RAN.org/bankingonclimatechange2020](https://ran.org/bankingonclimatechange2020).



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