

Net green/fossil bond syndication – Mar23 (CS/UBS update)

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Following last week's implosion of Credit Suisse and the subsequent acquisition by UBS over the weekend, orchestrated by the Swiss authorities, we update our net green/fossil syndication fee league tables to reflect the merged entity.¹ In the original² Mar 2023 article UBS ranked 1 and Credit Suisse ranked 6. Figure 1 now shows that when combining fees for the two they end up with a rank of 3, shifting HSBC to the top instead.

Figure 1 presents net green/fossil bond syndication league tables AFII normally generated ahead of the IMM dates (and rolls).³ These league tables proxy the relative tilt of individual institutions' debt capital markets activities in terms of climate alignment.

Using fee-intake rather than nominal volumes of financing and/or underwriting is a way to adjust for (and thus mirror) the risk appetite of the bank for particular types of transactions.⁴

Figure 1. Large net green/fossil league table based on bond and loan syndications. A top rank (low ranking number=1) indicates a higher degree of green activities relative to fossil. Source: AFII, Bloomberg.

Rank	Chg vs Dec-22	vs Mar-2022	vs Mar-2021	Bank	Net green/fossil fees pct	Total fees USDm	Net green/ fossil revenue USDm	Chg in fossil fees vs -21/22	SLB fees of total	Net fees (green+ SLB)/fossil
1	2 ↑	5 ↑	6 ↑	HSBC	7.9%	1,250.6	98.6	-76%	1.6%	9.5%
2	0 ~	-1 ↓	-1 ↓	Credit Agricole	6.3%	1,103.0	69.6	-34%	2.0%	8.3%
3	-1 ↓	0 ~	-1 ↓	UBS & Credit Suisse	6.2%	1,369.3	85.1	-70%	0.6%	6.8%
4	3 ↑	6 ↑	6 ↑	Societe Generale	5.3%	700.4	36.8	-51%	2.2%	7.5%
5	-1 ↓	-3 ↓	0 ~	BNP Paribas	4.2%	1,409.1	59.0	-52%	2.3%	6.4%
6	2 ↑	-2 ↓	-3 ↓	Deutsche Bank	2.8%	1,227.6	34.8	-13%	1.2%	4.0%
7	-1 ↓	2 ↑	-1 ↓	Goldman Sachs	2.2%	1,316.2	29.4	-78%	1.0%	3.3%
8	1 ↑	3 ↑	-4 ↓	Morgan Stanley	1.6%	1,105.8	18.2	-50%	1.9%	3.6%
9	1 ↑	-1 ↓	-1 ↓	Barclays	1.2%	1,383.1	17.2	-45%	0.7%	2.0%
10	6 ↑	6 ↑	6 ↑	MUFG	1.0%	983.5	9.7	-28%	0.9%	1.9%
11	3 ↑	2 ↑	2 ↑	Citi	0.5%	2,026.5	10.4	-52%	1.0%	1.5%
12	0 ~	-5 ↓	-1 ↓	BofA Securities	0.0%	2,553.1	0.1	-39%	0.7%	0.7%
13	-2 ↓	-8 ↓	4 ↑	SMBC	-0.7%	746.1	-5.4	-36%	1.4%	0.7%
14	-1 ↓	-2 ↓	-5 ↓	JP Morgan	-1.2%	2,558.7	-31.9	-53%	0.7%	-0.5%
15	0 ~	-1 ↓	-3 ↓	Mizuho Financial	-2.7%	960.1	-25.9	-8%	1.8%	-0.9%
16	2 ↑	-1 ↓	-1 ↓	RBC	-7.1%	1,015.8	-71.8	15%	0.8%	-6.3%
17	0 ~	0 ~	-3 ↓	Wells Fargo	-7.3%	1,380.7	-100.5	-5%	0.4%	-6.9%

¹ “UBS agrees to buy Credit Suisse for more than \$2bn”, Financial Times, 19 Mar 2023.

² “Net green/fossil bond syndication league table - Mar23”, AFII, 10 Mar 2023.

³ The introductory article on this subject, also devising a system to apply these league table to drive climate ambition among counterparties “The Box: Algorithmic climate impact for fixed income markets”, AFII, 25 Sep 2021. Implementations of this are discussed in, for example, “Buy-side traders start to cool on ESG-deficient dealers”, Risk.Net, 11 Jan 2022.

⁴ BloombergNEF presents a volume based approach in “Banks Need Even Bigger Low-Carbon Pivot to Avert Climate Crisis”, 28 Feb 2023. The study, which also accounts for equity underwriting, replicates many of the relative ranking results of this study and other previous AFII studies (e.g. our Dec22 ranking).

In Figure 2 (same as in the original Mar 2023 article), displaying the intermediate institutions, Rabobank (+6) and Natixis (-6) exhibit the largest moves. Swedbank's high % change in fossil fees vs -21/22 is particularly notable, going from USD 0.16mn in -21/22 compared to USD 1.99mn in 2023. This is still a relatively low (absolute) number compared to the rest.

Figure 2. Intermediate net green/fossil league table based on bond and loan syndications. A top rank (low ranking number=1) indicates a higher degree of green activities relative to fossil. Source: AFII, Bloomberg.

Rank	Chg vs Dec-22	vs Mar-2022	vs Mar-2021	Bank	Net green/fossil fees pct	Total fees USDmn	Net green/fossil revenue USDmn	Chg in fossil fees vs -21/22	SLB fees of total	Net fees (green+SLB)/fossil
1	0 ~	1 ↑	1 ↑	SEB	18.1%	228.8	41.4	-52%	4.3%	22.4%
2	2 ↑	-1 ↓	-1 ↓	Swedbank	17.5%	114.4	20.1	1106%	2.3%	19.8%
3	-1 ↓	0 ~	0 ~	Nordea	17.0%	307.0	52.2	-86%	3.7%	20.7%
4	-1 ↓	9 ↑	5 ↑	DNB ASA	15.9%	238.6	38.0	-28%	2.2%	18.1%
5	0 ~	0 ~	-1 ↓	ABN Amro	15.2%	84.0	12.8	-81%	na.	15.2%
6	0 ~	1 ↑	-1 ↓	NatWest Markets	9.5%	344.7	32.9	-87%	0.6%	10.2%
7	1 ↑	3 ↑	1 ↑	Commerzbank	9.4%	298.8	28.1	-91%	1.9%	11.3%
8	6 ↑	11 ↑	2 ↑	Rabobank	8.2%	141.4	11.7	-75%	1.7%	10.0%
9	-2 ↓	14 ↑	-2 ↓	ING Groep	6.8%	538.8	36.7	-61%	1.2%	8.0%
10	3 ↑	2 ↑	16 ↑	ICBC	5.8%	637.6	36.8	-51%	0.3%	6.1%
11	-1 ↓	-3 ↓	-5 ↓	Nomura	5.0%	380.3	19.1	-20%	0.6%	5.6%
12	4 ↑	-6 ↓	8 ↑	Banco Santander	4.0%	724.9	29.3	-48%	1.5%	5.5%
13	-1 ↓	3 ↑	2 ↑	NAB	4.0%	204.7	8.2	-27%	na.	4.0%
14	-3 ↓	-10 ↓	-1 ↓	BBVA	3.5%	319.2	11.2	13%	2.5%	6.0%
15	-6 ↓	-1 ↓	-1 ↓	Natixis	3.3%	437.9	14.5	-46%	3.1%	6.4%
16	1 ↑	2 ↑	7 ↑	Standard Chartered Bank	3.3%	508.5	16.6	-56%	0.7%	3.9%
17	-2 ↓	-8 ↓	-6 ↓	Westpac Banking	2.6%	246.1	6.5	381%	na.	2.6%
18	3 ↑	3 ↑	-2 ↓	Lloyds Bank	2.0%	159.6	3.2	-78%	0.1%	2.1%
19	-1 ↓	-4 ↓	-2 ↓	UniCredit	0.7%	561.8	4.2	26%	1.9%	2.7%
20	0 ~	-3 ↓	-8 ↓	Intesa Sanpaolo	-0.2%	382.2	-0.9	61%	1.4%	1.1%
21	-2 ↓	-10 ↓	0 ~	ANZ Banking Group	-0.3%	326.9	-0.8	23%	0.5%	0.2%
22	0 ~	-2 ↓	-3 ↓	Jefferies	-0.7%	168.5	-1.2	-78%	na.	-0.7%
23	0 ~	1 ↑	-5 ↓	US Bancorp	-2.1%	441.0	-9.1	-31%	0.0%	-2.0%
24	0 ~	-2 ↓	1 ↑	BMO Capital Markets	-5.3%	702.6	-37.0	11%	0.4%	-4.9%
25	1 ↑	0 ~	-3 ↓	TD Securities	-5.4%	824.0	-44.1	61%	0.2%	-5.2%
26	-1 ↓	0 ~	-2 ↓	Scotiabank	-7.1%	796.5	-56.8	25%	0.4%	-6.7%

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 21/22: % change in fees from grey deals in 2023 compared to the average of 2021/22. 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

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 08 Mar start and end dates, e.g. 2023 = 8 Mar 2022 - 8 Mar 2023. The league tables shown in Figure 1 highlight banks that we deem to be likely international counterparties. AFII is able to provide similar lists for extended and bespoke counterparty-lists, please contact the team for further discussions.

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

Fees are calculated over a two year rolling window, and changes versus the last report (Dec-22) as well as a rolling window ending Mar-22 and Mar-21 are reported. AFII will continue to produce these tables ahead of the IMM dates, to allow investors to apply fresh counterparty selection routines when rolling various futures and derivatives contracts.

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