

Press Release

Deutsche Bank: Dirty Deals Damage the Bank's Climate Credibility

New research: Bank recently issued a loan for Exxon worth USD 132 million
Bank is highly involved in coal expansion via Japanese companies
Increasing green finance contradicted by loopholes in fossil exclusion policies

Frankfurt | May 18th, 2020

As Deutsche Bank is preparing its annual general meeting on Wednesday, NGOs from Guyana, Japan and Germany urge the bank's board to raise the bar on its fossil exclusion plans and its climate commitments.

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Protest Information:

Just before Deutsche Bank's AGM on Wednesday, the local activist group **Koala Kollektiv** will hold a protest action against the bank's financing of fossil fuels, accompanied by a self-built oil platform and oil barrels in front of Deutsche Bank's headquarters in Frankfurt.

- When: May 20th, from 8:30 to 10:00 am CEST
- Where: Taunusanlage 12, Frankfurt a.M, Germany
- Pictures of the action will be available at noon, German time, at <https://www.flickr.com/photos/urgewald/>
- Contact: Kerstin Kreß, +49-176-69052273, mail@koalakollektiv.de

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Backing one of the most climate-damaging companies of our time

Latest financial research by Urgewald shows that Deutsche Bank is supporting **Exxon Mobil**, one of the world's major oil and gas multinationals. Deutsche Bank is ranked **12th** in the list of the biggest global banks and **6th** among the biggest European banks backing Exxon Mobil's fossil activities with loans and underwriting services. It is the **5th biggest European investor** in Exxon's shares and bonds:

- In August 2019, Deutsche Bank participated with **USD 132 million** in a loan for Exxon.

- During the past five years¹, the bank participated in the issuance of several bonds for the company worth **USD 203 million**.
- At the end of March 2020, Deutsche Bank was invested with **USD 681 million** in Exxon shares and bonds.

Exxon is currently leading one of the biggest drilling projects of our time off the coast of **Guyana**. The **ultra-deepwater drilling project** bears high risk of oil spills. Any drilling accidents could devastate marine and coastal wildlife in the entire Caribbean, severely damaging the region's eco-tourism industry worth **USD 16 billion** and responsible for **650,000 jobs** annually.²

The reserves in the whole Guyana-Suriname Basin are estimated to contain at least 13.6 billion barrels of oil and 32 trillion cubic feet of natural gas.³ If all reserves were exploited and burnt, the resulting emission could get close to **860 million tons of CO2 from oil** and **1.7 billion tons from natural gas**⁴ – which is far more than the electric power sector of the USA emits during a whole year.⁵

Exxon is the leading oil company in the **Stabroek Block**, which makes up a large part of the whole basin. Stabroek is estimated to contain **more than 8 billion oil equivalent barrels**⁶ and is **one of the largest crude discoveries** of recent years.⁷ Extracting and burning all of these reserves would cause hundreds of millions of tons of greenhouse gas emissions.⁸

Melinda Janki is an International Lawyer and counsel on a case challenging Exxon Mobil's oil production in Guyana. She comments:

"Exxon Mobil has been a climate change denier despite all the evidence. But the German people know better. So why is Deutsche Bank lending money to help

¹ March 2015 until March 2020

² <https://urgewald.org/medien/world-bank-paves-way-carbon-bomb-drilling-project-guyana>

³ <https://oilnow.gy/featured/usgs-will-reassess-guyana-suriname-basin-in-2020-following-multi-billion-barrel-discoveries-by-exxonmobil/>

⁴ For the CO2 calculation, see footnotes here: <https://urgewald.org/medien/world-bank-paves-way-carbon-bomb-drilling-project-guyana>

⁵ Figures for 2018; see: <https://www.eia.gov/tools/faqs/faq.php?id=75&t=11>

⁶ <https://corporate.exxonmobil.com/Locations/Guyana/Guyana-project-overview#DiscoveriesintheStabroekBlock>

⁷ <https://www.rystadenergy.com/newsevents/news/press-releases/global-oil-and-gas-discoveries-reach-four-year-high-in-2019/>

⁸ For the CO2 calculation, see footnotes here: <https://urgewald.org/medien/world-bank-paves-way-carbon-bomb-drilling-project-guyana>

destroy our climate system and our oceans through greenhouse gas emissions?"

Janki adds: *"Exxon Mobil's petroleum production conflicts with sustainable development and appears to be contrary to Guyana's constitution and other laws. There is already one case in the Guyana court of appeal. There could be more cases. Can Deutsche Bank guarantee to their shareholders that their money is not being used for activities that could be illegal?"*

Japan: Support for coal expansion projects

Recent numbers in the report "Banking on Climate Change" published by Rainforest Action Network and five partner NGOs show that Deutsche Bank is still a close ally of the global fossil industries. While the bank has reduced its overall fossil financing in the past four years, it is, for example, still one of the three biggest financiers of companies with **oil and gas extraction plans in the Arctic**. Deutsche Bank also remains one of the world's leading financiers in the **coal mining sector**, with a total of **USD 1.7 billion** issued between 2016 and 2019.⁹

Deutsche Bank also continues to finance **companies striving to expand fossil fuel projects** with **USD 3.3 billion in 2019** alone. Some of the beneficiaries are Japanese companies with a long list of coal expansion projects.

The bank is invested in all of the **14 Japanese coal plant developers** and also provides banking services for several of these companies. For example, **USD 35 million** from Deutsche Bank's loans and underwriting services in 2019 went to the Japanese trading house **Marubeni** and the utility **Chugoku**. Marubeni announced in September 2018, that it will not enter into new coal power projects. However, Marubeni is still invested in projects that would add in total more than **4 GW** of new coal power generation in Japan, Indonesia, Vietnam and South Africa. Chugoku currently develops over **3 GW** of new coal power generation in Japan and Malaysia.

Kimiko Hirata, International Director of the Japanese Kiko Network, says:

"Japanese civil society groups are strongly resisting the development of new coal projects funded by Japanese companies. Marubeni and Chugoku are among those companies that are involved in large-scale coal projects in Japan and overseas. Deutsche Bank's finance to these companies means that it is

⁹ RAN, Banking on Climate Change 2020: https://www.ran.org/wp-content/uploads/2020/03/Banking_on_Climate_Change__2020_vF.pdf

doing business to accelerate the climate crisis. This is totally wrong. Its finance policies should be immediately reviewed and be aligned with the Paris Goal."

Bond issuance for coal major Adani reveals policy loopholes

As Urgewald's financial research shows, in July 2019, Deutsche Bank took part in a bond issuance for Adani, the Indian coal mining giant behind the highly controversial **Carmichael coal mine** in Australia. It is the same mine project that recently damaged the climate reputation of the German industrial manufacturer Siemens as one of the involved suppliers for a railway signaling system for the coal mine.

Deutsche Bank told Urgewald that the bond for Adani has the condition to not being used for the mine. However, this ignores the fact that money for one corporate division always releases funds in other divisions. **Adani** is also criticized in its home country India for coal-fired power plant and port construction projects and his poor climate records.

The Adani deal and the financing of Japanese coal plant developers thus reveals a **weak spot in Deutsche Bank's fossil restriction policies**. While the bank announced an end to project financing for coal plants and mines in 2017, it continues to provide financial services to fossil fuel companies, even those deeply rooted in aggressive expansion activities like Adani. This contradicts recent announcements of the bank's CEO Christian Sewing about boosting its „sustainable financing“. ¹⁰

Regine Richter, Energy Campaigner at the German NGO Urgewald, says:

"This might be green PR at its best, making promises around sustainability while giving very little details. Any financial support for fossil activities, even if it comes indirectly through corporate financing, undermines Deutsche Bank's climate credibility. When talking about ‚more green‘, CEO Christian Sewing disregards the need to finance ‚less dirt‘. If the bank is serious about reacting to the threat of climate change, it needs to strengthen its fossil exclusion policies and stop financing companies that keep us on a track to climate destruction."

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¹⁰ https://www.db.com/newsroom_news/HV_2020_Rede_Christian_Sewing.pdf