



# Close the Gap

BankTrack benchmark project

Presentation Budapest

March 22 2011

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**BANK***Track*



# outline

1. A word on BankTrack
2. Close the Gap background
3. Results

# BankTrack; international NGO network, 36 members and partners



# Facing a huge sector

15.000 plus banks



# Activities BankTrack

Pillar 1: member activities

Pillar 2: bank monitoring/policy development

Pillar 3: dodgy deal campaigning

Pillar 4: focus campaigns and activities

Pillar 5: network development, training and outreach



# We focus on Dodgy Deals...

**BANKTrack**

home | banks | focus | dodgy deals/companies | members

select bank and/or sector:

Google

Kaartgegevens ©2011 MapData, Tele Atlas, Where3x(K), GeoEye, GeoEye, Ltd. Afbeeldingen ©2011 NASA, TerraMetrics - Gebruiksvoorwaarden

**dodgy deals ( add new deal )**

Angra 3 nuclear power plant	Asia Pulp and Paper
Baku-Tbilisi-Ceyhan oil pipeline	Bauxite mine Niyamgiri Hills
Belene nuclear power plant	Belo Monte dam project
Biofuels	Bohunice nuclear power plant
Borssele nuclear unit 2	British New Reactors
Buon Kuop Hydroelectric Project	Calvert Cliffs Nuclear Power Plant
Canadian Tar Sands	Cemavoda nuclear units 3 & 4
Congo Tar Sands	Darlington Nuclear Power Plant

**companies ( add new company profile )**

AECL	Alliant Techsystems
Alpiq Holding Ltd.	Andritz
Ansaldo Energia	Archipelago Resources PLC
Areva	Азро
Babcock Noell	BHP Billiton
BKW FMB Energie AG	British Energy
British Nuclear Fuel	Bruce Power
Bulgarian Energy Holding	Camero

# And bank monitoring

**BANKTrack**

banks focus dodgy deals/companies members

Deutsche Bank - Germany

Deutsche Bank

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last update: Mar 15, 2011

basics policies practice

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**voluntary initiatives**

Deutsche Bank has committed to the following voluntary initiatives (adopted policies are marked with ✓).

- ✓ **Carbon Disclosure Project**  
Carbon Principles  
Climate Principles  
Equator Principles  
Extractive Industries Transparency Initiative
- ✓ **Global Reporting Initiative**
- ✓ **UN Global Compact**
- ✓ **UNEP Finance Initiative**
- ✓ **UNEP Principles for Responsible Investments**
- ✓ **Wolfsberg principles**

Deutsche Bank has also developed additional sustainability policies. You can find them below, or under 'documents' in the menu.

**bank feedback (public):**  
The responsible, value-driven management and control of Deutsche Bank (corporate governance) is a prerequisite to our international success. The essential framework for this is provided by, first and foremost, the German Stock Corporation Act and the German Corporate Governance Code. Since our share is also listed on the New York Stock Exchange, we are subject to the relevant U.S. capital market legislation as well as the rules of the Securities and Exchange Commission (SEC) and the New York Stock Exchange (NYSE).

[Read more...](#)

last save by banker:  
18 months ago (Sep 22, 2009) [edit feedback](#)

**other, namely**

empty: otherstandards

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# Close the Gap

Structure of this part:

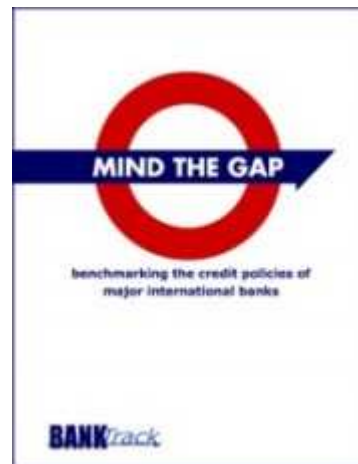
1. objectives
2. selection of banks
3. issues and sectors
4. methodology
5. scoring
6. results





# Objectives

- mapping state of the art bank policies
- stimulate banks to have more robust investment policies
- encourage banks to be more transparent
- race to the top



**BANK**Track

# Bank selection

1	ABN Amro	The Netherlands	26	Intesa Sanpaolo	Italy
2	ANZ	Australia	27	Itaú Unibanco	Brazil
3	Banco Bradesco	Brazil	28	JPMorgan Chase	United States
4	Banco do Brasil	Brazil	29	Kasikornbank	Thailand
5	Bangkok Bank	Thailand	30	KBC	Belgium
6	Bank of America	United States	31	Mizuho	Japan
7	Bank of China	China	32	Morgan Stanley	United States
8	Bank of Tokyo	Japan	33	National Australia Bank (NAB)	Australia
9	Barclays	United Kingdom	34	Natixis	France
10	BBVA	Spain	35	Nedbank	South Africa
11	BNP Paribas	France	36	Nordea	Sweden
12	China Construction Bank	China	37	Rabobank	The Netherlands
13	Citi	United States	38	Royal Bank of Canada (RBC)	Canada
14	Commonwealth Bank	Australia	39	Royal Bank of Scotland (RBS)	United Kingdom
15	Crédit Agricole	France	40	Santander	Spain
16	Credit Suisse	Switzerland	41	Standard Chartered Bank (SCB)	United Kingdom
17	DekaBank	Germany	42	Scotiabank	Canada
18	Deutsche Bank	Germany	43	SMBC	Japan
19	Dexia	Belgium	44	Société Générale	France
20	Fortis	The Netherlands	45	Standard Bank	South Africa
21	Goldman Sachs	United States	46	UBS	Switzerland
22	HSBC	United Kingdom	47	UniCredit	Italy
24	Industrial and Commercial Bank of China (ICBC)	China	48	WestLB	Germany
23	Industrial Bank	China	49	Westpac	Australia
25	ING	The Netherlands			

# Issues and sectors

## issues

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Biodiversity  
Climate change  
Corruption  
Human rights  
Indigenous peoples  
Labour  
Operation in conflict zones  
Taxation  
Toxics

## sectors

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Agriculture  
Fisheries  
Forestry, Pulp and Paper  
Military industry and arms trade  
Mining  
Oil and gas  
Power generation

## Procedures

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Transparency  
Accountability

# Methodology- what did we score

1. banks own investment **policies** (only those publicly available)
2. adoption of international standards or principles
3. transparency and accountability policies and practice



# Methodology- how did we score

1. collect bank policies and draft bank profiles
2. invited Profundo- research company
3. select 'best guidelines and standards'
4. leads to content of a bank policy
5. determined essential and additional elements
6. maximum of 5 points



Distinction lending & investment banking and asset management



# Scoring table

TABLE 4 SCORING TABLE

<div style="text-align: right;">Contents of a bank policy</div> <div style="text-align: left;">Investments</div>	No policy	Bank has signed voluntary standard or initiative	Policy vaguely worded without clear commitments	Includes half of the essential elements	Includes essential elements	Includes essential and additional elements
Lending and investment banking	0	1	1	2	3	4
Asset management	0	1	1	2	3	4
Lending and investment banking and asset management	0	1	1	2	4	5

# Example: military industry and arms trade

**BANKTrack**

banks focus dodgy deals/companies members

issues

sectors

- Agriculture
- Fisheries
- Forestry, Pulp and Paper
- Military industry and arms trade**
- Mining
- Oil and gas
- Power generation

Transparency

Accountability

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issues best practice scoring

*Clusterbomb distribution*

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further resources

- documents
- videos
- dodgy deals
- companies
- groups involved
- external news

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Best viewed with Mozilla Firefox.

# Military industry- content bank policy

## **essential elements (minimum)**

The bank will not invest in companies that:

Produce weapon systems banned by the existing international arms control treaties, including landmines, cluster munitions, chemical and bacterial weapons and also produce nuclear weapons;

Provide weapons to dictatorial, corrupt regimes, terrorist groups and parties in open conflict.

## **additional elements (comprehensive)**

The bank will avoid investments in the military industry entirely, including in companies that:

Produce weapon parts and supply those to producers of weapon systems; and  
Produce 'dual-use' technology.

# Military Industry-results

## military industry and arms trade



scores

how do we score this?

Germany   <b>Commerzbank</b>	4	
Netherlands   <b>Rabobank</b>	3	
Italy   <b>UniCredit Group</b>	3	
Netherlands   <b>ING Group</b>	3	
Spain   <b>BBVA</b>	2	
Canada   <b>Royal Bank of Canada</b>	2	
Norway   <b>DnB Nor</b>	2	
Canada   <b>TD Bank Financial Group</b>	2	
Belgium   <b>KBC</b>	2	
Hungary   <b>K&amp;H Bank</b>	2	
France   <b>Crédit Agricole</b>	1	
United States   <b>Citi</b>	1	
Netherlands   <b>ABN AMRO</b>	1	
Italy   <b>Intesa Sanpaolo</b>	1	
United Kingdom   <b>HSBC</b>	1	

- Half of the 49 banks developed a policy
- Commerzbank excludes both controversial weapons and controversial trade
- Majority of banks is accredited with one point

# Bank interaction

Letter No. 1 to banks on  
launch profile- login  
BankTrack website

Letter No. 2: presentation  
scores

Letter No. 3: final scores

Strong involvement of  
BankTrack members

The screenshot shows the BankTrack website interface. At the top right is the **BANKTrack** logo. Below it is a navigation bar with tabs for **banks**, **focus**, **dodgy deals/companies**, and **members**. The **members** tab is highlighted in green. On the left is a blue sidebar menu with options: **home**, **publications**, **about banktrack**, **contact us**, and **close the gap**. Below the menu are buttons for **control panel** (yellow), **logout** (red), **search** (blue), and **mailing list** (green). At the bottom of the sidebar are social media icons for RSS, YouTube, Twitter, Facebook, and LinkedIn.

The main content area is titled **Welcome Dustin Neuneyer**. It contains several sections:

- Review your bank profile**: A button for **WestLB** and a **see your comments** button.
- Review deal files ( green is active file, red is on record )**: A grid of deal files with color-coded buttons:
  - Green buttons: **Baku-Tbilisi-Ceyhan oil**, **Cluster Munitions producers**, **Toka Tindung Goldmine**, **Dynergy coal power plants**.
  - Red buttons: **Grasberg Mine**, **Dynegy coal power plants**.
  - Grey buttons: **Bauxite mine Niyamgiri Hills**, **Mountain Top Removal Coal**, **Canadian Tar Sands**, **Block 31, Yasuni National**.
- Review company profiles**: Buttons for **Lockheed Martin** and **National Thermal Power**.
- Policies**: A button for **csr documents**.

On the right side of the main content area, there is an image of a red Swiss Army knife and a red-bordered box containing the text: **Welcome to your bank profile. Feel free to comment on your profile and dodgy deals (in case you are related to some) in the indicated comment boxes. If you have difficulties, please let us know: jora@banktrack.org**



# General conclusions

- Large majority of policies received score of 1 point
- 6 banks out of 49 banks no policies
- no bank all sectors and issues covered (but West LB and Barclays come close)
  
- On *transparency* procedures, banks score an average score of 1,5 (highest score 3)
- On *accountability*, banks score an average score of 0,81 (highest score 2)
  
- climate change hot issue; 28 banks out of 49 banks developed own policies on *climate change*. 46 banks scoring 1 point (highest score).

Top 3: Rabobank, with an average score of 1,7. Second best scores HSBC (1,2) followed by ING (1,16). Santander and WestLB share position four with an average score of (1,1).

## Final remarks



Close the Gap only assesses bank's investment policies, not actual investments of banks

This study is a snapshot of 49+ banks

Low scores should be regarded as encouragement

Banks made progress over the years, we will continue to encourage banks to be powerful agents of change

# Thank you

**BANKTrack**

banks focus dodgy deals/companies members

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## Governments should name banks that took corrupt money from Gaddafi, Mubarak and Ben Ali

Freezing of assets shows catastrophic failure of anti-money laundering laws.

London, Mar 21 2011 | Global Witness

The governments that have frozen funds controlled by Gaddafi, Mubarak, Ben Ali and their cronies should name the banks holding their assets, anti-corruption group Global Witness demanded today. A clear message must be sent to banks that doing business with corrupt dictators is unacceptable: first, those banks holding dirty money should be publicly named and then regulators need to devise a new system which stops banks from taking suspect funds in the first place.

Some \$32 billion has been frozen by the US, \$3.2 billion by the UK, and other countries such as Switzerland, South Africa, Japan and Austria have frozen funds connected with North African despots. This has been hailed by governments...[read more](#)

### Climate Week in turmoil over revelations of sponsor's climate damage


Celebrities and groups withdraw from event after RBS shown to be UK's biggest financier of coal mining and power

London, Mar 20 2011 | Platform

### Development Bank of Japan key financier of nuclear industry

Tokyo, Japan, Mar 15 2011 | Finance GreenWatch

Development Bank of Japan (DBJ) has provided 1.4 trillion yen (roughly



**Petition to Bank CEOs - Stop Funding Coal!**

### Explosions in Japanese nuclear reactors; risk of disastrous meltdown.

Who on earth finances this deadly gamble called nuclear energy? Find out here

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