

Saudi Aramco Saudi Arabia

Sectors: Oil and Gas Extraction

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Sectors	Oil and Gas Extraction
Headquarters	
Ownership	Saudi Aramco is 100 percent owned by the Saudi Arabian State. The company is planning an Initial Public Offering (IPO) in December 2019 , which will change its ownership structure, with initially 3 percent of its shares to be listed.
Subsidiaries	
Website	https://www.saudiaramco.com

About Saudi Aramco

Saudi Aramco, officially the Saudi Arabian Oil Company, is an oil and natural gas company based in Dhahran, Saudi Arabia and was founded in 1933. Saudi Aramco is the largest oil producer in the world. It is one of the largest companies in the world by revenue and, according to Bloomberg, the most profitable company in the world. Saudi Aramco has both the world's second-largest proven crude oil reserves, at more than 270 billion barrels, and the largest daily oil production with more than 10 million barrels a day. Saudi Aramco is the [world's largest CO2 emitter](#), having produced, on its own, almost 5 percent of the world's CO2 emissions between 1992 and 2017.

Latest developments

Saudi Aramco closes US\$10bn loan

May 12 2020

Saudi Aramco picks HSBC, Japan's SMBC for \$10 billion loan: sources

Apr 22 2020

Why this profile?

A coalition of environmental groups has [warned a string of major international banks to step away from facilitating capital for Saudi Aramco](#), the world's largest corporate emitter of carbon dioxide. The Saudi state-owned company is planning to sell 3 percent of its shares in the world's biggest-ever IPO (initial public offering), planned to take place in December 2019. Concerns have also been raised with the banks involved over the horrendous human rights record of the Saudi regime.

The investment banks coordinating the sale of Saudi Aramco's stock in the IPO are: Citigroup*, Credit Suisse*, Goldman Sachs, HSBC, JPMorgan, Merrill Lynch, Morgan Stanley, NCB Capital and Samba Capital. Banks marked with a * are signatories to the [UN's Principles for Responsible Banking](#).

Impacts

Social and human rights impacts

Human rights violations in Saudi Arabia Saudi Aramco is fully owned by the Saudi Arabian Government. The country has a dubious, highly questionable record when it comes to human rights. The Saudi Government, which enforces Wahhabi religious laws under the absolute rule of

the Saudi royal family, has been accused by various international organisations and governments of violating multiple human rights within the country. The strict regime ruling the Kingdom of Saudi Arabia consistently ranks among the "worst of the worst" in [Freedom House's](#) annual survey of political and civil rights.

A [2018 Human Rights Watch report](#) noted that "Saudi authorities stepped up their arbitrary arrests, trials, and convictions of peaceful dissidents and activists in 2018, including a large-scale coordinated crackdown against the women's rights movement beginning in May. In June, Saudi Arabia ended the long-standing ban on women driving, but authorities continued to discriminate against women and religious minorities. Through 2018, the Saudi-led coalition continued a military campaign against the Houthi rebel group in Yemen that has included scores of unlawful airstrikes that have killed and wounded thousands of civilians."

Capital punishment Saudi Arabia still enforces the death penalty. In 2018 at least 149 people were executed ([Amnesty International](#)). On April 23, 2019, Saudi Arabia carried out a [mass execution of 37 imprisoned civilians](#) who had been convicted mostly on the basis of confessions obtained under torture or written by the accused's torturers. Most of the executed belonged to the country's Shia minority.

Environmental and climate impacts

Climate change impacts Data from world-renowned researchers published in The Guardian [has revealed how](#) a group of companies, among them Saudi Aramco, are the heaviest contributors to climate change. Details have shown how they have continued to expand their operations despite being aware of the industry's devastating impact on the planet. Saudi Aramco is way out in front as the top corporate polluter, having contributed 59.26 billion tonnes of carbon dioxide equivalent since 1965, or 4.38 percent of the world's total emissions since that date.

Opposing climate policies In an October 2019 report, investigative journalistic platform [The Intercept](#) noted that "the Saudi Arabian Government have a stunning history of undermining action to address the climate crisis and have a concerted effort designed to preserve the profits of Aramco. Saudi Arabia has played a quiet yet powerful role in thwarting proactive climate policy at United Nations conferences and U.S. domestic policy battles alike. Since the Intergovernmental Panel on Climate Change meeting in Madrid in 1995 — when Mohammad Al-Sabban, then a Saudi petroleum official, famously confronted scientists, claiming the science around climate change was not settled — Saudi delegates have maneuvered to push for a series of delays."

Governance

Bank policies

The following bank investment policies apply to this project:

HSBC

Environmental Policy

Apr 26 2017 | HSBC

Morgan Stanley

Coal and oil & gas policy statements

Mar 15 2019 | Morgan Stanley

Updates

Saudi Aramco closes US\$10bn loan

May 12 2020

Saudi Aramco, the world's largest oil producer, has closed a [US\\$10bn one-year term loan](#) with a club of core relationship banks.

The loan was led by HSBC, SMBC and First Abu Dhabi Bank as coordinators, bookrunners and mandated lead arrangers. First Abu Dhabi Bank also acted as facility agent.

They were joined by BNP Paribas, Citi, Credit Agricole, JP Morgan, Mizuho, MUFG and Societe Generale as mandated lead arrangers and bookrunners.

Saudi Aramco picks HSBC, Japan's SMBC for \$10 billion loan: sources

Apr 22 2020

Saudi Aramco has [chosen](#) HSBC and Japan's Sumitomo Mitsui Banking Corporation (SMBC) to coordinate talks with other banks for a loan of about \$10 billion the oil giant plans to seek, two sources close to the matter said. HSBC declined to comment and SMBC could not be immediately reached for comment.

Saudi Aramco announces Initial Public Offering (IPO)

Nov 3 2019

Saudi Aramco, the world's largest integrated oil and gas company, wholly owned by the Government of the Kingdom of Saudi Arabia, announced its intention to proceed with an initial public offering on the Main Market of Tadawul, the Saudi Stock Exchange ([Saudi Aramco press release](#)).

Financiers

Debt finance USD 12 billion In April 2019 six banks - JPMorgan Chase, Citi, Goldman Sachs, HSBC, Morgan Stanley and National Commercial Bank - arranged debt finance for Saudi Aramco totalling USD 12 billion via five bonds:

- a 3 years USD 1 billion bond, maturing April 2022;
- a 10 years USD 3 billion bond, maturing April 2029;
- a 5 years USD 2 billion bond, maturing April 2024;
- a 20 years USD 3 billion bond, maturing April 2039;
- a 30 years USD 3 billion bond, maturing April 2049.

See below for more details.

Initial Public Offering (IPO) For Saudi Aramco's [IPO](#) the Joint Financial advisers and Global coordinators are: Citi, Credit Suisse, Goldman Sachs, HSBC, JPMorgan Chase, Merrill Lynch, Morgan Stanley, National Commercial Bank and Samba Capital. The foreign joint bookrunners include all Global coordinators as well as: Banco Santander, BNP Paribas, BOCI Asia, Crédit Agricole, Deutsche Bank, First Abu Dhabi Bank, Mizuho, RBC, SMBC, Société Générale and UBS.

Loan USD 10 billion In May 2020, Saudi Aramco closed a USD 10 billion [one-year term loan](#). The loan was led by HSBC, SMBC and First Abu Dhabi Bank. They were joined by BNP Paribas, Citi, Credit Agricole, JP Morgan, Mizuho, MUFG and Société Générale as mandated lead arrangers and bookrunners. See below for more details.