

Investing in the Military Cartel: 19 international banks invest over US\$65 billion in companies linked to Myanmar junta and atrocities

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Expanded research shows that 19 international banks each invest over US\$ 1 billion in shares of companies with ties to the Myanmar military junta.

These banks with over US\$1 billion in holdings are: Crédit Agricole, Sumitomo Mitsui Trust, Mitsubishi UFJ Financial, Bank of America, JPMorgan Chase, UBS, Deutsche Bank, Morgan Stanley, BPCE Group, Credit Suisse, Mizuho Financial, Société Générale, Wells Fargo, Goldman Sachs, Royal Bank of Canada, BNP Paribas, Barclays, DZ Bank and Toronto-Dominion Bank

On 1 February 2021, Myanmar's military staged a coup in a brutal attempt to reimpose military rule, nullifying the results of the November 2020 elections, arresting and detaining democratically elected members of parliament and declaring a state of emergency. Over 900 civilians have been killed and thousands detained since the coup. Attacks against ethnic communities have intensified, including indiscriminate airstrikes. Gross human rights violations have become widespread and systematic, amounting to crimes against humanity.

Despite the brutal violence of the Myanmar military continuing, new and expanded analyses conducted by BankTrack and Justice For Myanmar has found that 19 internationally operating banks have invested over US\$65 billion in 18 companies that have either direct and longstanding commercial ties to Myanmar's military (see Category 1 below), or to state entities that the military is attempting to control as a result of the coup (see Category 2 below).

This research follows the publication in March 2021 of the [“Investing in the Military Cartel: Two Dutch pension funds invest US\\$2.3 billion in companies linked to the Myanmar military's atrocities”](#) report by Justice for Myanmar and OECD Watch and May 2021 resource [“Public Companies Financially Supporting the Illegitimate Myanmar Junta”](#) by Justice For Myanmar.

This report is an update of our [earlier report \(May 2021\) which highlighted nine banks' investments in these companies](#). Further research identified additional investments held by international banks, particularly where the bank is the parent company of funds or asset managers listed under a different name from the bank itself.

International condemnation of foreign companies' ties to the Myanmar military

In August 2019, the [United Nations Independent International Fact-Finding Mission on Myanmar](#) released a report on the economic interests of Myanmar's military. It found that the military owned and operated two major holding companies – **Myanmar Economic Holdings Limited (MEHL)** and **Myanmar Economic Corporation (MEC)**. MEHL, MEC and their subsidiaries generated revenue dwarfing all civilian-owned companies in Myanmar. The UN Fact-Finding Mission concluded that the military's business empire enables it to secure financial resources to support its unlawful activities, including acts of genocide, war crimes and crimes against humanity, and to evade accountability and oversight.

Significantly, the UN Fact-Finding Mission considered that foreign companies involved in commercial relationships with Myanmar's military, MEHL or MEC pose a “high risk” of contributing or being linked to violations of international human rights and humanitarian law. It urged foreign companies to “sever their relationships” with these entities or otherwise risk being complicit “in law, fact or the eyes of the broader public”, in contributing to the financial resources available to the military. The report “put companies on further and effective notice” of the human rights implications that arise from maintaining business relationships with the military.

Links between international banks and the military

We conducted research into the shareholders of 18 companies with commercial ties to Myanmar's junta. These companies fall into two categories:

1. Eight companies have a direct and long-term relationship with the Myanmar military or military-controlled businesses predating February 1, 2021: port operator **Adani Ports and Special Economic Zone Ltd**; **Bharat Electronics Ltd**, a supplier of military equipment to the Myanmar junta; global construction corporation **Daiwa House Industry Co Ltd**; global hotel chains **Hilton Worldwide Holdings Inc** and **Shangri-La Asia Ltd**; diversified steel and energy corporation **Posco** and its listed subsidiary **Posco International**; truck manufacturer **Sinotruk Hong Kong**; and real estate developer and manager **Tokyo Tatemono Co Ltd**.
2. Ten companies have a direct commercial relationship with Myanmar state-owned enterprises that came under military control following the February 1, 2021 coup. Eight of these companies operate in the oil and gas sector (**Chevron Corp**, **Eneos Holdings Inc**, **ENI Spa**, **Gail (India) Ltd**, **Oil and Natural Gas Corporation**, **PTT Exploration and Production PCL**, **Royal Dutch Shell**, **Total SE**) and two operate in the telecommunications sector – **KDDI Corp** and **Sumitomo Corp**.

For more details on the links between these companies and the Myanmar military, please see Justice For Myanmar's May 2021 resource [“Public Companies Financially Supporting the illegitimate Myanmar Junta”](#). Further references as provided in Appendix 1.

We identified 19 internationally operating banks which collectively manage over US\$ 65 billion in shares of these companies with ties to the Myanmar military's businesses and the military junta. These are: **Crédit Agricole**, **Sumitomo Mitsui Trust**, **Mitsubishi UFJ Financial**, **Bank of America**, **JPMorgan Chase**, **UBS**, **Deutsche Bank**, **Morgan Stanley**, **BPCE Group**, **Credit Suisse**, **Mizuho Financial**, **Société Générale**, **Wells Fargo**, **Goldman Sachs**, **Royal Bank of Canada**, **BNP Paribas**, **Barclays**, **DZ Bank**, and **Toronto-Dominion Bank**.

Bank shareholdings in companies with ties to the Myanmar military to the nearest US\$ million

This table shows the amount (in million US\$) that each bank holds in shares in each of the companies listed above.

Company	Crédit Agricole	Sumitomo Mitsui Trust	Mitsubishi UFJ Financial	Bank of America	JPMorgan Chase	UBS	Deutsche Bank	Morgan Stanley	BPCE Group	Credit Suisse	Mizuho Financial	Société Générale	Wells Fargo	Goldman Sachs	Royal Bank of Canada	BNP Paribas	Barclays	DZ Bank	Toronto-Dominion Bank	
Category 1: direct relationship and/or long-term relationship with the Myanmar military																				
Adani Ports and Special Economic Zone Ltd	3.0	0.5	0.1	-	-	7.7	3.6	-	-	4.2	0.1	-	-	6.1	-	-	-	-	-	
Bharat Electronics Ltd	-	-	-	-	7.2	-	-	-	-	-	-	-	-	235.3	-	8.4	-	-	-	
Daiwa House Industry Co Ltd	20.7	1547.4	460.7	-	85.3	64.9	72.1	1.1	0.4	26.0	807.9	14.5	1.9	11.9	0.1	25.1	-	0.0	5.4	
Hilton Worldwide Holdings Inc	118.5	107.0	34.7	1010.2	270.2	179.4	60.9	101.1	1195.2	170.8	17.6	5.8	101.9	84.8	70.1	9.3	55.4	-	68.2	
Posco	31.4	2.4	0.7	12.6	123.0	38.0	44.0	12.8	1.5	26.8	0.1	0.2	9.8	63.4	5.0	0.1	0.3	14.9	-	
Shangri-La Asia Ltd	-	0.0	0.1	-	-	4.2	0.0	0.0	-	0.6	0.0	-	-	4.3	-	-	-	-	0.3	
Sinotruk Hong Kong Ltd	3.9	0.2	0.1	-	0.8	3.0	4.0	5.7	0.3	0.5	37.2	0.9	-	-	-	-	-	-	-	
Tokyo Tatemono Co Ltd	2.3	228.5	174.3	-	66.2	5.4	3.8	0.0	0.4	3.3	270.8	2.6	-	0.2	-	0.5	-	-	0.3	
Category 2: direct relationship with Myanmar state-owned enterprises																				
Chevron Corp	881.9	753.7	351.4	3856.8	2505.7	1681.1	901.7	2283.0	334.5	422.7	110.8	225.0	1443.9	673.7	1064.4	61.6	307.3	525.7	757.6	
Eneos Holdings Inc	7.5	660.3	781.1	-	191.2	20.4	36.2	0.5	0.7	24.3	604.0	11.8	26.2	65.1	21.3	1.7	-	-	3.8	
Eni SpA	132.8	1.6	0.1	9.9	49.4	84.6	159.2	81.8	19.6	33.3	0.2	85.3	4.0	60.1	14.3	19.1	0.3	0.3	8.6	
GAIL (India) Ltd	2.5	0.4	0.1	-	4.9	3.5	2.8	5.1	-	2.4	-	-	6.5	0.5	-	-	-	-	-	
Oil and Natural Gas Corporation Ltd	2.8	0.4	0.1	-	9.5	4.8	2.5	-	-	3.0	0.0	-	0.1	2.5	0.0	-	-	0.3	-	
KDDI Corp	84.4	4150.2	3817.2	-	1076.4	205.6	252.5	5.0	2.0	88.4	233.5	42.9	30.3	15.9	44.8	85.3	729.7	29.7	14.8	
PTT Exploration and Productions PCL	6.0	0.7	88.3	-	122.3	8.3	7.6	0.3	-	14.3	0.0	-	8.0	10.6	0.2	-	-	-	-	
Royal Dutch Shell	314.5	2.1	49.2	-	90.6	409.9	326.7	3.3	44.7	1231.5	63.0	148.7	45.5	71.6	16.3	38.9	0.9	34.0	18.8	
Sumitomo Corp	7.5	1057.6	590.6	-	34.5	24.6	33.4	0.1	0.6	14.3	37.0	14.8	0.4	60.6	-	3.7	-	0.1	4.7	
Total SE	10,503.8	13.3	0.4	356.2	554.9	720.1	1408.6	83.1	797.3	202.6	7.1	1522.3	232.2	101.9	163.5	1091.7	11.4	499.6	136.6	
Total Value in million US\$	12,123.5	8526.3	6349.2	5245.8	5192.2	3465.5	3319.7	2577.2	2396.7	2274.3	2152.4	2073.9	1911.1	1505.6	1401.0	1345.3	1105.3	1104.8	1019.2	
Grand Total																				65,088.8

Data downloaded from Revinitiv between February – May 2021.

The commercial banks in the table above typically hold shares via subsidiary investment organisations, which may go by different names to the investor parent. Examples of such investor subsidiaries covered in the table above are:

- Crédit Agricole: Amundi (70% ownership);
- Sumitomo Mitsui Trust: Nikko Asset Management
- Bank of America: Managed Account Advisors LLC
- Deutsche Bank: DWS investments
- BPCE: Natixis (and Natixis subsidiaries and affiliates inc. Harris Associates, DNCA Investments, Ostrum Asset Management, Gateway Investment Advisers, Vaughan Nelson Investment Management)
- Mizuho: Asset Management One
- Société Générale: Lyxor Asset Management
- DZ Bank: Union Investment.

This selection of 18 companies is not exhaustive and that the banks likely own shares in many more companies with ties to Myanmar military companies and the Myanmar junta. Justice For Myanmar has published a more extensive list of publicly listed companies linked to the Myanmar military junta and its conglomerates that can be seen [here](#).

In addition to the 19 banks covered in the table above, our analysis found 20 other banks that each invest over US\$100 million in these 18 companies. These banks are: HSBC, SMBC Group, BMO financial Group, Nordea, ICICI Bank, Citigroup, Deka Group, Intesa Sanpaolo, State Bank of India, DNB, CIBC, UniCredit, La Banque Postale, Scotiabank, Danske Bank, Santander, Swedbank, Bangkok Bank, La Caixa Group, and Norinchukin Bank. To see the amount of shares held by these banks, refer to the spreadsheet provided [here](#).

Expectations of companies

Under the OECD Guidelines for Multinational Enterprises (OECD Guidelines) and the United Nations Guiding Principles on Business and Human Rights (UNGPs), companies whose products or services are directly linked to severe human rights impacts through a business relationship (for example, with a military junta) are expected to consider responsibly and immediately disengaging. This responsibility is a global standard of expected conduct for all companies wherever they operate, and exists independently of States' ability and – as is the case for Myanmar's military – willingness to fulfil their own human rights obligations.

Applied specifically to the 18 companies listed above, this responsibility can be translated into two different categories of expected action, depending on the companies' relationship to the military and consequent connection to human rights abuses.

The eight companies in the first category, those with commercial ties to Myanmar's military and military conglomerates predating the February coup should immediately sever their business ties to the entity causing severe human rights impacts – Myanmar's military. These companies have longstanding ties to the military and thus also to the severe and ongoing human rights and humanitarian law violations in the country. In particular, Bharat Electronics must stop supplying military technology to the junta, as part of an UN imposed moratorium on all sales of arms related weaponry and materials to Myanmar and close their Myanmar office.

The ten companies in the second category, those with significant commercial ties to Myanmar state-owned entities now controlled by the military should immediately suspend all contractually mandated payments to Myanmar state-owned entities. They

should transfer all these payments into an escrow account, to be held in trust until democracy is restored in Myanmar and the military is under civilian control. If these companies are unable to suspend such payments, then they should responsibly end their business with the Myanmar junta.

Expectations on investing banks

International investors, including banks, also have a responsibility under the OECD Guidelines and UNGPs to use their leverage to ensure their investee companies act responsibly, and to divest from those companies if they do not act responsibly. The responsibility of investing banks also differs depending on their investee companies' relationship to the military and human rights abuses.

Given the longstanding ties between the eight companies in category one above and the Myanmar military, banks and other investors should divest immediately from these companies. If they do not, under the OECD Guidelines, the banks may no longer simply be considered to be "linked" to the abuses but could be considered to be "contributing" to them.

For those companies in category two above, those with a direct commercial relationship with enterprises that came under military control following the coup, banks and other investors have a responsibility to conduct meaningful, timebound engagement with these ten companies to ensure that they immediately take the specific steps outlined above under expectations of companies. If the companies do not indicate that they are willing to take these steps and at least initiate a process to begin doing so, the banks should divest their shares of the companies.

Justice For Myanmar has recently published a [global call to action for investors](#) to divest from companies with longstanding ties to the Myanmar military and to use their leverage to ensure their investee companies with ties to state-owned enterprises formerly under civilian control to act responsibly, and to divest from those companies if they do not do so.

As of 19 July 2021, 919 people have been killed by the junta and 5293 are in detention according to the [Assistance Association for Political Prisoners \(Burma\)](#). The military continues to commit war crimes and crimes against humanity with total impunity. The military have murdered, arbitrarily detained, tortured, raped, and sexually violated innocent people who continued to stand up for democracy. If international investors fail to take immediate action, they too will be complicit in these crimes. The international community must support the people of Myanmar by stopping the flow of money to military-owned businesses and helping to dismantle the military cartel.

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Appendix 1: References with further information on company links

For further information on links between the companies listed and the Myanmar military or state-controlled enterprises, see Justice For Myanmar's May 2021 resource "[Public Companies Financially Supporting the illegitimate Myanmar Junta](#)" and the following sources:

Category 1: Direct relationship and/or long-term relationship with the military in Myanmar

Adani Ports and Special Economic Zone Ltd:

- Justice for Myanmar, "[Myanmar Military-Controlled Businesses and Associates that Require Targeted Sanctions](#)," 8 March 2021 (accessed 30 March 2021);
- Rawan Arraf, The Australian Centre for International Justice and Justice For Myanmar, "[Port of Complicity: Adani Ports in Myanmar](#)," March 2021, p. 11 (accessed 22 March 2021)

Bharat Electronics Ltd:

- Manohar Parrikar Institute for Defence Studies and Analyses, "[Bharat Electronics Limited \(BEL\) Signs a Contract for the Supply of Three Hull Mounted Sonars with Myanmar; Incidents of Firing on India-Pakistan Border Intensified over the Years](#)," 17-23 February 2014 (accessed 20 March 2021);
- DefenseWorld.Net, "[Bharat Electronics Exports \\$48.6M during FY 2019-20](#)," 21 January 2021 (accessed 20 March 2021);
- Bharat Electronics Limited, "[Exports & Offsets](#)," 25 March 2021 (accessed 26 March 2021);
- Bharat Electronics Limited, "[Annual Report 2019- 20](#)," no date, p. 10 (accessed 26 March 2021);
- StopWapenhandel, "[Despite Military Embargo, India Sells Dutch Radar Technology to Myanmar](#)," July 2015 (accessed 26 March 2021);
- Justice For Myanmar, "[Bharat Electronics Limited Supplying Technology to Myanmar Since Attempted Military Coup](#)" 14 June 2021 (accessed 22 June 2021)

Daiwa House Industry Co Ltd: Daiwa House Industry Co Ltd is the parent company of Fujita Corporation, which is referred to in: Human Rights Watch et al, "[Joint Submission Concerning Japanese Business Entities Operating in Myanmar](#)," 16 February 2021 (accessed 21 March 2021).

Hilton Worldwide Holdings Inc: Justice For Myanmar, "[Myanmar Military-Controlled Businesses and Associates that Require Targeted Sanctions](#)," 8 March 2021 (accessed 20 March 2021).

Shangri-La Asia Ltd:

- Justice For Myanmar, "[Myanmar Military-Controlled Businesses and Associates that Require Targeted Sanctions](#)," 8 March 2021 (accessed 20 March 2021).
- UN Human Rights Council, Independent International FactFinding Mission on Myanmar, A/HRC/42/CRP.3, 5 August 2019, "[The Economic Interests of the Myanmar Military](#)," para 68 (accessed 16 March 2021).

Posco:

- Amnesty International, "[Military Ltd: The Company Financing Human Rights Abuses in Myanmar](#)," 2020 (accessed 20 March 2021);
- UN Human Rights Council, Independent International FactFinding Mission on Myanmar, A/HRC/42/CRP.3, 5 August 2019, "[The Economic Interests of the Myanmar Military](#)," para 143 & Annex V (accessed 16 March 2021);
- Justice For Myanmar, "[Myanmar Military-Controlled Businesses and Associates that](#)

[Require Targeted Sanctions](#),” 8 March 2021 (accessed 20 March 2021).

- Committee Representing Pyidaungsu Hluttaw – CRPH, [“Letter to Posco”](#), 5 March 2021 (accessed 20 March 2021).

Sinotruk Hong Kong Ltd: [Süddeutsche Zeitung](#), [“Supplying Trucks to a Murderous Military”](#), 28 March 2021 (accessed 20 May 2021).

Tokyo Tatemono Co Ltd: [Human Rights Now et al](#), [“Submission by Civil Society Organizations concerning Japanese Business Entities Operating in Myanmar”](#), 17 February 2021 (accessed 20 March 2021).

Category 2: Direct relationship with Myanmar state-owned enterprises

Chevron Corp: [Justice For Myanmar](#), [“How Oil and Gas Majors Bankroll the Myanmar Military Regime”](#), 8 February 2021 (accessed 20 March 2021).

Eneos Holdings: [Eneos Holdings operates in Myanmar via Myanma Golden Star’s subsidiary MGS Lubricant](#), which has an agreement with JXTG Nippon Oil & Energy Corporation, one of Japan’s largest oil and gas companies. JXTG Nippon Oil & Energy Corporation is in a partnership with PTT Exploration and Production PCL, Petronas and MOGE in the Yetagun gas field, profits from which are channelled back to Myanmar’s military: [Reuters](#), [The Economic Times](#), [“Oil Majors in Myanmar in Spotlight After U.N. Call for Sanctions”](#), 9 March 2021 (accessed 21 March 2021).

Gail (India) Ltd: [EITI Myanmar](#), [“Extractive Industries Transparency Initiative: EITI Report 2017-2018”](#), 2019 (accessed 20 March 2021).

Oil and Natural Gas Corporation Ltd: [EITI Myanmar](#), [“Extractive Industries Transparency Initiative: EITI Report 2017-2018”](#), 2019 (accessed 20 March 2021).

PTT Exploration and Production PCL:

- [Justice For Myanmar](#), [“How Oil and Gas Majors Bankroll the Myanmar Military Regime”](#), 8 February 2021 (accessed 20 March 2021).
- [Committee Representing Pyidaungsu Hluttaw – CRPH](#), [“Letter to PTT Exploration and Production Public Company Limited”](#), 5 March 2021 (accessed 20 March 2021).

Total SE:

- [Justice For Myanmar](#), [“How Oil and Gas Majors Bankroll the Myanmar Military Regime”](#), 8 February 2021 (accessed 20 March 2021).
- [Committee Representing Pyidaungsu Hluttaw – CRPH](#), [“Letter to Total SE”](#), 5 March 2021 (accessed 20 March 2021).

KDDI Corp: [Mekong Watch](#), [“Myanmar Citizens’ Groups Call on Telecommunications Companies to Protest the Military’s Blockade Order”](#), 8 February 2021 (accessed 20 March 2021).

Sumitomo Corporation: [Mekong Watch](#), [“Myanmar Citizens’ Groups Call on Telecommunications Companies to Protest the Military’s Blockade Order”](#), 8 February 2021 (accessed 20 March 2021).