



Nine international banks invest over US\$24 billion in companies linked to Myanmar regime and atrocities

Mitsubishi UFJ Financial Group, Sumitomo Mitsui Financial Group, JPMorgan Chase, UBS, Credit Suisse, Morgan Stanley, Bank of America, Wells Fargo and BNP Paribas among the top banks investing in companies linked to the Myanmar military junta

May 27, 2021: New research finds that nine international banks hold shares worth over US\$24 billion across 18 companies affiliated with the military junta and its conglomerates in Myanmar. These companies have either direct and longstanding commercial ties to Myanmar's military, or to state entities that the military now controls as a result of the February 1, 2021 coup. It includes Bharat Electronics Inc, a company that supplies defence equipment to the Myanmar military; POSCO, one of the Myanmar military's closest international business partners; and eight oil and gas companies including Chevron, Shell and Total.

BankTrack and Justice For Myanmar, the publishers of this research, are calling on international banks and all other institutional investors to immediately divest from companies with longstanding, direct ties to the military and its conglomerates, and to demand that other companies halt all payments to military-controlled entities immediately.

Mitsubishi UFJ Financial Group (MUFG), Sumitomo Mitsui Financial Group (SMFG), JPMorgan Chase, UBS, Credit Suisse, Morgan Stanley, Bank of America, Wells Fargo and BNP Paribas were all identified as having shareholdings worth over US\$1 billion in the 18 companies. MUFG alone holds shares in these companies worth over US\$5 billion, with SMFG and JPMorgan Chase not far behind, holding shares worth over US\$4 billion each. Significantly, **Goldman Sachs** holds 5.7% of shares in Bharat Electronics which provides military equipment to Myanmar. All of these banks have a responsibility to act and to account for how they are doing so.

The OECD Guidelines for multinational enterprises and the UN Guiding Principles on Business and Human Rights both clearly set out that international investors, including banks, have a responsibility to use their leverage to ensure their investee companies act to prevent or mitigate human rights abuses. Investors are expected to divest from companies where they repeatedly fail to act.

Hannah Greep, human rights campaigner at BankTrack: *"It is clear what the banks must do under the OECD Guidelines and UNGPs: they must immediately divest from those companies that have direct or long-standing ties with the military and engage with the other companies and insist that they follow the UN guidance and stop all payments to the junta. If they fail to do so, the banks will be deemed complicit in the grave crimes being committed by the Myanmar military."*



Yadanar Maung, Justice For Myanmar spokesperson: *“The international banks we have highlighted have clear human rights responsibilities. The military’s relentless campaign of terror is enabled by its business interests and the banks play a crucial role. Investors must divest from companies that repeatedly fail to act to uphold its responsibilities. It has taken too long for these businesses and banks to act. Unless they act urgently, they will fail the people of Myanmar.”*

Separate research from Justice For Myanmar has also shown how another bank, **Crédit Agricole**, is backing a subsidiary of one of these companies, POSCO Asia, through a US\$50 million guarantee. Via Myanmar POSCO C&C, POSCO has a joint venture with Myanma Economic Holdings Limited (MEHL), a business whose beneficial owners include military regiments and battalions, some of which commit war crimes and crimes against humanity. POSCO announced in April that it will end its joint venture, but has not yet done so and the business remains in an MEHL-controlled industrial zone.

A 2019 report by the United Nations Independent International Fact-Finding Mission on Myanmar showed that the military owns and operates two large holding companies: Myanma Economic Holdings Limited (MEHL) and Myanmar Economic Corporation (MEC). The business empire controlled by these companies enables the military to secure financial resources to support its unlawful activities. The UN Fact-Finding Mission called on foreign companies to sever ties with these entities or risk being complicit in contributing to the financial resources available to the military.

It is now nearly four months since the military coup began in Myanmar. Since then, over 810 people, including children, have been killed by the Myanmar security forces. The military continues to commit war crimes and crimes against humanity with total impunity.

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 and May 2021 resource “Public Companies Financially Supporting the Illegitimate Myanmar Junta” by Justice For Myanmar.

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