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New Banking Policies Still Support MTR Mining

In the United States, more than 30 large mining companies—both publicly-traded and privately-held—carry out mountaintop removal (MTR) coal mining, one of the most destructive forms of mining on earth. Numerous large banks have historically supported the overall operations of many of these mining companies through loans and other types of credit agreements, and by underwriting and purchasing bonds. NRDC is working to end bank financing for all companies carrying out MTR, beginning with the seven dominant MTR coal producers.

Over the past two years, six banks have developed guidelines that propose to restrict their lending and/or banking relationships with companies using MTR mining practices. After a close analysis of recent debt financing transactions of these six banks, NRDC believes they are moving in the right direction, but ultimately must take the next step and end their support of MTR mining altogether.[1]

In 2008 and 2009, NRDC carried out discussions independently with Bank of America and Citi, urging them to develop policies that withhold debt financing for coal companies that use MTR. Several of our environmental partners also engaged in discussions with Wells Fargo, JPMorgan Chase, Morgan Stanley, and Credit Suisse over their financing policies.

The new policies proposed by the aforementioned six banks mark real progress. (see Appendix A, *Bank Lending Guidelines Relating to Mountaintop Removal Mining*). None of these guidelines, however, automatically ends client relationships if a company is using MTR. Rather, these guidelines typically involve internal enhanced due diligence screening for additional credit risk resulting from MTR operations, and/or procedures to identify mining companies whose MTR production is *predominant* or *significant*.

NRDC is concerned that these internal evaluations and screens could result in financial restrictions on only a few of the very worst actors in the MTR sector, while still allowing transactions with many of the large MTR producers to move forward.

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Learn more about MTR mining at http://switchboard.nrdc.org/cgi-bin/mt/mt-search.cgi?tag=mountaintopremoval&limit=20

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Mountaintop removal (MTR) coal mining is an extreme method of strip mining that uses very large explosive charges and machinery to remove the mountain from on top of the coal—often to get at only thin layers of coal beneath. The blasting damages homes, endangers residents, and leaves communities covered in a layer of filthy coal dust. The leftover rubble is dumped into adjoining valleys, obliterating streams and contaminates drinking water sources for scores of communities.

TABLE 1: The Seven Dominant MTR Coal Producers

Company	2009 MTR Production in tons
Massey Energy Company	18,357,242
International Coal Group Inc	8,545,336
Patriot Coal Corporation	8,220,771
Alpha Natural Resources	7,318,487
Arch Coal Inc	3,687,005
CONSOL Energy Inc	3,553,466
TECO Energy Inc	2,635,934

Methods

In order to gain greater insight into the decisions of these six banks subsequent to adopting their MTR guidelines, NRDC compiled a history of MTR debt financing agreements for each bank for the period of December 2007 through September 2010.[2] We assessed each bank's transactions with the seven dominant publicly-traded producers of MTR coal (Listed in Table 1), which produced approximately 45 percent of the total MTR coal in the United States in 2009.[3]

Since banks typically do not disclose details of their relationships with their individual clients, NRDC relied on Securities and Exchange Commission (SEC) records.[4] Specifically, for each bank, we identified:[5]

1. New agreements with any of the seven dominant MTR producers that were closed subsequent to the date of the bank guidelines.[6]

2. Terminated or withheld agreements involving any of the seven dominant MTR producers subsequent to the date of the bank guidelines.[7,8]

The Appendix provides a compilation of the information from this analysis, and the results for each bank are qualitatively summarized in Table 2.[9]

MTR is not only an environmental calamity; it also increases financial risks for mining companies, as well as their investors, financers, and business partners. These risks include:

- Tarnished corporate and market image;
- Legal liability from environmental violations;
- Production shortfalls resulting from delayed operations and uncertain regulatory climate; and
- Poor relations with local and regional communities and businesses.

Underscoring these risks, several large utilities recently initiated inquiries with their coal suppliers regarding their sourcing of MTR-produced coal.

Source: Greenwire, *Duke Gauges Mountaintop Removal's Impact on Prices*, (June 8, 2010), http://www.charlotteobserver.com/2010/06/12/1495016/duke-rethinking-options-on-use.html#ixzz0qg6fKxZf

Results and Conclusions

The results of this analysis provide a good picture of new debt financing decisions made by each bank subsequent to adopting its guidelines.[10] They also reveal some emerging trends that capture the collective effect of these banks' policies on the seven dominant MTR producers (See Table 2 and The Summary of New Transactions):

1. It appears that all of the six banks are disengaged from financing Massey Energy, and five of the six banks have not engaged in recent new agreements with the International Coal Group.[11] These actions represent real progress.

2. For the remaining five MTR producers, the banks' collective results are more mixed. Most of the banks have engaged in new agreements with Teco Energy and Arch Coal, and several of the banks have entered into new agreements with Patriot Coal or Consol Energy.[12]

Therefore, the overall effect of the six bank policies—taken together as a sector—has been to significantly restrict relationships with two of the largest MTR producers, while renewing substantial financial support for the others.[13,14] For example, the new transactions in 2010 for Arch Coal, Patriot Coal, and Teco Energy alone totaled $1.3 billion (See Appendix: History of Debt Financing Transactions).

Recent accounts have described these bank policies, collectively, as signaling a sector-wide shift away from MTR.[15] Based on the results of our analysis, however, NRDC is not prepared to endorse this view. Significant debt financing for many of the worst MTR companies continues, despite what we consider to be good faith efforts by the banks to implement their guidelines.[16]

We suspect that the ongoing MTR debt financing documented in this analysis results from limitations in the bank guidelines themselves. Specifically, only one bank—Credit Suisse—expressly aims to end MTR financing relationships as a matter of policy. Not surprisingly, they are also the only bank with no new finance agreements with MTR producers. Conversely, banks that aim to restrict financing for companies whose production of MTR coal is predominant or significant are likely to continue support for numerous MTR companies. Similarly an enhanced due diligence process—in which MTR risk is considered among many other operational factors—will likely continue to produce results that maintain financing for many MTR coal producers.

Therefore, while the positive actions of these banks represent progress, it is too soon to call the effort a success. Banks that are continuing to finance MTR under their guidelines should now move to end MTR financing relationships as a matter of policy. NRDC will continue to work with banks with the goal of ending financing across the board for companies that use this egregious practice.

TABLE 2: New Agreements Subsequent to (or Immediately Preceding) Bank Policies

	Massey Energy	International Coal Group (2/2010 and 3/2010)	Teco Energy (3/2010)	Arch Coal (8/2010)	Patriot Coal (5/2010)	Consol Energy (5/2010)
Bank of America	N	N	Y	Y	Y	Y
Citi	N	N	Y	Y	Y	N
Credit Suisse	N	N	N	N	N	N
JP Morgan	N	N	Y	Y	N	N
Morgan Stanley	N	Y	Y	Y	N	N
Wells Fargo	N	N	N	N	N	Y

Summary of New Financing Transactions

This summary provides a qualitative summary of each bank's reported new debt financing transactions ("agreements") with the seven dominant MTR producers since adopting their MTR lending guidelines. All of the details and references regarding individual agreements are compiled in the Appendix.

BANK OF AMERICA: Despite their positive steps, Bank of America continues to finance mountaintop removal mining.

Since developing its guidelines in 2008, Bank of America has withdrawn from financing Massey Energy and withheld from engaging in two new agreements with the International Coal Group, and likely from one privately-held MTR producer as well. Bank of America's lending guidelines, however, did not keep the bank from engaging in new agreements with Arch Coal, Patriot Coal, Consol Energy, and Teco Energy.

CITI: Despite their positive steps, Citi continues to finance mountaintop removal mining.

In 2010, Citi did not participate in two new agreements with the International Coal Group and did not participate in a new agreement with Consol Energy. And in 2009, Citi rejected one of three MTR companies seeking financing.

Citi's lending guidelines, however, did not keep the bank from engaging in new agreements with Teco Energy, Arch Coal, and Patriot Coal.

CREDIT SUISSE: The bank's performance on MTR debt financing with publicly-traded companies continues to be positive and exemplary.

Credit Suisse has historically played a very minor role in the finance of the MTR sector—with minimal presence in agreements for several years prior to issuing its formal guidelines. We found no records of agreements with any of the seven dominant MTR producers since September 2009 when the bank issued its guidelines.[17] They are the only bank with a policy that expressly rejects financing for MTR.[18]

JPMORGAN CHASE: JPMorgan Chase's MTR debt financing portfolio is now considerably more limited than its historical level of support for the sector.

Since developing its guidelines in May 2010, JP Morgan Chase did not engage in a new agreement with Consol Energy. Prior to issuing its guidelines, the bank significantly reduced their bond holdings from an existing Massey Energy bond issue, and did not participate in new agreements with Patriot Coal and the International Coal Group.

The bank did, however, engage in a new agreement with Arch Coal. In addition, the bank entered into a new agreement with Teco Energy immediately preceding its policy announcement.

MORGAN STANLEY: Despite some positive steps, Morgan Stanley's early actions show that the bank continues to finance mountaintop removal mining.

Morgan Stanley did not participate in new agreements with Patriot Coal and Consol Energy immediately preceding its policy announcement in May 2010.

Since developing their guidelines in May 2010, Morgan Stanley entered into a new agreement with Arch Coal. In addition, the bank entered into new agreements with International Coal Group and Teco Energy, immediately preceding their policy announcement in May 2010.

Wells Fargo: We concur that Wells Fargo's MTR lending is "limited and declining."[19]

We found no SEC record of new agreements with any of the seven publicly-traded MTR producers following its policy announcement in August 2010, and in particular, the bank did not participate in a new agreement with Arch Coal in August 2010. The bank did, however, enter into agreements prior to its policy announcement, including a new agreement with Consol Energy in May 2010.

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Endnotes

1 We use the term "debt financing" to mean serving as lenders and/or agents in credit agreements and underwriting, facilitating, managing, and/or purchasing bond issues.
2 In this analysis, the term "agreement" refers to: serving as a lender and/or agent in credit arrangements; and/or underwriting, facilitating, managing, and/or purchasing bond issues.
3 Using the website www.opensourcecoal.org, NRDC identified the publicly-traded companies producing the largest quantities of coal using MTR mining methods and the quantities produced. Opensourcecoal.org uses strip mining as a surrogate for MTR mining, since MTR mining is ill-defined. As a result, Table 1 presents only our best estimate of the seven dominant publicly-traded MTR producers.
4 Mining companies regularly disclose to the Securities and Exchange Commission their balance sheet liabilities and any "materially definitive agreements" into which they have entered. These disclosures include financing arrangements with banks, and typically provide the date of the agreement, the type of financing, the amount of financing, and the financial institutions involved and their roles. These filings also disclose whether the agreements involve amendments/restatements of existing agreements, or new financing arrangements. The SEC maintains a public database of all its filings in its EDGAR database.
5 For each bank, we compiled the type of agreement, the date of the agreement, the mining company name, and the amount of financing. We also identified whether the agreement occurred after the bank's adoption of its MTR lending guidelines, and we identified the agreement as "new" or as an "amendment" to an existing agreement. Finally, we identified where a bank did not participate in an otherwise documented lending agreement. Off-balance-sheet financing, to the extent undertaken, would not be identified through an analysis of SEC records.
6 We also include any transactions (new, amended, terminated, or withheld) immediately preceding (defined as two months preceding) the bank's policy adoption date.
7 "Withheld" agreements refer to instances where a bank is not on record as engaging in a known agreement.
8 We also include any transactions (new, amended, terminated, or withheld) immediately preceding (defined as two months preceding) the lending policy adoption date.
9 Since privately-held companies are not required to submit SEC disclosures, they are not captured in this analysis of SEC records. Therefore, in addition to the information gathered for the seven publicly-traded MTR producers, we include in Appendix B - where possible - information on privately-held mining companies gathered through independent communications.
10 This analysis does not provide the complete picture, since it is limited to the seven largest publicly-traded MTR producers. While we believe that the lending history for these seven companies provides a very good surrogate for measuring overall debt financing for publicly-traded mining companies, we urge the banks to disclose summary statistics of its results (as Citi has done in its Annual Corporate Responsibility report) that allow parties to draw inferences regarding transactions with un-named privately held companies.
11 Some banks terminated their role in agreements, while others never financed Massey in the first place.
12 In addition, Bloomberg shows a new loan supplementing an amendment for Alpha Natural Resources on April 15, 2010 , and several banks were known parties to this new agreement, while the names of additional lenders remained undisclosed. (See, Bloomberg, ANR REV B 1L USD Corp.) Given the ambiguity of this transaction, we treat the agreement as an amendment.
13 According to opensourcecoal.org, Massey Energy, International Coal Group, and Patriot Coal produce the largest quantities of MTR coal, while Massey, Teco Energy, and International Coal Group have the highest proportion of MTR as a percent of total coal production. (Source: opensourcecoal.org) These igures help to explain in part why Massey Energy and International Coal Group were the two most frequently restricted by the banks. In addition, banks have cited the "trajectory" of a particular mining company as being a factor in lending decisions. For example, "legacy" MTR operations, which are not a central part of the business might be treated differently from MTR operations central to the company's future growth.
14 There does not appear to be a bias between bond underwriting (where the risks are passed on to secondary markets relatively quickly) and loans (where the risk remains with the bank throughout the term of the loan).
15 See, for example, *New York Times, Lenders Back Off of Environmental Risks*, August 31, 2010
16 Indeed, the positive actions of these six banks represent real progress and stand out in distinct contrast with other banks—who have longstanding and ongoing financing agreements with most MTR producers, and who have not developed any policies regarding the practice.
17 The one recent exception to that pattern is the bank's purchase of Arch Coal senior notes in July 2009, immediately preceding (within two months of) its guidelines.
18 https://www.credit-suisse.com/citizenship/doc/policy_summaries_en.pdf
19 https://www.wellsfargo.com/downloads/pdf/about/csr/reports/environmental_lending_practices.pdf

Learn More About Bank Lending Polices Relating to Mountaintop Removal Mining:

Bank of America
http://environment.bankofamerica.com/assets/pdf/COAL_POLICY.pdf

Citi
http://citizenship.citigroup.com/citi/citizen/finance/environment/mrcm.htm

Morgan Stanley
http://www.msdw.org/global/Environmental_Policy.pdf

JPMorgan Chase
http://www.jpmorganchase.com/corporate/CorporateResponsibility/document/crfullreport05-14_01_noblurb.pdf

Wells Fargo
https://www.wellsfargo.com/downloads/pdf/about/csr/reports/environmental_lending_practices.pdf

Credit Suisse
https://www.credit-suisse.com/citizenship/en/environment.jsp

Appendix: History of Debt Financing Transactions

Bank of America

FINANCING TERMINATED OR WITHELD
Since issuing their policy in December 2008:

1. Bank of America did not participate in a new offering of senior secured notes and convertible senior notes for the International Coal Group, dated March 10, 2010 and March 16, 2010.[1]
2. Bank of America did not participate in a new senior secured credit facility for the International Coal Group dated February 22, 2010.[2]
3. It also appears, based upon our confidential personal communications with knowledgeable sources, that Bank of America has discontinued its financial services and products for at least one major privately-held MTR producer.

Immediately preceding their policy announcement in December 2008:[3]

1. Bank of America withdrew as a syndication agent for an existing Massey Energy revolving credit agreement, originally dated August 15, 2006.[4]

FINANCING OFFERED OR CONTINUED
Since issuing their lending policy in December 2008:

1. Bank of America entered into a new purchase agreement for Arch Coal Senior Notes on July 28, 2009 and an underwriting agreement for issuing Arch Coal Senior Notes on August 2, 2010.[5,6]
2. The Bank participated in new underwriting agreements with Teco Energy in two note offerings in March 2010.[7]
3. The bank entered into a new underwriting agreement for issuing Patriot Coal Senior Notes on April 28, 2010.[8]
4. The bank entered into a new credit agreement with Consol Energy on May 7, 2010.[9]

In addition, since issuing their policy, the bank entered into several amended or restated agreements—relating to pre-existing credit arrangements: Alpha Natural Resources in April 2010; Arch Coal in March 2010; Consol Energy in March 2010, and Patriot Coal in May 2010.[10]

Citi

FINANCING TERMINATED OR WITHELD
Since developing their policy in August 2009:

1. Citi did not participate in a new offering of senior secured notes and convertible senior notes for the International Coal Group, dated March 10, 2010 and March 16, 2010.[11]
2. Citi did not participate in the new senior secured credit facility for the International Coal Group dated February 22, 2010.[12]

3. The bank did not enter into a new credit agreement with Consol Energy on May 7, 2010.[13]

FINANCING OFFERED OR CONTINUED
Since issuing their lending policy in August 2009:

1. The bank entered into a new underwriting agreement with Arch Coal on August 2, 2010.[14]
2. The Bank participated in new underwriting agreements with Teco Energy in two note offerings in March 2010.[15]
3. The bank entered into a new underwriting agreement for issuing Patriot Coal Senior Notes on April 28, 2010.[16]

In addition, since issuing their policy, the bank entered into several amended or restated agreements—relating to pre-existing credit arrangements: Alpha Natural Resources in April 2010; Arch Coal in March 2010; Consol Energy in March 2010, and Patriot Coal in May 2010.[17]

In addition to its SEC filings, Citi has shared the results of their policy in its 2009 Corporate Citizenship Report. According to the report, the bank considered a total of three transactions subject to their MTR due diligence process in 2009. One did not proceed, and two were approved and closed.[18] (Citi does not disclose the names of its individual clients.)[19]

Credit Suisse

FINANCING TERMINATED OR WITHELD
We found no SEC records of new or amended agreements with any of the seven publicly-traded MTR producers since the bank issued its policy in September 2009. Credit Suisse has historically played a very minor role in financing the MTR sector—with minimal presence in finance agreements over the five years prior to issuing its formal policy.[20]

JP Morgan Chase

FINANCING WITHELD
Since issuing its policy in May 2010:

1. The bank did not enter into a new credit agreement with Consol Energy on May 7, 2010.[21]

Prior to formally issuing their policy in May 2010:

1. JPMorgan Chase significantly reduced their bond holdings from an existing Massey Energy bond issue, dated August 7, 2008.[22]
2. The bank did not participate in an offering of senior secured notes and convertible senior notes for the International Coal Group, dated March 10, 2010 and March 16, 2010, and the bank did not participate in the senior secured credit facility for the International Coal Group dated February 22, 2010.[23]
3. The bank did not participate in a new underwriting agreement for issuing Patriot Coal Senior Notes on April 28, 2010.[24]

FINANCING OFFERED OR CONTINUED
Since developing their policy in May 2010:

1. JPMorgan Chase entered into a new underwriting agreement for issuing Arch Coal Senior Notes on August 2, 2010.[25]

Immediately preceding their policy announcement in May 2010:

1. The Bank participated in new underwriting agreements with Teco Energy in two note offerings in March 2010.[26]
2. The bank entered into an amended agreement—relating to a pre-existing credit arrangement with Arch Coal in March 2010.[27]

Morgan Stanley

FINANCING TERMINATED OR WITHELD
Immediately preceding their policy announcement in May 2010:[28]

1. Morgan Stanley did not participate in a new underwriting agreement for issuing Patriot Coal Senior Notes on April 28, 2010.[29]
2. The bank did not enter into a new credit agreement with Consol Energy on May 7, 2010.[30]

FINANCING OFFERED OR CONTINUED
Since developing their policy in May 2010:

2. The bank entered into a new underwriting agreement for issuing Arch Coal Senior Notes on August 2, 2010.[31]

Immediately preceding their policy announcement in May 2010:[32]

1. Morgan Stanley Bank participated in new offerings of senior secured notes and convertible senior notes for the International Coal Group, dated March 10, 2010 and March 16, 2010.[33]
2. The Bank participated in new underwriting agreements for two Teco Energy note offerings in March 2010.[34]

Wells Fargo

FINANCING TERMINATED OR WITHELD
Since issuing their lending policy in August 2010:

1. Wells Fargo did not participate in a new underwriting agreement with Arch Coal on August 2, 2010.[35]

FINANCING OFFERED OR CONTINUED
We found no SEC record of new agreements with any of the seven publicly-traded MTR producers following its policy announcement in August 2010.

1. Immediately preceding their policy announcement, the bank entered into a new credit agreement with Consol Energy on May 7, 2010.[36]

While the bank did enter into lending agreements earlier in 2010, we would agree with Wells Fargo that its MTR lending is "limited and declining."[37,38]

Appendix Endnotes

1 http://www.sec.gov/Archives/edgar/data/1320934/000119312510055384/d8k.htm
http://www.sec.gov/Archives/edgar/data/1320934/000119312510055384/dex13.htm
http://www.sec.gov/Archives/edgar/data/1320934/000119312510058422/d8k.htm

2 http://www.sec.gov/Archives/edgar/data/1320934/000119312510049470/dex101.htm
http://www.sec.gov/Archives/edgar/data/1320934/000119312510037019/d8k.htm

3 For the purposes of this analysis, "immediately preceding" means within a two-month period.

4 http://www.sec.gov/Archives/edgar/data/37748/000119312506176178/dex106.htm) (the original agreement)
http://www.sec.gov/Archives/edgar/data/37748/000119312508211679/dex101.htm)

5 http://www.sec.gov/Archives/edgar/data/1037676/000095012309028399/c52630e8vk.htm

6 http://yahoo.brand.edgar-online.com/displayfilinginfo.aspx?FilingID=7389094-3366-7271&type=sect&TabIndex=2&companyid=3587&ppu=%252fdefault.aspx%253fcik%253d1037676

7 http://www.sec.gov/Archives/edgar/data/350563/000119312510048385/d424b5.htm

8 http://yahoo.brand.edgar-online.com/displayfilinginfo.aspx?FilingID=7225182-3405-5596&type=sect&TabIndex=2&companyid=722276&ppu=%252fdefault.aspx%253fcik%253d1376812

9 http://yahoo.brand.edgar-online.com/displayfilinginfo.aspx?FilingID=7254362-312115-966853&type=sect&TabIndex=2&companyid=682710&ppu=%252fDefault.aspx%253fcompanyid%253d682710

10 http://www.sec.gov/Archives/edgar/data/1301063/000130106310000022/amendment.htm,

11 http://www.sec.gov/Archives/edgar/data/1320934/000119312510055384/d8k.htm
http://www.sec.gov/Archives/edgar/data/1320934/000119312510055384/dex13.htm
http://www.sec.gov/Archives/edgar/data/1320934/000119312510058422/d8k.htm

12 http://www.sec.gov/Archives/edgar/data/1320934/000119312510049470/dex101.htm
http://www.sec.gov/Archives/edgar/data/1320934/000119312510037019/d8k.htm

13 http://yahoo.brand.edgar-online.com/displayfilinginfo.aspx?FilingID=7254362-312115-966853&type=sect&TabIndex=2&companyid=682710&ppu=%252fDefault.aspx%253fcompanyid%253d682710

14 http://yahoo.brand.edgar-online.com/displayfilinginfo.aspx?FilingID=7389094-3366-7271&type=sect&TabIndex=2&companyid=3587&ppu=%252fdefault.aspx%253fcik%253d1037676

15 http://www.sec.gov/Archives/edgar/data/350563/000119312510048385/d424b5.htm

16 http://yahoo.brand.edgar-online.com/displayfilinginfo.aspx?FilingID=7225182-3405-5596&type=sect&TabIndex=2&companyid=722276&ppu=%252fdefault.aspx%253fcik%253d1376812
http://yahoo.brand.edgar-online.com/displayfilinginfo.aspx?FilingID=7225182-7330-144250&type=sect&TabIndex=2&companyid=722276&ppu=%252fdefault.aspx%253fcik%253d1376812

17 http://www.sec.gov/Archives/edgar/data/1301063/000130106310000022/amendment.htm;

18 http://citizenship.citigroup.com/citi/citizen/assets/pdf/citi.pdf.

19 The results in Citi's 2009 Corporate Citizenship Report relate to activities in 2009 and do not overlap or correspond with the results from SEC records from 2010.

20 The one recent exception to that pattern is the bank's purchase of Arch Coal senior notes in July 2009, immediately preceding (within two months of) its policy.

21 http://yahoo.brand.edgar-online.com/displayfilinginfo.aspx?FilingID=7254362-312115-966853&type=sect&TabIndex=2&companyid=682710&ppu=%252fDefault.aspx%253fcompanyid%253d682710

22 Bloomberg, October 19, 2010, MEE 3.25 08/01/15 Corp.

23 http://www.sec.gov/Archives/edgar/data/1320934/000119312510055384/d8k.htm;
http://www.sec.gov/Archives/edgar/data/1320934/000119312510055384/dex13.htm;
http://www.sec.gov/Archives/edgar/data/1320934/000119312510058422/d8k.htm;

24 http://yahoo.brand.edgar-online.com/displayfilinginfo.aspx?FilingID=7225182-3405-5596&type=sect&TabIndex=2&companyid=722276&ppu=%252fdefault.aspx%253fcik%253d1376812

25 http://yahoo.brand.edgar-online.com/displayfilinginfo.aspx?FilingID=7389094-3366-7271&type=sect&TabIndex=2&companyid=3587&ppu=%252fdefault.aspx%253fcik%253d1037676

26 http://www.sec.gov/Archives/edgar/data/350563/000119312510048385/d424b5.htm

27 http://www.sec.gov/Archives/edgar/data/1037676/000095012310027228/c57101exv10w1.htm

28 Within a two-month period.

29 http://yahoo.brand.edgar-online.com/displayfilinginfo.aspx?FilingID=7225182-3405-5596&type=sect&TabIndex=2&companyid=722276&ppu=%252fdefault.aspx%253fcik%253d1376812
http://yahoo.brand.edgar-online.com/displayfilinginfo.aspx?FilingID=7225182-7330-144250&type=sect&TabIndex=2&companyid=722276&ppu=%252fdefault.aspx%253fcik%253d1376812

30 http://yahoo.brand.edgar-online.com/displayfilinginfo.aspx?FilingID=7254362-312115-966853&type=sect&TabIndex=2&companyid=682710&ppu=%252fDefault.aspx%253fcompanyid%253d682710

31 http://yahoo.brand.edgar-online.com/displayfilinginfo.aspx?FilingID=7389094-3366-7271&type=sect&TabIndex=2&companyid=3587&ppu=%252fdefault.aspx%253fcik%253d1037676

32 Within a two-month period.

33 http://www.sec.gov/Archives/edgar/data/1320934/000119312510055384/d8k.htm
http://www.sec.gov/Archives/edgar/data/1320934/000119312510055384/dex13.htm
http://www.sec.gov/Archives/edgar/data/1320934/000119312510058422/d8k.htm

34 http://www.sec.gov/Archives/edgar/data/350563/000119312510048385/d424b5.htm

35 http://yahoo.brand.edgar-online.com/displayfilinginfo.aspx?FilingID=7389094-3366-7271&type=sect&TabIndex=2&companyid=3587&ppu=%252fdefault.aspx%253fcik%253d1037676

36 http://yahoo.brand.edgar-online.com/displayfilinginfo.aspx?FilingID=7254362-312115-966853&type=sect&TabIndex=2&companyid=682710&ppu=%252fDefault.aspx%253fcompanyid%253d682710

37 Prior to announcing its lending policy, the bank engaged in agreements with MTR producers: the bank participated in the underwriting of Teco Energy in two note offerings in March 2010. Wachovia Bank, recently acquired by Wells Fargo entered into amended agreements – relating to pre-existing credit arrangements with Arch Coal and Consol Energy in March 2010. The bank did not enter into new financing agreements with International Coal in February and March 2010, or with Patriot Coal in April 2010. These agreements did not immediately precede (fall within two months of) the policy announcement, and so are not included expressly in these results, but nevertheless provide important context.

38 https://www.wellsfargo.com/downloads/pdf/about/csr/reports/environmental_lending_practices.pdf