

World's biggest banks increased fossil fuel financing by \$162 billion in 2024: Report

SBI's fossil fuel financing edged up by \$65 million last year, according to Fossil Fuel Finance Report 2025.

Written by [Siddharth Upasani](#)

New Delhi | Updated: June 22, 2025 07:44 IST



🕒 5 min read



The increase in fossil fuel financing by banks in 2024 marked a reversal of decreasing lending to the segment. (File Photo)

The world's largest 65 banks committed \$869 billion in 2024 to companies in the fossil fuels sector, up from \$707 billion in 2023, with State Bank of India (SBI) one of nearly 50 large banks that increased their financing for the same compared to the previous year.

“This growth in fossil fuel finance is troubling because new fossil fuel infrastructure locks in more decades of fossil fuel dependence. As the IEA’s (International Energy Agency) 2024 Energy Investment Outlook report states, ‘(a)chieving net zero emissions globally by 2050 would mean annual investment in oil, gas, and coal falls by more than half’ by 2030,” said the Fossil Fuel Finance Report 2025 by a group of eight environment organisations together called Banking on Climate Chaos Coalition.

To be sure, SBI accounted for only a fraction of the total fossil fuel financing in 2024 and only saw a small increase last year compared to other lenders. As per the report, SBI was the only Indian bank in the top 65 with a \$65 million increase in fossil fuel financing in 2024 from 2023 to \$2.62 billion, putting it at the 47th spot out of the 65 banks, up from 49 in 2023.

In comparison, JPMorgan Chase retained its top spot in the list as it gave \$53.5 billion to fossil fuel companies last year, \$15 billion more than it did in 2023. This is more than SBI’s total fossil fuel financing of \$10.6 billion from 2021 to 2024.

Earlier this year in February, SBI Chairman CS Setty said the bank is targeting to be net zero in terms of emissions by 2055. Before that, the bank is aiming to have at least 7.5 per cent of its domestic gross advances to be green advances by 2030. As at the end of the quarter ended March, SBI’s domestic advances stood at Rs 36.02 lakh crore. It had sanctioned a combined fund and non-fund-based limit of Rs 20,558 crore for sustainable finance activities.

According to [Bengaluru](#)-based think-tank Climate Risk Horizons, coal financing is a “huge blind spot” for Indian banks. “Among the top 1000 BSE-listed banks as of March 2024, only Federal Bank and RBL Bank have adopted explicit coal exclusion or phase-out policies... The economics are clear: coal is no longer the cheap energy source it once was. Renewable energy and storage can now provide electricity at or below the cost of coal, with continued cost declines likely,” the think-tank’s analysts said in a post in March 2025 warning that Indian banks were falling behind in the sustainable finance race.

Also read | Can fossil fuels be regulated like nuclear weapons? The group that is trying, the success achieved so far

Hottest year

The report found that fossil fuel financing by the world's largest banks rose in 2024 after declining in 2023 came amid watering down of exclusion policies and policy rollbacks. "...what was once largely a North American trend is now going global. European banks –often seen as more progressive on climate due to the quality of their sector policies – also began backtracking," it said. In March, **American lender Wells Fargo scrapped plans to become net zero by 2050, weeks after US President Donald Trump signed an executive order announcing the country's withdrawal from the Paris Agreement.**

The US' withdrawal — which will take effect in early 2026 and see the world's largest economy join Iran, Libya, and Yemen as those not party to the Paris Agreement — has been part of a series of steps taken by the Trump administration to promote fossil fuels even in the face of 2024 being the hottest year ever recorded.

In January, the US Treasury Department withdrew its membership of the Network of Central Banks and Supervisors for Greening the Financial System —a voluntary global coalition that looks to mobilise green finance and develop recommendations for climate-risk management in the financial sector — as part of the aforementioned executive order signed by Trump. And ahead of Trump's inauguration, the US' six largest banks left the UN-sponsored Net Zero Banking Alliance.

A committee of the US Senate also approved draft legislation this week that would hit key tax incentives for clean energy.

Trend reversal

The increase in fossil fuel financing by banks in 2024 marked a reversal of decreasing lending to the segment. While nearly \$3.3 trillion has been made available to fossil fuel businesses since 2021, the 65 banks in the 2025 report have committed \$7.9 trillion in fossil fuel financing since the Paris Agreement came into force in 2016.

In 2024, financing for acquisitions increased by \$19.2 billion to \$82.9 billion. While mergers and acquisitions don't directly create new infrastructure, "this consolidation — for which bank financing is critical — is often an attempt to grow the power and competitiveness of fossil fuel companies, at a time when the world actually needs to phase out fossil fuels", the report said.



Siddharth Upasani



Siddharth Upasani is a Deputy Associate Editor with The Indian Express. He reports primarily on data and the economy, looking for trends and changes in the former which paint a picture of the latter. I [... Read More](#)

© The Indian Express Pvt Ltd

TAGS: Fossil Fuel State Bank Of India