# Major US and Japanese banks withdraw from net-zero alliance amid Trump’s return



Major financial institutions in the United States and Japan are withdrawing from the global decarbonization framework, a move attributed to rising legal uncertainties following the anticipated return of former US President Donald Trump to the White House in January 2025. This development has sparked concern due to Trump's known opposition to climate action and the potential implications for international efforts to mitigate climate change.

The central focus of these withdrawals is the Net-Zero Banking Alliance (NZBA), a coalition launched in 2021 under the Biden administration. By 2024, over 140 financial institutions worldwide had joined the alliance, committing to align their lending and investment policies with net-zero greenhouse gas emissions goals targeted for 2050. However, after Trump's electoral victory was confirmed in November 2024, key US banks, notably Goldman Sachs and Citigroup, promptly exited the NZBA. Their departure reflects apprehension about an evolving political environment and heightened legal risks.

This trend has extended to Japan, where major banking groups followed suit. In March, Sumitomo Mitsui Financial Group (SMFG) led the withdrawal, with Mitsubishi UFJ Financial Group (MUFG), Mizuho Financial Group, and others also stepping back. Among the largest Japanese banks, only Sumitomo Mitsui Trust Group remains affiliated with the NZBA.

Underlying these retreat decisions are concerns regarding antitrust regulations. Specifically, there is worry that coordinated efforts to reduce lending to fossil fuel companies could be interpreted as antitrust violations. Within the US political arena, several Republican lawmakers have characterised the NZBA as a "climate cartel." Under the incoming Trump administration—known for policies that disrupt established international cooperation and private enterprise—continued participation in the NZBA is increasingly viewed as a potential legal risk.

Despite these withdrawals, the financial institutions involved assert their ongoing commitment to decarbonization. However, a confidential source within a megabank expressed scepticism about the sincerity of these claims, stating, "Didn't they join because they believed in it? Now it just looks like they're leaving because everyone else is."

Financial institutions’ support has been pivotal in certifying the economic value of decarbonization efforts, even when environmentally sustainable products involve higher costs. This backing has been a driving force in maintaining momentum for climate initiatives. The recent exodus from the NZBA among prominent banks may lead to a significant shift in both the discourse and pace of global climate action.

This report is based on information published by JAPAN Forward and Sankei Shimbun.

Source: [Noah Wire Services](https://www.noahwire.com)

## References

* <https://www.gtreview.com/news/americas/six-big-us-banks-pull-out-of-net-zero-banking-alliance/> - Confirms that the six largest US banks, including Goldman Sachs and Citigroup, exited the Net-Zero Banking Alliance following the 2024 election and speculates on links to Donald Trump's return to office in 2025.
* <https://www.unepfi.org/net-zero-banking/members/> - Provides official data on members and withdrawals from NZBA, including Mizuho Financial Group's withdrawal in March 2025 and the current membership status of Japanese banks.
* <https://www.clearbluemarkets.com/knowledge-base/financial-institutions-withdrawing-from-net-zero-alliances> - Details the broader context of financial institutions withdrawing from net-zero alliances, highlighting the political risks, antitrust concerns, and the characterization of NZBA as a 'climate cartel' by some US Republican lawmakers.
* <https://sustainabilityunlocked.com/discover/insights/Impact-US-Banks-Net-Zero-Banking-Alliance> - Discusses the impact of US banks exiting NZBA and confirms that the alliance still comprises around 141 banks worldwide as of January 2025, emphasizing the political motivations behind the withdrawals.
* <https://www.business-humanrights.org/en/latest-news/net-zero-banking-alliance-drops-15-target/> - Reports on NZBA's strategic shift in climate goals due to member withdrawals, including the loosening of membership rules and abandonment of the 1.5°C alignment target, illustrating the coalition's challenges following major bank exits.
* <https://www.noahwire.com> - The original source publishing the detailed report on the withdrawal of major US and Japanese banks from the NZBA, citing concerns about legal risks under the expected Trump administration and ongoing debates about sincerity of banks' climate commitments.
* <https://news.google.com/rss/articles/CBMijgFBVV95cUxNTVBnM2xWcFZPMUFCVVpZb3o5LWxmRjBVeWRicWdlWFBtc1dEMllEXzJVVmFRZ2dzR3FnMGRIUE9kdDVYUzdWVDYxYjdkOWV0QjhSZGttbVpIWjdMUjMzb283STNiUVotSGgwOGR0UkVRanoxV0NLbGFPWGlYV1NFWERfaTBGcm9uMDcyZTZ3?oc=5&hl=en-US&gl=US&ceid=US:en> - Please view link - unable to able to access data