

Co-operative Financial Services



December 2007

News Release

Co-operative Bank in the North East Powers £400m Investment Boost For Renewable Energy Sector

The Co-operative Bank's North East Corporate Banking Centre (CBC) is backing a further investment of £400m by the Bank in renewable energy and carbon reduction projects.

The ongoing investment in the renewable sector builds on a continuing growth story in the Corporate Banking Division, both in terms of trading activity and profitability. For the first six months of 2007 average lending balances increased by £537m (24%), corporate sector deposits increased by £215m (9%) and profits increased by £4.9m (17.5%)

Kevin Anderson, senior corporate manager at the North East CBC in Newcastle, said: "As we're serious about reducing Co2 emissions, responsible lenders such as ourselves drive innovation, investment and expertise within this sector.

"We've already provided funding for a number of carbon savings schemes where state of the art fuel-efficient systems have drastically cut organisations Co2 emissions. The additional £400 million will accelerate and drive forward our commitment to this sector."

To maintain and support the anticipated growth in business the Bank intends to double its number of corporate banking centres in the next two years.

It currently has 14 Corporate Banking Centres across the UK, including its flagship centre in Manchester and plans to increase this number to 22 with an investment of £18m over the next three years, including new centres in Derby, Bristol and Oxford that opened this year.

As the only high street bank to have a customer-led Ethical Policy the Corporate Banking Division has been able to draw on this as a positive influence for exciting new business opportunities.

As well as expanding its investment within the renewable sector the Bank is also increasing its support for Microfinance initiatives through a special \$50m fund. This money will be used to support the development of small businesses in some of the world's poorest countries.

Kevin added: "The Corporate Banking team has established an excellent reputation in its field, which is centred around a strong product and service proposition underpinned by the Bank's unique ethical positioning.

"The announcement of this investment will significantly increase our lending commitment to the renewable energy and social development sectors and will ensure we remain a UK leader in the provision of ethically based finance."

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For Further Information Contact:

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Notes To Editors:

Key facts about The Co-operative's 'green' credentials, including the current use of renewables:

- 98% of the Co-operative Group's electricity is renewable, consisting of some 3,000 properties.
- In 2005 Co-operative Insurance switched on the UK's largest commercial application of micro-wind, on one of its Manchester buildings. The 19 micro-wind turbines supplying 4% of the buildings energy needs.
- Another of the head office buildings, the CIS Tower in Manchester, is home to Europe's largest vertical photovoltaic array, generating enough electricity to make 10 million pieces of toast!
- The Co-operative Group, in partnership with Scottish Power, provided investment into the opening of Coldham Windfarm in Lincolnshire, which was built on Co-op farmland.
- The Co-operative Bank has provided funding in respect of a new environmentally efficient boiler systems into the Natural History Museum in London, a system that also includes CHP and supplies the Victoria & Albert Museum.
- The Co-operative Bank has also provided funding for the first wind farm in the South East of England (Westmill Co-operative) which is the first 100% community owned scheme in the UK. The scheme will produce pollution-free electricity for over 2,700 homes and avoid the release of over 10,400 tonnes of carbon dioxide per annum. Funding of the £7.6m project is from a public share issue and a loan from the Co-op bank allowing local ownership of the site and maximising the social, environmental and economic benefits to the area.