

PRESS RELEASE

Investors signal appetite for UK Green Investment Bank *They call for sufficient scale and early government support*

London, 10 February 2011 – Chief Executives and other senior figures from major UK investment institutions, representing over £500 bn¹ in assets under management, have written together to the Prime Minister welcoming the creation of a UK Green Investment Bank.

The seven senior executives highlight the significant investment needed in low carbon infrastructure in the UK and express interest in considering future investments in the Bank's securities. They say that a Green Investment Bank "could play an important role to enable and accelerate this major low carbon investment".

Paul Abberley, Chief Executive, Aviva Investors London, one of those signing the letter, said: "We believe the Green Investment Bank would be a positive move to address funding, but it would need to operate at sufficient scale both to bridge the low carbon funding gap and to make its investments attractive to the institutional market."

Neville Richardson, Chief Executive, The Co-operative Financial Services, who also signed the letter, added: "The government should guarantee some of the Green Investment Bank's securities so that it can access capital from a wide range of investors. This is particularly important in its early days and should reduce the costs of raising funds."

¹ At 30 June 2010 or later

The letter was signed also by Bill Seddon (Chief Executive, Central Finance Board of the Methodist Church), Edward Bonham Carter (Chief Executive, Jupiter Fund Management), Richard Wilson (Head of Equities, F&C Management), Mitesh Sheth (Deputy Head of Fixed Income, Henderson Global Investors) and Alex Veroude (Head of Credit, Insight Investment).

The initiative was convened by UKSIF, the sustainable investment and finance association.

Penny Shepherd MBE, UKSIF Chief Executive, said: “As well as accelerating UK low carbon investment, the Green Investment Bank could help to stimulate a major global market in climate-focused bonds. This would be good news for the environment, for the UK’s carbon targets and for the City of London as a world financial centre.”

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Notes to Editors

Letter to the Prime Minister from Major Investors

Dear Prime Minister

As long-term investors in the UK economy, we welcome the government’s commitment to be “the greenest government ever” and to support and enhance the UK’s future economic success by encouraging the transition to a low carbon economy.

There is strong and credible evidence from a range of sources that significantly increased investment in UK low carbon infrastructure is needed to achieve this aim.

We welcome the cross-party support that has developed for a UK Green Investment Bank. Within a trustworthy investable public policy framework, a UK Green Investment Bank of sufficient scale could play an important role to enable and accelerate this major low carbon investment. It may act also as a key player in stimulating a large global

market in climate-focused bond investments and hence accelerate low carbon investments worldwide.

As investors, we are keen to assist the Green Investment Bank to achieve these funding targets where such investment meets our clients' requirements. To this end and to maximise its capital raising ability we would encourage the government to explicitly support some tranches of securities issued by the Green Investment Bank. This will lead to a larger funding base, cheaper funding costs for the new institution and access to huge sources of capital that could otherwise be unable to participate in the funding efforts. Such Government support is particularly important at the beginning of the new institution's existence, but will become less so as the bank develops its own rating.

Therefore, it is of great importance that the government recognises its role in this regard and acts accordingly. If a future UK Green Investment Bank issues significant tranches of securities that meet our clients' requirements, we will be keen to consider them for our portfolios.

Yours sincerely

Paul Abberley, Chief Executive Aviva Investors London, Aviva Investors

Bill Seddon, Chief Executive, Central Finance Board of the Methodist Church

Neville Richardson, Chief Executive, The Co-operative Financial Services

Richard Wilson, Head of Equities, F&C Management Ltd

Mitesh Sheth, Deputy Head of Fixed Income, Henderson Global Investors

Alex Veroude, Head of Credit, Insight Investment

Edward Bonham Carter, Chief Executive, Jupiter Fund Management plc

Assets under management

The sum of assets under management at 30 June 2010 (or later where published) by the seven investment managers exceeds £500 billion.

This total includes over £200 billion invested in fixed income portfolios.

About UKSIF – the sustainable investment and finance association

UKSIF, the sustainable investment and finance association, promotes responsible investment and other forms of finance that support sustainable economic development, enhance quality of life and safeguard the environment. Our 250+ members include over 60 asset managers and other financial institutions, together with pension funds, investment consultants, research providers, non-governmental organisations and financial advisers. For more information, visit www.uksif.org.