

Investing for impact across banking, equities and bonds

The Co-operative Financial Services

The **co-operative** financial services



Business overview

- 330 branches, £70bn assets
- Profits up 21% to £177m in 2009

Co-operative difference

- Democratic ownership structure, accountable to members and customers.
- Each business directed by customer-led ethical policies

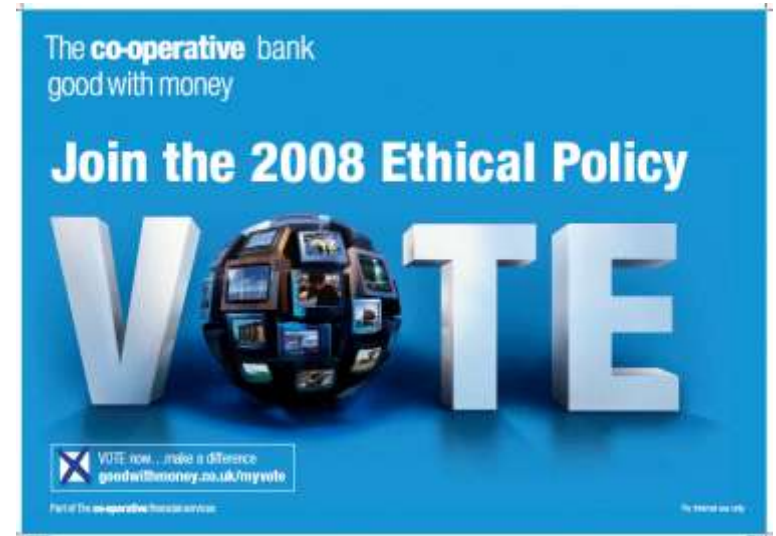
The Co-operative Investments

- Range of three innovative investment funds: Sustainable Leaders, Sustainable Diversified, Sustainable World.
- In addition to ethical screening, funds prioritize investments that make a positive contribution to environment, human welfare and sustainability.
- Three investment themes: demographics, sustainable infrastructure, power and climate change



The Co-operative Bank Ethical Policy

- Ethical Policy launched in 1992
- Determines who the bank will and will not finance
- Customer-led— 80,000 participated
- Reviewed five times – most recently 2009
- Overwhelming customer mandate to support positives including Fairtrade, microfinance, renewables.



Finance for positive sectors

One quarter of lending to orgs making a positive contribution to society – charities, public sector, co-operatives

New **Social Banking Unit**, financing for:

- Renewable Energy,
- Charities,
- Social Housing, and
- Microfinance for the developing world.

We have committed **an extra £200m** to UK renewables projects this year alone.

Micro Hydro: Torrs Hydro

- £71,000 finance for Torrs Hydro New Mills Ltd
- UK's first co-operatively owned hydro project
- Backed by £45,000 grant from The Co-operative Enterprise Hub.
- Electricity supply to local Co-operative Food store



Tiree Renewable Energy

- £1.22m finance for a community-owned wind turbine on Tiree, Inner Hebrides
- Expected to generate some £100,000 a year for local community
- Will finance improved harbour facilities, affordable housing, support for youth groups.



7

What's next? Social private equity, bonds & ISAs

- **Social private equity**
 - CFS has recently committed £14.5m of shareholder capital to social private equity funds
 - Eg Bridges Ventures Community Development Venture Fund II - supporting UK start-ups in the most deprived areas
- **Green Bonds**
 - Eg World Bank Green Bonds, \$1.6bn already issued; proposed Green Investment Bank bonds
- **Green ISAs**
 - Proposed by The Green Investment Bank commission.