

# **Mobilising capital to build a stronger, greener economy**

Shaun Kingsbury, Chief Executive

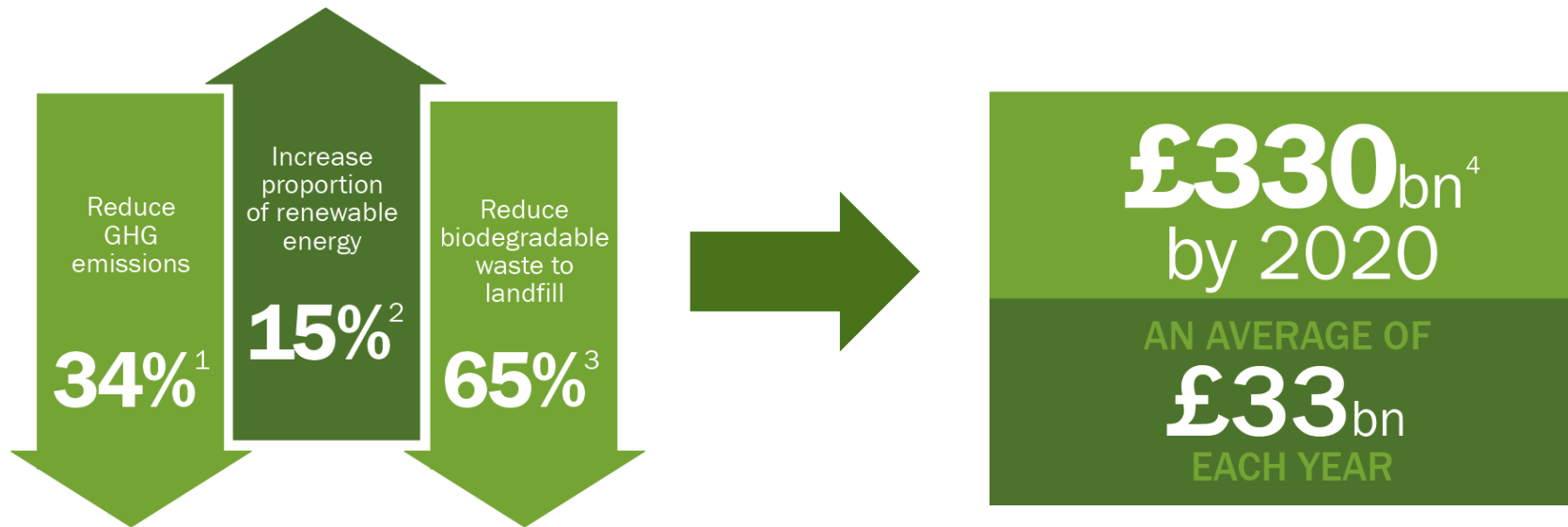
January 2016

# The UK's commitments

1

Our statutory commitments ...

... demand unprecedented investment



Up & running

Investing

Innovating

Profitable

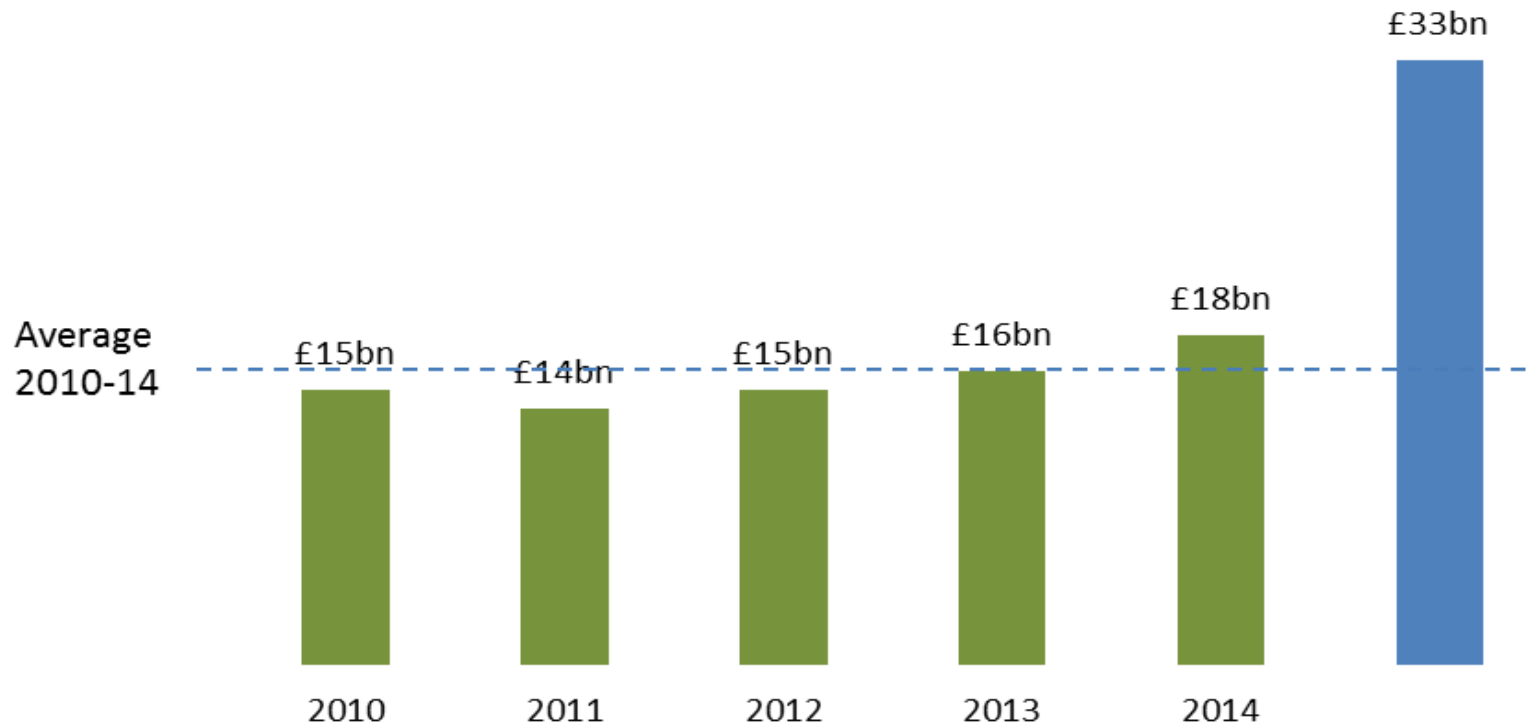
Growing

Notes: 1) vs 1990 levels; 2) from 3% in 2010; 3) vs 1995 levels; 4) Source: Vivid Economics. Estimates of required green investment in the UK varies between £220bn and £500bn depending on sources

# Our starting point

2

Our projected run-rate in green infrastructure investment is consistently half the required amount



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# Who we are

3

100%

Owned by the  
UK Government

£3.8bn

Capital to invest  
in green projects

Mobilise  
private sector  
investment

Accelerate the  
UK's transition to  
a green economy



70

Specialist investors  
and technical experts



**Independent Board**

Chaired by Lord Smith

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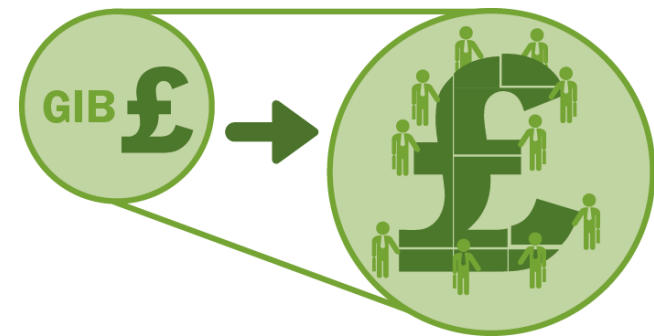
# Our job

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**Our vision:** green and profitable



**Our task:** crowding-in capital



**Our markets:**



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# We are investing

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We have committed **£2.3bn** of capital to **62 projects**

Our investments have mobilised **£10.1bn** to support new infrastructure investment



We have invested in **every** part of the UK, in all of our sectors and using all our financial products



We have backed **large** and **small** projects; from a CapEx of £0.1m to over £1bn



We have set up **8 funds**, with **£510m**, to back small projects



We have backed 6 local authority, 12 commercial and 7 anaerobic digestion waste projects



We've invested £1.3bn in 8 offshore wind projects, including construction equity



We are building a market in energy efficiency, including 2 streetlight conversions and 5 NHS projects

Our investments will cut greenhouse gas emissions equivalent to taking 2.1 million cars off the road



Our investments will save 2.2 million tonnes of waste from landfill



Our investments will produce enough renewable electricity to supply 4.6 million homes

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# 3 Years of Delivery

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We have financed more renewable energy capacity in the UK than any other investor



We have backed 58 projects, committing £2.3bn to transactions with a total value of over £10bn



We have financed over a dozen key green energy technologies



Our portfolio will produce enough renewable energy to power over 4m households – all of Scotland and Northern Ireland

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# Attracting new investors

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New co-investors for 2015-16



## International strategic co-investors



## International financial co-investors



## UK financial co-investors



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Innovating

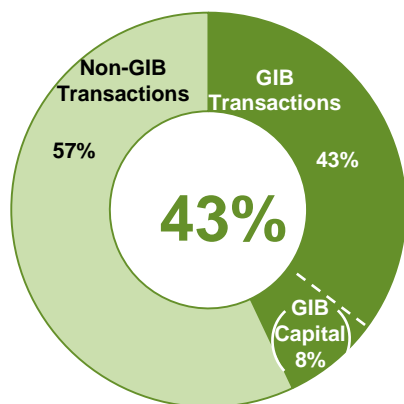
Profitable

Growing

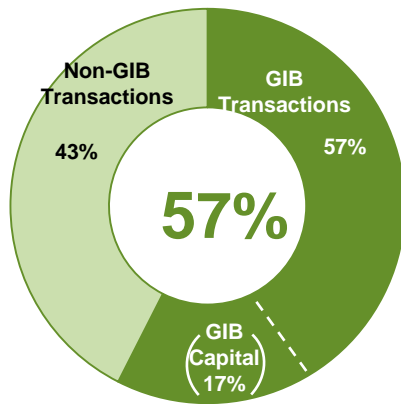


# We are a key part of the UK's Green 8 Economy

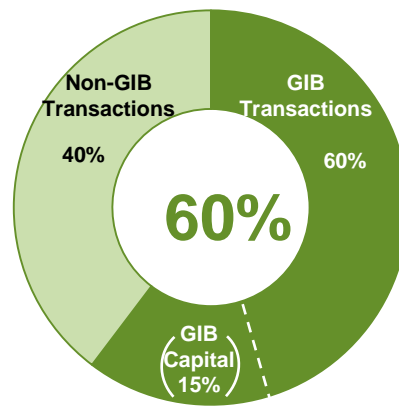
2012/13



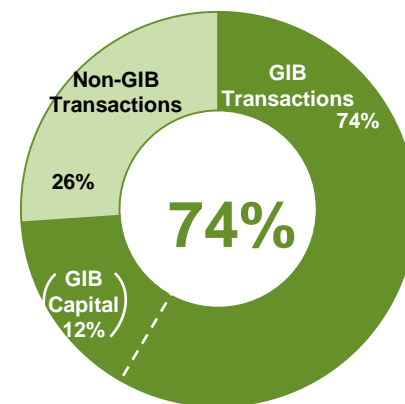
2013/14



2014/15



2015/16 YTD



Note: Figures include mobilised capital and do not include investment in energy efficiency or community scale renewables

2014/15 includes refinancing of Westernmost Rough OSW, where GIB is considered to have mobilised the capital involved, and Sheringham Shoal, where the vendor's released capital is also considered to have been mobilised

Source: BNEF, IJ Online, GIB

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# We are making a difference

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Creating 3,500 new UK **jobs**



Supporting **SMEs** – We've committed £510m to back smaller projects

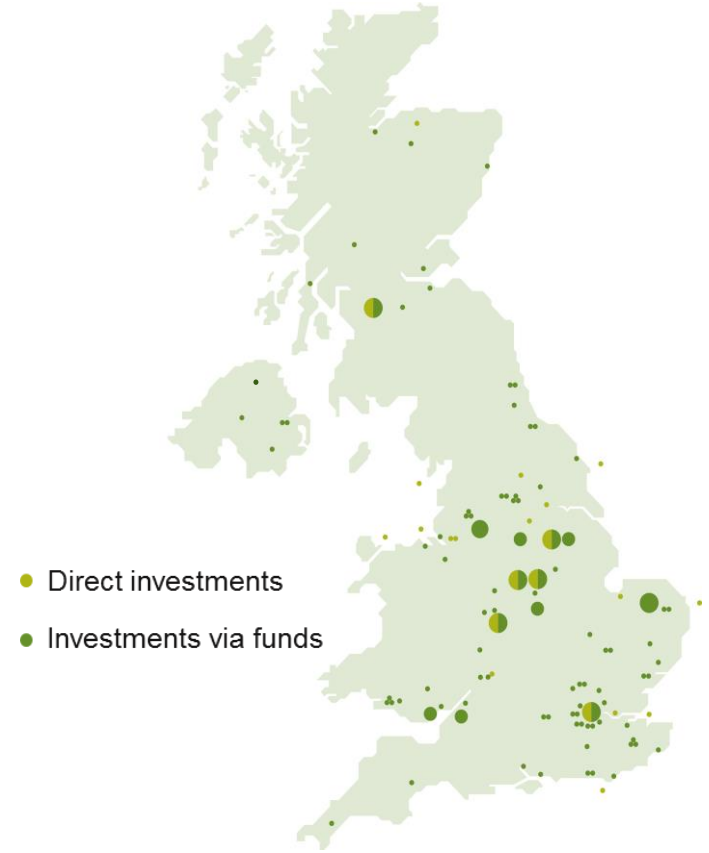


Our sector and technical expertise means that our participation is seen to **de-risk** projects



Lowering the cost of capital in our sectors, including by attracting **longer term investors**

We are financing new infrastructure **across the UK**



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Innovating

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# How it works in practice: 10

## Creating a secondary market in OSW

Creating a stronger market in offshore wind finance

£266m refinancing of  
Masdar's stake in  
London Array

£224m refinancing of  
PGGM and Ampere's  
stake in Walney



BTMU, KfW,  
Siemens, SMBC



Lloyds,  
Santander, RBS, Siemens



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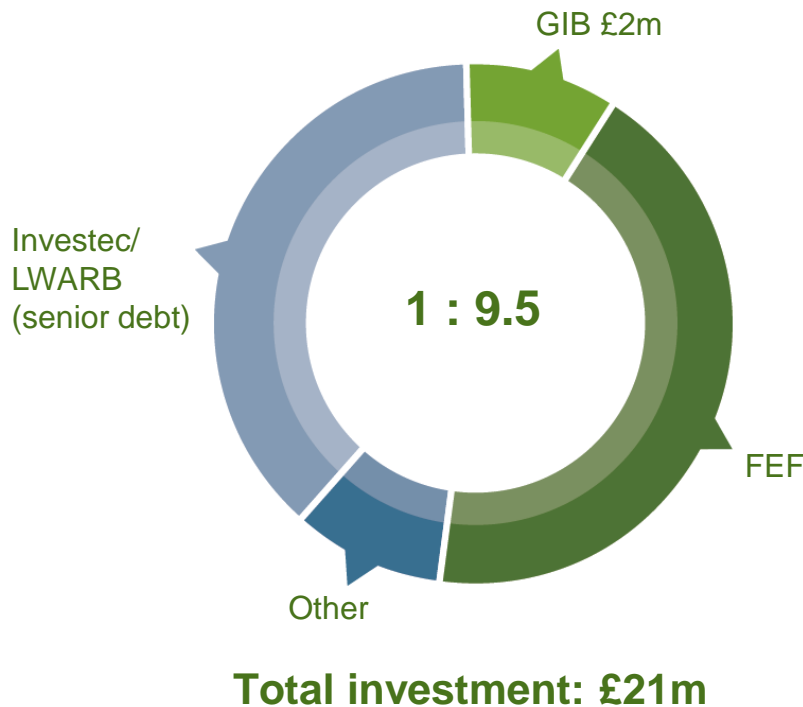
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Growing

# How it works in practice: Dagenham Biogas Plant

11

Early commitment of finance for London's first commercial anaerobic digestion plant, now fully operational



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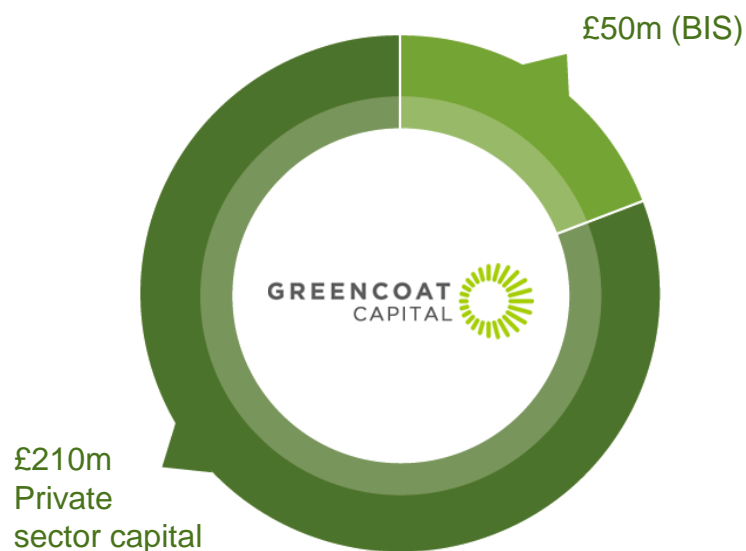
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# We are innovating... In markets

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Greencoat Capital was the first successful listing of its type in the UK, GIB supported BIS in its cornerstone investment



**Total investment at IPO: £260m**

Successful fund listing	Capital Raised
Greencoat (x3)	£468m
Bluefield Solar (x3)	£261m
TRIG (x4)	£507m
Foresight (x3)	£246m
Infinis	£234m
John Laing Renewables	£160m
NextEnergy (x2)	£181m
<b>TOTAL</b>	<b>£2.1bn</b>

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Investing

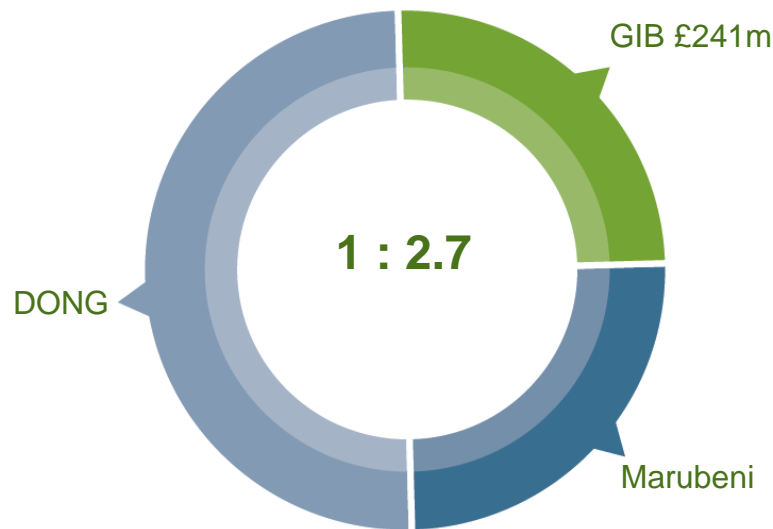
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# ...In financing new technologies 13

Westermost Rough is the first commercial deployment of the Siemens' 6MW turbine, GIB has taken an equity stake during the construction phase



**Total investment: c. £1bn**



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# ...In developing new products

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Green Loan:  
More efficient street lighting

Low fixed rate

Up to 20 years  
term

Designed for  
Public sector  
Energy Efficiency  
projects

Repayments made  
from savings



Up & running

Investing

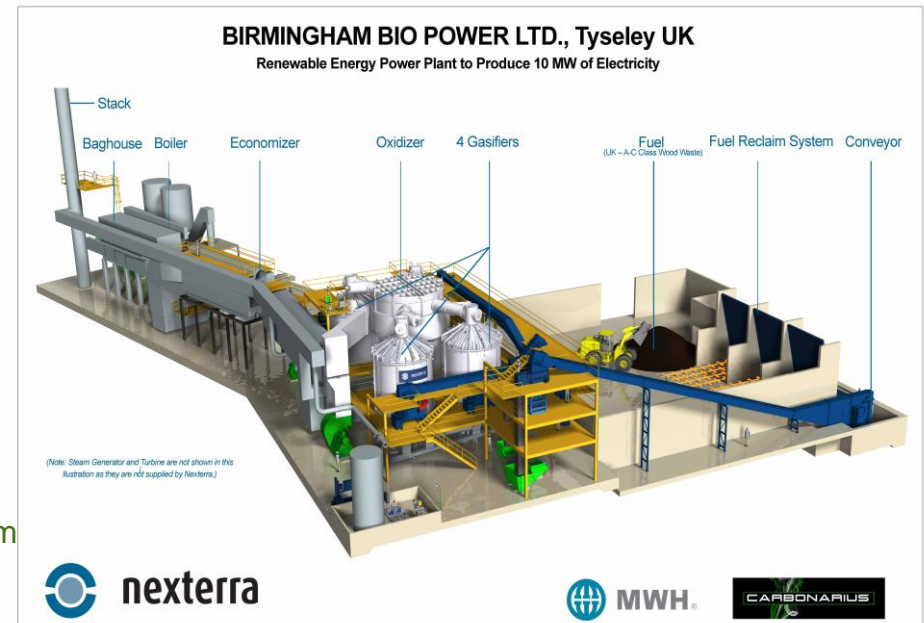
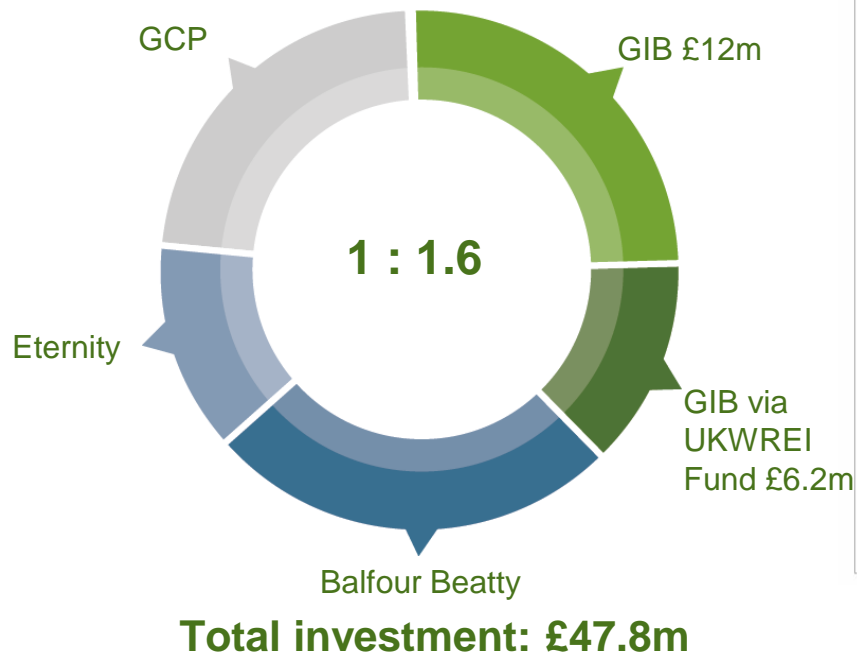
Innovating

Profitable

Growing

# ...In financing new technologies 15

Birmingham Biopower's gasification process is the first of its kind in the UK, GIB has taken a debt and equity position



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# We are investing profitably

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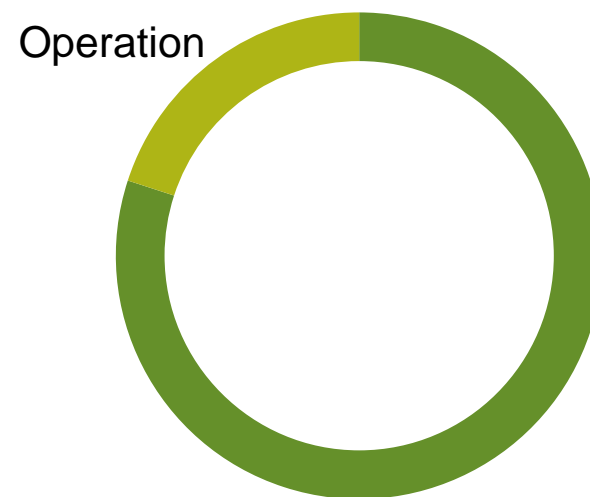
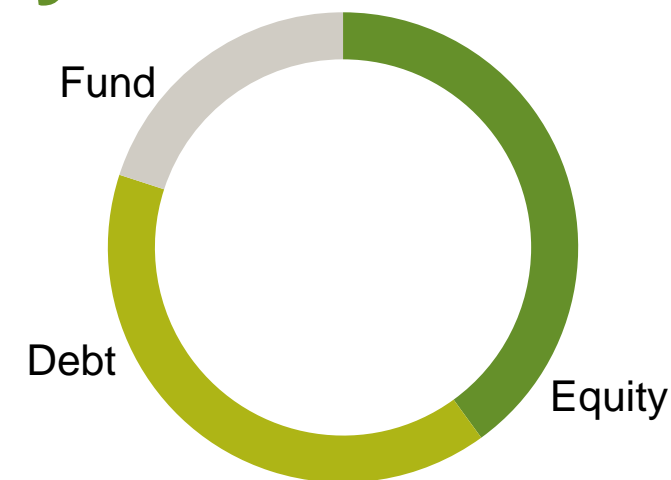
Fundraising is well underway for a £1 billion offshore wind farm



Our portfolio is young and weighted towards equity and construction investments



Once operational our current portfolio is projected to deliver an average return of around 10%



Construction

Growing

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Investing

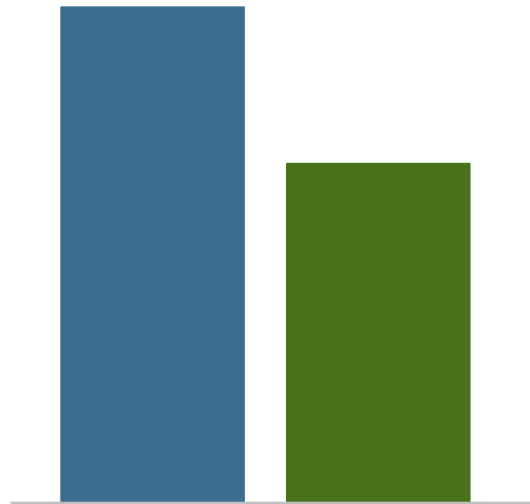
Innovating

Profitable

# A profitable portfolio

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Current portfolio, once operational, is expected to generate an **income** of **£35m to £40m** per annum



Our **costs** have stabilised at below **£25m** per annum

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Innovating

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Enough CO<sub>2</sub> saved to take

2.1m cars off  
the road



Enough renewable power for

4.6m households



750kt

Materials recycled

Annual waste produced  
by 741,000 households



2,240kt

diverted from landfill

Annual waste produced  
by 2.2m households



As per the 11<sup>th</sup> November 2015

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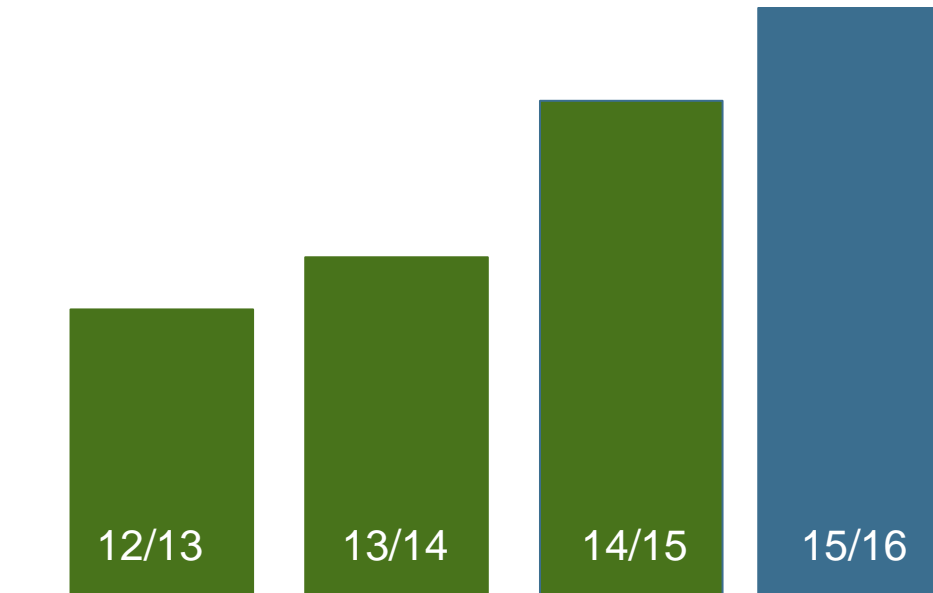
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Note: Forecast Average Annual Impact

# Our plans for the future

Keep investing and innovating



Expand our sector mandate  
Small scale onshore wind and hydro



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# International Expansion



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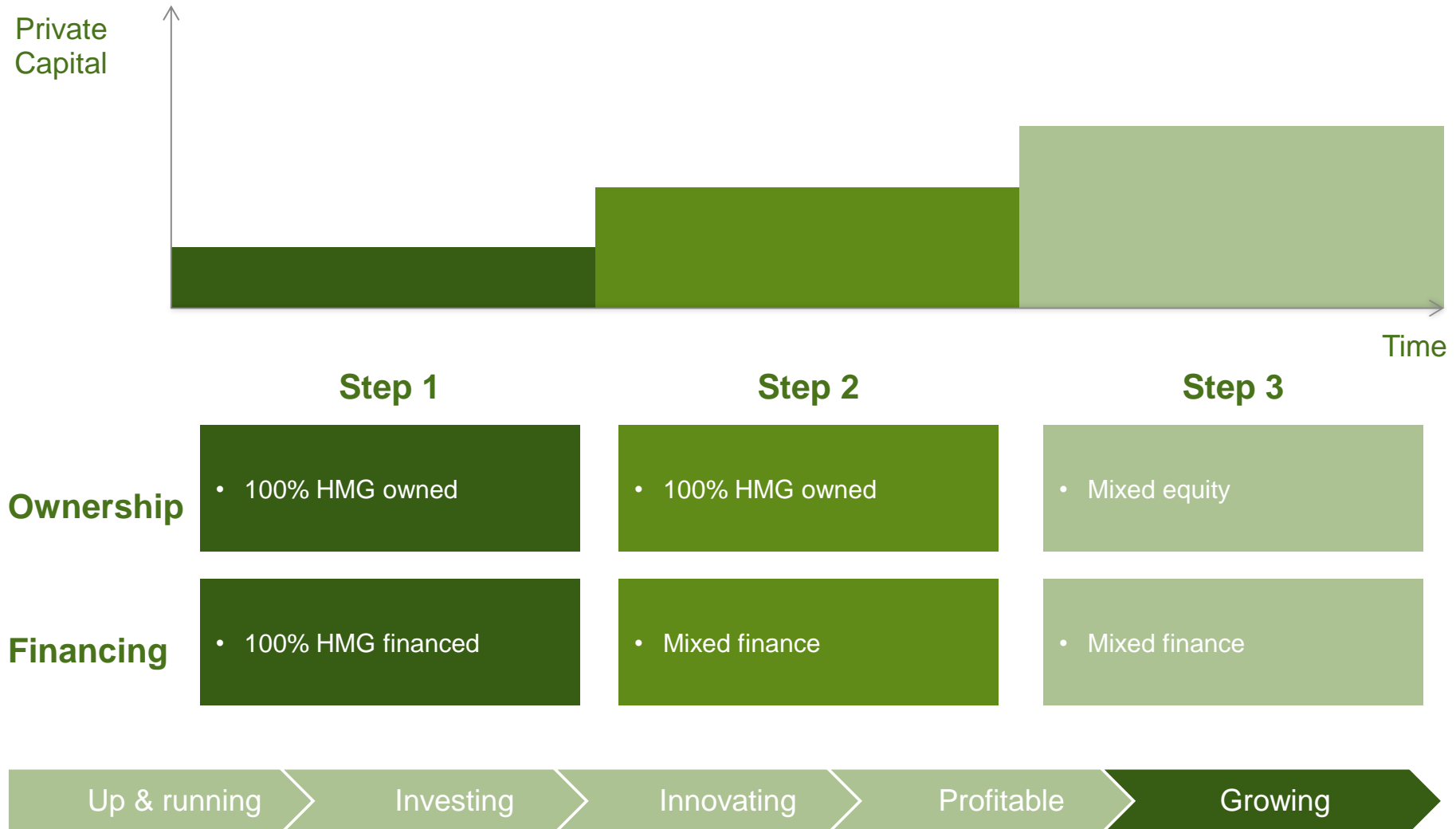
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# Towards a mixed economy of funding



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