

Sale of The Green Investment Bank confirmed

[Macquarie Bank](#), a global investment banking and financial services organisation, has bought the Green Investment Bank which has offices here in Edinburgh and in London. The £2.3 billion deal means that the government makes a profit on its investment and Nick Hurd MP, Minister for Business, Energy and Industrial Strategy delivered a statement to the House of Commons this morning saying that it ensures the GIB continues its green mission in the private sector.



The price comprises proceeds from the sale of around £1.7 billion, with a further £0.6 billion of GIB's current outstanding commitments which will be met by Macquarie and its partners, rather than by taxpayers. As part of the transaction, a number of GIB's offshore wind assets will be moved into a new offshore wind investment vehicle, which GIB will manage and hold a 25% stake.



The government will continue to hold a £130 million portfolio of a small number of GIB's existing investments. This portfolio will continue to be managed by GIB until these investments can be sold on in a way which returns best value for taxpayers' money.

Lord Smith of Kelvin, independent chair of GIB, said: "The GIB Board supported the decision to privatise GIB as it believed that attracting new investors was the best available route to securing the long-term future of the business and its growing green impact.

"The UK Government has run the GIB sale process and has now reached a final decision on its outcome. The GIB Board has provided its views to Ministers at key stages. Those views

related to the future prospects of GIB, its continuing growth and its leadership role in green investment. GIB is a highly valued institution and commitments over its future are important to its many stakeholders.

“Macquarie has made significant and important commitments to the UK Government to maintain GIB as a discrete entity within its business, maintaining GIB’s investment focus and approach with a target to invest more capital each year than GIB has historically. Macquarie will also uphold GIB’s green investment principles and report transparently on GIB’s green impact. Macquarie will utilise the market-leading expertise of the existing GIB team and will build on GIB’s deep commitment to Edinburgh.

“On the basis of these commitments, we believe Macquarie can be a good owner of GIB and we support the Government’s decision to sell GIB to Macquarie. We look forward to seeing these commitments from Macquarie delivered, in full, in the months and years ahead.

“In addition, the involvement of USS and MEIF 5 as new investors in GIB’s assets is positive; these types of institutions are well-suited to the long-term ownership of large-scale green infrastructure assets. This approach mirrors GIB’s recent success in raising a £1bn offshore wind fund and selling three GIB assets to that fund.

“In the four years since its inception GIB has become an important business in, and for, the UK. It is widely admired, across the world, as a stand-out success story and has provided a model of good policy that other countries are now following.

“GIB in private ownership can, and should, continue to play an important leadership role in supporting the global low carbon transition and the UK Government’s ambitious plans for a strengthened industrial strategy and emissions reduction.”

The Scottish Government said this morning it has welcomed commitments from the new owners of the Green Investment Bank on the future of the Edinburgh-based institution.

The UK Government announced plans to privatise the Bank in 2015, a decision that was not favoured by the Scottish Government.

The Macquarie Group has pledged to strengthen its commitment to Scotland by providing important new opportunities for the country’s low carbon industries and financial sector. Ministers have pledged to hold the company to account to ensure it delivers on its commitment.

The Scottish Government has been working to secure the Bank’s future, while highlighting the business opportunities and professional expertise available in Scotland.

Ministers had also stressed the importance of maintaining the Bank’s green focus, and the role it has played in the remarkable success of Scotland’s renewable energy industry.

Economy Secretary Keith Brown said: “I welcome the Macquarie Group’s clear commitment to Scotland and the assurances we have received that it will maintain the Green Investment Bank’s unique identity and its focus on the green projects that are key to Scotland’s continued economic success.

“This announcement is testament to the talent and opportunity to be found here and I look forward to working with the Macquarie Group to ensure its ambitious plans for Scotland are realised.

“The latest statistics show the number of people employed in the renewable and low carbon industries here has risen to 58,500, highlighting the sector’s strong record of success in Scotland.

“This, alongside Edinburgh’s leading role in the financial services sector, means Scotland is uniquely well placed to support investment decision-making in renewables and low carbon projects and I will continue to work with the Macquarie group to underline this.

“The Macquarie Group has indicated that staffing levels at the Green Investment Bank’s Edinburgh offices will be maintained and are likely to increase overall in the longer term. We will follow developments closely in the months and years ahead.”

Commenting on the news that the Green Investment Bank has been sold to Macquarie Bank, Deidre Brock MP said: “This sale is deeply disappointing news although not altogether unexpected. It comes from a Tory Government prepared to waste millions on overpriced new nuclear while cutting vital commitments to our renewables industry.

“I’m relieved by the reassurances that jobs in Edinburgh will be retained but I hope under these new owners the bank will not be quietly stripped of its assets and remain green in name only. I’ll be seeking to meet with them and discuss their plans to ensure they remain true to their environmental purpose.

“The Tories have proven yet again they can’t be trusted with our public assets, they will always put profit before public good. We need to take the chance of this election to get rid of them before they do any more damage.”

Green MSP Andy Wightman says that GIB’s environmental credentials are “now in tatters”.

Wightman, who has been campaigning to keep the bank open in

Edinburgh, is requesting a meeting with GIB's chairman to seek guarantees that the bank will remain true to its Green credentials.

Lothian MSP, Andy Wightman said: "The green credentials of the supposed Green Investment Bank are now in tatters. Why would the new owners allow for genuine green investments to be made if they are going to impact on the profitability of the company's previous investments? I don't expect the public to fully trust that GIB will make the right investments in renewables project that could eventually make fossil fuel methods redundant.

"As an MSP for the capital, I'm pleased that jobs will remain in the city. Edinburgh has a proud history of financial prudence, which has been inappropriately rocked in recent times by unscrupulous banking practices. With this sale I hope to see it return to responsible lending and investing that will be carried out with the due diligence that consumers expect."