

BANKS ARE STARTING TO LOOK A GREENER OPTION

BANKS WERE at the epicentre of the global financial crisis. Investors have been reluctant to reallocate to the banks and valuations remain a long way from pre-crisis levels.

We've been more positive on the outlook for banks, including their role in the energy transition.

A driving piece of regulation, the UN Net Zero Banking Alliance, has helped this. Crucially, it requires banks not just to assess their own operations, but those of the businesses they finance and invest in.

This initiative ought to spark much-needed progress. For small, green infrastructure operators, access to traditional avenues of finance has been tricky to come by. The tide, however,

is beginning to turn.

Barclays, for example, is aiming to facilitate over £100bn in green financing by 2030, supporting the transition by providing green loans, green bonds and project finance focused on renewables, energy efficiency and sustainable transport. But social and environmental sustainability requires more than innovation; it requires broad-based change across industries and supply chains. In this regard, Barclays has announced a collaboration with one of the leading energy, water and carbon reduction specialists, to help its corporate clients reduce emissions and pivot to more sustainable practices.

The challenge for banks is striking the right balance between supporting start-ups and innovators, while not starving incumbents or hard-to-abate sectors of capital. This means intermediating in the gradual transition from current cash flows to more environmentally sustainable technologies and processes with longer-term returns. The

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infrastructure we so often associate with a greener world – wind turbines, solar panels, battery storage and electric vehicles; are all heavily reliant on a range of industrial businesses, metals and minerals.

The transition to net-zero requires widespread changes to public policy, consumer and corporate behaviour. It also depends on significant capital investment to adapt and mitigate the effects of climate change in every industry. Governments and policy-makers will play their part, but as they have made clear, much of the heavy lifting will fall to the private sector, with banks acting as a transmission mechanism for change and policy deployment. ●

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KEY INDICATORS

UK GDP QoQ	+0.8%	(31 March 2022)
UK GDP YoY	+8.7%	(31 March 2022)
Current inflation rate (RPI/CPI)	+12.3% / +10.1%	(31 July 2022)
Wage inflation YoY	+5.1%	(30 June 2022)
Unemployment rate	3.8%	(30 June 2022)

Sources: Bank of England, Office of National Statistics.

The rates below are the highest published and can be used to negotiate with other banks which may match or better them if asked. Please note that the creditworthiness of an institution is of critical importance and that credit rating is just one of a number of factors to take into consideration.

Best rates at 12.08.22 shown gross	Account	Notice/term	Deposit	Gross	Int paid	Best rates at 12.08.22 shown gross	Account	Notice/term	Deposit	Gross	Int paid
NO NOTICE ACCOUNTS £1						NOTICE ACCOUNTS £50K					
Skipton BS	Community Saver Issue 9	Instant	£1	1.05%	Y	United Trust Bank	Charity 200 Day Notice	200 Day	£5,000	1.90%	Y
Bath BS	Charity	None	£1	0.89%	Y	United Trust Bank	Charity 100 Day Issue 1	100 Day	£5,000	1.75%	Y
Unity Trust Bank	Instant Access	None	£1	0.65%	Q	Cambridge & Counties Bank	Business, Trust and Charity 14	95 Day	£10,000	1.65%	Y
Stafford Railway BS	Pullman	Instant	£1	0.55%	Y	Redwood Bank	Business Savings Account (11)	95 Day	£10,000	1.45%	Y
Monmouthshire BS	Community Saver - Issue 2	Instant	£1	0.50%	Y	Cater Allen Private Bank	Business Notice 35 Account	35 Day	£1	1.44%	M
NO NOTICE ACCOUNTS £50k						CHEQUE ACCOUNTS					
Charity Bank	Ethical Easy Access	None	£10,000	1.16%	Q	Virgin Money	Business Charity Choice Account	Instant	£1	1.00%	M
Skipton BS	Community Saver Issue 9	Instant	£1	1.05%	Y	CAF Bank	CAF Cash Account	Instant	£1,000	0.15%	Q
Bath BS	Charity	None	£1	0.89%	Y	Santander	Corporate Current Account	Instant	£1	0.00%	M
Unity Trust Bank	Instant Access	None	£1	0.65%	Q	Bank of Scotland	Business Current Account	Instant	£1	0.00%	M
Earl Shilton BS	Endeavour Account	Instant	£10,000	0.65%	Y	Cumberland BS	Business Account Option A *	Instant	£1	0.00%	Y
NOTICE ACCOUNTS £1						FIXED RATE ACCOUNTS					
Cater Allen Private Bank	Business Notice 35 Account	35 Day	£1	1.44%	M	Union Bank of India (UK) Ltd	Fixed Rate Deposit	5 Year	£1,000	3.35% ^f	Y
Virgin Money	120 Day Business Notice Account	120 Day	£1	1.35%	M	Union Bank of India (UK) Ltd	Fixed Rate Deposit	3 Year	£1,000	3.30% ^f	Y
Virgin Money	95 Day Business Notice Account	95 Day	£1	1.25%	M	Union Bank of India (UK) Ltd	Fixed Rate Deposit	4 Year	£1,000	3.30% ^f	Y
Virgin Money	65 Day Business Notice Account	65 Day	£1	1.10%	M	Union Bank of India (UK) Ltd	Fixed Rate Deposit	2 Year	£1,000	3.20% ^f	Y
Virgin Money	30 Day Business Notice Account	30 Day	£1	1.00%	M	Union Bank of India (UK) Ltd	Fixed Rate Deposit	18M	£1,000	3.00% ^f	Y

A = Provider operated under Islamic finance principles, rate shown is expected profit rate F = Fixed Rate OM = On Maturity * = Local area only All rates are shown gross variable unless otherwise shown. Methods of opening and operating accounts will vary. Eligibility criteria applies for cheque accounts to qualify for rates shown, rates paid up to a specified level only. All rates and terms subject to change without notice and should be checked before finalising any arrangement. **No liability can be accepted for any direct or consequential loss arising from the use of, or reliance upon, this information. Readers who are not financial professionals should seek expert advice.**

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