

# Ameriabank CJSC



Ameriabank CJSC is the second-largest bank in Armenia, offering a full range of corporate, SME, retail and investment banking services. It aspires to become the leading SME bank in the Armenian market.

## COUNTRY

Armenia

## SECTOR

Finance

## EMPLOYEES

367

## TOTAL ASSETS / NET PROFIT

2009: USD 269 mln / USD 4.0 mln

2010: USD 421 mln / USD 9.0 mln



## BETTER BUSINESS

- In a record time of five months, Ameriabank incorporated environmental social risk management into their banking processes through the implementation of an Environmental and Social Management System (ESMS).
- After implementation of the ESMS in 2010, FMO and co-financier DEG granted Ameriabank a reduction in interest rate on a USD 30 million loan.
- FMO is the first development bank in the world to develop a framework offering a reduced interest rate to borrowers who meet environmental, social and good governance (ESG) standards within a set time frame.

*"Through our Environmental and Social Risk Management Policy, we created the framework and culture for understanding and managing our direct and indirect environmental and social impacts, risks and opportunities."*

*Artak Hanesyan, Director General of Ameriabank*

## BUSINESS RESULTS

- **Access to finance** – Commitment to implementing environmental and social risk management into banking processes facilitated Ameriabank's FMO loan approval.
- **Securing investor confidence** – Based on its fully functioning ESMS, Ameriabank obtained further loans from development finance institutions IFC and EBRD.

- **Cost reduction** – Ameriabank could save up to USD 300,000 on interest payments, if the ESMS remains implemented.

## RISKS

- **Reduced portfolio risk** – Ameriabank finances hydropower plants and the ESMS was designed to take into account the risks associated with hydropower plants and dams.
- **Reduced reputational risk** – Mitigates environmental and social risks that might damage the institution's reputation.
- **Reduced collateral risk** – The ESMS ensures proper management of sites – ranging from factories to plots of land – that serve as collateral, to protect their value.

*Through its financing, FMO promotes the implementation of best practices in environmental, social and good governance (ESG) standards.*

FMO

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