



# Ameriabank

## Green Bond Case Presentation

June 9, 2022



# Ameriabank at a Glance

- **The Leading Bank in Armenia**

1st in the market by key financial indicators for almost a decade

- **Innovator and trend-setter**

Omni-channel distribution platform with focus on digital and superior customer service

- **Best in class ESG practices**

Best practice in corporate governance and the first Green Bond issuer in the country

- **Strong Team and Corporate Culture**

Unique culture, professional and experienced management team

- **Honored with high-ranking international awards**

The Best Bank, Best Investment Bank for 2021 and 2022 by Global Finance and recipient of the Award for Excellence in 2021 by Euromoney



# Ameriabank at a Glance



**23**  
branches



**1,157**  
employees



largest ATM  
network in  
the capital



## Liabilities

AMD 977.7 bn



## Assets

AMD 1,113.6 bn



## Net Profit

AMD 19.4 bn



## Equity

AMD 125 bn



## Loans

AMD 713 bn

## S&P

Long-Term	B+
Short-Term	B
Outlook	Stable
SACP	bb-

## Moody's

Bank deposits	B1/NP
BCA	B2/NP
CRA	Ba3(cr)/NP
Outlook	negative



# Green Bond Framework and project

A debut issue of 5 year EUR 42 million Green Bond in November 2020.

First bank in Armenia to place green bonds via public offering with the total volume of USD 8 million and AMD 3 billion in February 2022.

- Ameriabank's Green Bond Framework (GBF) is consistent with the International Capital Market Association's ("ICMA") current **Green Bond Principles** ("GBP").



- Green Bonds issued by Ameriabank are in line with the **UN Sustainable Development Goals** (SDGs) and promote the following goals:



# Eligible Green Assets Categories



Renewable Energy



Land Use and aquatic resources



Energy Transmission  
Distribution and Storage



Energy and Resource  
Efficiency in industry



Sustainable Transport



Waste Management



Water



IT Solutions



Sustainable Buildings



# Benefits from Green Bonds Issuance

## ● **New opportunities to raise capital**

- Green Bonds have proved attractive to growing number of institutional investors with an appetite in sustainable investment alternatives.
- This market has been growing exponentially reaching USD 1 trillion according to expert estimates and will be expanding further.

## ● **Investor base diversification and new league of investors**

- The Green Bond project put Ameriabank in a different league, where impact investors are very much interested to explore and do business with us.

## ● **Support the transformation to more sustainable financing**

- Committed to doing business responsibly, with thorough sustainability, environmental and social risk management policies in place
- Green Bond project being a new level and an important milestone with boosting effect on the transformation to more responsible and sustainable financing.

## ● **Enhanced knowledge in sustainable finance, support to building expertise**

- Significant experience in green financing (we were among the first banks in the market actively financing RE/EE projects and have a large RE/EE portfolio)
- Green Bonds project being a very good learning curve
- Teams with deep knowledge in green financing






# Challenges faced and how they were overcome

- **Alignment of our existing green business with Green Bond principles**
  - New jargon/terminology, new approach
- **Identifying use of proceeds and eligibility criteria**
  - The scope for GBF
  - Right criteria (thresholds, quantitative indicators, etc.)
- **Internal processes management, engagement and coordination**
  - Working group establishment
  - Cooperation with the regulator and other external parties
  - Timing and coordination
- **Impact reporting**
  - Based on key impact indicators by each of the category
- **The first ever green bond project in Armenia**
  - “Translating” the jargon and practices into Armenian bond market rules and principles
  - Bonds issued in the local market, with international/non-resident investors
  - Green bond Prospectus drafting and registration process



# Green Bond reporting

Ameriabank prepares and publishes an Annual Green Bond Report on its website. The Report will be renewed annually for the entire duration of the project. Annual Green Bond Report consists both of allocation and impact metrics as detailed below. The Green Bond Report will specify the total amount of assets in the applicable product categories (Green Assets Portfolio) and the total outstanding amount raised by their Green Bond issuances.

	BOND ALLOCATION PER EACH ELIGIBLE CATEGORY (%)	TOTAL ALLOCATED AMOUNT (EUR - MN)	TCO2E EMISSIONS AVOIDED
	Solar Stations	14.17	85,689.80
	SME Solar and solar Leasing <sup>2</sup>	8.63	18,255.54
	Small hydropower plant projects <sup>3</sup>	22.72	24,917.00

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**45.52 TOTAL ALLOCATED AMOUNT (EUR - MN)**





# Geographic distribution

**128,862**

TCO2E EMISSIONS

**30%**

NEW PROJECTS

**70%**

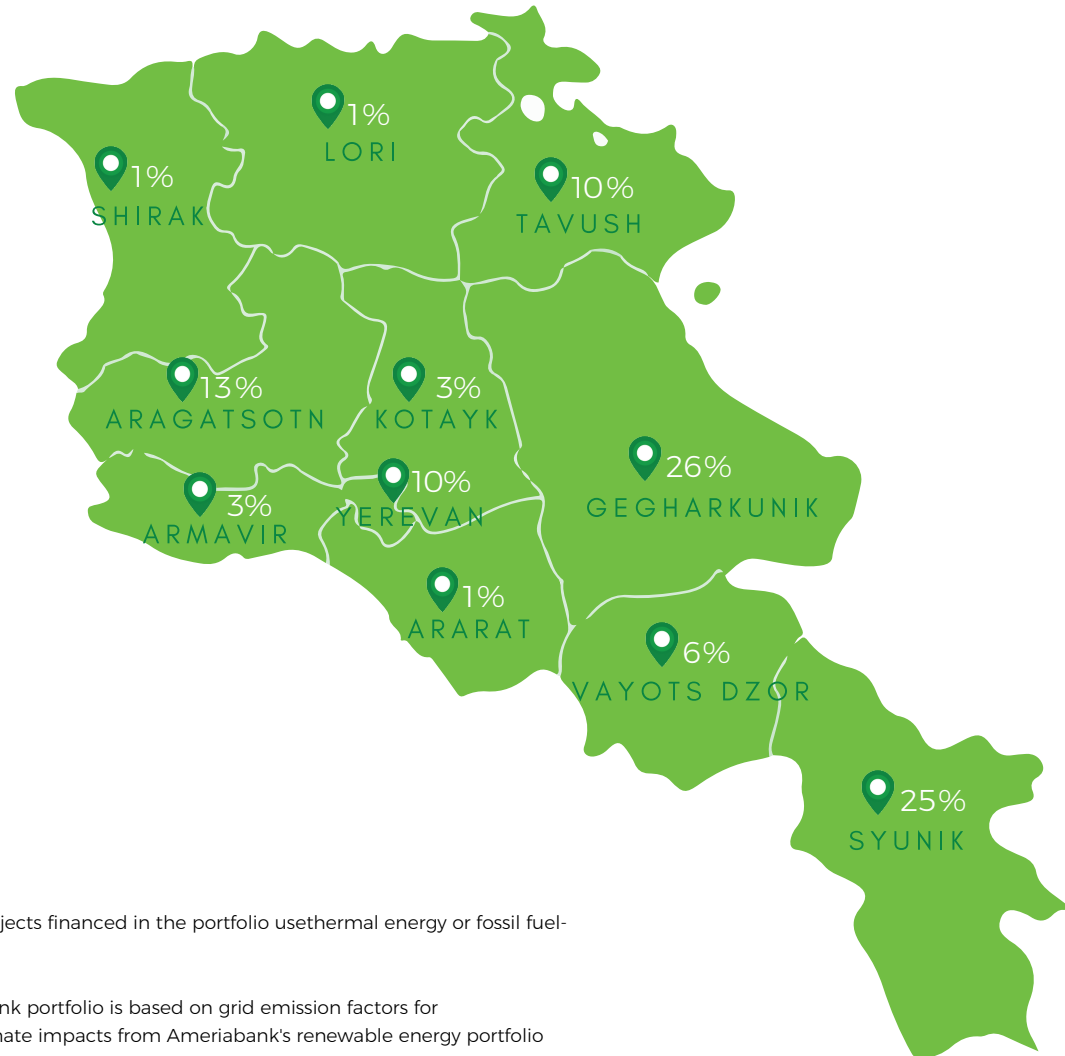
OF REFINANCING PROJECTS

**145**

NEW JOBS CREATED

**156,571**

ESTIMATED ANNUAL PRODUCTION



1. As of December 31, 2021.

2. These projects include SME Solar and Solar Leasing projects. None of the solar energy projects financed in the portfolio use thermal energy or fossil fuel-based backup.

3. All financed small hydropower plants have capacity <10 MW and not based on reservoirs.

4. GHG Calculation The method used to calculate the avoided GHG emissions for Ameriabank portfolio is based on grid emission factors for Armenian powersystem. GHG Accounting for Renewable Energy Projects measured the climate impacts from Ameriabank's renewable energy portfolio by calculating the avoided GHG emissions from loans and investments in projects financed through Ameriabank. The avoided GHG emissions were calculated by taking the estimated or actual electricity production of the project, measured in kw/h, multiplied by a country specific emission factor. The calculations are valid based on the portfolio as of December 31, 2021.

