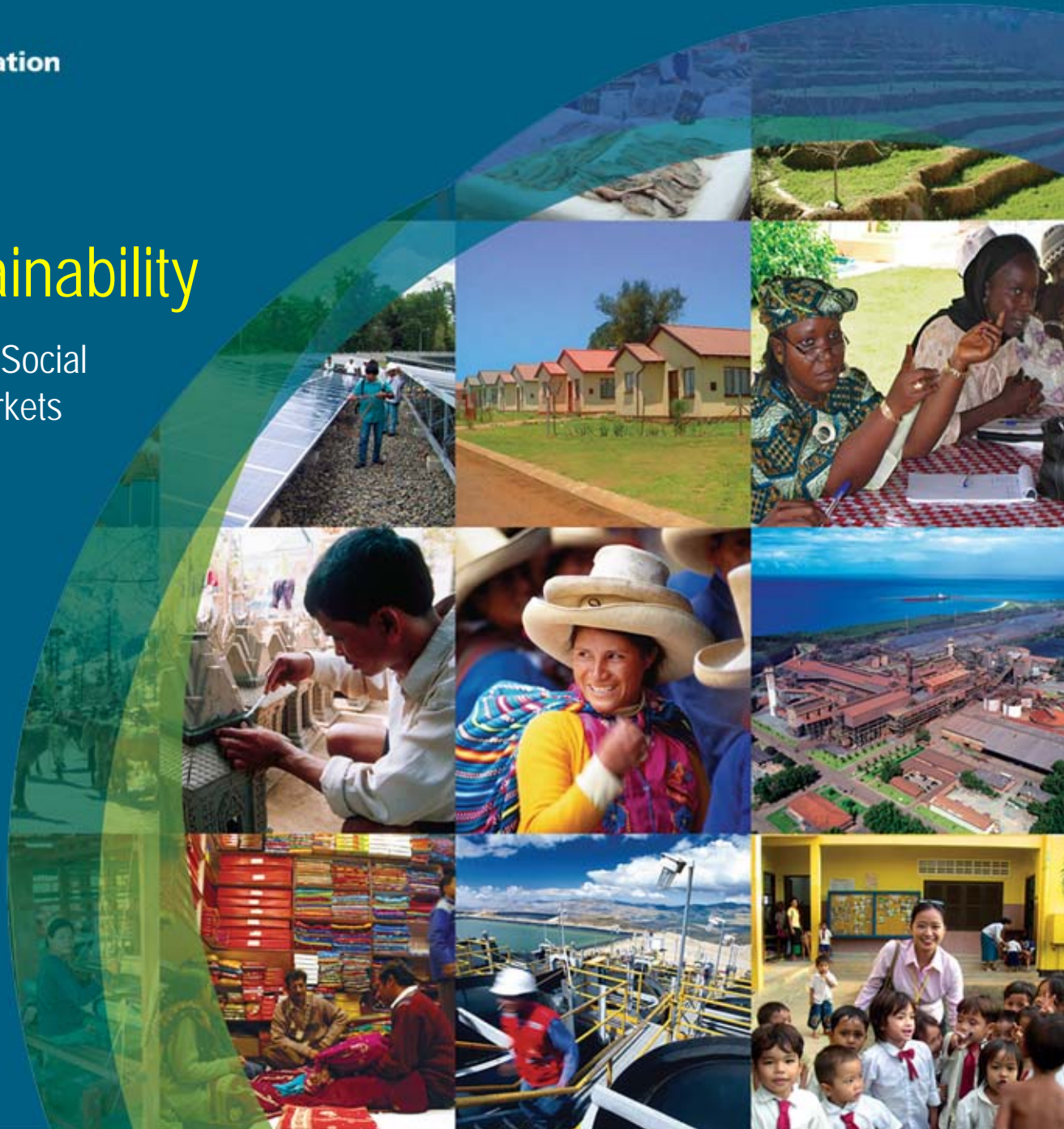




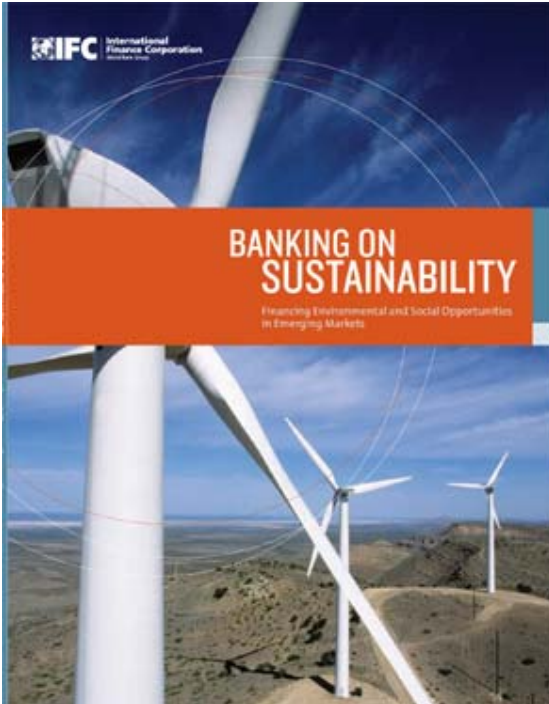
**International  
Finance Corporation**  
World Bank Group

# Banking on Sustainability

Financing Environmental and Social  
Opportunities in Emerging Markets



# Banking on Sustainability: Financing Environmental and Social Opportunities in Emerging Markets - Publication



- The report shows evidence of the potential benefits of adopting sustainability as a business strategy. It also shows a dramatic shift in banks' awareness of these benefits. Banks can tap vast benefits by reassessing their business practices and engaging in sustainability-oriented risk management and product development.

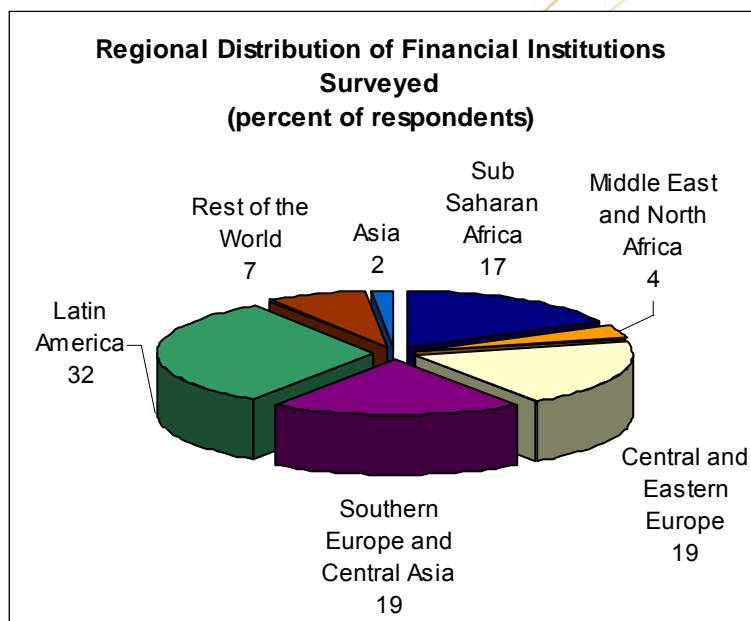
<http://www.ifc.org/sustainability>

<http://www.ifc.org/enviro>

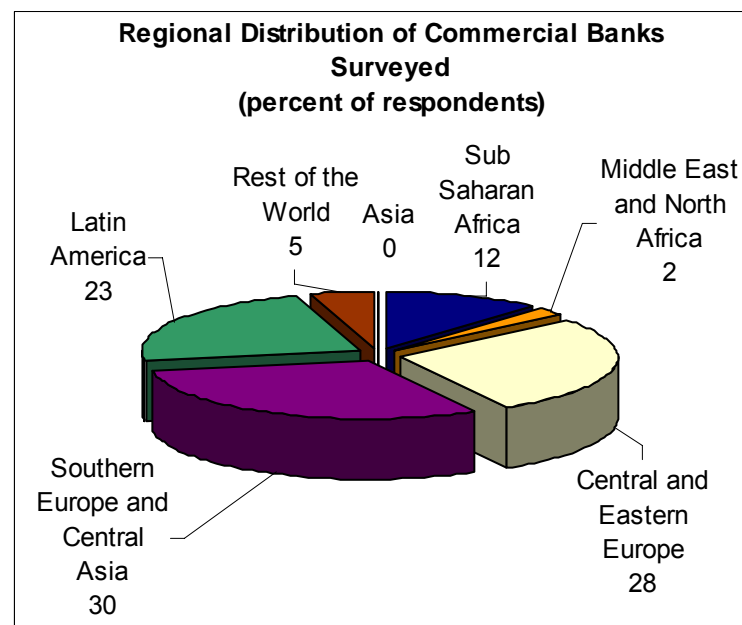
<http://www.ifc.org/gfm>

# Respondent profile

## All Respondents



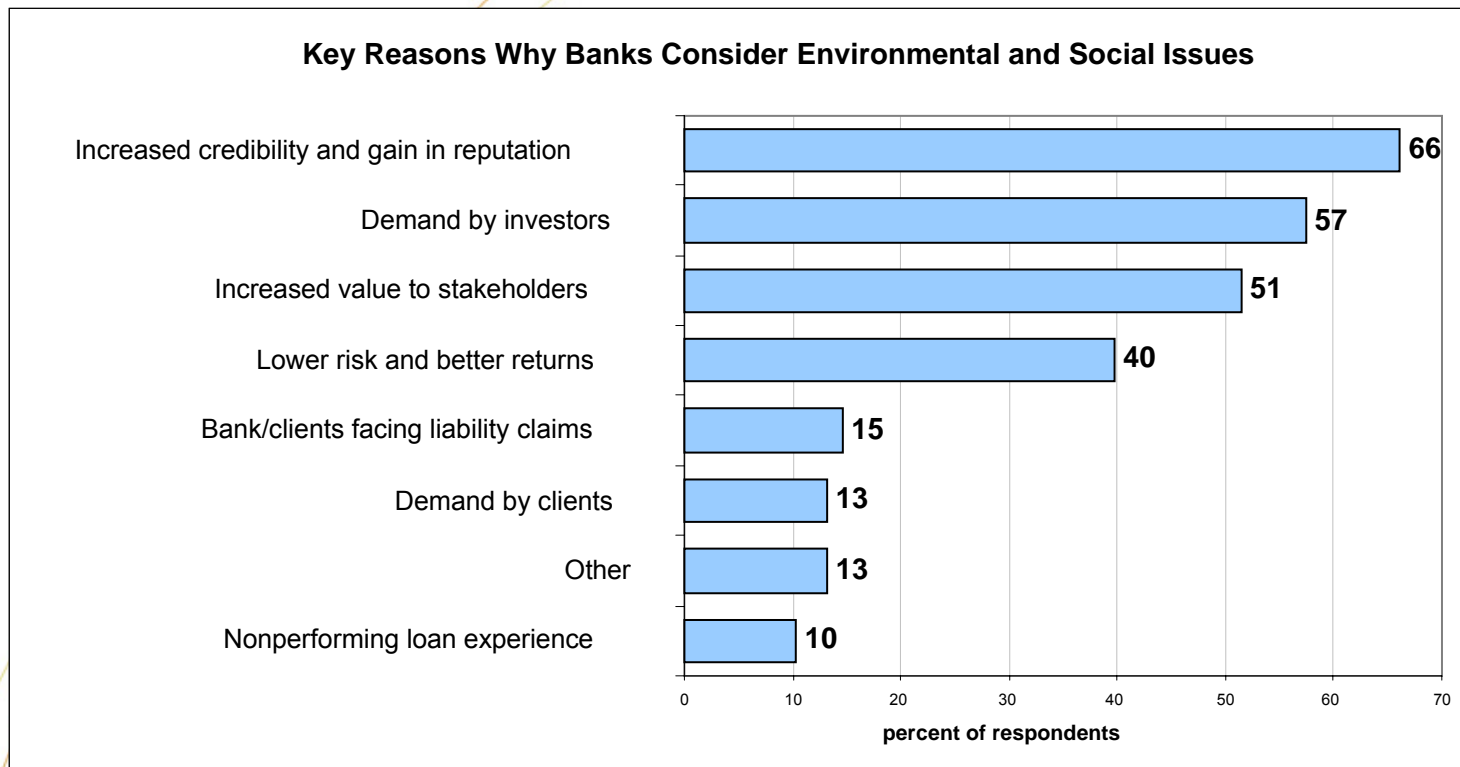
## Commercial Bank Respondents



- Sustainability is now increasingly recognized as central to the growth of emerging market economies.
- For the private sector, this represents both a demand for greater social and environmental Risk Management as well as a new landscape of business opportunities.

# Reasons Why Banks Consider Social and Environmental Issues

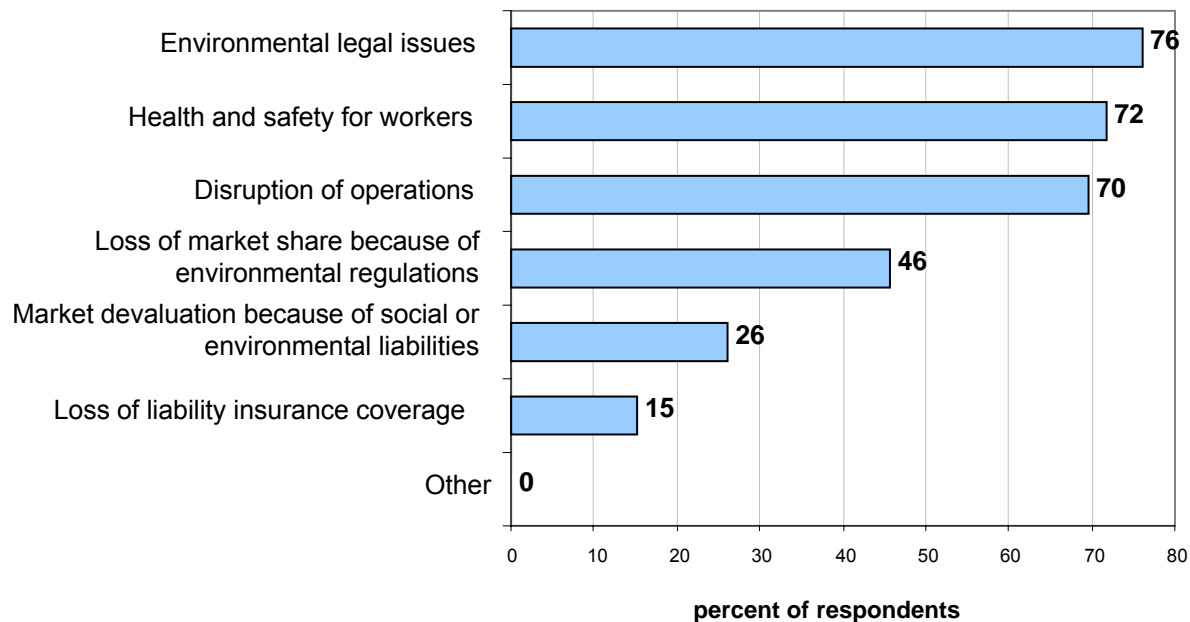
- Virtually all the survey respondents (97 percent) reported that they consider social and environmental issues either by managing risks (40 percent), developing business opportunities, or both. Some 57 percent said that their banks consider social and environmental opportunities



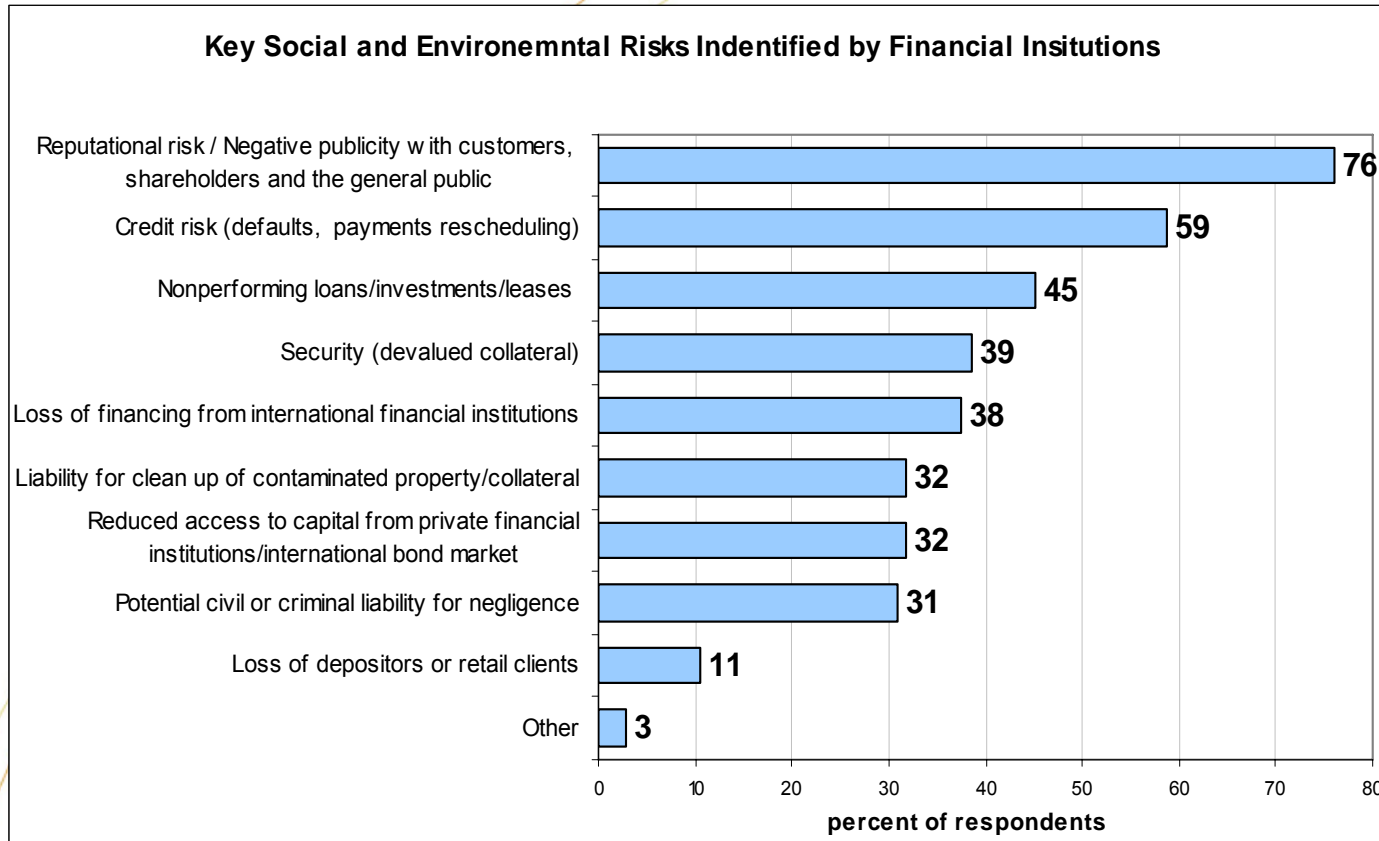
- The research presented shows a very positive move among banks from trying to avoid risks to proactively looking for ways to tap the business opportunities offered by sustainable development.

# How Financial Institutions Perceive Social and Environmental Risks

**Banks' Perceptions of Key Social and Environmental Risks Facing Their Clients**



# How Financial Institutions Perceive Social and Environmental Risks



# CZECH REPUBLIC: Česká Spořitelna, a.s. (member of the Erste Group) Leading the Way in Financing Sustainable Energy Projects

- **“Sustainable energy finance has increased our bank’s visibility and market differentiation in a highly competitive domestic market.”**
- Ladislav Dvořák, Head, Special Products for SMEs, Česká Spořitelna

## REPUBLIC OF ARMENIA: ACBA Leasing

### Attracting new business by strengthening capacity in renewable energy

- “Financing micro-hydro stations is a good alternative for Armenia, where atomic energy has been a major supply of power. Microhydro started as a small project but turned out to be a catalyst for **establishing an entire line of business in renewable energy finance**. A small investment grew into a new financial product that differentiates us in the Armenian market. We attract new clients, get repeat business, and are thinking about financing other renewable energy areas.”
- Arsen Bazikyan, Deputy Director

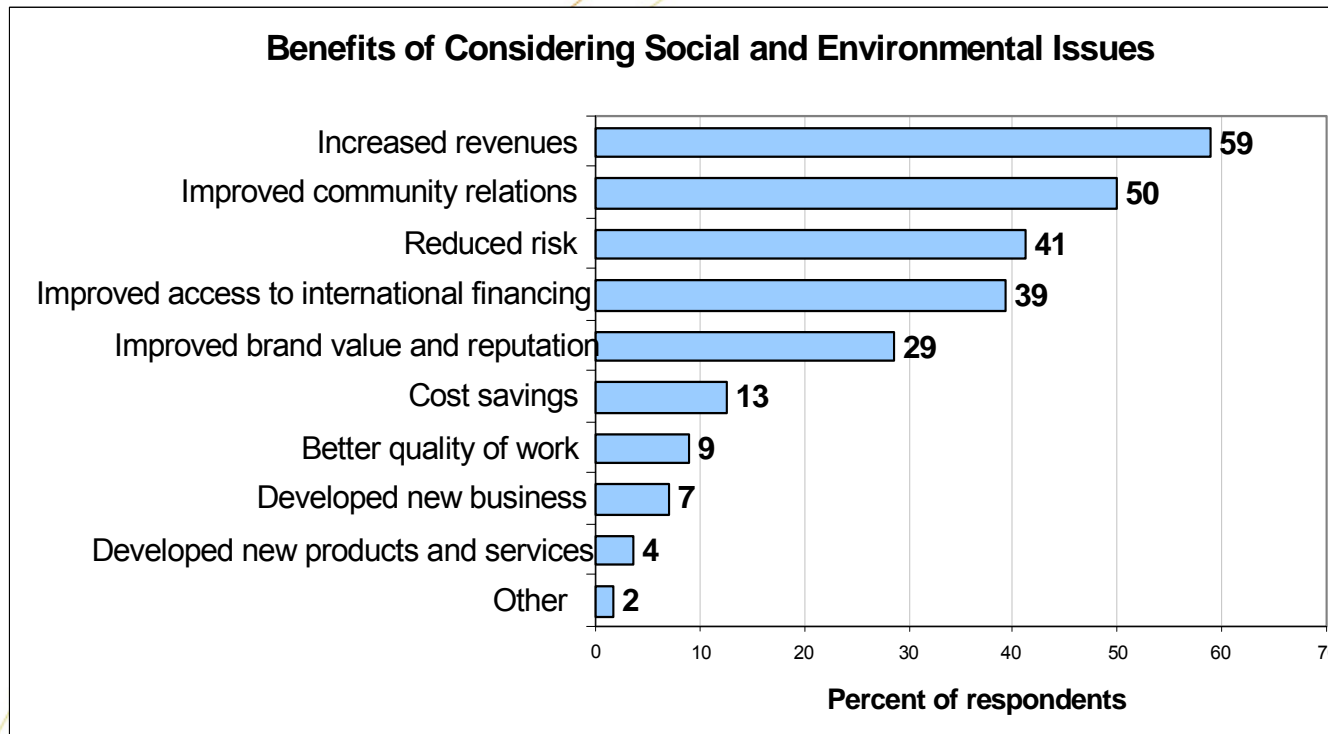
# RUSSIAN FEDERATION: UralTransBank

## Offering Financing for Cleaner Production and Energy Efficient Technologies

- “With a high concentration of industry in the region, UTB understands that cleaner production and energy efficiency technologies are key factors determining competitive advantage. We have responded by **developing financial product lines to help industry take advantage of these technologies.** Collaboration with international financial institutions is our major competitive advantage and proof of the bank’s strong performance.”
- Sergei Netepenko, Senior Auditor and Manager Investor Relations, UTB

- In the banking sector, new standards and codes of conduct promote corporate accountability, transparency, and consideration of impacts on environment and society.

# Business Impact of Considering and Managing Social and Environmental Issues



# UKRAINE: Bank Aval

## Increasing the Bank's Value for International Investors

- “IFC provided substantial and, more importantly, timely support in the process of **integrating sustainability considerations into our credit approval process**. The bank has made a giant step forward in its development.”
- Viktor Gorbachev, Director of Credit Department, Bank Aval

# ROMANIA: Banca Comerciala Romana (BCR)

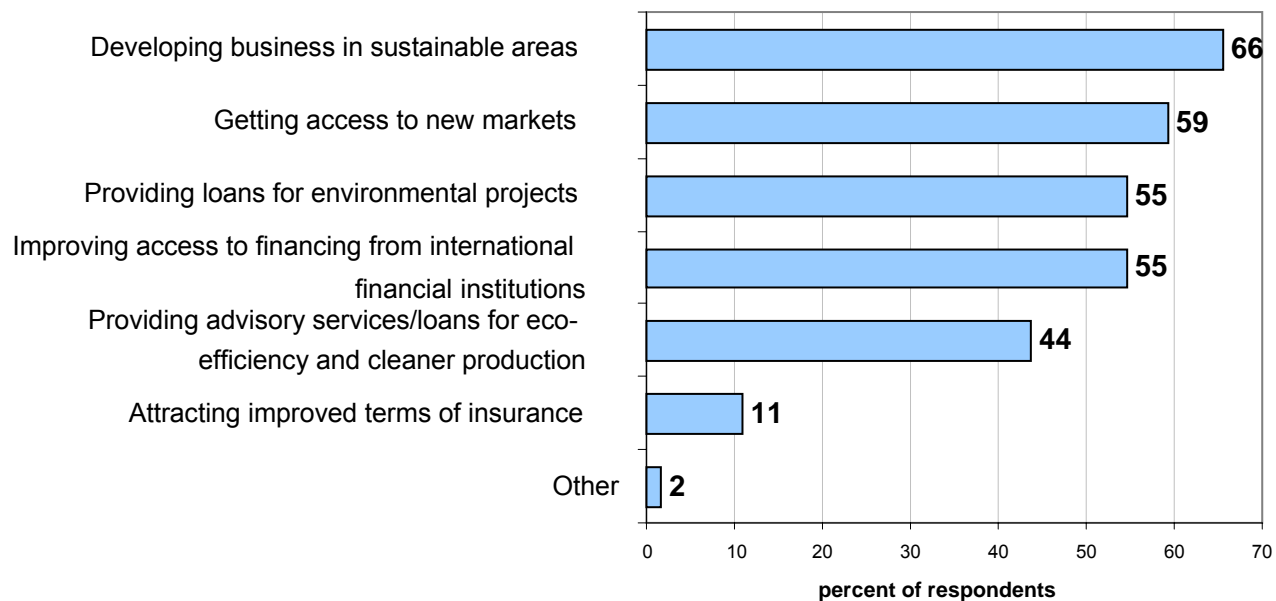
## Facilitating Romania's Banking Reform through Strong Social and Environmental Management

- “In 2004, we became the first Romanian bank to introduce an environmental procedure to assist corporate lending activity. This was based on EBRD procedures and IFC operational policies regarding social and environmental concerns and worker safety. **We support our customers in developing environmentally friendly businesses** and in learning how to comply with environmental, health, and worker safety regulations.”
- Nicolae Danila, CEO, Banca Comerciala Romana

- The financial sector.... Accounts for approximately 40 percent of IFC's total portfolio. We believe we are ideally positioned.... to share knowledge to help financial institutions meet and create demand for products and services with a sustainability focus.

# Main Areas of Social and Environmental Business Opportunities

## Main Areas of Social and Environmental Business Opportunities



# CAMBODIA: ACLEDA Bank Plc.

## Microfinance and Banking: A profitable Alliance

- “It is my firm belief that **sustainable microfinance is an important tool for economic growth at the grassroots level and a powerful tool in the fight against poverty.** IFC has been a valuable partner in helping us become a full-fledged commercial bank that brings critical financial services to ordinary entrepreneurs and families in urban as well as rural areas.”
- In Channy, Founder and General Manager, ACLEDA Bank



Best Banking Practice Case

# SOUTH AFRICA: FirstRand Limited

## Promoting Black Economic Empowerment

- “Our approach to **social transformation through BEE** has resulted in **new business opportunities** which present themselves because of a paradigm shift in our business, our industry, and our society. We are developing new products and services for a market that was previously not on our radar screen, to the benefit of all.”
- Marlene Hesketh, Head, Transformation of First Rand Limited

Copies of the  
publication are at your  
table

