
Advantage of Global Rating Group : Sets Up National Rating Agencies

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Global Rating Group has an advantage over other big international rating agencies, Chairman of the Central Bank of Armenia Tigran Sargsyan said during today's press-conference on Ararat Bank's receiving rating from Global Rating Group.

He said that the advantage is that Global Rating Group sets up national agencies. In Armenia it has set up AmRating agency and has recruited local experts who are well aware of the peculiarities of the local market and have all necessary information for deep effective analysis and timely reporting. Bank ratings make it easier for clients and financial market players to choose among banks and foster the development of market infrastructures.

Sargsyan said that Ararat Bank has all capacities to raise its rating. He said that Global Rating Group may assign ratings to some other Armenian banks.

Presently, Armenian banks cooperate with such big rating agencies as Fitch and Moody's. Standard&Poor's is showing interest in the Armenian market.

President of Global Rating Group Richard Hainsworth said that foreign experts analyze the activities of national banks according to their own criteria. As a result, their assessments strongly differ from those made by local experts. That's why Global Rating Group prefers setting up national rating agencies and enrolling local experts.

Each country should have its national rating agency. This helps to make local banks transparent, to enlarge clientele and to attract foreign investors, Hainsworth said.

To note, AmRating is an independent rating agency in Armenia. It is a part of the Global Rating Group. The AmRating agency started its work in December 2006. The agency focuses on awarding ratings to banks and researching the banking sector. The mission of AmRating is to contribute to creation of a reliable, honest and transparent financial market. The key tasks of the agency are to lobby the advantages of the national rating, to provide the market with objective analysis of the companies' activities, to single out the companies with successful management and strong corporate administration, to emphasize the risks of weak management and bad corporate administration.
