

Social Responsibility and  
Sustainability Report **2009**

2.310 MILLION

**THE BIG NUMBERS**



ARE ALSO FOR THE BENEFIT OF THE COMMUNITY



ASOCIACIÓN DE BANCOS DE MÉXICO

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## MISSION

To develop and strengthen the Mexican banking sector and to represent the interests of the institutions that comprise it, helping them to achieve their goals and carry out their activities by offering specialized technical services, information, contacts with the authorities, international interaction, studies, research, and services of common interest.

## VISION

To be an organism recognized for its contribution to the integral development of the banking system, representing the general interests of the sector and contributing to a better understanding of the services offered by it, in the aim of fostering the harmonious and sustainable development of the country.

## VALUES

- Efficiency
  - Commitment
  - Transparency
  - Creativity
  - Integrity
  - Honesty
  - Responsibility
- 

**\$ 2,316,051,550** invested in social, cultural, and environmental programs

**7.4 million** people benefitted

**\$ 301 million** invested on behalf of the environment

**160,931 direct jobs** generated, reflecting growth of 2.5%

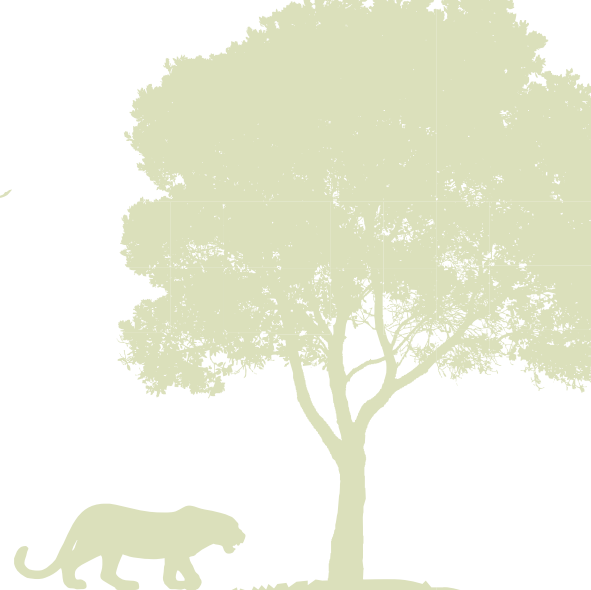
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The Asociación de Bancos de México, A.C. (ABM) was founded on 12 November 1928 as the Asociación de Banqueros de México, in the aim of representing the general interests of the banking system. The ABM was created with the participation of 26 banks and currently numbers 40 commercial banking institutions among its members.

Since its founding, the ABM has acted as an umbrella organization for credit institutions and has worked with its members to achieve general objectives in the areas of banking and credit services and the modernization of payment systems. It has also played a fundamental role in the framework of interbank relations, as well as in relations between the banking sector and the Mexican government, non-bank financial intermediaries, other representative bodies, and international institutions.

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# BIG NUMBERS FOR BIG ACTIONS



## THE OBJECTIVES OF THE ASSOCIATION:

- To represent and defend the general interests of its members in any common dealings with the public administration and with private organizations.
- To facilitate communications between member institutions in building consensuses in matters that require the establishment of standards that improves the efficiency of the sector.
- To foster the development of banking activities through forums in which domestic and international experiences are shared, making for better practices and innovation.
- To carry out studies and research aimed at the development and proper functioning of the banking and financial system in general, with a view to perfecting its operating methods and practices.
- To present to the authorities its recommendations for updating laws, regulations, circulars, rules, and stipulations in order to adapt them to the changing realities of the financial system, the economy, and international practices, thereby increasing the competitiveness of institutions operating in Mexico.
- To disseminate information about products, services, agreements, and other matters on the national agenda in which the banking sector has an interest.
- To supervise the operations and sound functioning of the State Banking Centers.
- To organize and promote courses and seminars designed to train and raise the awareness of banking executives in matters of current interest to the sound development of the banking system.
- To participate with institutions from other countries and international bodies in fostering relations and sharing experiences that will allow banking practices and the efficiency of the financial system to be improved.

# INTRODUCTORY MESSAGE

It is a source of satisfaction to the Asociación de Bancos de México to offer you its 2009 Social Responsibility and Sustainability Report, a pioneering document in its field. This is not only the first effort of this kind undertaken in the banking sector, but also the first in any sector of the economy.

All over the world, there have been profound changes in business practices which, in addition to increasing innovation and competition, have led to the incorporation of social responsibility and sustainability as ways of regulating companies' relations with the communities in which they operate.

Thus, in addition to the principal function of the banking system in Mexico—which is to transform the savings of Mexicans into credit for the financing of productive activities, and so contribute to improving people's quality of life—the banks have undertaken to give added value to their activities through socially responsible and sustainable practices.

This *report* details the contribution of banking institutions in areas fundamental to the harmonious development of the nation, such as support for education, community aid, protection of the environment, and the conservation of cultural heritage and traditions.

The result of a rigorous process of data collection from member institutions, this document presents the actions undertaken by the banking sector in 2009. In order to ensure the quality of the information contained herein, the report follows the standards of the Global Reporting Initiative (GRI), a widely used and internationally accepted method for presenting the social and sustainable actions of companies.

This *report* was made possible thanks to the support and willingness of those responsible for social responsibility and sustainability in all of the banks, and

to their work teams, to whom we extend our thanks for the time and effort they have invested.

We would also like to thank, for their efforts and commitment, all of our collaborators at ABM, who work daily on behalf not only of banking institutions but of Mexico as a whole.

We are honored to be able to present this *Social Responsibility and Sustainability Report 2009*, a testimony to the values that guide the operation of the banking sector in its relations with the community of which it is a part. Reporting on these efforts constitutes a valuable pledge on behalf of transparency and the rendering of accounts, based on our firm conviction that every business model must take social action into account in order to ensure its long-term success.

**Ignacio Deschamps González**

Chairman

Asociación de Bancos de México

**Luis Robles Miaja**

Executive Chairman

Asociación de Bancos de México

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Chairman

**Luis Robles Miaja**

Executive Chairman

**Enrique Zorrilla Fullaondo**

**Luis Peña Kegel**

**Luis Niño de Rivera Lajous**

**Eduardo Cepeda Fernández**

Vice-Chairmen

**Juan Carlos Jiménez Rojas**

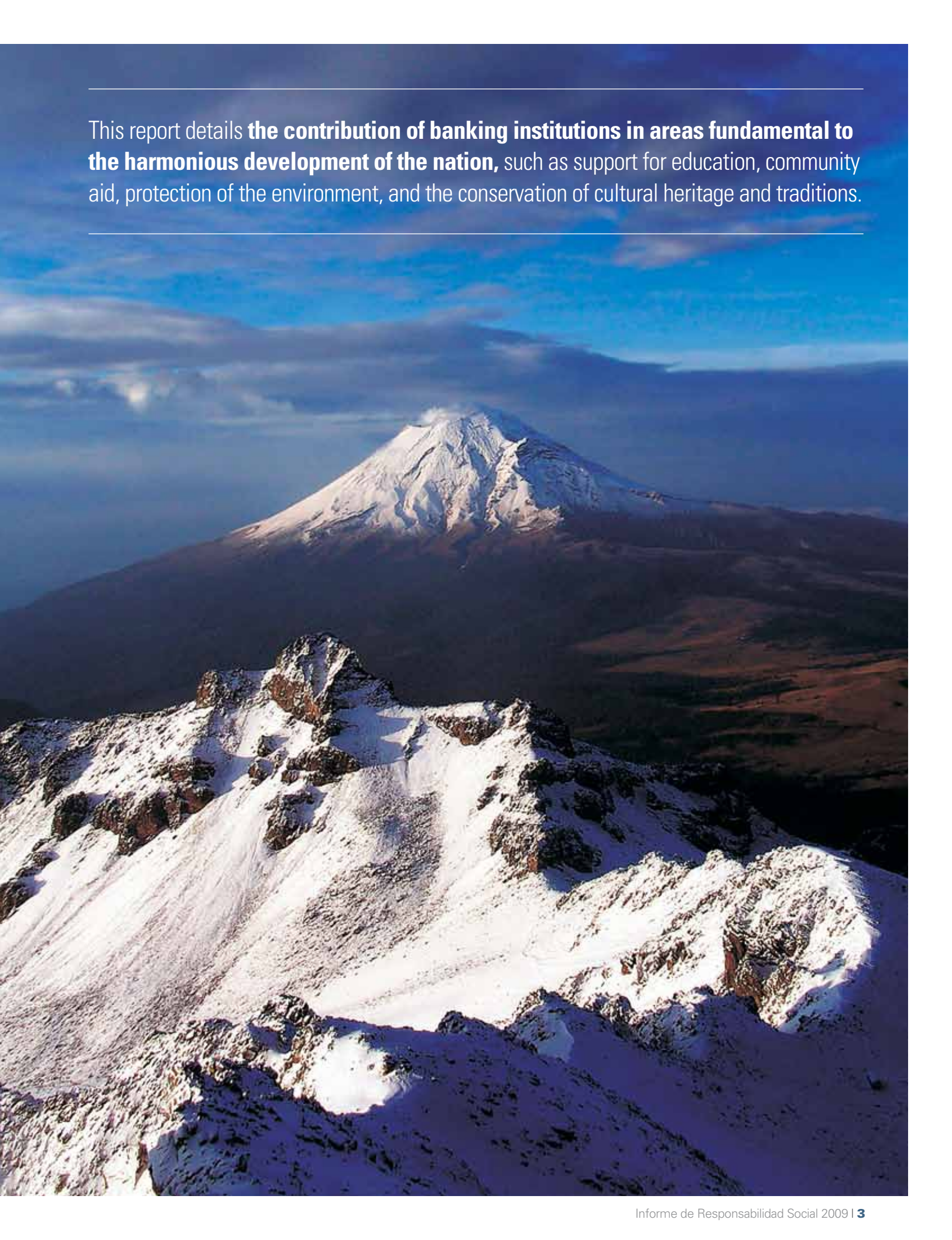
General Director

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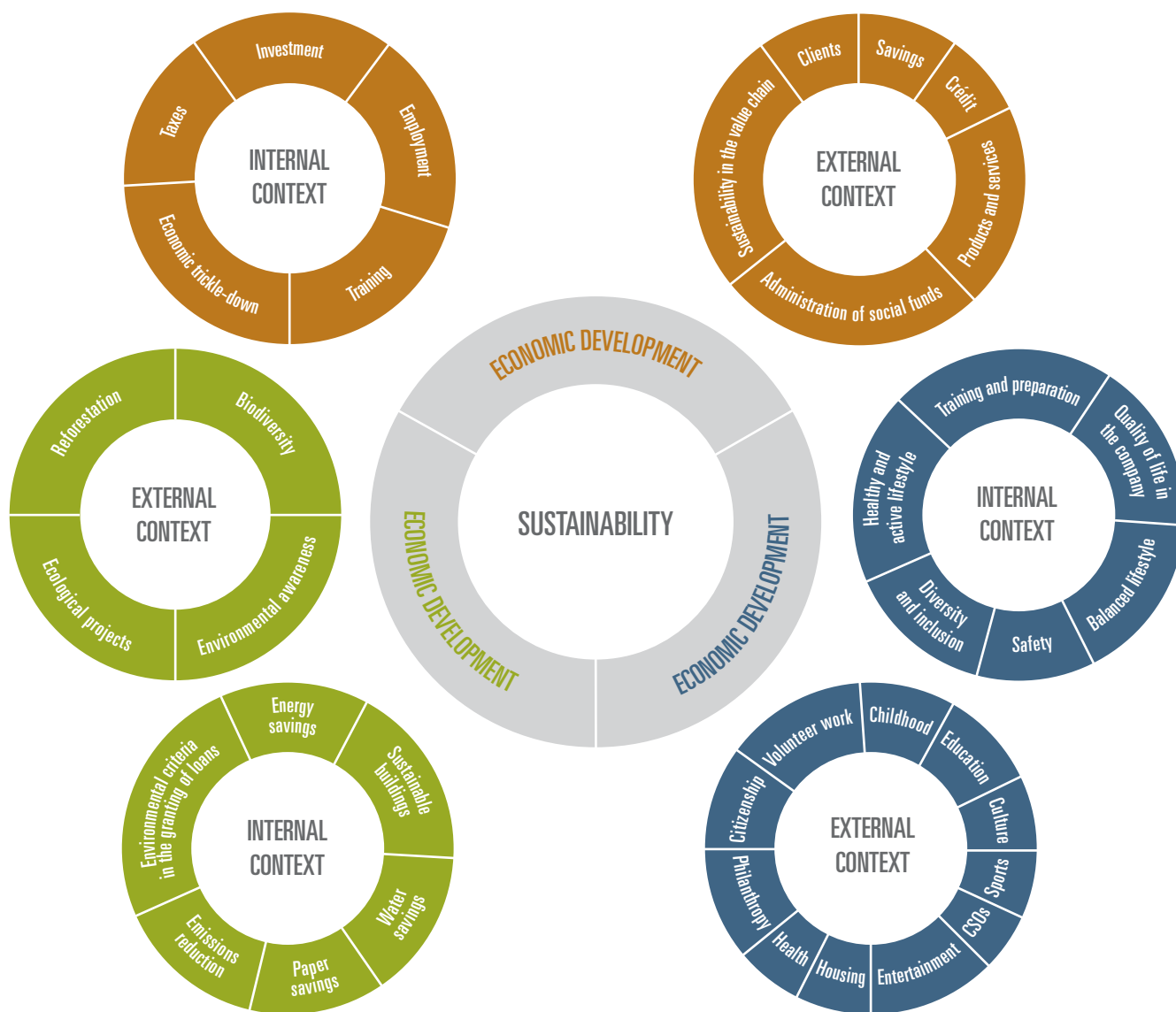
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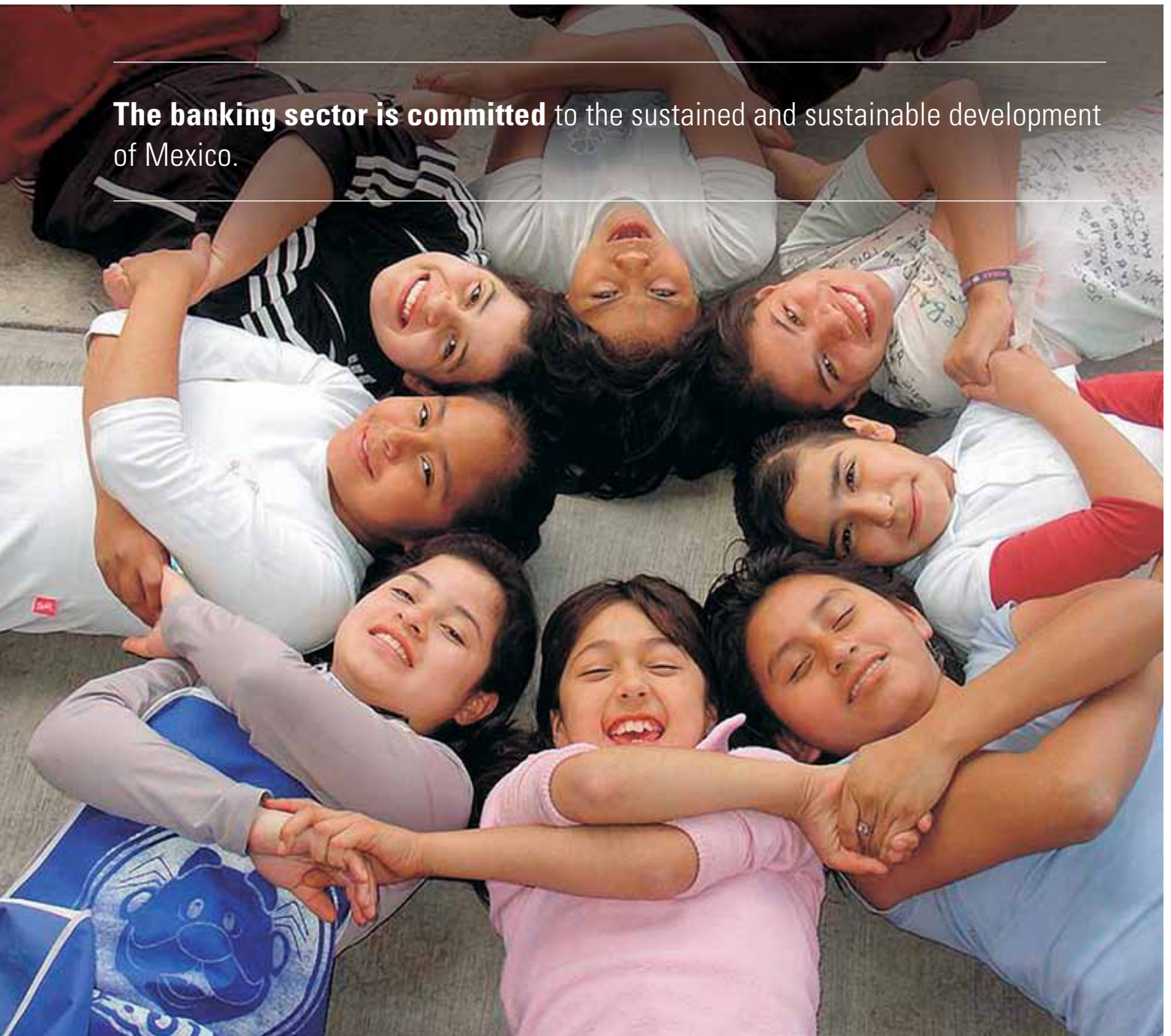
# THE CONCEPT OF SOCIAL RESPONSIBILITY AND SUSTAINABILITY

FOR MEXICO'S BANKING INSTITUTIONS, SUSTAINABILITY IS THE FUNDAMENTAL CONDITION FOR SUSTAINED, LONG-TERM, PROFITABLE GROWTH. BY CONTRIBUTING HARMONIOUSLY TO ECONOMIC, SOCIAL, AND ENVIRONMENTAL DEVELOPMENT, WE MEET THE NEEDS AND EXPECTATIONS OF OUR INTEREST GROUPS, GENERATING SOCIAL, ECONOMIC, AND HUMAN VALUE AND THUS PROMOTING THE WELFARE OF SOCIETY AS A WHOLE.



This diagram **explains in a simplified form the vision, areas, and actions in the field of sustainability**. It is important to note, however, that **each bank has its own formulation of sustainability**. Fully aware that we live in an interdependent and co-responsible society, and that our way of acting is decisive to the creation of sustainability, **the different banking institutions direct their efforts towards meeting the needs and expectations of their different interest groups**.

**The banking sector is committed** to the sustained and sustainable development of Mexico.



- In 2009 **we invested more than 2,316 million pesos** into social and environmental programs.
- We supported **142 different institutions.**

- We benefitted more than **7.4 million people.**
- We supported **20 different states in their ecological projects.**

# THE BANKING SYSTEM IN MEXICO

Areas	Social and Cultural	Environmental	Total	2008-2009 % Var.
<b>Social, cultural, and environmental investment 2009</b>	\$ 2,014,861,942	\$ 301,189,608	\$ 2,316,051,550	40.49%
<b>Social, cultural, and environmental investment 2008</b>	\$ 1,616,779,797	\$ 31,767,364	\$ 1,648,547,162	

Figures in current pesos

The Banking System in Mexico		2008	2009	Var. % 09-08
<b>Infrastructure</b>	Number of banks	42	41	-2.38%
	Number of clients (millions)	40.70	40.70 <sup>e</sup>	0.00%
	Number of branches	10,837	11,150	2.89%
	Number of ATMs	31,932	33,985	6.43%
	Number of point of sale terminals	446,025	446,792	0.17%
	Debit cards (millions)	56.94	59.40	4.33%
	Credit cards (millions)	25.24	22.10	-12.46%
	Number of internet bank transfers (millions)	385.98	429.38	11.24%
	Presence of the banking system at a municipal level (municipalities)	919	924	0.54%
<b>Solvency</b>	Capitalization ratio of the Mexican banking system (Total risks, Equity / Risk-bearing assets)	16.15	17.28	7.00%
	Coverage ratio (Reserves as a percentage of loans)	161.17	173.75	7.81%
<b>Integration into the banking system</b>	Internal credit to the private sector as a % of GDP	14.49	14.88	39 p.b.
	Home loans (billions of pesos)	296.31	342.98	15.75%
	Consumer loans as a % of GDP	3.96	3.37	-59 b.p.
	Financial savings as a % of GDP (m4 less coins and bills in circulation)	54.99	59.62	463 b.p.

Source: Banco de México, CNBV, and ABM

b.p. = basis points

e = estimated

Some Important Economic Figures		2008	2009	Var.% 09-08
<b>Economy</b>	Employment	157,014	160,931	2.49%
	Total deposits (millions of pesos) <sup>1</sup>	2,187,002	2,254,398	3.06%
	Total loan portfolio (millions of pesos) <sup>2</sup>	2,049,214	2,359,984	15.17%
	Companies	904,332	941,174	4.07%
	Government	291,496	600,905	106.15%
	Housing	296,311	342,976	15.75%
	Consumption	480,060	398,132	-17.07%
	Taxes (millions of pesos)	26,534	21,257	-19.89%

<sup>1</sup> Includes credits to non-bank financial intermediaries

<sup>2</sup> Taxes on earnings (Financial statement of the Bank Balance with Trust UDIS)

Source: ABM, with information from the Banco de México and the CNBV.



The banking associations that currently make up the Asociación de Bancos de México, in alphabetical order:



The progress of Mexico moves primary through banking services. All of the sector's activities take place within a production chain that not only channels resources toward activities that promote development but also creates added value, through long-term investment, job creation, and competition.

In other words, in addition to serving its fundamental purposes, the banking system's processes of financial intermediation seek to reflect social value in the products it offers. This is one of the principles of social responsibility and sustainability in Mexico's banking sector.

At the same time, any socially responsible entity must fully comply with legal requirements. In the case of the Mexican banking system, this responsibility is reflected in its respect for the guidelines established by the financial norms currently in effect. The following sections will clearly outline the economic performance of the banking system in 2009 and its importance to the Mexican economy.

- **160,931 direct jobs created**
- **\$ 2,254,398 million pesos in deposits collected**
- **\$ 2,359,984 million pesos in loans granted**

#### INTERNAL ECONOMIC CONTEXT

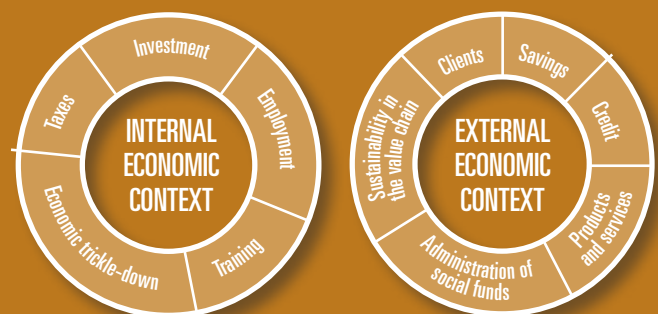
##### Jobs

Job creation is the most important contribution to the welfare of the family in Mexico and to the country's development. The banking sector generates more than 160,000 direct jobs and is above the national average in terms of remuneration and benefits, which are superior to



The following diagram **explains the economic performance of the banking system in simplified terms.** We plan, invest, and work for **sustainable economic development.**

Economic performance of the banking system



those stipulated by law. Employees of the banking system also receive continuous training. It is worth emphasizing that jobs in the microcredit sector have registered an annual growth of more than 69%.

### Training and Preparation

Training is decisive in the sustainability of companies and a very important factor in social and individual wellbeing, as it increases abilities and enhances people's development potential. Good training makes the productive process more efficient. Any industry or economic sector requires highly qualified human resources in order to ensure optimal performance. The banking system is no exception, and it is aware that the preparation of human resources contributes great social benefits.

The continuous training and preparation of the personnel who work in the banking system is fundamental to improving services, making the use of resources more efficient, increasing productivity, and fostering the competitiveness of the sector, to the benefit of consumers and society in general. This is why we have implemented training programs in various areas of the banking system. These programs cover financial, technological, administrative, human, and social matters, with special attention to improving people's quality of life.

In general terms, at least 80% of our bank employees receive training annually, offered through different kinds of media and forums: courses, seminars, internet, congresses, etc. Several of our member banking institutions have their own training centers.

We periodically carry out evaluations of the performance of our employees. Between 85% and 100% of our personnel is evaluated regularly, allowing us to develop programs to address those aspects in need of reinforcement.

Since our main activity is the offering of financial services, we are gov-

erned by strict policies in the use of resources, the granting of credit, and client attention. Our employees take courses annually in the areas of conduct and ethics, money laundering, and reputational risk, for which a certification –renewed annually– is awarded. Through these courses we prevent illicit conduct and protect our clients and institutions. In 2009, more than 2.5 million hours of training were given to more than 85,000 employees.

### Investment

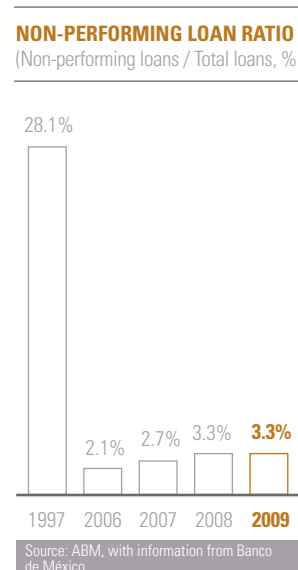
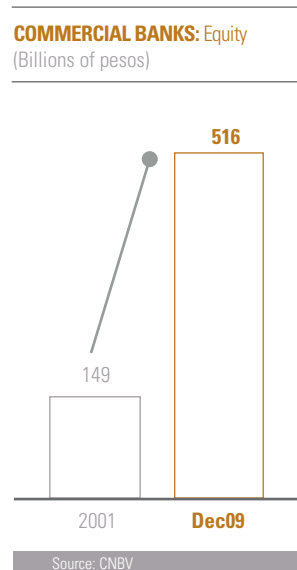
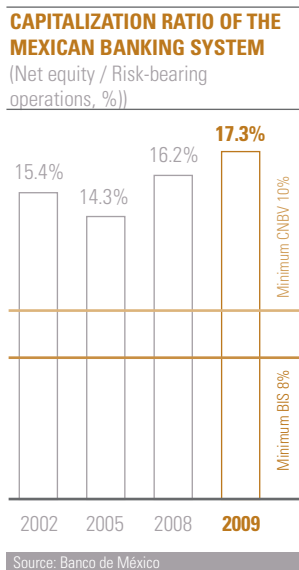
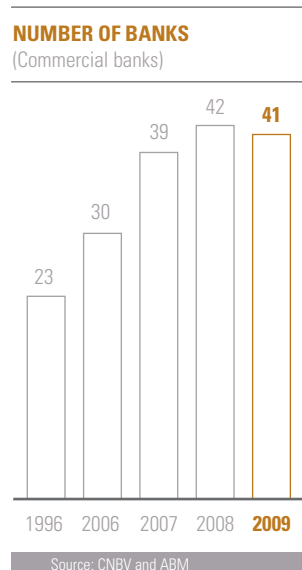
Investment is the motor which propels the development of the banking system and a decisive factor in our competitiveness. Thanks to investment we have infrastructure, new and better services, greater safety, wider coverage, and more generalized use of banking services by the population.

The banking system in Mexico is therefore engaged in a continuous process of investment in areas such as the following:

- **Information systems**
- **Communications**
- **Service infrastructure**
- **Advertising**

This investment has a significant impact on various economic sectors, including computer equipment, electronic devices, telecommunications, construction, and advertising.

From 2006 to 2009 the number of banking institutions operating in Mexico went from 30 to 41, demonstrating the great dynamism and expansion of the banking sector in Mexico. This translates into greater competitiveness, to the benefit of clients. *(See Number of Banks, p. 10).*



## Financial Solidity of the Banking System

A solid, well-capitalized banking system is very important, as it considerably diminishes financial risks and the need for State support, allowing resources to be channeled into key activities and sectors. At the same time, a strong banking system is indispensable to the growth of the economy and thus to development. The solidity and solvency of the Mexican banking system are the result of multiple factors, including continuous capitalization, adequate regulation, effective supervision, an improved legal framework, and prudent risk management.

In spite of the difficult economic and financial conditions prevailing recently, none of the banks in Mexico needed to be propped up with taxpayer funds.

The capitalization ratio of the Mexican banking system is more than double the minimum required by the Bank for International Settlements (BIS). *(See Capitalization Ratio of the Mexican Banking System, p. 10).*

At the same time, there has been considerable reinvestment, ensuring above-average capitalization levels and high solvency. *(See Commercial Banks: Equity, p. 10).*

Although the non-performing loan ratio has increased slightly as a result of the recession economy, the coverage ratio remains high. *(See Non-Performing Loan Ratio, p. 10. and Coverage Ratio, p. 11).*

## Economic Trickle-Down

As a result of our multiple activities, we draw resources from countless companies in many different industrial and service sectors. This economic trickle-down generates investment, employment, training, and, in short, the development and welfare of thousands of Mexican families.



## Taxes

Our strict compliance with our tax obligations has a very positive impact on fiscal revenues and consequently on the operation of government on all three levels, as well as on programs and services. In 2009 the Mexican banking system paid more than P\$ 21,257 million in taxes<sup>1</sup>. This amount is equivalent to the construction of more than 111,879 low-income housing units.<sup>2</sup>

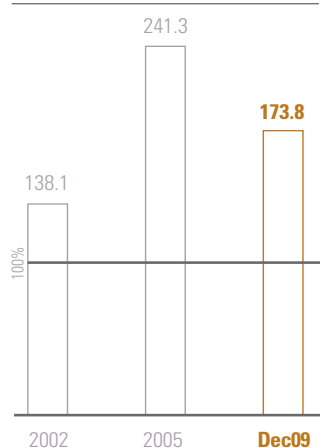
## EXTERNAL ECONOMIC CONTEXT

### Savings

Providing Mexicans with incentives to save and correctly administer their resources is one of the priorities of the banking system. As a fundamental

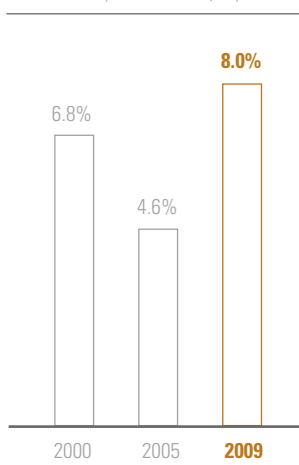
### COVERAGE RATIO

Preventive estimates / Non-performing loans, %



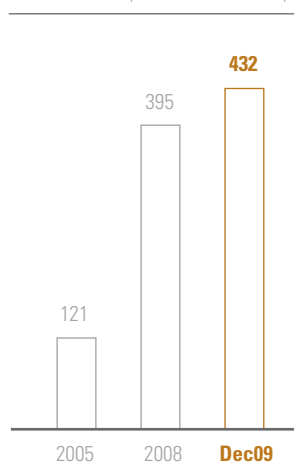
Source: CNBV

### COMMERCIAL BANKS: Loans to Businesses (Share of GDP, %)



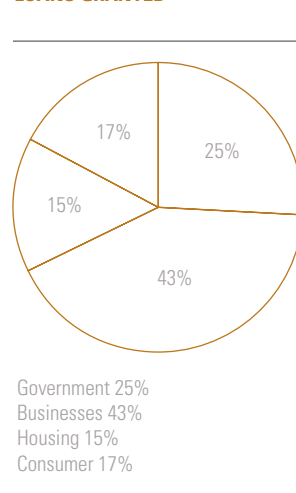
Source: Calculation by ABM with information from Banco de México and INEGI.

### NUMBER OF BUSINESS LOAN CONTRACTS (Thousands of loans)



Source: ABM with exchange of information from the banks, approximately 90% representative.

### LOANS GRANTED

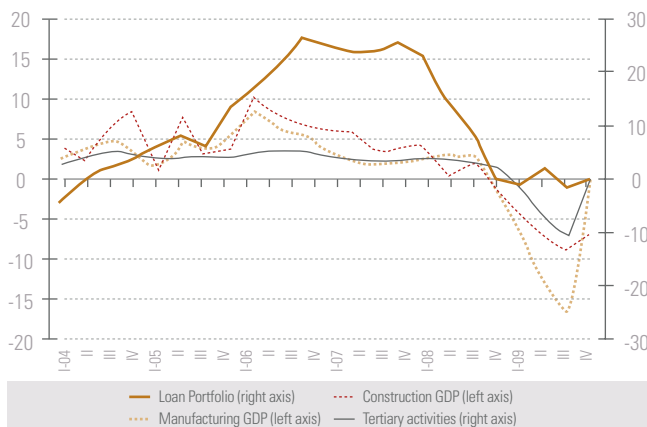


Source: ABM, with information from Banco de México and the CNBV.

1 Source: ABM with information of Banco de México and Comisión Nacional Bancaria y de Valores. This number refers only to income tax.

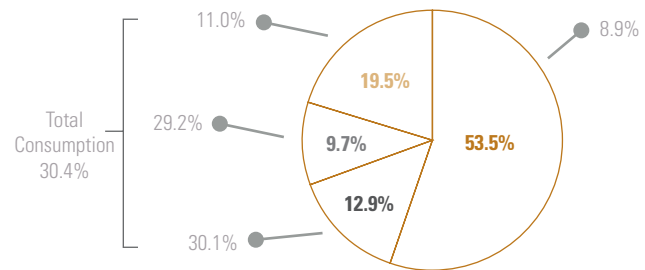
2 The calculation considers the average price of a state-subsidized dwelling (MXN\$190,000). Source: INFONAVIT.

**TOTAL BANKING SYSTEM LOAN PORTFOLIO, MINING, CONSTRUCTION, AND MANUFACTURING GDP** (Real Annual Growth Rate, %)



Source: BANXICO and INEGI

**AVERAGE INTEREST RATES BY SEGMENT AND BREAKDOWN BY TYPE OF CREDIT** (December 2009)



**Consumer loans/Credit cards | Consumer loans/Others\* | Housing | Businesses**

More than 70% of the banking system's loan portfolio has a weighted average interest rate of 9.6%

Source: Calculations by ABM, with information from Banco de México. The breakdown does not add up to 100% because it does not include financing to non-bank financial intermediaries, which accounts for 4.4%. \* Loans for durable consumer goods, automobile loans, and personal loans Note: includes SOFOMs and credit cards.

motor of the country's growth, this responsibility is assumed with enormous seriousness by our institutions. Even more important, savings constitute a decisive factor in the integral welfare of families. This is why we foster the habit of saving through financial education and the promotion of products that meet the diverse needs and characteristics of the population.

In 2009, total deposits collected by the Mexican banking system amounted to P\$ 2.3 billion, up by 3.08% over 2008. These resources were channeled into private investment projects of various kinds and into financing of the public sector.

**Credit**

Credit is one of the most powerful tools for generating economic and social growth, through the financing of businesses and a wide range of productive projects.

The responsible and efficient distribution of credit makes possible investment, job creation, and economic trickle-down into different sectors. Through proper credit analysis, a company's resources are maintained in safekeeping, contributing to economic stability.

Credit to companies has almost doubled as a share of GDP in recent years (See *Commercial Banks: Loans to Businesses as a Share of GDP, p. 11*). The number of business loan contracts went from 395,000 in 2008 to 432,000 as of December 2009, in spite of the poor economic conditions, reflecting the great effort made by the sector to propel growth. (See *Number of Business Loan Contracts, p. 11*).

In 2009 direct financing of the private sector by the banking system amounted to P\$ 1.7 billion. If public sector financing is added, the figure is almost P\$ 2.4 billion. (See *Loans Granted, p. 11*).

During the present recession, in spite of the sharp fall in GDP, bank loans have continued to grow, but at a slower rate, owing to the economic

slowdown in the private sector. (See *Total Banking System Loan Portfolio, Mining, Construction, and Manufacturing GDP, p. 12*).

The Mexican banking system is committed to fostering the use of responsible and productive credit to support this kind of integral, sustainable growth in Mexico.

It should be emphasized that today more and more banking institutions, when analyzing and granting credits, take into account sustainability criteria, especially social and environmental consequences.

**Interest Rates**

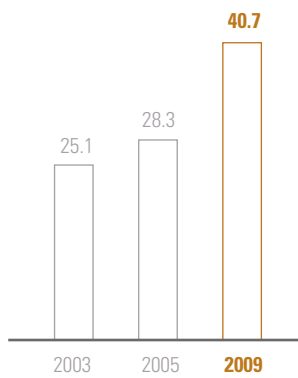
Interest rates have taken a sustained and significant downward turn in recent years. At the end of 2009 more than 70% of the total loan portfolio of the banking system had an average weighted interest rate of 9.6%. The decrease in the cost of money favorably impacts both the clients of the banks and the general population, by bringing down inflationary pressures and increasing the availability of resources at a lower financial cost. All of this conveys greater benefits for the general population. (See *Average Interest Rates by Segment and Breakdown by Type of Credit, p. 12*).

**Infrastructure**

Infrastructure is one of the elements that contributes most to the sustained growth of the economy, making investment in this area decisive to development. The banking system plays an important role in this area. Out of a total of P\$ 140,416 million pesos for 25 infrastructure projects, the banking system granted P\$ 108,894 in financing. Projects that were financed include:

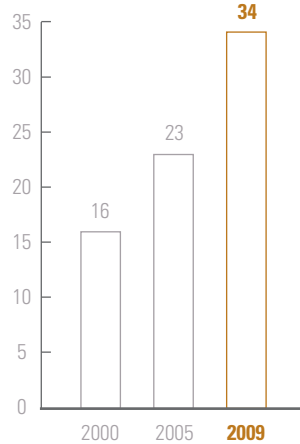
- **Arco Norte and Libramiento La Piedad**
- **Airport of the Grupo Aeroportuario del Pacífico**

**ESTIMATED NUMBER OF BANKING SYSTEM CLIENTS** (Millions)



Estimated number of clients in the banking system, based on the number of checking and saving accounts registered by the CNBV and the number of single client credit card files registered with the Credit Bureau.  
Source: CNBV

**NUMBER OF AUTOMATED TELLER MACHINES** (Thousands)



Source: Banco de México and ABM

**Our clients are our raison d'être, so we channel considerable resources into serving them properly.** This involves trained personnel, better systems, automated teller machines, new services, alliances, and everything, in short, that contributes to offering better attention.

- **La Yesca Hydroelectric Center**
- **Universidad Tecnológica de San Luis Potosí**
- **International Bridge in Reynosa**

In the short term, investment in infrastructure is planned in the amount of P\$ 164,530 million. Some 70% of this amount (P\$ 115,000 million) will be financed by the banking system.

**Clients**

Our clients are our raison d'être, so we channel considerable resources into serving them properly. This involves trained personnel, better systems, automated teller machines, new services, alliances, and everything, in short, that contributes to offering better attention.

The banking system also makes use of various tools such as opinion surveys, web pages, telephone complaint lines, and mystery shoppers to gauge customer satisfaction and meet the expectations of the various segments it serves. Since 2003 the number of clients of the banking system has grown by more than 15 million. It is estimated that in 2009 the banking system attended to more than 40.7 million clients, an increase of 44% since 2005. (See *Estimated Number of Banking System Clients*, p. 13).

**Financial Services**

- **In Mexico there are 48% more ATMs and 121% more Point of Sale Terminals than in 2005.**

Our clients have at their disposal a full range of services offering the highest standards of quality –from both a technical and service standpoint– and competitive prices, which translate into great social and environmental benefits. (See *Number of ATMs*, p. 13, and *Number of Point of Sale Terminals*, p. 14). Of special relevance is the impact of

electronic banking, which facilitates transactions for our clients, improving productivity and considerably diminishing the environmental impact of our operations through reduced paper and energy consumption and less travel by clients, which translates into lower carbon dioxide emissions. In 2009, more than 400 million operations were performed by clients from their homes or offices by internet.

**Number of electronic operations (figures in millions)**

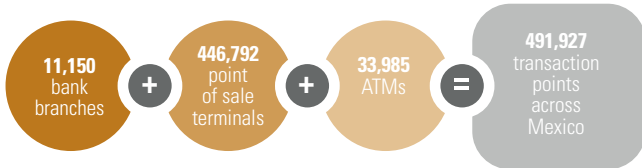
ATMs	1,309
Point of sale terminals	897
Electronic banking	289
Internet banking	429
Total	2,924

Source: ABM

At the same time, the fierce competition in the banking sector, in combination with the strong dynamic of those requiring financial services, has led to rapid growth in the number of services offered to clients of the banks and to a diversification of the means by which these services are offered. An example of this are the agreements with convenience stores, commercial outlets, and supermarkets, whereby the coverage of the banking system has been greatly increased, to the ease and convenience of clients.

**Credit and Debit Cards**

The banking system has almost doubled its issuance of credit and debit cards over the last five years, contributing to an improvement in means of payment in Mexico. Facilitating commercial transactions fosters economic and social development. The fact that more and more businesses accept these means of payment propels the formal economy, bringing important



benefits in terms of tax collection, legal certitude, and wider availability of credit for clients. (See *Debit Cards and Credit Cards*, p. 14).

### Branches

At the end of 2009, the banking system had a total of 11,150 branches available to users of financial services, some 40% more than in 2005 (see *Number of Branches*, p. 14). The expansion of coverage in larger communities all over Mexico can be clearly appreciated in the maps below. (See *Coverage at a Municipal Level in Mexico*, p. 14). Greater coverage of the banking system is part of our social responsibility, constituting as it does a tool whereby the general population enjoys greater access to financial services.

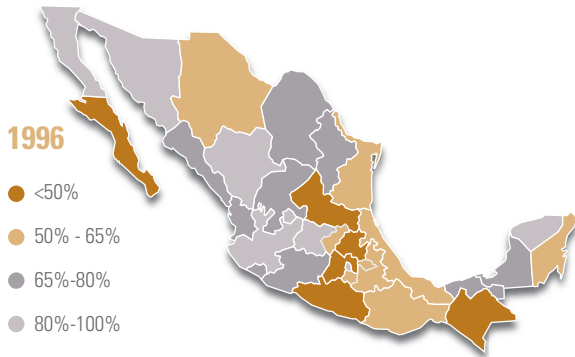
### Administration of Social Funds

Some important social funds are administered through the banking system, resources that represent the future welfare of millions of Mexican workers. Private pension and retirement funds are administered by the banking system on the basis of rigorous financial analysis, in full compliance at all times with generally accepted norms. The proper handling of these resources is one of our most important tasks and so represents one of our greatest responsibilities.

### Sustainability in the Value Chain

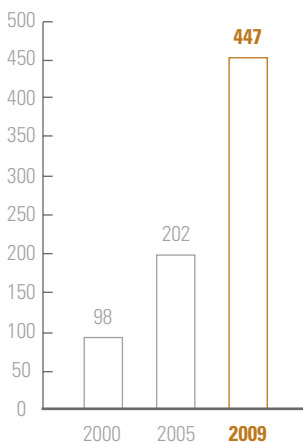
The vision and actions of the banking system in the area of sustainability and social responsibility are not limited to the services products it offers. With the incorporation of these concepts into the value chain, our suppliers commit themselves to respecting ethical accords and protecting the environment. The granting of loans is also governed by sustainable criteria, even as our clients are informed and made more aware of these matters.

### COVERAGE AT A MUNICIPAL LEVEL IN MEXICO\*



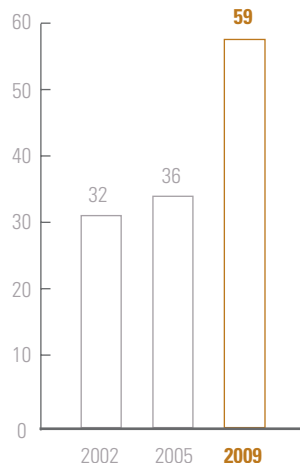
\* % of presence in municipalities of more than 35,000 inhabitants

### NUMBER OF POINT OF SALE TERMINALS (Thousands)



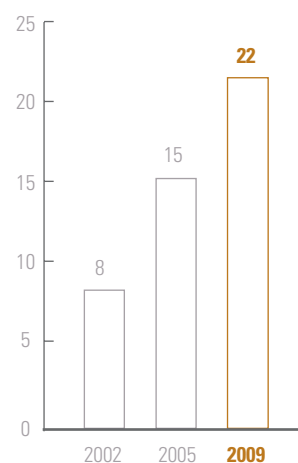
Source: Banco de México

### DEBIT CARDS (Millions)



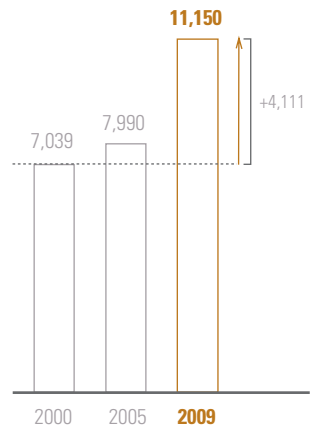
Source: Banco de México

### CREDIT CARDS (Millions)



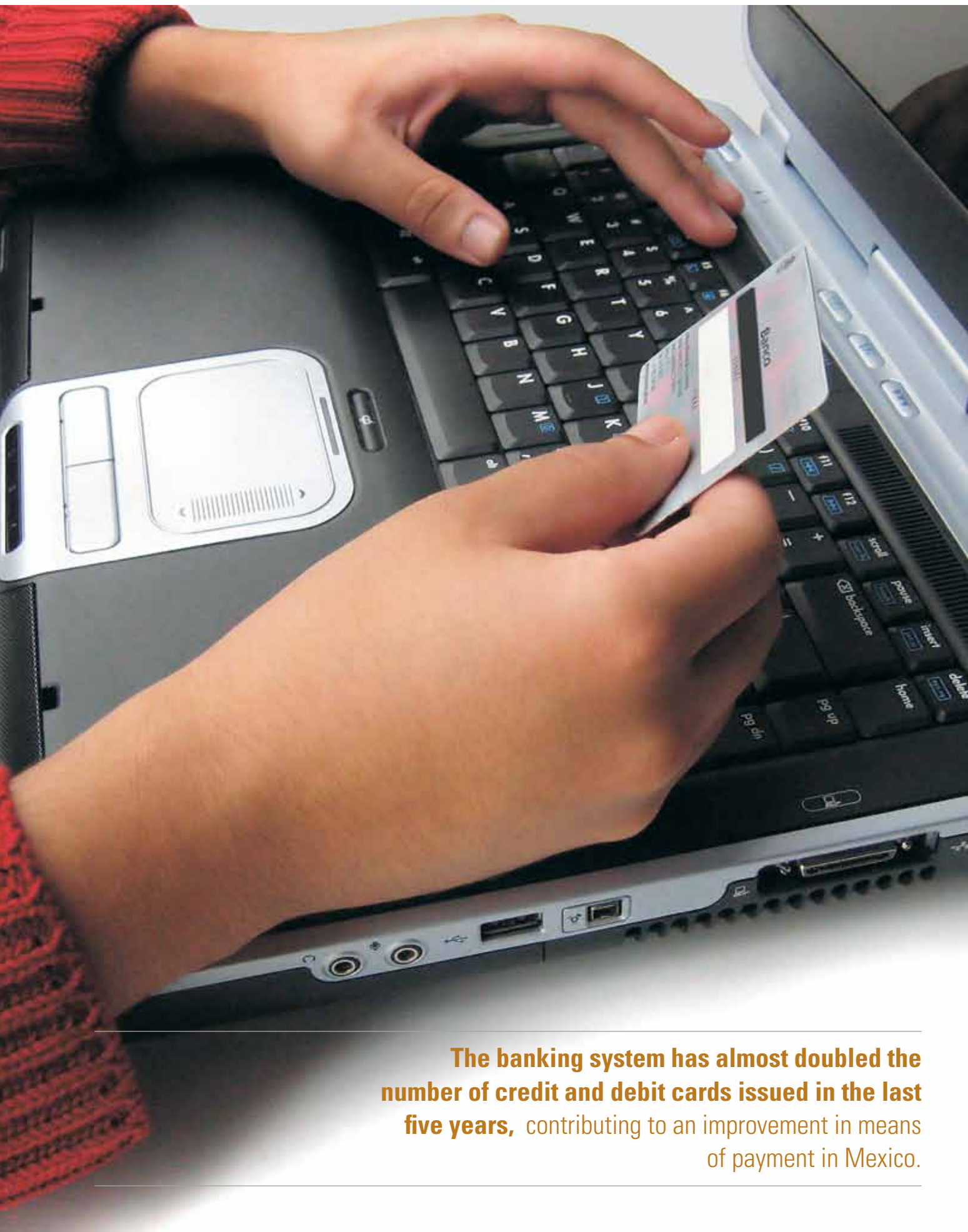
Source: Banco de México

### NUMBER OF BANK BRANCHES



From 2007 on the information includes modules.  
Source: CNBV and ABM





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**The banking system has almost doubled the number of credit and debit cards issued in the last five years,** contributing to an improvement in means of payment in Mexico.

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## PEOPLE BENEFITTED

As active members of society, we are co-responsible for its integral development.  
**We therefore invest considerable human and financial resources into different areas of social development.**

- **\$2,014 million pesos invested in social projects**
- **142 institutions supported**
- **85,091 people benefitted by the Béalos program**

### INTERNAL SOCIAL CONTEXT

#### Quality of Life in the Workplace

In accordance with the provisions of the Federal Labor Law, we have reached agreements with the trade unions of various institutions. The banking system is governed by collective contracts and internal labor regulations that establish the conditions, rights, obligations, and benefits of our employees.

We offer the best possible working conditions to the personnel of our institutions, including not only the benefits they are entitled to by law, but also additional ones, such as preferential insurance rates, discounts at sporting and cultural centers, and a range of recreational activities. Many institutions also have pension funds for their employees, subject to periodical actuarial analysis in order to ensure transparency.

In the banking system there is a generalized use of surveys of organizational climate, whose results orient actions and programs designed to improve the quality of life of employees.

In the area of workplace safety and health care, most of our member institutions offer all of their employees medical services and/or

This diagram explains in a simplified form **the vision, areas, and actions of the banking system in Mexico in the field of sustainability.**

We promote integral social wellbeing



health insurance. In some cases the coverage includes uninsured family members and retired relatives.

Given the nature of the sector, there are no occupational health issues. Nevertheless, preventive health campaigns are organized to deal with conditions such as obesity, high blood pressure, diabetes, prevention, and early detection.

Deserving of special mention is the banking sector's response to the AH1N1 flu epidemic in the second quarter of 2009. Various measures were taken to detect and prevent the illness among our employees and clients, and the banking system collaborated actively with the Mexican health authorities to raise awareness about the AH1N1 among the general public.

### **Balance between Work and Family Life**

In order to foster a healthy balance between work and family life, many of our member institutions offer flexible hours, the possibility of working from home, short-day Fridays, leaves of absence, family visits to the office, and other conveniences. This balance between work and family life contributes to our employees' quality of life.

### **An Active, Healthy Lifestyle**

The Banking System Sports and Cultural Days are an attractive option for fostering healthy competition and self-development among our employees, allowing them to display their artistic and athletic skills.

In 2009 we celebrated the 44th edition of this important event, with the following results:

- **5,815 participants**
- **283 teams**
- **More than 6.3 million pesos invested**


The Banking System Sports and Cultural Days are organized in coordination with the Federación Nacional de Sindicatos Bancarios (FENASIB). Participating employees have the opportunity to compete in 16 sporting and 9 cultural events. The main objective is for employees to get to know each other and spend time together, as the competition is basically between individuals, rather than institutions. Nevertheless, participants tend to identify with their own institutions.

### **Diversity and Inclusion**

In order to promote a diverse and inclusive workplace, the banking system follows indicators that allow it to create a profile of its personnel. The different nationalities, religions, cultures, lifestyles, and ways of thinking of the bank executives and the rest of the personnel make for multicultural interaction in a context of respect and collaboration. This is a reflection of a constantly evolving society, of which the Mexican banking system is a part. This diversity constitutes one of its most valuable strengths.

In terms of gender equity, there is parity in the number of women and men employed in our institutions. We can say with pride that this positions us as one of the sectors most committed to offering equal opportunities to men and women alike (*See p. 19*).



SPORTING DISCIPLINES	ARTISTIC DISCIPLINES
Chess	Short story writing
Athletics	Poetry
Basketball	Mexican traditional dance
Baseball	Jazz dance
Pool	Music (groups or soloists)
Bowling	Photography
Racquetball	Painting
Jai-alai	Drama
Indoor soccer	
Swimming	
Squash	
Tennis	
Ping-pong	
Volleyball	

In 2009, member institutions undertook a range of actions to foster a more inclusive and diverse society, including:

- **Hiring of people with different abilities**
- **Hiring of older members of the workforce**
- **Medical insurance for same-sex couples**
- **Improved insurance conditions for HIV-positive employees**

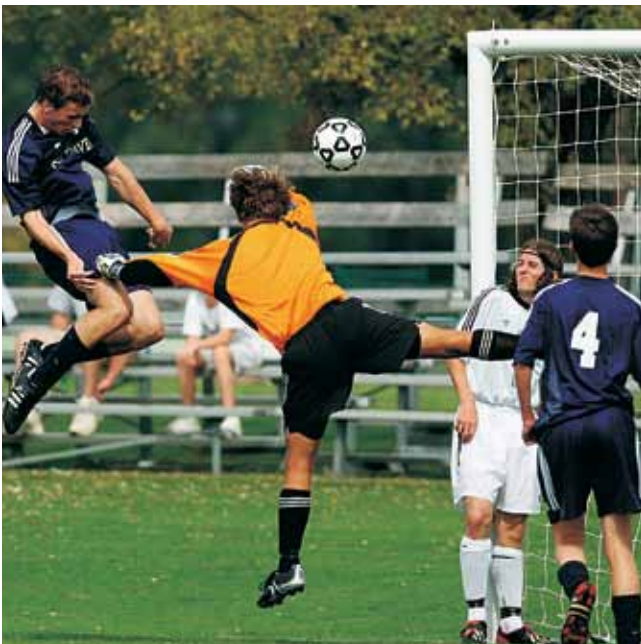
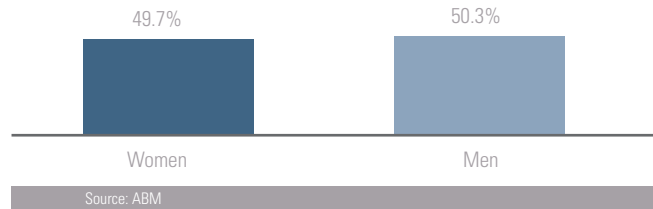
### Safety

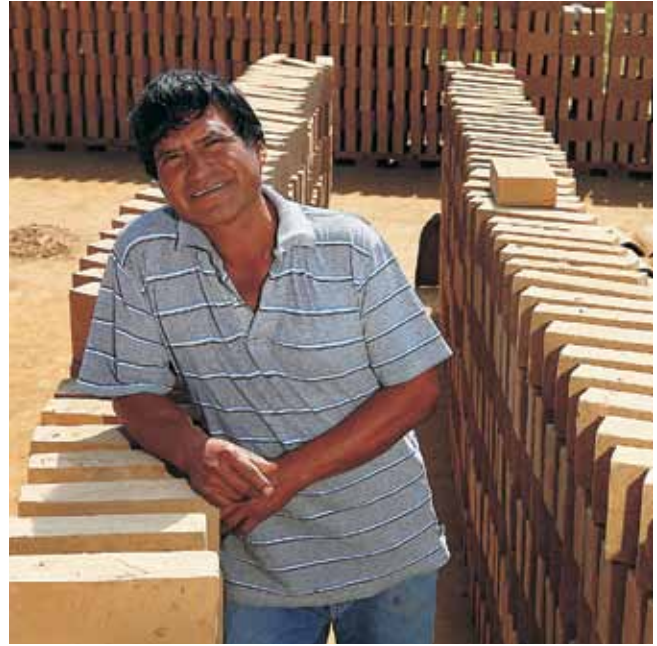
The banks have safety and health committees in which both executives and employees participate. Bank employees make up between 3% and 5% of these committees. Given the nature of our work, there are no issues of occupational hazards or health problems which need to be dealt with here. Absenteeism and days lost are therefore not related to issues of workplace safety.

Aware of the high level of trust placed in us by our clients, we exercise strict control over any incidents of corruption that may arise among our employees. Not only do we work to prevent anything that might

The Banking System Sports and Cultural Days are **an attractive option for fostering healthy competition and self-development among our employees**, allowing them to display their artistic and athletic skills.

### MEN AND WOMEN IN THE BANKING SYSTEM IN MEXICO





place in jeopardy the patrimony we safeguard, but there are also penalties in place to sanction anyone who commits acts of this nature.

We have highly efficient systems that allow us to respond to any complaints from our various interest groups, and we make sure always to react immediately. Some member institutions have an ombudsman, confidential hotlines, or specialized areas that attend to suggestions, claims, and complaints.

**We have highly efficient systems that allow us to respond to any complaints** from our various interest groups, and we make sure **always to react immediately.**

## EXTERNAL SOCIAL CONTEXT

### Social Investment

Investment	2008	2009	Var. %
Social and Cultural	\$ 1,616,779,797	\$ 2,014,861,942	24.62%

In order to make a genuine contribution to social welfare, we seek at all times to make a positive impact not only on our clients but also on the needier members of society.

We focus on fostering integral and sustainable social development through constant social investment, from which numerous projects and programs are derived. Our infrastructure is placed at the disposal of society to capture resources, channel them, and –through various alliances– collaborate with the public and social sectors.

It is important to point out that the resources donated by society to support different causes are audited by prestigious organizations, recognized for their seriousness, which render accounts to the authorities at different levels of government, ensuring full transparency.

Social investment in 2009 was P\$ 2,014 million, an increase of 24.62% over the previous year. This increase is all the more remarkable given the difficult economic conditions prevailing over the last year. It reflects the commitment of the banking system to Mexico.

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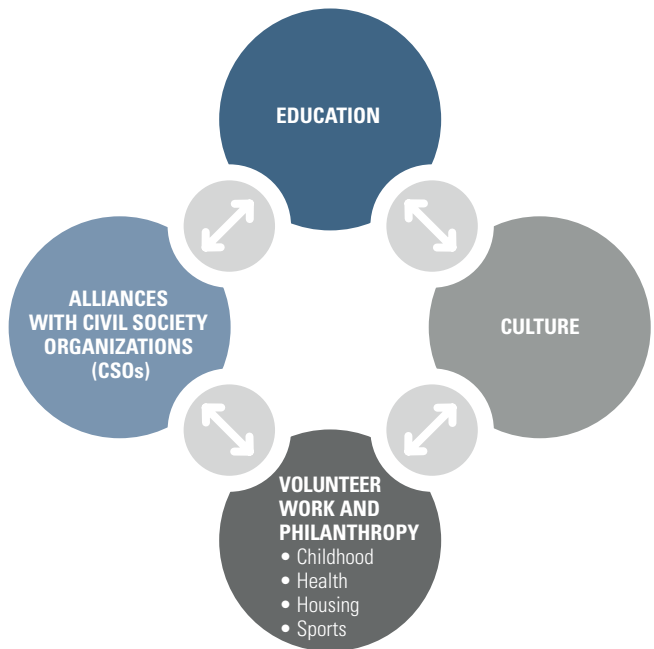
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## AREAS IN WHICH WE PARTICIPATE



### Education

Since education represents the guarantee of a better tomorrow for all, we give support to children and young people, especially those from lower-income families with fewer opportunities to receive a good education.

The various projects undertaken on behalf of education can be grouped into the following sections:

- **Bécalos**
- **Fundación Quiera**
- **Other education programmes**

### Bécalos 2009

- **12 million clients supported the program**
- **85,091 scholarship recipients, including 37,218 students with full-year scholarships and 47,873 public school teachers and administrators trained**
- **More than P\$ 105 million invested in 2009**

In June 2006 the ABM, the country's principal banking institutions, and Fundación Televisa, with support from the Secretaría de Educación Pública (SEP, the Ministry of Education) and the state governments, started up the Bécalos program, whose aim is to facilitate access to education to thousands of students from lower-income families and to offer training opportunities to teachers, boosting performance and, in this way, fostering equality in education.



**Bécalos offers:**

- Full-year scholarships at the high school and university level
- Scholastic excellence scholarships to students from lower-income families
- Scholarships in key development areas, such as science, engineering, and technical programs
- Training scholarships for public school teachers and administrators

The support of banking institutions and the ABM is crucial to the success of the program. The banks offer their network of ATMs as a platform to collect voluntary contributions from customers. The banks, the ABM, and Fundación Televisa all make additional contributions, making for more scholarships and more support to students and teachers.

The banking system has also signed alliances with the most important educational institutions in Mexico:

- The Ministry of Education
- The state ministries of education
- Universidad Nacional Autónoma de México
- Instituto Politécnico Nacional
- Colegio de Bachilleres
- Instituto Tecnológico y de Estudios Superiores de Monterrey
- Universidades autónomas estatales
- State technical colleges

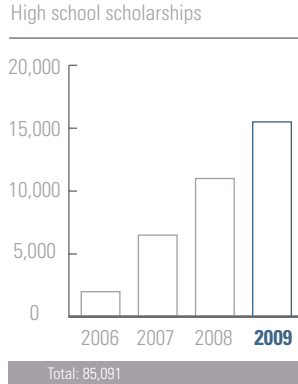
Students request scholarships directly from the institutions and these select recipients on the basis of criteria established in collaboration with the program. The Bécalos program also supports education for needier social groups, such as members of indigenous communities, children working or living on the street, and children of migrant workers.

In order to give a boost to students trying to finish high school, in 2007 the Secretaría de Educación Pública, Bécalos, and Microsoft launched the Prep@rate program, designed to allow students from lower-income families to earn a high school diploma from the IPN, the UNAM, the Colegio de Bachilleres, or the Universidad Tec Milenio through on-line studies with high quality standards. Students are given a scholarship, access to computer equipment, and specialized tutorials.

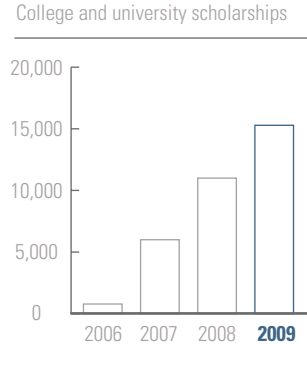
It should be noted that, although the Bécalos program receives contributions from various banking and educational institutions, the greater part of its funds come from the 12 million clients of the banking system who contribute annually through more than 29,000 ATMs across the country.

Total student and teacher training scholarships granted as of the end of 2009	
EDUCATIONAL LEVEL	TOTAL STUDENT AND TEACHER TRAINING SCHOLARSHIPS 2009
High school	15,109
University	17,087
Educational equity	5,022
Training for teachers and administrators	47,873
<b>Total</b>	<b>85,091</b>

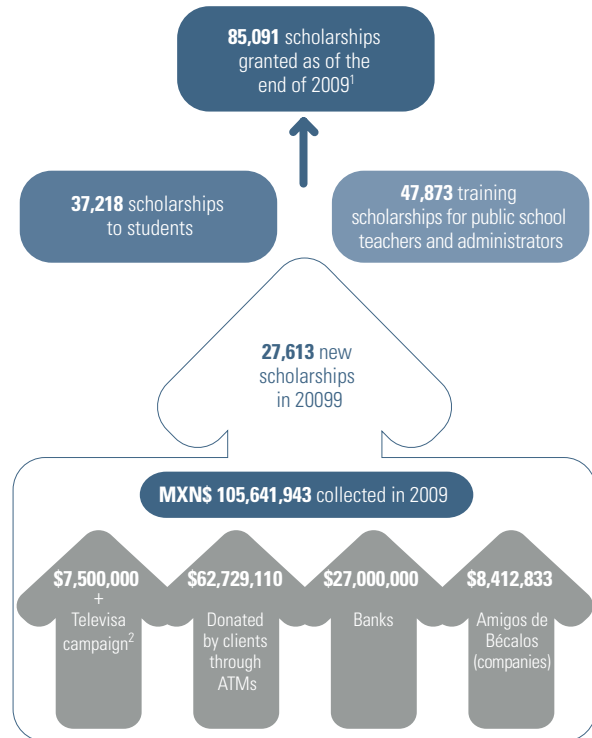
**SCHOLARSHIPS GRANTED 2006-2009**  
High school scholarships



**SCHOLARSHIPS GRANTED 2006-2009**  
College and university scholarships



**FLOW OF CONTRIBUTIONS FOR THE BÉCALOS PROGRAM IN 2009**



<sup>1</sup> This figure includes the scholarships granted by the federal, state, and municipal governments

<sup>2</sup> Contribution equivalent to MXN\$ 300,000,000



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In June 2006 the ABM, the country's principal banking institutions, and Fundación Televisa, with support from the Secretaría de Educación Pública (SEP, the ministry of education) and the state governments, started up the **whose aim is to facilitate access to education to thousands of students from lower-income families.**

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**Participant Institutions:**

HIGH SCHOOL SCHOLARSHIPS	
States	14
Participating educational institutions	18

COLLEGE AND UNIVERSITY SCHOLARSHIPS	
States	27
Participating educational institutions	57

The institutions that participate through monetary donations or the use of their automated teller infrastructure are:



The following table shows the number of students who received the benefit of scholarships at the high school level in 2009, as well as the institutions they belong to:

PARTICIPATING HIGH SCHOOLS BY STATE:	
Baja California	CECYTE - Baja California
Baja California Sur	Bachillerato Baja California Sur - Fundación Questro
Chiapas	Bachillerato Chiapas
Chihuahua	CECYTE - Chihuahua
Coahuila	CECYTE - Coahuila
Distrito Federal	Fundemex - CONALEP, Instituto Politécnico Nacional, Prep@rate, UNAM
Durango	CECYTE - Durango
Guanajuato	CECYTE - Guanajuato
Estado de México	Bachillerato Estado de México, CECYTE Estado de México
Quintana Roo	CECYTE - Quintana Roo
Veracruz	Bachillerato Veracruz
Yucatán	Bachillerato Yucatán, CECYTE Yucatán
Zacatecas	CECYTE Zacatecas

PARTICIPATING COLLEGES AND UNIVERSITIES BY STATE:			
Aguascalientes	Universidad Tecnológica de Aguascalientes	Oaxaca	Universidad Autónoma Benito Juárez de Oaxaca
	Universidad Tecnológica del Norte de Aguascalientes UTNA Extensión Calvillo	Puebla	Universidad Tecnológica de Huejotzingo
Campeche	Universidad Tecnológica de Izúcar de Matamoros		
Chiapas	Universidad Tecnológica de Puebla		
Chihuahua	Universidad Tecnológica de La Selva		Universidad Tecnológica de Tecamachalco
	Universidad Tecnológica de Chihuahua Universidad Tecnológica de Ciudad Juárez		Universidad Tecnológica de Xicotepec de Juárez
Coahuila	Universidad Tecnológica de Torreón	Querétaro	Universidad Tecnológica de Querétaro Universidad Tecnológica de San Juan del Río
Guanajuato	Universidad Tecnológica de León	Quintana Roo	Universidad Tecnológica de Cancún Universidad Tecnológica de la Riviera Maya
	Universidad Tecnológica del Norte de Guanajuato (UTNG) Universidad Tecnológica del Suroeste de Guanajuato (UTSOE)	San Luis Potosí	CSA IT
Guerrero	Universidad Tecnológica de Costa Grande de Guerrero Universidad Tecnológica de La Región Norte de Guerrero	Sonora	Universidad Tecnológica de Hermosillo Universidad Tecnológica de Nogales Universidad Tecnológica del Sur de Sonora
Hidalgo	Universidad Tecnológica de La Huasteca Hidalguense	Tabasco	Universidad Tecnológica de Tabasco Universidad Tecnológica del Usumacinta
	Universidad Tecnológica de La Sierra Hidalguense		
	Universidad Tecnológica de Tula - Tepeji	Tamaulipas	Universidad Tecnológica de Altamira Universidad Tecnológica de Matamoros Universidad Tecnológica de Nuevo Laredo Universidad Tecnológica de Tamaulipas (Reynosa) Instituto Tecnológico de Ciudad Madero Instituto Tecnológico 38 de Ciudad Victoria
	Universidad Tecnológica del Valle Del Mezquital Universidad Tecnológica de Tulancingo		
Jalisco	Universidad Tecnológica de Jalisco	Tlaxcala	Universidad Tecnológica de Tlaxcala
México	Universidad Tecnológica de Nezahualcóyotl	Veracruz	Universidad Tecnológica del Centro de Veracruz
	Universidad Tecnológica de Tecamac	Yucatán	Universidad Tecnológica Regional del Sur Universidad Tecnológica Metropolitana
	Universidad Tecnológica del Sur del Estado de México		
	Universidad Tecnológica del Valle de Toluca	Zacatecas	UTEZ Campus Guadalupe UTEZ Unidad Académica de Pinos
	Universidad Tecnológica Fidel Velázquez		
Nayarit	Universidad Tecnológica de La Costa Universidad Tecnológica de Nayarit Universidad Tecnológica de Bahía de Banderas		
Nuevo León	Universidad Tecnológica Santa Catarina		
	Universidad Tecnológica General Mariano Escobedo		

Source: Fundación Televisa

## The training courses allowed participants to **develop new teaching techniques and to explore the latest curricular material.**

In 2009 the training program for public school teachers attracted 47,873 participants from 27 different states. The training program was made possible through the enthusiastic participation of the Academia Mexicana de Ciencias, the Instituto Tecnológico y de Estudios Superiores de Monterrey (ITESM), and the Consorcio Clavijero.

The training courses allowed participants to develop new teaching techniques and to explore the latest curricular material, as well as to hone their skills in the management of new information technologies.

Developed alongside Bécalos, the fund-raising initiative Amigos de Bé-

calos is designed to collect contributions from individuals, companies, and non-bank organizations. The contribution of Amigos de Bécalos in 2009 was more than P\$ 8.4 million. The companies that contributed in this way were:

- **Learning for Life**
- **GNP Grupo Nacional Provincial**
- **Fundación Nextel**
- **SKY**
- **Fundación QUESTRO**

## FUNDACIÓN QUIERA

- **14,700 children benefitted**
- **832 scholarships**
- **42 social projects**
- **68 institutions supported in 14 different states**

The Fundación Quiera, created by the Asociación de Bancos de México, is a non-profit organization that supports institutions which on behalf of street children and young people who live and work on the street.

Since its founding in 1993, Fundación Quiera has benefitted more than 100,000 minors and young people who live or work on the street or are at risk of having to do so. Three strategic programs have been implemented:

- **Strengthening of the sector**
- **Education**
- **Mental health**

The Fundación works through a network of participating institutions called "Instituciones Amigas de Quiera." In 2009, 68 institutions in 13 different states and the Federal District (Greater Mexico City) received support to professionalize themselves and promote the development of alliances, networks, and mutual understanding. The Fundación financed 42 projects to the benefit of 14,700 children and young people in situations of social risk. It also granted 832 training scholarships.

In addition, Fundación Quiera has a brief therapy model for the treatment of post-traumatic stress syndrome for children and young people in Mexico. Twenty-four psychologists were trained through the program.

Finally, with a view to opening up participation to institutions and employees interested in the issue, a web page was created with useful information about the syndrome and valuable personal testimonies.

## OTHER EDUCATIONAL PROGRAMS

### The "For Those Who Stay Behind" Program

Emigration and its economic and social effects have been widely studied and analyzed, but most of these studies and projects focus on the migrants and not on the family members who remain behind, for whom the separation of the family and the difficult circumstances that result from it can lead to a high level of truancy among school-age children.

The integration scholarships of the "For those who stay behind" program make a connection between education and the home communities of the emigrants. The program focuses on the social effects of the phenomenon of emigration. Scholarships are granted to children of emigrants in 143 municipalities in 18 different states in Mexico. The selection process is undertaken in collaboration with the educational authorities of the states.

- **Scholarships to 15,000 students, to the benefit of 75,000 family members**
- **Presence in 60% of the states in Mexico**



As a part of the program, on 30 October 2009 the documentary *Los que se quedan*, directed by Juan Carlos Rulfo and Carlos Hagermann, was premiered. This documentary raises awareness of the phenomenon of emigration by telling "the other side of the story," that is, the homes the families of those who emigrate to the United States.

### Coverage of the "For Those Who Stay Behind" Program

Chiapas	Nayarit
Coahuila	Puebla
Durango	Querétaro
Edo. de México	San Luis Potosí
Guanajuato	Sonora
Hidalgo	Tamaulipas
Jalisco	Tlaxcala
Michoacán	Veracruz
Morelos	Zacatecas

### The "Integral Education" Program

In order to create a significant change in quality of education it is necessary to work in collaboration with school administrators, teachers, students, and parents. Along these lines, the "Integral Education" program seeks:

- **To train teachers, improving their skills and giving them innovative pedagogical techniques**
- **To support parents by reinforcing their human development and involving them in the education of their children**
- **To give students the skills necessary to enjoy better opportunities in the future**
- **To contribute to community integration**
- **To develop a model that can be repeated in other schools**

The program has been implemented, in collaboration with the Secretaría de Educación Pública, in 15 full-time primary schools in Mexico City, where the following courses are given:

TRAINING FOR TEACHERS
Pedagogical training and updating
Pedagogical follow-up in the classroom
Consulting on matters of interest to teachers
Science in your school
Didactic course for teachers
Administrative skills
First aid
Special needs
DEVELOPMENT OF SKILLS FOR STUDENTS
English
Use of information technologies
Environmental education
Financial education
Artistic education
Sports
HUMAN DEVELOPMENT FOR PARENTS
"Improve for your children"
EDUCATIONAL REINFORCEMENT IN THE COMMUNITY
"I like to read"
"Improve your school"
"Our school needs your opinion"
"Drinking water"
"A healthy lifestyle"

### The "Universia" Program

The "Universia" program supports collaborative projects with universities and research centers through initiatives unique in the world. The idea is to maintain close links with the universities and their rectors in order to contribute to economic and social progress.

At the same time, it generates collaboration in teaching and research projects and in activities aimed at promoting the use of the new information technologies on campus, as well as fostering relations between the universities and private companies. In 2009, the Universia web page received a monthly average of 780,675 visits.

The principal programs and axes of activity in Mexico are:

- **Local and international travel scholarships for students and professors, meal grants, social service grants, and entrepreneur scholarships**
- **Fostering university-enterprise relations ("Entrepreneurial Innovation Award")**
- **Technological collaboration: donation of equipment and software**
- **Support for teaching projects, university chairs, and post-gradu-**

ate programs

- **Universia, an Ibero-American network of university collaboration**
- **The "Miguel de Cervantes" virtual library**
- **Value-added financial products and services for the university community**

### Cultural Development

- **More than 8 cultural programs**
- **More than 15 monument conservation projects**
- **Support for more than 16 cultural exhibitions and the publication of bibliographical works**

Fostering and conserving our culture is one of the best ways of ensuring our sustainability as a society. One of the main commitments of the banking system is therefore the conservation and promotion of Mexican culture.

Through support to creators and the promotion of art we seek:

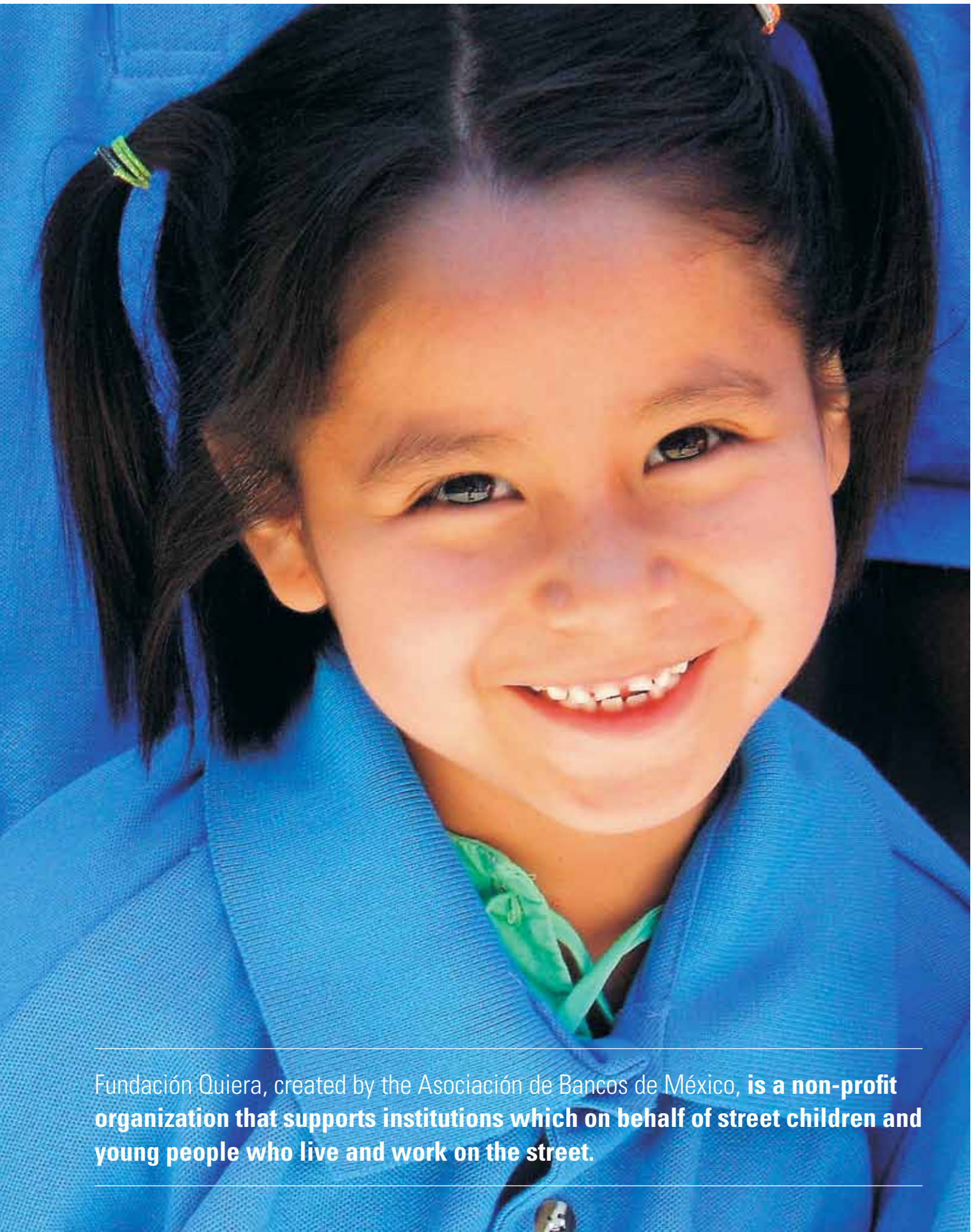
- **To invest in the cultural development of the country**
- **To encourage the study of our national artistic heritage**
- **To participate in the recovery and conservation of Mexico's historical, architectural, and artistic heritage**

Some of the programs are:

- **Fondo de Apoyo a las Artes (Arts Support Found)**
- **Publishing projects**
- **The university competition "Hazlo en corto" ("Do it in short film")**
- **The MACG Arte Actual and Salón de Arte program**
- **Grandes del Arte Popular (Great Masters of Popular Art)**
- **International exhibitions and projects**
- **Restoration and conservation**
- **Educational services**

Through these programs we have conserved some important works of Mexico's cultural heritage, such as:

- **Casa Montejo (16th century) in Mérida, Yucatán**
- **Casa del Diezmo (18th century) in Morelia, Michoacán**
- **Palacio de los Condes del Valle de Súchil (18th century), in Durango, Durango**
- **Palacio de los Condes de San Mateo de Valparaíso and Palacio de Iturbide (18th century) in Mexico City**
- **Casa del Mayorazgo de la Canal (18th-19th century) in San Miguel de Allende, Guanajuato**
- **Restoration of the sculpture The Red Sun, by Alexander Calder, in the Estadio Azteca in Mexico City**
- **Exhibition "Gabriel Figueroa, Cinefotógrafo" in the Palacio de Bellas Artes**
- **Restoration of the Edificio Rule in the historic center of Mexico City**
- **Restoration of an altarpiece in Cuauhtinchán, Puebla**



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- **Restoration of the former Convento de San Francisco in Tzintzuntzan, Michoacán**
- **Restoration of the dome of the Palacio de Bellas Artes.**

In 2009, in collaboration with the Museo de Arte Contemporáneo (MACO) and the Antiguo Colegio de San Idelfonso, the program sponsored an exhibition by Antony Gormley, the largest showing of works by the British sculptor so far held in Latin America.

#### Philanthropic and Volunteer Work

- **More than one million people benefitted**
- **142 institutions supported**
- **50 volunteer programs**
- **More than 10,500 hours of volunteer work**

The banking institutions of Mexico have a long history of social commitment, reflected in numerous donations and fund-raising programs in which our personnel has played an important role. The resources are donated to a large number of institutions which develop a variety of social support programs. A large part of this charity work is performed by the various foundations of the banking institutions.

Volunteer work varies from institution to institution, though the following practices are common to all:

1. We devote one working day per year to the performance of volunteer work of their preference by employees.
2. We keep a record of, and follow up on, each initiative carried out by banking system employees.
3. We publish the results and experiences.
4. We provide economic stimulus to the foundations through which our

employees perform their volunteer work.

Most of the philanthropic and volunteer work is concentrated in the following areas:

- **Childhood**
- **Health**
- **Educational infrastructure**
- **Housing**
- **Reconstruction of infrastructure damaged by natural disasters**

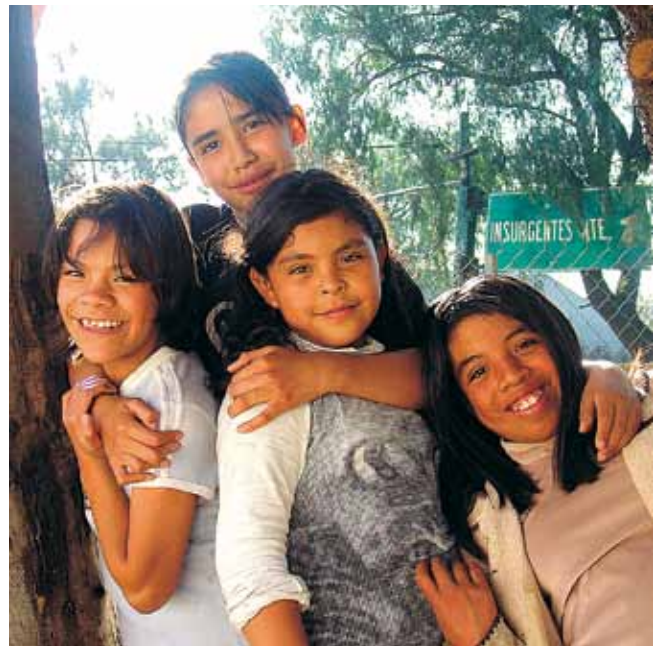
#### Childhood

The education of our children is a task in which we should all be involved, for it lays the foundation of a solid and committed citizenry. Children in marginalized zones and in vulnerable situations constitute our main axis of action. We work to offer them quality education, improved health conditions, and opportunities for a better tomorrow.

In this respect our “Emigrants” program is especially important, dealing as it does with children and teenagers who are repatriated after crossing the U.S.-Mexico border in search of better opportunities for them and their families. These minors cross the border alone or are abandoned in their communities, where they are placed in situations of extreme vulnerability.

In alliance with the Sistema Nacional para el Desarrollo Integral de la Familia (DIF, the National System for the Integral Development of the Family) and the Save the Children organization, the banking institutions help these children and teenagers to develop skills and reincorporate themselves into their home communities. It also provides scholarships, support, training, and formal education. In 2009 a total of 1,310 individuals were benefitted.

Other initiatives aimed at providing support for children that are deserving





The education of our children is a task in which we should all be involved, for it constitutes the foundation of a solid and committed citizenry.





of mention include:

- **The “No Child Out of School” program, backed by UNICEF and aimed at children in marginalized zones**
- **Awards for research into childhood**
- **The trust fund “For the Children of Mexico”**
- **The “Adopt a Child” program, whereby 150 children received godparents and five groups were benefitted**
- **The “Children’s Rights” program**
- **The “Panwapa” program, created in collaboration with “Sesame Workshop,” designed to prepare children ranging from four to eight years of age to become globalized citizens**
- **The “Make a Wish” program, designed to make the dreams of children with cancer come true**

#### Health

- **More than 60,000 people benefitted**
- **More than 15 health programs implemented**

The banking institutions support a diverse range of initiatives whose sole purpose is the improvement of health in the community, through the prevention and treatment of various conditions and through infrastructure that makes for better health conditions. Health projects range from nutrition programs and educational projects to early stimulation and the provision of potable water.

Actions carried out include the following:

- **Nutritional vigilance: monitoring of height and weight, supply of anti-parasite medication and vitamin A**
- **Detection of anemia and treatment through doses of iron**
- **Nutritional education: training and orientation aimed at mothers**
- **Distribution of food packages, with products especially targeted at children**

- **Evaluation of neuro-development and early stimulation**
- **All-year-round drinking water**

In collaboration with the “A Kilo of Aid” program, we worked in Oaxaca, Puebla, Veracruz, Yucatán, Chiapas, Guerrero, and Estado de México. We helped more than 40,000 children, with the target goal of reducing mortality due to malnutrition, especially among children under five years of age, by at least 50%.

#### Educational Infrastructure

Some volunteer programs operate in Integral Education Centers in different states in Mexico, where vocational training is offered to people from low-income brackets, along with primary, middle school, and high school education. In 2009 support was provided to 3,160 adults and 580 children in these centers. With the help of volunteers, the following courses were offered:

- **Adult education**
- **Personal development**
- **Computer science**
- **School for parents**
- **English**
- **Workshops and trades**

#### Housing

Among the less favored sectors of our society there is a serious problem with housing conditions, although the home remains the physical representation of the family and its patrimony. With a view to enhancing the quality of life of lower-income families, we have developed programs that promote home construction and improvements. In some case these programs are linked to support for disaster zones stricken by hurricanes,



earthquakes, etc. The various programs focus on:

- **The reactivation of the productive activities of lower-income families**
- **The reconstruction of service infrastructure**
- **Support for do-it-yourself construction, improvement of housing, and community habitats**

One of the most important programs is carried out in collaboration with *Habitat for Humanity Mexico*, an association that functions through donations and volunteer work to provide decent housing to families headed by single mothers.

Also deserving of mention are the “Construction Days,” when volunteers participate in the construction or improvement of housing in marginalized communities. Also, as a contribution to the Provivah trust fund, resources were collected through voluntary donations in ATMs to support needy families, who are provided with homes in housing developments equipped with roads and services. Another program is “Compartamos con la comunidad” (“Share with the Community”), an initiative which brings together volunteers and community residents to make improvements to local parks and infrastructure.

In alliance with “Construye,” funds were raised to support families in vulnerable circumstances and to replace makeshift dwellings with houses of safe, resistant, prefabricated materials.

Also significant was the construction of more than 60 houses, to the benefit of some 300 persons, and the construction of 5 community centers.

### **Reconstruction of Infrastructure**

Because of its geography, Mexico is exposed to various natural phenomena which put the welfare of the population at risk. When such calamities oc-

cur, support is required for the reconstruction of the communities affected. This was the case of the Atasta recreational park in Villahermosa, Tabasco, which was seriously damaged by flooding in 2007 and by its use as a temporary refuge for ten months. In 2009 a considerable investment was made to reconstruct the park and equip it to function as a refuge in the event of future emergencies.

### **Alliances with Civil Society Organizations (CSOs)**

- **More than 50 CSOs supported**
- **More than 80 projects sponsored**

Links with civil society organizations are a priority for the banking system, as these contributed to improving the quality of life of various groups and communities. We provide transparent support to CSOs through consulting services in the management of resources, donations, and volunteer work. Among the many institutions with which we have collaborated are the following:

- **A Leer**
- **Ashoka, the “Visionaris” Award**
- **Asociación Mexicana para la Superación Integral de la Familia (AMSIF)**
- **The Santa María volunteer kitchen**
- **Confederación Mexicana de Organizaciones en favor de las Personas con Discapacidad Intelectual (CONFE)**
- **Consejo de Desarrollo Social**
- **Consejo Mexicano de Civicultura**
- **Cruz Roja**
- **Fundación ADO**
- **Fundación CIE**
- **Fundación IBBY**
- **Fundación Nemi**
- **Fundación Pfizer**
- **Grupo de los Dieciséis**
- **Inroads**
- **Instituto Nuevo Amanecer**
- **Meyalli, Educar**
- **Naturalia**
- **Niños de la Calle**
- **Pasitos**
- **Procura**
- **Pro-Educación**
- **Retos**
- **Ronald McDonald**
- **Save the Children**
- **Travelling Notes**
- **UNICEF**
- **Unidas Contigo**
- **Unidos, Asociación Pro Trasplante de Médula Ósea**

## FINANCIAL EDUCATION

- **4,951,292 people benefitted**
- **\$94 million pesos invested**

One of our most important responsibilities is to increase the financial knowledge of the general population, as this brings with it great social benefits.

At a time when the financial markets are becoming ever more complex and households are assuming more responsibilities in decision-making about their resources, financial education is a priority. The importance of financial education today is a result of the demographic, economic, and political changes that have taken place in societies such as ours.

Financial education is important because it:

- **Promotes higher levels of savings, which contribute in turn to investment and economic growth.**
- **Generates valuable information for comparing different options in the financial market and for making better decisions.**
- **Favors equity and equality of opportunities by giving all users of financial products and services decision-making tools.**
- **Contributes to maintaining a stable and healthy economy.**
- **Moreover, better-educated and better-informed consumers demand products and services of higher quality.**

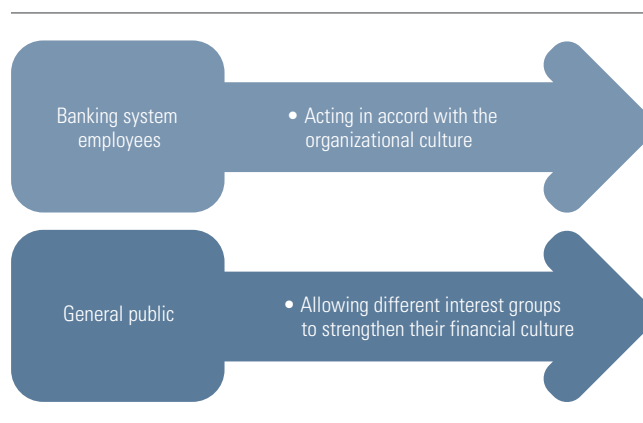
In this way, financial education not only contributes to the proper functioning of the markets, but also brings with it a better standard of life for the general population. Financial education gives people the tools to make good decisions, to avoid excessive debt loads, and to maximize the use of banking services, even as it fosters a culture of savings among all, including children. In short, it makes it possible for individuals, families, and members of the community, as well as companies and institutions, to gain the knowledge required for a better administration of their financial resources.

In order to gauge the state of financial education in the country and to propose measures aimed at improving it, various studies have been made in both the public and private sectors. International organizations such as the Organisation for Economic Co-operation and Development (OECD) have drawn up manuals of sound financial practices.

This organization has pointed out that financial education is especially crucial to developing countries, where the population has increasing access to financial services, with the consequent need for responsible decision-making. It also makes a series of recommendations, such as working in collaboration with the authorities, differentiating between financial education and commercial advertising, and putting the emphasis on the planning and design of programs in line with the characteristics of target groups.

Based on these experiences, various credit institutions have established initiatives to bring concepts, knowledge, and skills to different sectors of the population.

The financial education programs implemented by the ABM and the banking system in Mexico are directed at two audiences:



At a time when the financial markets are becoming ever more complex and households are assuming more responsibilities in decision-making about their resources, **financial education is a priority. The importance of financial education today is a result of the demographic, economic, and political changes** that have taken place in societies such as ours.

Our informative programs are designed to **raise awareness among the members of the general population of the importance of strengthening their financial culture and of understanding the options available in the market.** Our formative programs seek to influence the habits and attitudes of citizens in the use and care of their financial resources through better decision-making.

By this means we seek to:

- **Create awareness of the importance of preparing for the future**
- **Develop a culture of savings**
- **Advise those persons who are faced with various options to improve their financial health**

Our principal actions are focused on formation and information. Our informative programs are designed to raise awareness among the members of the general population of the importance of strengthening their financial culture and of understanding the options available in the market. Our formative programs seek to influence the habits and attitudes of citizens in the use and care of their financial resources through better decision-making.

Also of importance are the efforts of the member institutions in designing programs that meet the specific needs of the various social groups at whom they are aimed. In this way, the special characteristics (age, services required, methods of learning, educational needs) of each group are understood and programs are found which will meet their requirements.

Actions undertaken in 2009 in the area of financial education include:

- A general collaboration agreement with the Instituto Plitécnico Nacional. As part of this agreement, the "Training trainers" workshop in economic and financial education was given to more than 400 teachers.
- A theoretical and practical guide to economic and financial education for producers in the agricultural sector was drawn up in collaboration with the Fideicomisos Instituidos en Relación con la Agricultura (FIRA).
- Participation in seminars, forums, symposia, conferences, and other events, devoted to the subject both in Mexico and abroad.
- Preparation of books, pamphlets, and postcards with financial education messages.
- Collaboration with the CONDUSEF during the National Financial Education Week 2009.
- Collaboration with the Mexican Ministry of Finance (SHCP) in defining the National Financial Education Strategy.
- Collaboration with the Mexican Ministry of Education (SEP) in developing a training workshop in the area of finance and economics for high school students.
- Sponsorship of visits by students to the Museo Interactivo de Economía (MIDE), an interactive museum devoted to economic science, in Mexico City.

- Support in the design and launching of the videogame "Financial Soccer" of the "Practical Finances" program.

Also deserving of mention are programs and initiatives such as the following:

"Knowing How to Count." This program seeks to promote financial culture among individuals, communities, companies, and institutions, allowing them not only to generate financial resources, but also to administer and so optimize their handling of funds.

This has led "Knowing How to Count" to deal with a range of subjects, including:

- **Economy and finances**
- **Financial Culture in Mexico**
- **Company and society**
- **Quality of life and well-being**

The program is aimed at children, young people, and adults, who are given a wide range of options for addressing their needs. In this way, the program can be of use to micro-entrepreneurs, peasants, parents, professionals, clients, and homemakers, as well as many others.

The didactic material prepared for the program includes books, manuals, interactive material, videos, online instruction, magazine inserts, board games, stage plays, comic strips, practical exercises, a web page, television and cinema capsules, and audiovisual material. The program's mobile financial education promotion units travel all over Mexico.

The objective of the Adelante con tu futuro ("Go Ahead with Your Future") program is to empower users to take full advantage of financial services through a range of tools and skills. It is based on the following considerations:

- The national education system teaches us to fulfill certain responsibilities and perform specific tasks, but it does not teach us to administer our personal financial resources properly.
- Every day we make financial decisions in critical areas of our lives that affect our personal and/or family finances, such as the purchase of a home.
- Financial products are increasingly diverse and sophisticated.
- The current worldwide financial crisis requires that we be better prepared in these matters.

**Special mention should be made of the excellent work done by the Museo Interactivo de Economía (MIDE).** This space, designed to disseminate the science of economics and to promote financial education in Mexico, has allowed us to bring these subjects to a wider public, with an emphasis on public school children in difficult economic circumstances.



The “ABC of the Banking System” module of the Asociación de Bancos de México at the MIDE.

The principal subjects covered by the program are:

- **Saving**
- **Saving for retirement**
- **Consumer loans**
- **Mortgage loans**
- **Credit health**

The workshops offered are complemented by virtual equivalents offered on-line through the web page of the program. There are also mobile classrooms that go from state to state in Mexico.

Más allá del dinero (“Beyond Money”) is a financial education program that teaches basic financial concepts and skills –such as income, expenses, sharing, and saving– to primary school children.

Other programs deserving of mention are Salud financiera para empleados (“Financial Health for Employees”), whose objective is to inform about, prevent, and correct the financial problems of our employees, and La importancia del crédito (“The Importance of Credit”), which seeks to provide fundamental credit information, explaining the characteristics of loans and conveying the importance of handling them responsibly.

It is important to mention that some institutions specializing in micro-credits promote financial education so that their client groups can make better financial decisions, to the benefit of individuals, families, and society in general.

### **Methods of Instruction**

As mentioned above, we offer both live and on-line courses, workshops, and talks. The first kinds of courses are given in fixed or mobile spaces expressly designed for the purpose, such as public and private schools, in communities –with the support of civil organizations, and in universities. On-line instruction is offered through agreements with institutions that have the necessary infrastructure, such as Instituto Tecnológico y de Estudios Superiores de Monterrey.

Many of these programs have been designed in function of the different publics we attend to. Thus, there are not only workshops, conferences, courses, and seminars (both live and on-line), but also information sessions, contests, radio and television programs, exhibitions, publications (books, manuals, and pamphlets), and telephone lines.

### **Partnerships**

In collaboration with other institutions it is possible to train more people and at the same time to share experiences and to adopt successful practices. To this end, the banking system has established partnerships with institutions such as the following:

- **Academic institutions**
- **Financial institutions**
- **The Museo Interactivo de Economía**
- **Civil organizations**
- **The Ministry of Economy**



- **The Ministry of Education**
- **The Ministry of Finance**

Special mention should be made of the excellent work done by the Museo Interactivo de Economía (MIDE). This space, designed to disseminate the discipline of economics and to promote financial education in Mexico, has allowed us to bring these subjects to a wider public, with an emphasis on public school children in difficult economic circumstances. We have contributed through sponsorship and some of our member institutions have financed new spaces in the museum or collaborated in the organization of events. Between June and December of 2009 we sponsored some 6,000 visits by primary school children to the museum.

### **The Financial Education Committee of the ABM**

In 2009 the Financial Education Committee of the ABM was created to promote financial education in Mexico and to raise awareness of its importance to the economic and financial welfare of Mexican families, through the following strategic objectives:

- I. To join forces in the promotion of financial education.
- II. To raise awareness among individuals of the importance of financial education to their own welfare.
- III. To maximize the benefits of the banking system’s efforts in this line.
- IV. To contribute to the consolidation of a positive image of the banking system as Mexico’s development motor.

The creation of this Committee has allowed us to draw up a working agenda of the actions and initiatives in the area of financial education to be carried out in 2010.

**It is important to mention that some institutions specializing in micro-credits promote financial education so that their client groups can make better financial decisions, to the benefit of individuals, families, and society in general.**



## INVESTED IN THE ENVIRONMENT

We are committed to the environment, so we undertake **actions that tend to reduce consumption of energy, water, and paper**. We also have sustainable buildings and apply ecological criteria in our decisions to grant loans.

- **P\$ 301 million invested**
- **Support for environmental projects in 20 different states**
- **6 hectares reforested with 10,000 trees**

In the face of the urgent need to change our relationship with the environment, and especially our unbridled exploitation of natural resources, the Mexican banking system has devoted much of its effort to the care of the environment.

We seek to improve our relationship with nature through long-term, integral, sustainable actions. This means considerable investment into electronic banking and the rational use of resources in our offices.

Investment	2008	2009	Var. %
Environmental	\$ 31,767,364	\$ 301,189,608	848%

### INTERNAL CONTEXT

#### Energy

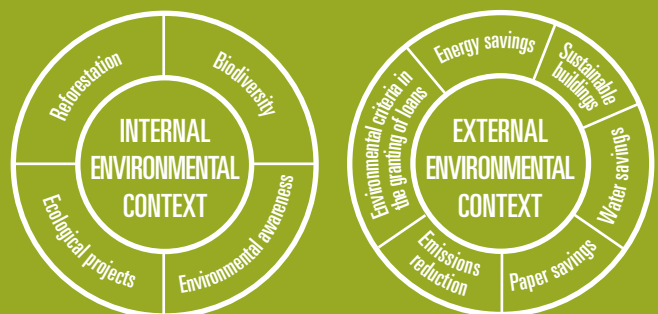
Thanks mainly to electronic banking, we have achieved significant savings. This technological innovation not only frees clients from making trips to bank branches, but also reduces consumption of paper and means there is less infrastructure to be illuminated. In 2009 alone, clients of the banking system performed some 429 million operations by internet





We seek to improve our relationship with nature through long-term, integral, sustainable actions. **Our actions on behalf of the environment** can be outlined as follows.

Actions





At the same time, given the nature of our business, one way of saving electrical energy is the use of electronic systems which automatically turn on and off lights and computer equipment in offices and bank branches.

Through the use of dichroic lighting, solar heating, and photocells we have made significant energy savings. Through T8 lamps we have also achieved important reductions in consumption per employee. We are working to replace the air conditioning in bank branches with equipment that does not affect the ozone layer. We have also implemented institutional campaigns to save non-renewable resources in offices and branches.

In 2009, thanks to the use of green technology in sustainable smart buildings, and to the optimal use of natural light, more than 5 million kWhs were saved.

There are numerous other initiatives aimed at reducing the environmental impact of our activities, including:

- **Separation and recycling of waste material**
- **Paper recycling campaigns**
- **Elimination of individual paper dispensers**
- **Containers for batteries, cell phones, PET bottles, cans, and newspapers**
- **Change from bond paper to more ecological varieties**
- **Separation and recycling of computer residuals**
- **Reduction of water and paper consumption per employee**
- **Reduction in the number of account statements printed**
- **Implementation of "3-R" campaigns (reduce, reuse, recycle)**
- **Creation of a green office model**

- **LEED certification in new construction**
- **Use of alternative energies**

#### Emissions

Some member institutions have begun to evaluate direct environmental impact and as a consequence have implemented various policies and standards.

We work in collaboration with governmental institutions on informative campaigns for employees, suppliers, and clients on the subject of carbon dioxide emissions.

#### Water

The issue of water has become a national concern. In 2009, the scant rainfall in central Mexico caused a significant drop in reservoir levels, leading to rationing in Mexico City and Estado de México. Measures implemented included a water conservation campaign led by the Mexico City government, in which the banking system participated in a proactive and timely fashion.

Other actions of the same kind included the change to water-saving toilets in offices and bank branches and awareness campaigns about the importance of caring for our water resources.

#### Paper

The use of information technologies has allowed us to significantly reduce the use of paper in our daily operations. Internal communications are circulated by e-mail and we deal with clients through paperless programs such as the delivery of account statements by e-mail. At the same



time, our offer of internet services reduces waiting time in bank branches and eliminates the need for much printed material. In our institutions we have promoted permanent paper recycling campaigns. Waste paper is stored in warehouses and then sent to recycling plants.

#### **The Sustainability Committee of the ABM**

The Sustainability Committee was established in 2007 in the aim of formulating sustainability criteria to be applied to investment, the granting of loans, the handling of assets, and the social and environmental support actions of the banking system in Mexico.

Starting from the premise that social and environmental performance in economic activities has ceased to be simply a question of philanthropy, and now constitutes a key element in the vision and integral strategy of both public and private companies, the Sustainability Committee decided to design self-evaluation tools for the banking system. The plan was carried out with the collaboration and counsel of the Instituto Nacional de Ecología (an autonomous department of the SEMARNAT, the Mexican Ministry of the Environment) and the United Nations Environment Programme–Finance Initiative (UNEP-FI).

In July 2009 some pilot tests were carried out with the participation of four institutions, selected as having information representative of Mexican banks. The final adjustments were made to the instrument in mid-November of the same year.

The banks will generate their first sustainability profile in the first semester of 2010, making it possible to carry out a study of the sector in both its everyday activities and its policies toward clients.

#### **EVENTS AND ACTIVITIES**

##### **Forum on Financing of Energy Efficiency and Renewable Energy in the Hotel Sector**

On 14 May 2009, the Basel Agency for Sustainable Energy (BASE) requested the help of the ABM in organizing an event whose objective was to demonstrate the business opportunities for the banking system in the financing of energy efficiency and renewable energy in the hotel sector.

Held in July 2009, the forum looked at the results of market studies (size), financial mechanisms, and success stories. It included a round table discussion.

The ABM agreed to work in collaboration with BASE to approach business organizations in Mexico City with a view to presenting the financing program and carrying out a pilot project with credit institutions.

##### **Mexico's Candidacy to Organize the Global Round Table (GRT) 2011**

Every two years the environmental program of the United Nations organizes a global round table on the subject of sustainable finances, with the participation of the government, civil society, and the academic sector of a chosen country. The event attracts professionals and shareholders from the global finance sector, both public and private.

The ABM presented its candidacy as organizer of the event, which was analyzed by the corresponding committee of the UNEP-FI. The proposal submitted by Washington, D.C. was eventually accepted.

## UNEP-FI / ABM Training and Awareness Program 2010

The UNEP-FI has placed at the disposal of the Mexican banks its courses on the subject of sustainability and better practices. This year's courses workshop will deal with Environmental Risk Assessment, Corporate Eco-efficiency, and Responsible Businesses. A total of ten on-line courses will be offered, beginning in February with Environmental Risk Assessment.

## EXTERNAL CONTEXT

We assume the responsibility and commitment of promoting the care of the environment and the sustainable development of communities. We channel resources into, and promote a range of initiatives on behalf of, the environment, making possible a harmonious relationship between communities and their surroundings. We therefore support a large number of social organizations with the knowledge, experience, and infrastructure to carry out such initiatives.

### Environmental criteria in the granting of loans

Most banking institutions evaluate the social and environmental impact of the projects for which financing is sought, on the basis of the Ecuador Principles<sup>1</sup> and other regulations. This translates into significant benefits:

- **Less adverse environmental impact**
- **Greater awareness of environmental conservation**
- **Less financial risk**

### Reforestation and conservation of forests and woodlands

We have joined forces in favor of reforestation campaigns that contribute to reducing environmental impact and at the same time help communities to live more harmoniously amidst their surroundings. Various institutions have participated in campaigns such as the following:

- **Reforestamos México**, a non-profit organization that seeks to conserve and salvage the woodlands and forest ecosystems of Mexico through the promotion of sustainable forest development, environmental awareness, and the participation of all sectors of society, to the benefit of the population and the environment. In 2009 approximately 6 hectares were reforested with 10,000 trees in the Nevado de Toluca National Park.
- **ProBosque**, a trust fund that invests in programs to remodel, rehabilitate, and conserve Chapultepec Park in Mexico City.

### Green Insurance

This banking product, developed in coordination with the Consejo Civil Mexicano para la Silvicultura Sostenible (CCMSS, the Mexican Civil Council for Sustainable Forestlands), helps local communities to conserve and regenerate the forests and woodlands of Mexico. For every policy taken out by a client a certain amount is donated to communities and ejidos (communal lands) in Oaxaca, Chiapas, Campeche, and Quintana Roo, in the aim of implementing programs to conserve and take fuller advantage of forests and woodlands. Various institutions have also undertaken refore-

station campaigns in the surrounding of Iztaccíhuatl volcano and promoted ecotourism projects in defense of the Lacandón rainforest.

### Biodiversity and Financing of Ecological Projects

Owing to its repercussions for the future, the conservation of biodiversity is of great importance. Numerous banking institutions therefore support habitat conservation and endangered species programs

Support for ecological and research projects is also important to creating sustainable communities. Projects that have been sponsored include

- Protection of the sea turtle in Tomatlán, Jalisco
- Protection of the flamingo in Celestún and Río Lagartos, Yucatán
- Protection of the jaguar in Chiapas, Nayarit, and Sonora
- Conservation of the last remaining areas of cloud forest in the El Triunfo biosphere reserve in Chiapas
- Water factories in the area of the Iztaccíhuatl, Popocatepetl, and Nevado de Toluca volcanoes
- Conservation and protection of the sea turtles in 13 of the 17 Mexican states with coastline
- Pronghorn protection programs

Some of these projects have been carried out in collaboration with institutions dedicated to the environmental promotion, training, and monitoring, such as the Centro de Información Ambiental de Norte América, A. C. (CICEANA).

In other cases we seek to link sporting and recreational activities to the care of the environment. One of the programs implemented along these lines is "Home Runs," whereby donations are made to organizations engaged in the conservation, restoration, and development of the environment for every double play turned by a professional Mexican baseball team. The sustainable communities' project also helps with the construction of environmentally-friendly systems that allow for better use of our natural resources.

### Environmental Education

We believe that support for environmental programs and activities will be insufficient if we do not also work to create awareness among individuals and communities, allowing them to participate actively and responsibly in decision-making and problem-solving.

To this end, we offer talks and seminars on the responsible consumption of resources and the reduction in the use of disposable products and packaging, as well as educational programs for children, such as:

- **The Ecological Conduct of the Banking System**
- **The Caravan of Children and Offspring**
- **Let's Learn, Safe Planet**

### Environmental Volunteer Work

In addition to supporting environmental education campaigns and reforestation, our employees perform volunteer work with the support and counsel of organizations that have definite education, trash collection, waste treatment, beach cleaning, and ecological rehabilitation projects.

<sup>1</sup> The Ecuador Principles are a series of guidelines adopted voluntarily in function of the International Finance Corporation policies, to ensure that social and environmental issues are given full weight in the business of financing the projects of an institution. According to these principles, financing is granted only to those projects whose sponsors can demonstrate that they will be carried out with social and environmental responsibility.

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Our banking institutions support habitat conservation programs and endangered species, such as **the pronghorn, the sea turtle, the jaguar, and the flamingo.**

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## CITIZENSHIP AND CORPORATE GOVERNANCE

Through the ABM, member institutions participate, individually or in partnerships, in association events, conventions, forums, and congresses, at both national and international level. These are excellent occasions for the interchange of knowledge, analyses, and perspectives undertaken in the aim of understanding the needs of our stakeholders, formulating initiatives to improve the offer of banking value, collaborating in the design of regulatory frameworks, and in general participating actively in the development of our sector.

Some of the companies and associations with which ABM is in constant collaboration are:

- **Asociación Mexicana de Intermediarios Bursátiles (Mexican Association of Stock Market Intermediaries)**
- **Bolsa Mexicana de Valores (Mexican Stock Exchange)**
- **Buró de Crédito (Credit Bureau)**
- **Centro de Cómputo Bancario (CECOBAN, Banking Computer Center)**
- **Círculo de Crédito (Credit Circle)**
- **Club de Banqueros (Bankers' Club)**
- **Consejo de la Comunicación (Communication Council)**
- **Controladora Prosa**
- **PROCESAR, the operator of the national data base of the Sistema de Ahorro para el Retiro (Mexican Retirement Savings System)**
- **Servicio Pan Americano de Protección (Pan-American Protection Service)**

### Ethics and Transparency

It is important to point out that we are in constant communication with the regulatory bodies of the banking sector, such as the Secretaría de Hacienda y

Crédito Público (SHCP), the Comisión Nacional Bancaria y de Valores (CNBV), the Banco de México (Banxico), the Comisión Nacional para la Protección y Defensa de los Usuarios de Servicios Financieros, the Instituto para la Protección al Ahorro Bancario, and the legislative and executive branches of government. A fluid and continual dialogue is maintained with all of these bodies, whose common denominator is collaboration, as well as the strengthening, improvement, and competitiveness of the banking sector in Mexico.

### Ethical principles govern our activities and constitute the basis of our corporate governance

In the banking sector we are convinced that a strong ethical foundation constitutes the solidest platform for our sustainability and the most efficient means by which our services produce value for our clients and society in general. We seek to perform our actions accord with the highest standards of integrity and honesty, taking care at every moment of our individual and institutional conduct.

Most of our member institutions have an ethics code that governs both management and employees in terms of principles and standards of responsible conduct. This code, which is revised and updated annually, is drawn up in line with international standards such as the Ecuador Principles and the Basel Accords. Banking system employees sign letters of commitment to work in accordance with the strictest ethical standards.

At the same time, corporate campaigns are implemented to raise awareness of ethical issues. In 2009 various awareness workshops were held about the importance of integrity as the basis of ethical conduct.

### Transparency

Transparency is another of our fundamental principles. Not only are our processes clear and regulated, but our services are also governed

As responsible corporate citizens, **we participate actively in forums and associations, fostering a permanent, open dialogue with our various stakeholders.**



by the strictest standards of ethics and transparency.

We therefore inform our stakeholders of our performance, our way of operating, and the actions undertaken on their behalf. We maintain constant communications with the authorities, the community, our shareholders, and our employees, informing them in a timely fashion about a range of issues, from our operations and financial results to the various actions undertaken in connection with our stakeholders.

In communicating we make use of resources such as television monitors in bank branches, informative leaflets, press releases, bulletins, specialized publications, quarterly reports, reports to investors and board members, institutional web pages, and customer service telephone lines.

Another way of informing our actions and contributions is through social responsibility and sustainability reports. More and more institutions are preparing these documents independently, while others communicate their results through their annual report to shareholders.

### Corporate Governance

The banking sector is committed to the best practices of corporate governance in Mexico. Our member institutions have boards of directors made up of highly qualified professionals of proven experience, along with independent directors and various committees that supervise decision-making processes, links with related parties, protection of minority shareholder interests, and other strategic aspects.

The values and principles of each bank are the foundation on which corporate governance is erected. These are nourished by the specific needs of the institution in question, as well as by its context, global trends, and constant interaction with stakeholders.

Corporate governance has been consolidated as a fundamental part of banking operations, providing better management, reducing risks, and

increasing competitiveness, and in this way generating value for clients, shareholders, and society in general.

### Responsible Marketing

In the banking sector we make a great effort to inform our clients of the different characteristics of the products and services at their disposal. We adhere to all applicable legal requirements in providing clear, precise, and transparent information which allows our clients to make the right decisions.

## STAKEHOLDERS



### Dialogue with Stakeholders

We seek at all time to understand our stakeholders and establish with them an harmonious, proactive, and co-responsible relationship. Our stakeholders are our *raison d'être* and the foundation of our sustainability.

We identify direct and indirect stakeholders, and on the basis of collaboration, respect, and co-responsibility, we develop strategies that allow us to meet their expectations.

Activities in this area include research to identify relevant issues, lobbying, interviews, studies of our reputation with clients and employees, plans and policies for suppliers, branch visits, client inclusion metrics and ranking, payment surveys, submission of relevant information to different groups, and annual encounters and meetings. We also have specialized areas to deal with clients, shareholders, communities, the governmental authorities, and civil society organizations.

# AWARDS

<b>Granted by</b>	<b>Number of Institutions</b>	<b>Granted by</b>	<b>Number of Institutions</b>
<b>CEMEFI</b> Socially responsible company	<b>8</b>	<b>Woodstock Festival 2009</b> Official Selection for the Haskell Wexler cinematographer prize	<b>1</b>
<b>Adherence to the Global Compact <sup>1</sup></b>	<b>4</b>	<b>Manpower</b> Socially committed company	<b>1</b>
<b>INMUJERES</b> Gender equity model certification	<b>1</b>	<b>Fundación ProEmpleo León, A.C.</b> Social Responsibility Bond	<b>1</b>
<b>Universidad Anáhuac</b> Distinction	<b>1</b>	<b>Expansión magazine</b> Top Companies	<b>1</b>
<b>Great Place to Work</b>	<b>3</b>	<b>Mundo Ejecutivo magazine</b> 50 Most Socially Responsible Businesses	<b>3</b>
<b>Great Place to Work for Women</b>	<b>2</b>	<b>BTL</b> Competition of the 10 most responsible companies	<b>1</b>
<b>Premio Humanitas 2009</b> Los Angeles, California	<b>1</b>	<b>Revista Ganar &amp; Ganar</b> Mejor anuncio de Responsabilidad Social	<b>1</b>
<b>Festival Docúpolis (Barcelona) 2009</b> Selección Oficial Premio honorario como mejor documental Iberoamericano	<b>1</b>	<b>Reconocimiento AMIPCI</b> Mejor página de Internet	<b>2</b>

<sup>1</sup> Adherence to the principles of the United Nations.

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# GLOSSARY OF TERMS

<b>ABM</b>	Asociación de Bancos de México
<b>AH1N1</b>	Hemagglutinin 1 Neuraminidase 1" (H1N1), a new strain of seasonal influenza
<b>Banxico</b>	Banco de México (Central Bank)
<b>BASE</b>	Basel Agency for Sustainable Energy
<b>BIS</b>	Bank for International Settlements
<b>Buró de Crédito</b>	Private company constituted as a credit information business, designed to integrate and provide information prior to the granting of credit and during the term of the financing
<b>Capitalization</b>	Operation consisting of adding interest to capital. Capitalization of liabilities refers to the process of creditors buying into a company by paying in capital through the liabilities in their favor
<b>Capitalization ratio</b>	Proportion of long-term liabilities to total long-term financing. It is calculated by dividing the amount of long-term liabilities by the sum of those liabilities plus equity
<b>Capturing</b>	Process whereby the financial system gathers resources from the public through savings and uses them as a source of funds in the financial market
<b>CECOBAN</b>	Centro de Cómputo Bancario
<b>Círculo de Crédito</b>	Private company constituted as a credit information business, designed to integrate and provide information prior to the granting of credit and during the term of the financing
<b>CNBV</b>	Comisión Nacional Bancaria y de Valores (Mexico's Banking and Securities Commission)
<b>Communication Council</b>	Group of organizations and companies concerned with fostering social participation and positively influencing the values and habits of Mexican society
<b>CONDUSEF</b>	Comisión Nacional para la Protección y Defensa de los Usuarios de Servicios Financieros (Mexico's National Finance Services Users Protection Commission)
<b>Coverage</b>	Protection against the losses that may be incurred by a rise in prices, interest rates, or exchange rates
<b>Coverage ratio</b>	Ratio expressing the number of standardized contracts necessary to effectively cover a position in the futures market
<b>Credit card</b>	A means of payment which allows the user to dispose of funds in advance
<b>Debit card</b>	A means of payment generally linked to a savings or checking account
<b>ERA</b>	Environmental Risk Assessment
<b>FENASIB</b>	Federación Nacional de Sindicatos Bancarios (National Federation of Banking Workers Unions)
<b>FIRA</b>	Fideicomisos Instituidos en Relación con la Agricultura (Agriculture-Related Trust Funds), a dependency of Banco de México
<b>GDP</b>	Gross Domestic Product
<b>GRI</b>	Global Reporting Initiative
<b>HIV</b>	Human Immunodeficiency Virus
<b>INEGI</b>	Instituto Nacional de Estadística y Geografía (the Mexican Bureau of Statistics)

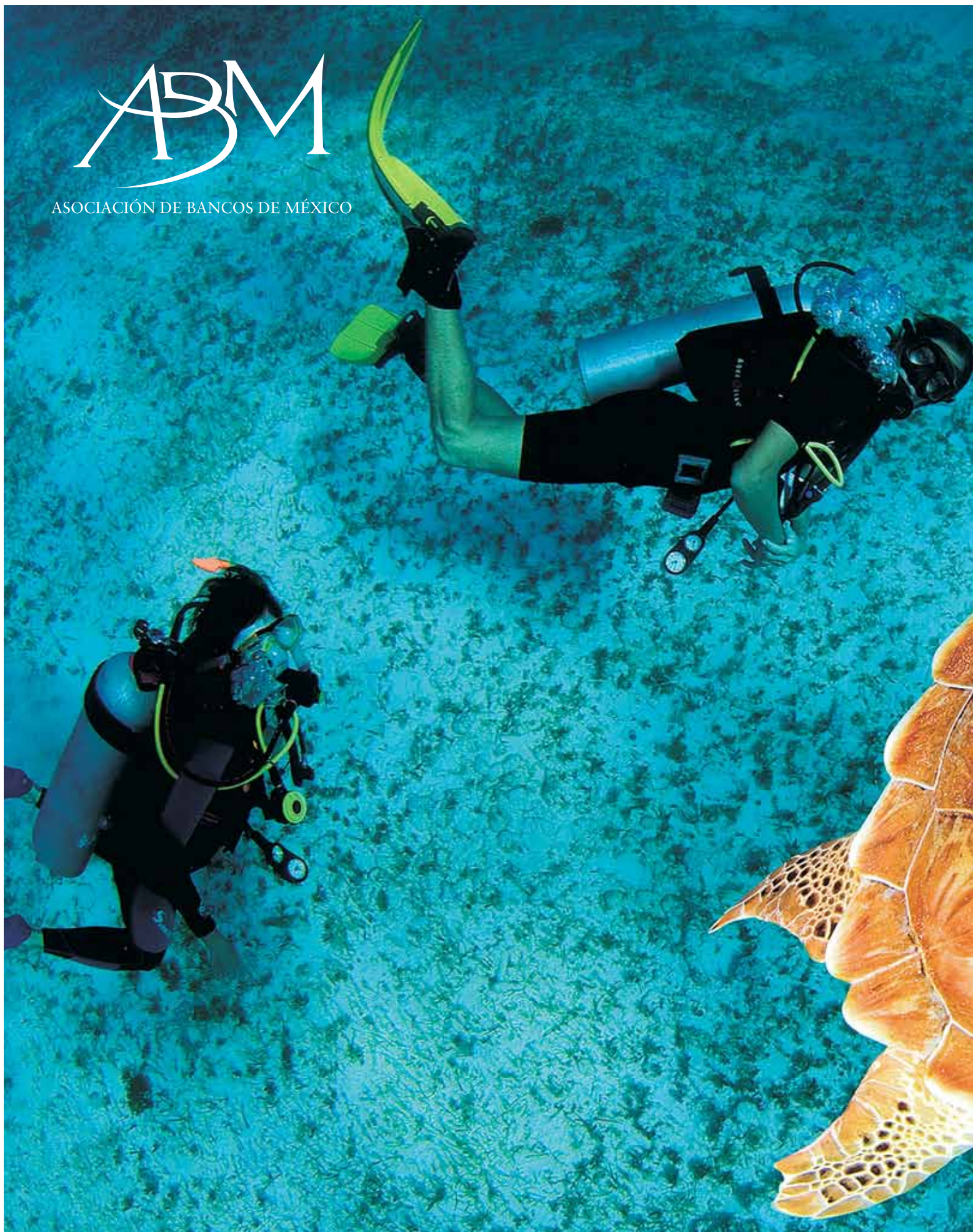
<b>Interest rate</b>	The cost of financial loans
<b>IPAB</b>	Instituto para la Protección al Ahorro Bancario
<b>IPN</b>	Instituto Politécnico Nacional
<b>kWh</b>	Kilowatt per hour
<b>LEED</b>	Leadership in Energy and Environmental Design
<b>Loan portfolio</b>	Amount of credit granted by a financial institution
<b>MIDE</b>	Museo Interactivo de Economía (Interactive Museum of Economics)
<b>Non-performing loans ratio</b>	Non-performing loans as a proportion of the total loan portfolio
<b>PET</b>	Polyethylene terephthalate
<b>PST</b>	Point-of-Sale Terminal
<b>Reputational risk</b>	Risk of adverse public opinion, whether at a corporate or individual level
<b>SEMARNAT</b>	Secretaría de Medio Ambiente y Recursos Naturales (the Mexican Ministry of the Environment)
<b>SEP</b>	Secretaría de Educación Pública (the Mexican Ministry of Education)
<b>SHCP</b>	Secretaría de Hacienda y Crédito Público (Mexican Ministry of Finance and Public Credit)
<b>SOFOM</b>	Sociedades Financieras de Objeto Múltiple (Multiple-Objective Financial Societies)
<b>Sustainability</b>	Development which satisfies the needs of the present without endangering the ability of future generations to attend to their own needs
<b>UNAM</b>	Universidad Nacional Autónoma de México
<b>UNEP-FI</b>	United Nations Environment Programme – Finance Initiative
<b>UNICEF</b>	United Nations Children’s Fund

The definitions of the above terms were obtained from the following sources:

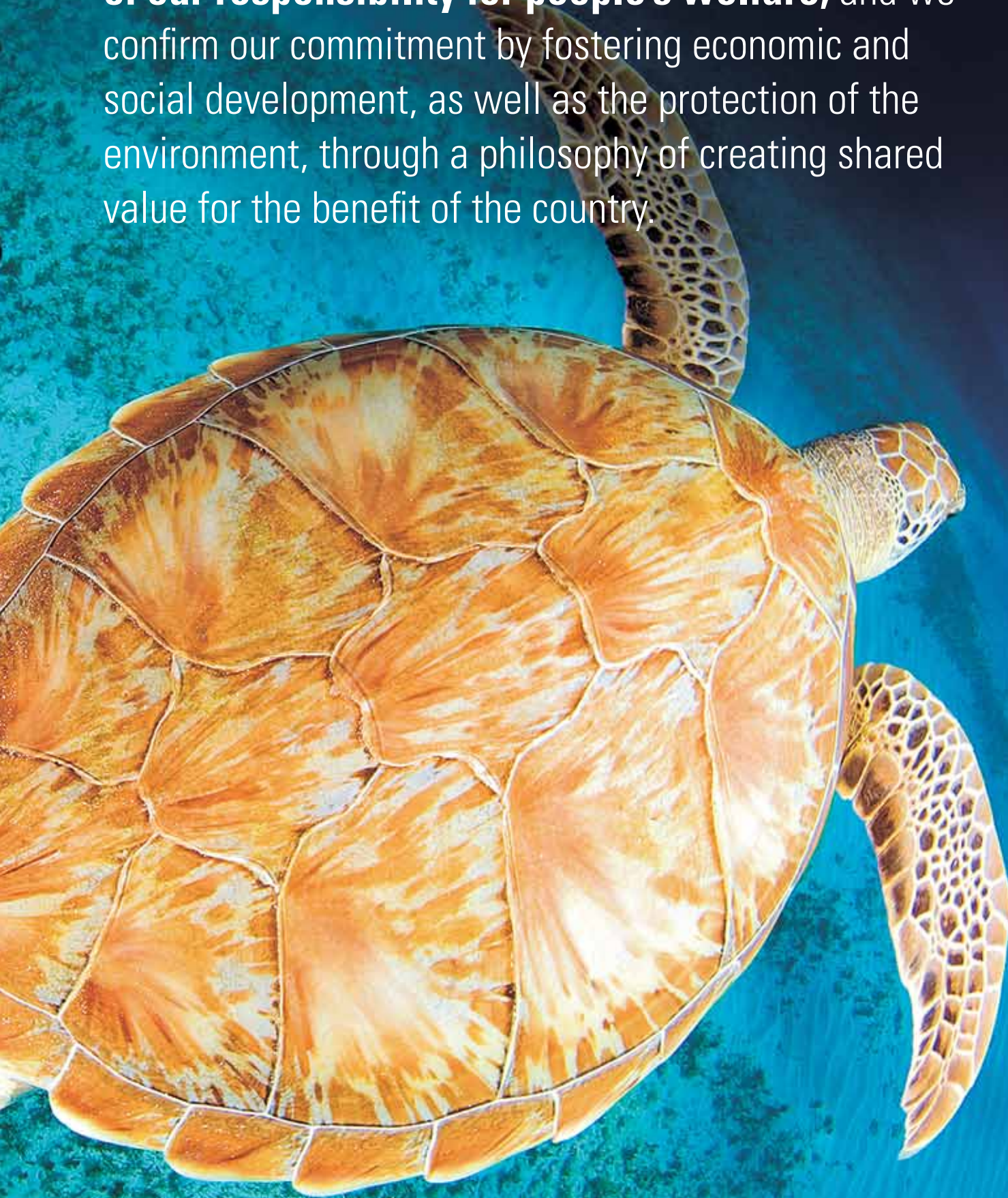
- Banco de México
- Comisión Nacional Bancaria y de Valores
- Asociación de Bancos de México
- Other specialized information resources

# ABM

ASOCIACIÓN DE BANCOS DE MÉXICO



**We in the Mexican Banking System are aware of our responsibility for people's welfare,** and we confirm our commitment by fostering economic and social development, as well as the protection of the environment, through a philosophy of creating shared value for the benefit of the country.



# ABOUT THIS REPORT

This report covers the actions and programs carried out during the year 2009 and has been prepared in line with the methodology of version 3.0 of the Global Reporting Initiative (GRI), designed for sustainability reports. The cycle of reports is annual and this methodology will be used in the future.

In order to determine the contents of this report, the actions, initiatives, and results all of the banks that make up the Asociación de Bancos de México were taken into account, in social, economic, and environmental areas and in their relations with their stakeholders. To this end, data was collected by means of various tools, such as the Sistema OptimumCSR – a software especially designed for the capture, administration, and analysis of corporate sustainability and social responsibility data–, interviews, and other sources of information.

This is the first report prepared in Mexico in line with GRI methodology by the banking sector as a whole. McBride Sustainability assisted in the determination of materiality, analysis, research, methodology, and writing.

We believe our degree of application corresponds to level C.

#### *Cautionary note*

*The figures contained in this report, as well as the programs and other data, are an annual summary and do not therefore constitute an exhaustive presentation in information, which might have an impact on a particular analysis. Likewise, the diagrams presented in this document are a tool designed to facilitate the understanding of concepts and process and do not represent a particular vision of each banking institution*

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ASOCIACIÓN DE BANCOS DE MÉXICO





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