

We  
do more  
together



**The Asociación de Bancos de México, ABM, A.C.** was founded on 12 November 1928 as the Asociación de Banqueros de México, in the aim of representing the general interests of the Mexican banking system. Originally created with the participation of 26 banks, the ABM now comprises 42 commercial banking institutions across Mexico.

Since its founding, the ABM has functioned as an umbrella organization for Mexico's credit institutions, collaborating with its members to achieve general objectives and to carry out all activities related to the banking services, credit, and the modernization of payment systems.

The ABM has also played a fundamental role in mediating the relations of the different member institutions among themselves and between the banking system and the Mexican government, non-bank financial intermediaries, other umbrella groups, and international institutions.

**MISSION**

To develop and strengthen the Mexican banking sector and to represent the interests of member institutions in achieving their objectives and carrying out their activities, offering specialized technical services, information, liaisons with government authorities, international interaction, studies, research, and services of common interest.

**VISION**

To be a highly reputable institution through its contribution to the integral development of the banking system, representing the general interests of the sector and improving understanding of the services offered by the banking system, in the aim of contributing to the harmonious and sustainable development of Mexico.

**VALORES**

- Efficiency
- Commitment
- Transparency
- Creativity
- Integrity
- Honest
- Responsibility

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# AIMS OF THE ABM

- To represent and defend the general interests of its member institutions in all common dealings with the government and the private sector.
- To facilitate communications among the member institutions in order to reach consensus on matters requiring the establishment of standards that enhance the efficiency of the sector.
- To foster the development of banking activities through forums in which both domestic and international experiences can be shared, resulting in better business practices and innovation.
- To carry out studies and research aimed at the development and sound functioning of the banking and financial system in general, in order to improve its operating procedures and practices.
- To submit proposals to governmental authorities for updating laws, regulations, circulars, rules, and provisions, bringing them into line with the changing circumstances of the financial system, the economy, and international practices, in order to increase 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 system has an interest.
- To supervise the operations and sound functioning of the State Banking Centers.
- To organize and promote courses and seminars aimed at improving the skills and training of bank executives in areas of current interest to the healthy development of the banking system.
- To participate with institutions in other countries and with international organizations to foster better relations and to share experiences that will make for better banking practices and make the Mexican financial system more efficient.

# INTRODUCTORY LETTER

By its very nature, the Mexican banking has the mission of transforming the savings of Mexicans into the credit that the productive sectors of the country require to finance their development.

Our focus on sustainability is reflected in the scope and discipline with which we approach all aspects of banking activity. We believe that the best way to fulfill our social commitments is by developing responsible practices at all levels of operations and services.

We work every day to achieve this, in the final aim of providing all Mexicans with the benefits of access to financial products and services.

Also, in the firm conviction that, in order to be successful in the long term, any commercial model must take into account its interaction with society and the environment, the banks have undertaken to add value to their activities through socially responsible and sustainable measures, proactively anticipating the expectations of a demanding modern society such as ours.

The Asociación de Bancos de México (ABM) understands social responsibility as an integral commitment to our surroundings, beginning with our clients, our employees and their families, and the communities in which we operate, including the care of the environment.

On this basis, the Mexican banking system will continue contributing to the creation of jobs and wealth and propelling the economic progress of the country, always taking into account all those influenced by our activities.

It is a source of pride to ABM to submit to the attention of all Mexicans this third Social Responsibility and Sustainability Report of the Mexican Banking System, in which we share the results of the joint efforts of the banking system, its clients, and society in general on behalf of causes with significant social impact.

We trust that this report will constitute an invitation to other companies and institutions to join in a co-responsible national effort to contribute to sustainable development, transparency, and the construction of the country that all of us as Mexicans wish for.

We do more together.

Jaime Ruiz Sacristán

**Chairman**

Luis Robles Miaja

**Executive Chairman**

Enrique Zorrilla Fullaondo

Luis Niño de Rivera Lajous

Nicole Reich de Polignac

Héctor Grisi Checa

**Vice-Chairpersons**

Juan Carlos Jiménez Rojas

**General Director**

Lic. Jaime Ruiz Sacristán

**Chairman**

Asociación de Bancos de México

Lic. Luis Robles Miaja

**Executive Chairman**

Asociación de Bancos de México



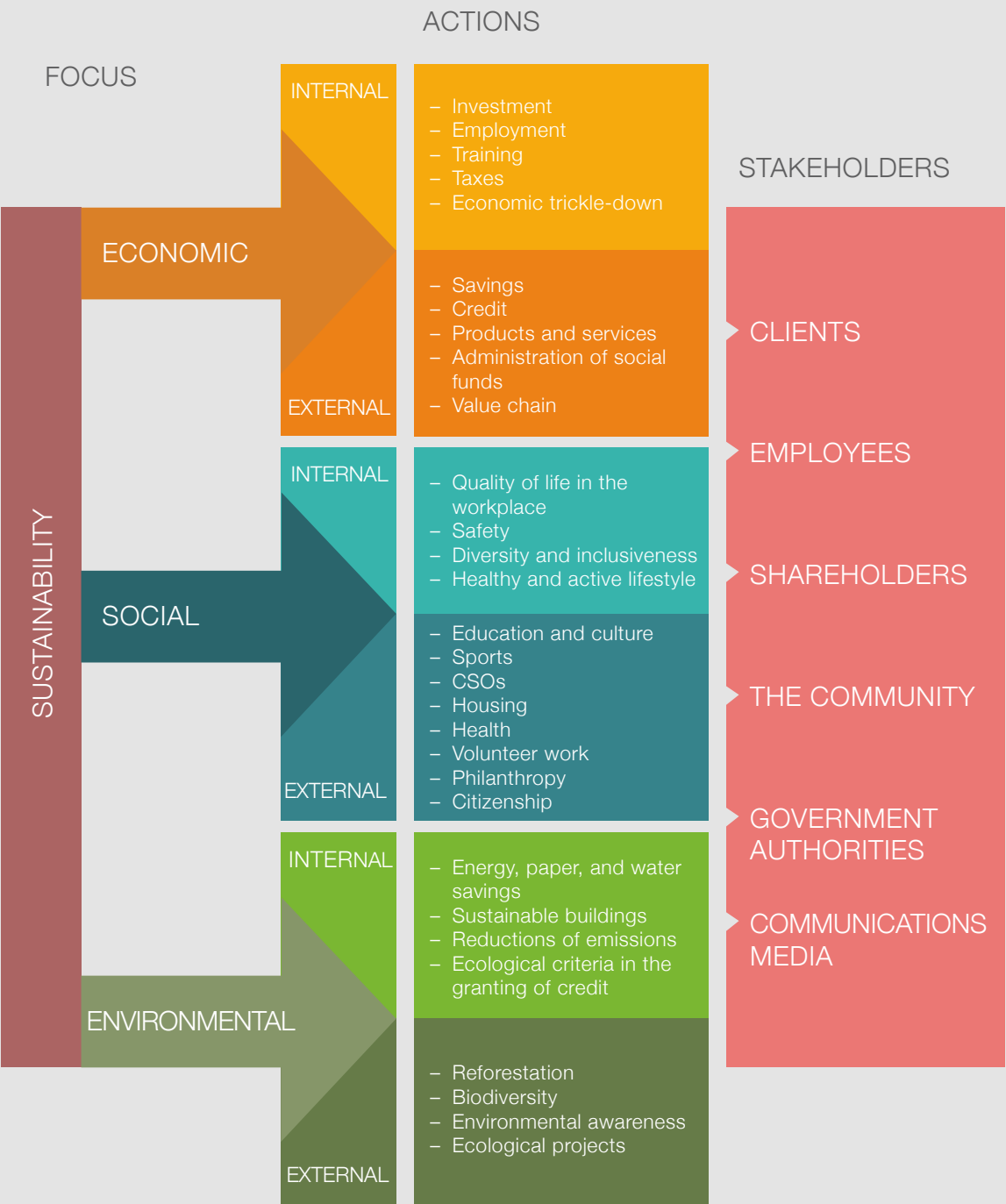
Monarch butterflies

# THE CONCEPT OF SUSTAINABILITY

For banking institutions in Mexico, sustainability is the fundamental condition that makes possible long-term, profitable, and sustained growth. By contributing harmoniously to economic, social, and environmental development, we address the needs and expectations of our stakeholders. In this way we generate social, economic, and human value, fostering the general wellbeing of the society of which we are a part.

The following diagram outlines the vision, actions, and different aspects of the banking system in the area of sustainability.

It is important to remember that each bank has its own particular framework which allows it to implement its own programs and actions and relate to its own clients and stakeholders.



# STAKEHOLDERS

We are aware of our responsibilities and commitment to our clients and stakeholders. They constitute our raison d'être and it is for them that we work. They are the pledge of our performance, results, and sustainability.

We therefore focus maintaining relations characterized by constant communication, under the following principles:

- Proactivity
- Co-responsibility
- Understanding
- Respect
- Collaboration
- Ethics
- Transparency

Attention is given to these different groups through all available channels of communication: from meetings and personalized attention to call centers, suggestion boxes, social networks, account statements, and internet sites.

With a view to identifying and addressing their stakeholders, the financial institutions carry out studies with clients, suppliers, investors, and the general public. The aim is to understand their interests, needs, and opinions, in order to improve communications with them and fulfill their expectations.

This dialogue lays the foundation for sustainability, providing essential information about optimizing economic and social value and reducing the environmental impact of operations.

The following table summarizes the relationships of the financial institution with their principal stakeholders.

Stakeholders	Channel of communication	Frequency of contact	Expectations	Actions
Clients	Meetings, telephone lines, account statements, advertising, etc.	Daily, weekly, monthly	Products and services	New products and client attention
Regulatory authorities	Meetings	Daily, weekly, monthly	Compliance with regulations	Timely submission of information, compliance with various regulations and provisions
Employees	Meetings, telephone lines, suggestion boxes, complaint channels, workplace evaluations	Daily	Development and training	Training and career plans
Suppliers	Meetings and conference calls, electronic media	Daily, weekly	Development and payment	Supplier development plans
Commercial partners	Meetings, personalized attention, conference calls, electronic media	Daily, weekly	Growth and development of new products	Development of products and services
Investors	Meetings	Daily	Yields, liquidity, low risks	Information
Community	Meetings	Monthly	Work in different areas	Volunteer work and constant communication
Civil society organizations	Meetings	Monthly	Work in different areas	Material and human support

# THE BANKING SYSTEM IN MEXICO

Items	Social and Cultural	Environmental	Total	% Var.
Social, cultural, and environmental investment 2011	\$ 2,300.90	\$ 200.3	\$ 2,501.28	1.56%
Social, cultural, and environmental investment 2010	\$ 2,137.94	\$ 325.0	\$ 2,462.98	6.34%
Social, cultural, and environmental investment 2009	\$ 2,014.86	\$ 301.2	\$ 2,316.05	40.49%
Social, cultural, and environmental investment 2008	\$ 1,616.78	\$ 31.8	\$ 1,648.55	

(in millions of pesos)

The Banking System in Mexico		2009	2010	2011	% Var. 11/10
INFRASTRUCTURE	Number of banks	41	41	42	2.44%
	Number of clients (millions)	41	43	47.5	2.33%
	Number of branches	11,150	11,478	12,365	7.73%
	Number of point-of-sale terminals	33,905	35,936	36,448	1.42%
	Number of point of sale terminal	446,792	482,299	547,708	13.56%
	Debit cards (millions)	61	75	86	13.89%
	Credit cards (millions)	22	22	25	10.06%
	Number of online bank transfers (millions))	447	522	596	14.18%
	Municipalities with banking presence	924	926	960	3.67%
SOLVENCY	Capitalization ratio of the Mexican banking system (total risks, capital / risk-weighted assets)	17.3	16.8	15.7	-1.1 p.p.
	Coverage ratio (loan-loss provisions / non-performing loans)	173.78	200.18	189.62	-10.6 p.p.
BANK PENETRATION	Internal credit to the private sector as % of GDP	14.16	13.85	14.53	+0.68 p.p.
	Credit to housing sector as % of GDP	2.73	2.75	2.83	+0.08 p.p.
	Consumer loans as % of GDP	3.14	2.99	3.36	+0.37 p.p.
	Financial savings as % of GDP				
	(M4 minus notes and coins in circulation)	51.90	53.55	56.63	+3.08 p.p.
Economic Highlights		2009	2010	2011	% Var. 11/10
ECONOMY	Jobs	160,931	164,707	193,455	17.45%
	Total deposits captured (millions of pesos)	2,254,398	2,469,795	2,712,988	9.85%
	Total loan portfolio (millions of pesos)	1,833,547	2,014,774	2,337,532	16.02%
	Total company loans	859,780	936,101	1,086,097	16.02%
	Total government loans	272,824	313,519	341,864	9.04%
	Total housing loans	330,425	368,327	416,229	13.01%
	Total consumer loans	370,519	396,826	493,342	24.32%



# MEMBER BANKS

**ABCCAPITAL**  
INSTITUCIÓN DE BANCA MÚLTIPLE



**AFIRME** | El Banco de Hoy

**Banca Mifel**  
Servicios financieros con rostro humano

**Actinver**  
Banco

**Banco Ahorro Famsa**

**MI BANCO**  
BAM

**BANCO AZTECA**  
Cambiamos la banca, cambia tú también

**Banco BASE**

**Compartamos**  
Banco

**CREDIT SUISSE**

**BANBAJIO**

**Consupago**

**INBURSA**  
Banco

**Banco Interacciones**

**invex** Banco

**J.P.Morgan**

**BANORTE** **IXE**

**GRUPO FINANCIERO monex**  
Banco

**BANCO MULTIVA**

**Banamex**

**BANREGIO**  
Tu mundo más fácil

**Santander**

**BANCO BX+**

**Banco Walmart**  
Tan fácil como ir al súper

**BanCoppel**

**Bank of America Merrill Lynch**

**BNY MELLON**

**Bank of Tokyo-Mitsubishi UFJ (México), S.A.**

**BANSI**  
un banco entre personas

**BARCLAYS**

**BBVA Bancomer**

**CiBanco**

**Deutsche Bank**

**HSBC**

**ING**

**InterBanco**  
INTERCAM

**Scotiabank**

**RBS**  
The Royal Bank of Scotland

**UBS**

**VOLKSWAGEN BANK**  
S.A. INSTITUCIÓN DE BANCA MÚLTIPLE

Dynamism  
propelling  
productive  
sectors



Every day we support productive projects in every sector and field of activity in Mexico. Every day we help to realize the dreams of millions of Mexican families and foster the economic and social development of the country through a range of services.



Employment and constant investment are the levers of economic and social development, and the banking system plays an important role in these efforts.

- 193,455 direct jobs
- 44 million clients
- 2,713 million pesos captured
- 2,337 billion pesos in loans granted
- More than 563,000 micro, small and medium enterprises supported
- More than 2.3 million microcredit clients
- More than 600,000 employees trained
- More than 5.8 million hours of training

Offering adequate services to the particular needs of different segments of the population, with high quality and in competitive conditions, in order to serve the largest possible number

of Mexicans, is a fundamental part of our economic and social responsibility.

## INTERNAL ECONOMIC CONTEXT

### Employment

The banking sector in Mexico generates more than 193,455 direct jobs, showing growth of 17.45% over 2010. Also, thanks to significant economic trickle-down in various sectors, it helps to create a large number of indirect jobs.

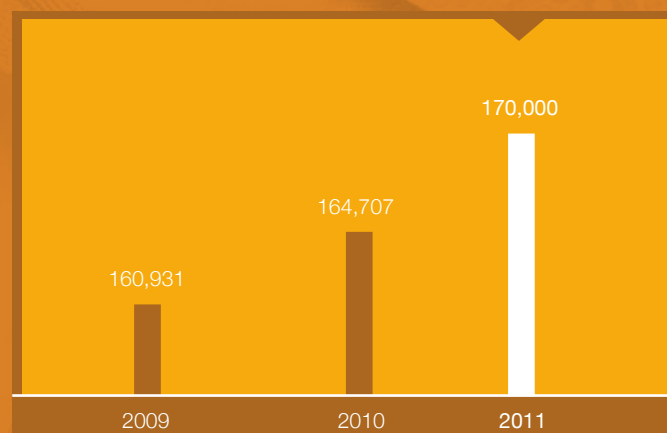
The salaries and benefits of employees of the banking system are among the most attractive in the country, above the national average and, in the case of benefits, above those required by law.

All of this is possible owing to the special care lavished by individual institutions on acquiring the very best human capital, since this is a fundamental aspect of its competitiveness and consequently of its long-term sustainability.

Employment (thousands of persons)			
2009	2010	2011	Var.% 10-11
160,931	164,707	193,455	17.45%

Source: ABM

### EMPLOYMENT



### Formation and Training of Human Capital

The banking sector is characterized by its innovativeness and competitiveness. Having highly qualified human capital is there-

Bank employees at the office



fore essential to its being more productive, efficient, and competitive. These factors have a vital influence on better service and the availability of better financial products at lower prices, all making for greater benefits for the clients of the banks and for society in general.

For this reason, the banking system invests large sums in training in various areas, including customer attention, finances, systems, financial products, general administration, and human resources, among many others. This training is carried out in many different ways: face-to-face courses, e-learning, workshops, forums, lectures, etc. Of special note is the training offered in the areas of ethics, human rights, prevention of money laundering, the dangers of over-indebtedness, and reputational risk.

The performance of the personnel of the banking system is constantly monitored, from an ever broader perspective, which embraces not only aspects directly related to their workplace activities but also their integral human development.

In 2011 the banking sector offered more than 5.8 million hours of training to more than 600,000 employees, in an effort to create a human capital of the highest qualifications to serve the Mexican public.

### Investment

Investment is the motor of sustained economic growth. This is why the banking system's role in the economy is funda-

mental, as it converts the savings of ordinary Mexicans into productive investment.

The banking system plays a dual role in this process. On the one hand, through loans it finances a large part of the country's productive investment: infrastructure, construction, machinery, equipment, consumption, etc. At the same time, the banking system itself is involved in a process of continual reinvestment in systems, training, communications, and infrastructure (branches, ATMs, POS terminals), as well as advertising, public relations, and various consulting services.

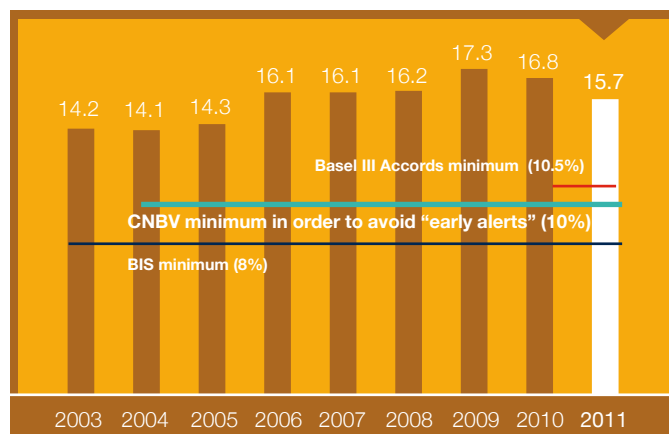
### Economic Trickle-down

All banking activity, but especially its current account, is a major demand for a large number of companies in very different sectors of the economy. Particularly noteworthy is the economic trickle-down represented by the salaries and benefits paid to its more than 193,000 employees, along with the payment of multiple services.

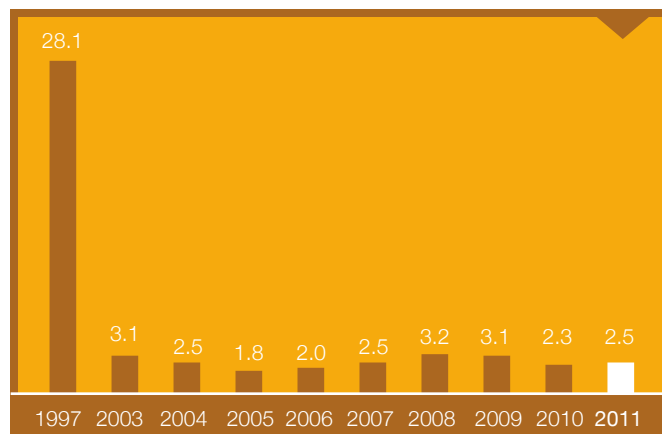
At the same time, it is important to underline the banking system's strict compliance with its fiscal obligations, which constitute a significant source of tax income. In 2011 the total of taxes paid by the banking system amounted to P\$26,856 million, up by 3.2% over 2010. This amount represents 84.8% of the annual budget of the Universidad Nacional Autónoma de México. This economic trickle-down helps to propel various sectors, bringing multiple social and economic benefits, such as

We do more together, investing constantly in different areas and creating a virtuous circle of ever more employment, investment, and economic trickle-down, to the benefit of Mexico.

**CAPITALIZATION RATION OF THE MEXICAN BANKING SYSTEM**  
Percentage



**NON-PERFORMING LOANS RATIO**  
Non-performing loans / Total loans, %





Through various financial education initiatives, savings programs directed at lower-income segments of the population, and specially designed saving instruments, the capture of deposits grew by 8% in 2011.

jobs, tax payments, and more investment, in a virtuous circle of economic activity.

### The Solvency of the Banking System

The solvency of the banking system in Mexico is the result of experience, good management, careful risk control, and strict adherence to regulatory standards.

As a result, the Mexican banking system has become a factor of stability and development in the country.

A well-capitalized banking system is fundamental to the sector's sustainability and social responsibility. This solvency allows the system to fulfill its important role as a motor of economic growth.

For this reason, the banking system maintained a capitalization ratio of 15.7% at the end of 2011, well above the minimum of 10% required by the National Banking and Securities Commission (Comisión Nacional Bancaria y de Valores, or CNBV), also above the minimum ratio demanded by the Basel III Accords, and almost double the 8% ratio fixed by the Bank for International Settlements (See graphs *Capitalization Ratio of the Mexican Banking System*, p.10, and *Commercial Banks: Equity*, p.11.)

In contrast to the weakness of the banking systems of the world's principal economies, in Mexico we have a strongly capitalized system, which has been a decisive factor in its ability

to support economic development through financing. (See graphs *Non-performing Loans Ratio*, p.10, and *Coverage Ratio*, p.11.)

## EXTERNAL ECONOMIC CONTEXT

### Savings

Through the greater availability of banking services and of more flexible saving instruments, suited to the different needs of the population, the Mexican banking system fulfills one of its greatest responsibilities: to foster and increase savings among both companies and private individuals.

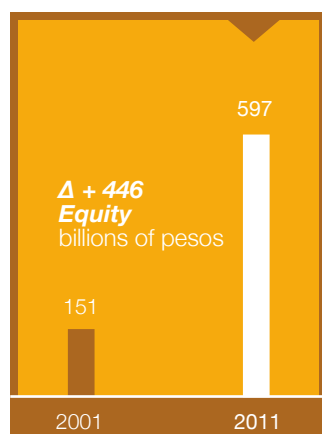
This promotion of a culture that incentivizes private savings is essential to the economic development of the country, which is sustained by the accumulated wealth of countless Mexican families.

In order to encourage a culture of saving, the Mexican banking system participates in various initiatives, such as financial education in schools, programs to incentivize savings in segments of the population traditionally ignored by the financial system, and savings instruments with high liquidity, security, and good yields.

Total deposits captured (billions of pesos)		
2010	2011	10-11 % Var.
2.74	2.96	8.0%

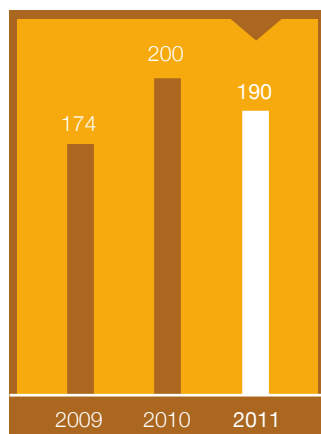
Source: CNBV

COMMERCIAL BANKS:  
Capital Contable



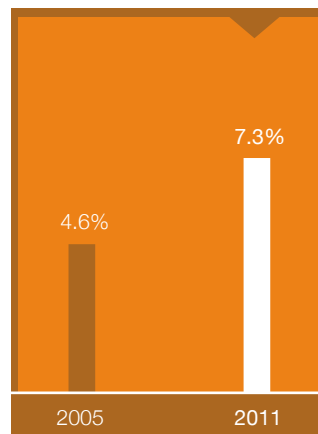
SOURCE: CNBV

COVERAGE RATIO  
Loan loss reserves /  
Non-performing loans, %



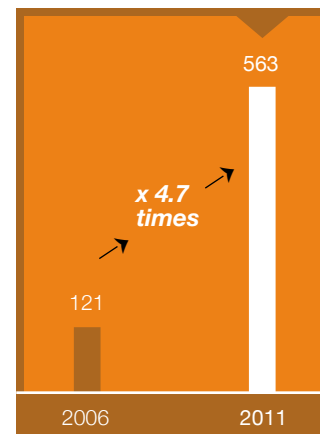
SOURCE: CNBV

COMMERCIAL BANKS  
Loans to companies as a  
proportion of GDP, %



SOURCE: ABM calculations with data  
from Banco de México and INEGI

NUMBER OF MICRO, SMALL, AND  
MEDIUM ENTERPRISES SERVED  
Thousands of units



SOURCE: ABM

In 2011 a total of 2,712 million pesos was captured, representing an increase of 8.0% over the 2,470 million captured in 2010.

### Credit

The strong capitalization of the banking system, effective credit analysis systems, and a stable, growing economy have made for expanded availability of credit. This growth is reflected in higher levels of investment, greater economic trickle-down, and increased job creation. Again, this situation contrasts favorably with the tightening of credit in some of the world's principal economies. (See graphs *Commercial Banks: Credit to Companies*, p. 11, and *Total Performing Loan Portfolio*, p.12.)

In this way the Mexican banking system fulfills its role as a source of financing for development, especially for small and medium enterprises and for millions of individual Mexicans, who obtain loans to grow their business and acquire consumer goods all over the country.

The number of micro, small, and medium enterprises served over the last seven years has grown by 4.7 times (See graph *Number of Micro, Small, and Medium Enterprises Served*, p. 11.)

### Interest Rates

Thanks to the highly competitive nature of the Mexican banking

sector, in which more than 40 institutions are active, there has been a clear downward tendency in the weighted average interest rate of the loan portfolio. The weighted average of 72% of the total portfolio is 9.4%.

Lower interest rates mean surplus funds for all clients of the banking system. They are the result not only of healthy competition, but also of continual investment in systems, electronic banking, and other operating aspects that make for more agile and flexible transactions.

### Clients

The banking system's clients are its principal *raison d'être* and therefore the basis of its sustainability. In order to understand the expectations of its clients, the banking system channels significant resources into studies and surveys of market characteristics, client satisfaction, and customer needs.

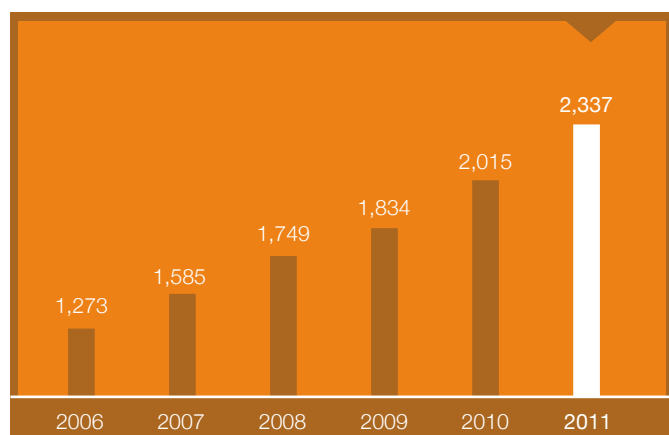
This focus on client satisfaction makes for better trained personnel, product innovation, and the implementation of new technologies, as well as a constant search for new market niches.

The aim is to provide ever better service and to incorporate more and more Mexicans into the financial sector.

The infrastructure of banking services is growing rapidly in Mexico, with the constant opening of new branches and an ever greater number of ATMs and point-of-sale terminals.

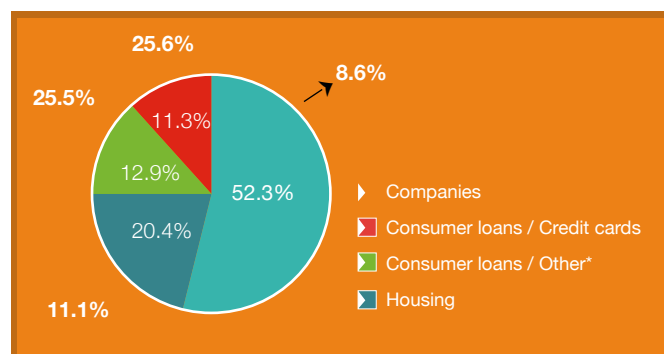
Total loans in 2011 amounted to 2,337 billion pesos, representing growth of 10.7%, which was more than double the growth of GDP in the same period.

TOTAL PERFORMING LOAN PORTFOLIO  
(billions of pesos)



SOURCE: BANCO DE MÉXICO

AVERAGE RATES BY SEGMENT AND SHARE  
BROKEN DOWN BY TYPE OF LOAN (DECEMBER 2011)



**MORE THAN 72% OF THE BANKS' TOTAL LOANS CARRY AN AVERAGE WEIGHTED INTEREST RATE OF 9.4%**

SOURCE: ABM calculations with data from Banco de México

Durable Consumer Goods, Car Loans, and Personal Loans.

\*\* The sum of the shares does not equal 100% because financing by the banking system of other financial intermediaries (3%) is not included.

Note: Includes SOFOMES portfolio.

In particular, through the development of correspondent banking, thousands of establishments, especially corner stores, are equipped to offer banking services such as payment of utilities, transfers, and deposits. Also underway is a rapid process of access to banking services to lower-income segments of the population through microcredits. It is estimated that, at the end of 2011, the Mexican banking system was serving more than 47.5 million clients, or 85.5% of the country's economically active population *(See graph Banking System Clients, p. 13.)*

### Infraestructure

An important priority for financial institutions is their ability to channel resources into large-scale construction and modernization projects involving roads, highways, water treatment plants, pipelines, generators, ports, and bridges. The financing of social infrastructure projects has become an important aspect of the

banking system's loan portfolio, growing rapidly in recent years and contributing to the economic development and competitiveness of companies.

This success is the result of synergies among different development agencies of federal, state, and municipal governments, private developers, and suppliers of materials to the construction sector. The resources provided by the banking system empower job creation and work to the benefit of families living in localities where the projects are under construction.

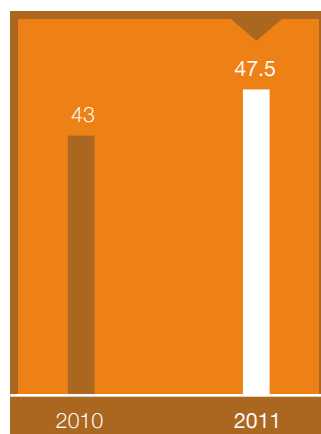
### Technology in Financial Services

The development of more and better financial services has a significant impact in many areas, as client services are improved and environmental, social, and economic costs are reduced through measures that lower greenhouse gas emissions, save paper, and shorten transaction times. *(See graphs ATMs and Point-of-Sale Terminals, p.13.)*



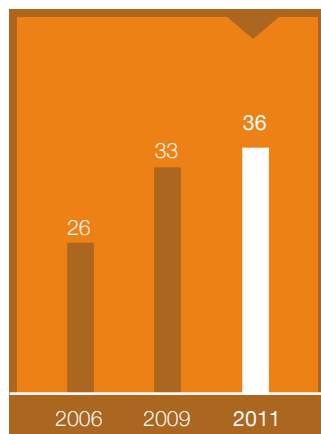
Financial services

BANKING SYSTEM CLIENTS



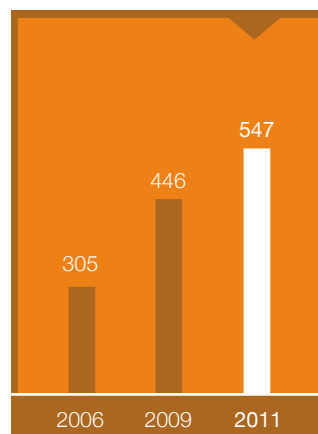
SOURCE: ABM

ATMs  
Thousands



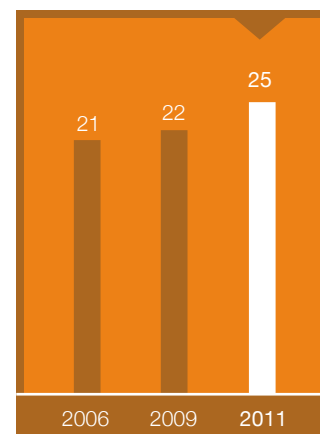
SOURCE: Banco de México

POINT-OF-SALE TERMINALS  
Thousands



SOURCE: Banco de México

CREDIT CARDS  
Millions



FUENTE: BANXICO

The use of electronic banking, the increased number of points where transactions can be made, and the greater availability of services make the banking system both better in terms of quality and more sustainable, even as it meets the expectations of clients more fully.

It is estimated that more than 590 million operations were performed online in 2011, including those performed by “smart phones,” whose role in providing services is becoming increasingly important.

The implementation of correspondent banking is significantly expanding the banking system's infrastructure of financial services, as thousands of self-service outlets, convenience stores, and small business are incorporated into the network.

As a result, clients of the banks will have greater and more convenient access to banking services, broadening the penetration of the banking system and bringing a wide range of social, economic, and environmental benefits.

## Cards

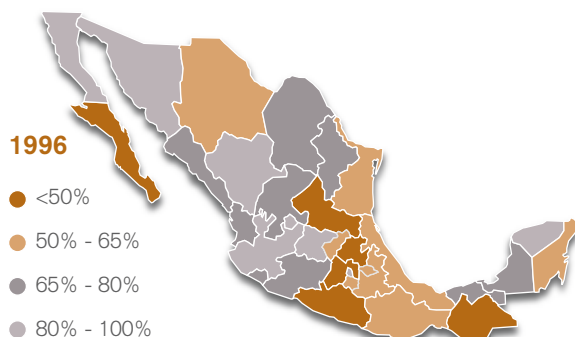
One of the fundamental responsibilities of the banking system is to make more and better means of payment available to clients. Significant resources are therefore invested in efficient systems that facilitate the performance of transactions in a safe and convenient way in an ever wider range of businesses. This process expands the penetration of the banking system and supports the formal economy, providing safe ways of transacting business to both clients and commercial establishments.

The number of credit and debit cards issued by the banking system increased in 2011, reaching a total of 25 million and 86 million, respectively. This represents growth of 3.1 times and 2.7 times, respectively, over the last decade (See graphs *Credit Cards*, p. 13, and *Debit Cards*, p. 14.)

## Branches

One of the most important goals of the sector is to extend banking services to every part of Mexico, so constant investment

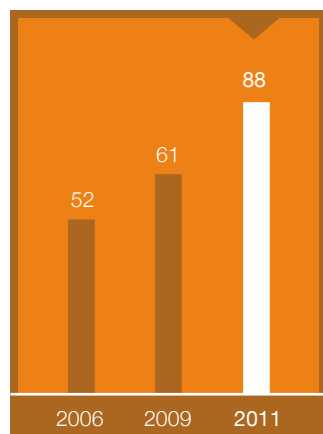
### BANKING SYSTEM COVERAGE AT THE MUNICIPAL LEVEL\*



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

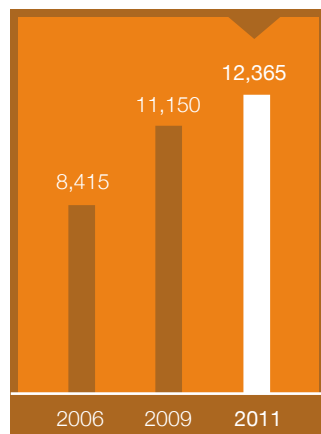


### DEBIT CARDS Millions



SOURCE: Banco de México

### NUMBER OF BRANCHES



SOURCE: ABM

The banking system is currently present in more than 80% of municipalities with more than 35,000 inhabitants in the 31 states in Mexico.



is channeled toward increasing the number of bank branches. (See graph *Number of Branches*, p. 14.). The banking system is currently present in more than 80% of municipalities with more than 35,000 inhabitants in the 31 states in Mexico. This figure contrasts sharply with that 1996, when only eight states had coverage of more than 80%.

At the end of 2011 the Mexican banking system had 12,365 branches, 887 more than in 2010, representing growth of 7.7%. Thanks to the modality of correspondent banking, as we have mentioned above, the coverage of banking services continues to grow rapidly, as financial services are provided to segments of the population which, owing to their location, used to have limited access to them.

### **Administration of Social Security Funds**

One of the banking system's most important social responsibilities is the administration of the pension and social security funds on which the economic wellbeing of millions of Mexicans depend. In addition to strict abidance by all applicable legislation and the

transparent handling of resources, frequent analyses of investment possibilities are made and the process of investment is closely monitored, in order to minimize risks and maximize yields in these important funds.

### **Sustainability in the Value Chain**

Being a factor of change in behalf of a better society is one of the aims of any socially responsible company. In addition, therefore, to watching over the sustainability of our particular field of action, we make an effort to share, promote, and foster the concept of sustainability all along our value chain, among clients, suppliers, and society in general. We start from an ethical principle and move from there into economic, social, and environmental aspects, with a sense of co-responsibility and mutual benefits as our guiding thread.

Just as the different banking institutions promote sustainable practices among their suppliers, in some cases even making them requirements for hiring, they also communicate these actions to their clients, even inviting them to participate actively in various campaigns.

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*Beneficiaries, Mexico City*



# Joining forces for the community







Beneficiaries, Orizaba, Veracruz

The Mexican banking system made an effort to improve the lives of a large number of persons in vulnerable situations. Attention was given to areas such as health, nutrition, housing, and community development, among others, but for several years now, the main focus has been on education.



- 16.74 million people benefitted
- P\$2,300 million invested in social projects
- 137,554 students supported through Bécals scholarships by the end of the 2011-2012 academic year
- 4.21 million people benefitted through financial education

The Asociación de Bancos de México, in conjunction with its member institutions, has created three fundamental pillars as part of its educational commitment to Mexican society: Fundación Quiera, the Bécals scholarship plan, and its Financial Education program.

In the following pages, we outline the progress achieved during 2011 in these three pillars.

### Fundación Quiera

Officially known as Fundación Quiera de la Asociación de Bancos de México, A.C., this foundation is a second-tier donor organization established in 1993, whose mission is to work to eliminate the phenomenon of children or young people working on the streets, through the channeling of resources and the articulation of efforts aimed at restoring their rights to children and youngsters in this situation and improving their quality of life, fostering their integral development and constructive participation in society.

With a view to fulfilling this mission, the foundation works to direct and channel economic resources, human capital, and

knowledge towards institutions operating in this area. Fundación Quiera has three programs:

- Sector reinforcement
- Education
- Mental health

These programs are developed through various lines of action:

- Channeling of resources
- Development of alliances and networks
- Research and learning
- Scholarships and training

Every year, Fundación Quiera calls on its Institutional Friends to submit applications for support, which are then evaluated by a selection committee. The approval of the projects and scholarships applied for is accompanied by a follow-up plan consisting of periodical reports, institutional visits, validation of aims, and evaluation of results. All the resources mobilized come from members of the Asociación de Bancos de México and its strategic allies.

Since its founding, Fundación Quiera has benefitted more than 156,383 children and young people living or working on the street or at risk of doing so. In 2011 it worked with 64 of the 68 institutions that make up its network of Institutional Friends (Instituciones Amigas de Quiera, or IAQ) in fourteen different states and the Distrito Federal (Mexico City). These institutions provide shelter, orphanage, and day center services, as well as working with parents, on the street, and in the community.

## Results Achieved

### Sector Reinforcement

- 8,187 children and young people benefitted

- 35 projects jointly financed in the areas of prevention, independent life choices, and institutional development
- Two inter-institutional workshops to share experiences
- Publication of two issues (2,000 copies) of Rayuela, an “Ibero-American Journal of Childhood and Youth and the Struggle for Their Rights,” including an online version

### Education

- 6,527 children and young people benefitted
- Eight projects financed in the area of school desertion and educational backwardness, as well as the implementation of alternative education and schooling strategies, to the benefit of 1,165 children and young people
- Creation of the Educational Scholarships with Tutoring program, which, in addition to the monthly contribution received by the children to cover their school expenses, includes the professional fees of tutors engaged in improving the quality of education in the community, not only of Fundación Quiera scholarship recipients, but also of the other children resident in shelters or orphanages
- 53 institutions benefitted through educational grants for 702 children and young people, distributed as follows:
  - 630 scholarships
  - 72 scholarships with tutoring
  - 125 children and young people without scholarships, beneficiaries of the IAQ
- 38 summer projects financed, in the areas of addiction prevention, domestic violence, sexual and reproductive health, and life choices

*Students from among Quiera's Institutional Friends at the Bécalos graduation ceremony*



*María Inés social assistance project, Chiapas*





- 50 secondary school students trained in career orientation workshops
  - Creation of a job bank for young people who have finished their technical or professional training, complemented by coaching and training in professional development in order to bring out talents, experience, and knowledge acquired in the workplace
- Mental Health**
- 1,197 children and young people benefitted
  - Nine projects financed in the aim of improving the mental health areas of Quiera's Institutional Friends, by hiring psychologists for the emotional care of the children, young people, and their families
  - Eight institutions benefitted through mental health grants for psychiatric care and rehabilitation
  - 27 children who received psychiatric care
  - Twelve institutions benefitted in the area of care for post-traumatic stress disorder (PTSD)
  - Twelve psychologists trained in the use of the PTSD Manual
  - Diagnosis and treatment for 98 children and young people with PTSD
  - Hiring of specialized psychologists to provide PTSD care and training
  - 40 psychologists, teachers, and coordinators from among Quiera's Institutional Friends received an introductory workshop in Narrative Practice, which provided them with better tools to undertake the emotional treatment of members of their communities
  - The creation of a new alliance with Juvenile Integration Centers to provide addiction rehabilitation grants to young people from among Quiera's Institutional Friends
  - Alliance with the Fundación Gonzalo Río Arronte, I.A.P., to design a Behavioral Risks and Addiction Prevention program
  - Awareness campaign for operating, administrative, service, volunteer, and trust personnel of Quiera's Institutional Friends in the diagnosis and treatment of PTSD

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*Children studying*



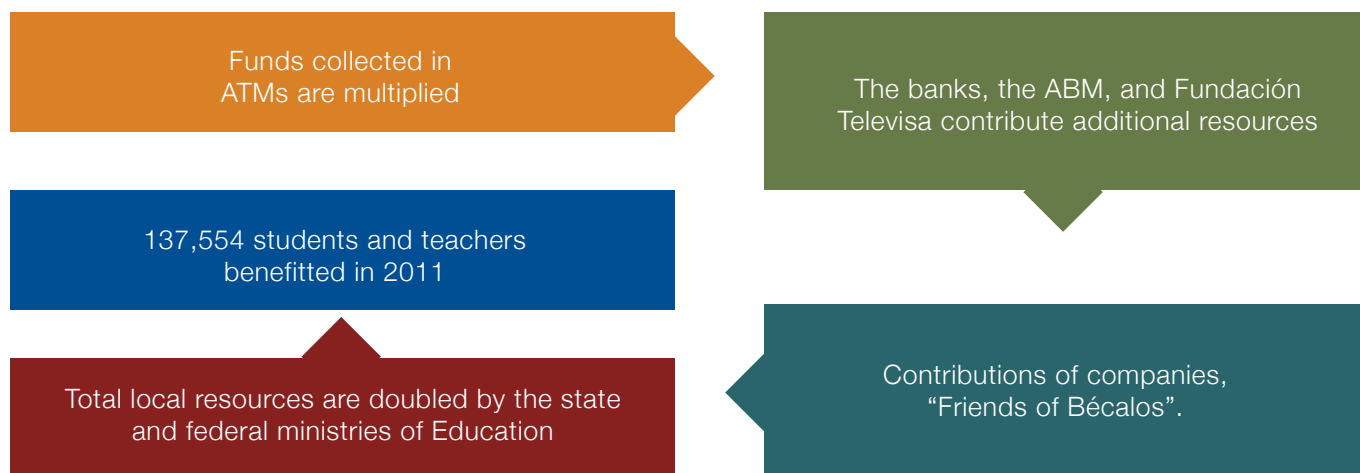
## Bécalos

Access to high-quality educational services not only transforms individual lives and stories but also transforms the social fabric and contributes to the building of more competitive societies.

For this reason, in 2006 the Asociación de Bancos de México, Fundación Televisa, and several of Mexico's largest banks created the

Bécalos scholarship program, which provides young students with financing for complete study cycles of two, three, or four years at the junior high and high school level, as well as scholarships for technical and scientific studies that contribute to national development and training for public school teachers and principals.

By the end of the 2011-2012 school year, Bécalos will have supported 137,554 scholarship recipients all over Mexico.



## Participating Banks



## Friends of Bécalos



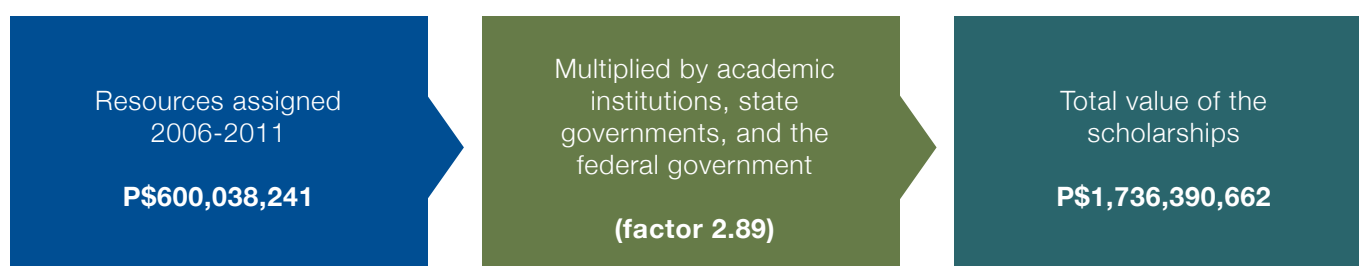
### Collection

Bécalos is the only scholarship program in Mexico which offers financing for complete study cycles. Its principal aim is to develop in scholarship recipients the confidence necessary to continue studying successfully for their professional careers. The pillar on which the program rests is the clients of the banking system, who substantially increase the seed money that sustains the program through their donations at ATMs.

In 2011 a direct collection campaign was carried out for the first time. This consisted of asking for direct voluntary contributions from individuals through piggybanks. This collection campaign was

carried out by some 20,000 junior high and high school students across Mexico and succeeded in collecting P\$3.2 million. Also, for the first time this year, the campaign was complemented by information circulated through social networks.

**P\$157,780,184 collected in the course of 2011**



### Total scholarships granted to students and training provided to teachers in 2011

Educational level	Total scholarships and training
Primary schools	9,395
Junior high and high schools	23,873
Universities	24,462
Educational equity	2,769
Training for teachers and principals	77,055
<b>Total</b>	<b>137,554</b>



On 19 May 2011, in the Colegio de las Vizcaínas in the historic center of Mexico City, the third Bécalos graduation ceremony was held, with 7,229 Year of 2011 high school and university graduates in attendance.







*Bécalos graduation ceremony,  
Colegio de las Vizcainas*



## Financial Education

In 2011 the Asociación de Banco de Mexico carried out various initiatives to promote and foster financial education for the general public, reaching a large number of Mexicans in its effort. The task was performed in collaboration with several institutions (both public and private, as well as universities), with an emphasis on co-responsibility.

### Children's Savings Day

In November 2011 the second edition of Children's Savings Day was held in the cities of Colima and Querétaro, with the support of 17 banking institutions and the state educational authorities.

The previous year, the Day had fulfilled its objective of improving links between banking institutions and the community, with a view to raising awareness of the importance of savings, and explaining its basic characteristics, among public school children at the elementary level.

In the case of Colima, an official event was organized, with the participation of the state ministry of Education and the coordinator of the Financial Education Committee. In Colima, activities were carried out in schools during both the morning and afternoon shifts, but in Querétaro only during the morning shifts.

Children's Savings Day dealt with the basic concepts of savings: what it is, what is it good for, types of savings—formal, informal, savings in kind, savings of money—and the establishment of goals. Children participated in a didactic exercise which consisted of creating a piggybank which they were then able to keep. In total, 366 volunteers from more than 15 banking institutions in the two cities (Colima and Querétaro) participated, to the benefit of more than 12,000 fifth-grade schoolchildren in 243 different schools.

The feedback received from the volunteers was positive: all those who participated enjoyed the experience and declared themselves willing to take part in the exercise again. Almost 100% of the volunteers identified the time spent with the children as the best aspect of the experience.

### University Banking Congresses

Seven congresses were organized in 2011, under the title "Financial Education: Its Importance in Your Life and in Your Future." Three of these were held in Mexico City and four in other cities around Mexico. The congresses benefitted more than 2,200 students.

For eight years now, the ABM has organized the University Banking Congresses, specialized forums at which representatives of institutions of the banking system interact with students of high academic standing, so that they can learn, from the experts themselves, about the development and trends of the banking sector in Mexico.

University Banking Congresses Held in 2011		
City	University	Date
1° Tuxtla Gutiérrez	ITESM, Chiapas campus	February 25
2° Distrito Federal	Universidad del Valle de México, San Rafael	February 28
3° Distrito Federal	Universidad del Valle de México, Marina	February 28
4° Culiacán	Universidad Autónoma de Sinaloa	March 10
5° Querétaro	Escuela Bancaria y Comercial	September 9
6° Estado de México	Universidad del Valle de México, Lomas Verdes	October 7
7° Mérida	Universidad Autónoma de Yucatán	November 4



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The collaboration between the ABM and the MIDE continued, whereby the Asociación undertook to sponsor visits to the museum by public school students from lower-income families.

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### **Third Encounter of “Bécalos” Professors**

For the third year in a row, the ABM participated in the “Bécalos” Professors program, which was held on the Mexico City campus of the ITESM on 20-21 October 2011.

Almost 1,400 teachers and school principals from around the country participated in the 2011 edition of the Encounter. The subjects dealt with included educational leadership, strategies to foster social participation, free educational resources, cognitive processes, and literary techniques. The ABM’s participation involved a master class on financial education and the promotion of the financial education workshops available through the “Teaching Teachers” portal.

### **Compilation and Classification of Financial Education Websites**

Since 2009, the ABM has offered a wide range of financial education material on its website, compiled, selected, and classified to facilitate consultation by users. The information of these resources was kept up to date during 2011.

### **Distribution of the Financial Education Bulletin “Practical Finances – ABM”**

As part of the collaboration between the ABM and the VISA México financial education program, “Practical Finances,” the distribution of a monthly financial education bulletin continued in 2011. The bulletin is sent to the email addresses of the participants of the various University Banking Congresses organized by the ABM.

### **“Financial Soccer” Program**

As part of the collaborative alliance between the ABM and the VISA financial education program, the distribution of the “Financial Soccer” program continued at various events during 2011.

During the fourth annual National Financial Education Week, four visits by university students to the offices of the ABM were organized. The Credit and Financial Information Directors delivered a presentation on “The Reality of the Banking System” and answered any questions and concerns the student had.

### **ABM Chapter in the Universidad Anáhuac Book**

The Universidad Anáhuac invited the ABM to collaborate on a volume entitled Educación Financiera para México (Financial Education for Mexico), to be published in 2012, which will gather the experiences of various institutions (public, private, and social) in the area of financial education. The ABM will contribute a chapter on its Financial Education program.

### **Weekly Contribution to the Newspaper Publimetro**

The ABM continued contributing a weekly article on financial education to the newspaper Publimetro in 2011. The brief contribution offers advice on personal finances and financial health to readers every Friday. The publication reaches more than 400,000 readers every day in the metropolitan zones of Monterrey, Guadalajara, and Mexico City.

### **Sponsorship of Visits to the Museo Interactivo de Economía (MIDE)**

Also continuing in 2011 was the collaborative agreement between the ABM and the MIDE interactive economics museum, whereby the ABM undertakes to sponsor visits to the museum by public school students from lower-income families. This year, as part of the initiative, more than 5,300 children received free admission to the museum. In this way, the ABM and the MIDE foster an understanding of basic economics and finances among younger schoolchildren.

### **The “ABC of the Banking System” Module at the MIDE**

In 2011 the operation of the ABM’s interactive module “The ABC of the Banking System” continued in the MIDE. The module gives visitors to the museum the opportunity to learn about the principal functions of the banking system, with a focus on subjects such as savings, credit, and the contribution of banks to the economy. This module was developed jointly by the ABM and the MIDE.





Palacio de Iturbide

## National Financial Education Week 2011 2011

The fourth annual edition of National Financial Education Week (NFEW) was held from October 3rd to 9th, 2011, with the ABM taking a very active role. The aims of the 2011 edition were to provide information, to promote the proper use of financial products and services, and to foster the development of skills in the general public that will allow people to make better use of economic resources. Subjects dealt with during the week included family budgets, savings and investment, pensions, and insurance. The participation of member institutions of the ABM in the 2011 edition of NFEW can be summarized as follows:

### 1. Distribution of NFEW Material

During National Financial Education Week, the ABM handed out the following materials all over Mexico:

Material supplied by the CONDUSEF:

- Foldouts: 50,600
- Brochures: 4,100
- Conduguides: 23,100
- Posters: 120

Material supplied by member institutions:

- Conduguides: 10,000
- Brochures: 350
- Notebooks: 400
- Promotional bags: 4,000

ABM material:

- Copies of the book "Training as a Family": 600
- Financial Soccer: 300
- Total number of pieces distributed: 93,570

### 2. Lectures

The ABM directly organized 10 lectures by the chairmen of the banking centers in different states of Mexico, distributing material supplied by both the CONDUSEF and member institutions. These events impacted some 2,500 students.

## Other Financial Education Initiatives

### Education for Microcredits

This program seeks to provide to clients and employees of the banking system, as well as to the general public, a set of tools for developing financial skills, with concepts and examples drawn from everyday life.

In 2011, Financial Education was promoted as a tool to generate social, economic, and human value. The program uses media such as magazines, courses, workshops, events, brochures, capsules, and lectures.

Achievement in 2011

- 5,800,000 copies of the magazine Consejos (Advice), aimed at clients, and 63,900 of the magazine for employees of the

banking system, with financial education content

- 210 courses for entrepreneurs given in 29 different states, with the participation of 205 employees of the banking system, to the benefit of 4,277 people
- Alliance with the program "Onward with Your Future" to offer workshops on savings and credit to 11,346 people, including employees of the banking system, their family members, and their friends
- On the Day with the Community, 9,160 capsules and flyers on financial education were handed out
- "Life Projects and Financial Education," a lecture delivered to 10,015 employees of the banking system at regional encounters
- "The Value of Your Example," a lecture delivered to clients at committee encounters

### Knowing How to Count

"Knowing How to Count" is an independent financial education program in the business area. It does not promote specific financial products or services, focusing rather on the creation of a financial culture that fosters the quality of life of individuals, families, communities, companies, and institutions, through the design, implementation, and evaluation of educational strategies that allow for the generation, administration, and optimal use of financial resources.

At the same time, the pedagogical focus of "Knowing How to Count" is formative and practical. It conceives the human person as an holistic, multidimensional being and takes into account the person's surroundings, real circumstances, and past experiences. The program seeks to develop knowledge, skills, attitudes, and values useful to the personal handling of finances, providing significant opportunities for reflection and learning. This financial education is offered free to members of the general public, whether or not they are clients of the banking system. With more than 60 partners, in the public, private, and social assistance sectors, we have developed educational strategies that are independent of banking products or services.

### Onward with Your Future

This initiative seeks to help members of the general public make better use of financial services. The program is designed to accompany increasing bank penetration throughout Mexico and Latin America.

Workshops are offered in 20 stationary classrooms in 14 different cities in Mexico and in 30 mobile classrooms that visit companies, as well as online at [www.adelantecontufuturo.com.mx](http://www.adelantecontufuturo.com.mx). In this way, more than 400,000 people have received free training that prepares them to taken better decisions in managing their personal finances.

The workshops have been developed with the technical know-how of banking specialist and with the pedagogical support of the MIDE, in order to ensure that the language used is accessible to audiences of all kinds and that content is presented in an attracted, interactive format.



In order to teach the proper use of financial services, it is important to carry out a full educational process: to go from “awareness” to “knowledge,” but also from “knowing” to “knowing how.” In other words, it is important for people not only to acknowledge the importance of increasing their financial culture, but also to learn and develop skills so that they can use savings and credit to their advantage. The program is currently being carried out at the following universities:

- ITESM (Mexico City, Santa Fe, and Puebla campuses)
- EBC (Toluca, Tlalnepanitla, and Reforma campuses)
- ALIAT (Chalco and Ixtapaluca campuses)
- Universidad Autónoma de Chihuahua
- Instituto Politécnico Nacional
- Universidad Autónoma de Chapingo
- Universidad Tecnológico (Tecamac, Zumpango, Amecameca campuses)
- Universidad Autónoma del Estado de México
- Universidad Autónoma Agraria Antonio Narro
- Universidad de Juárez (Durango and Hidalgo campuses)

### Investing Is Worth It

“Investing Is Worth It” is a course in basic financial literacy aimed at motivating young Mexicans to form the next generation of entrepreneurial leaders. The program is offered free to young people between the ages of 16 and 24, providing them with basic knowledge, skills, and competence in the areas of leadership, entrepreneurship, personal finances, and social responsibility. In this way, they develop for themselves their own sources of employment, and these companies generate jobs in turn for other young people, making for a virtuous circle that works to the benefit of the Mexican economy.

The course consists of twelve units and includes subjects such as budgeting, saving, risk, profitability, earnings, business plans, the value of money in time, credit, ethics, and social responsibility. In Mexico, “Investing Is Worth It” is distributed by means of strategic alliances, mainly through the Universidad Anáhuac network in seven states (including Mexico City):

- Distrito Federal
- Estado de México
- Oaxaca
- Puebla
- Querétaro
- Quintana Roo
- Yucatán

At the end of the course, participants are awarded a diploma with curricular credit value. A summer course, designed for the general public, is also offered, in collaboration with the MIDE.

### Beyond Money

This program teaches basic financial skills to elementary school children, helping them to understand the importance of managing money for good decision-making. The program is implemented in public elementary schools.

### Fundación Cultura Finanzas para Niños, A.C.

The aim of the non-profit Finanzas para Niños is to promote and foster financial culture in every segment of the general public (children, teenagers, adults), emphasizing the need for financial education from an early age in order to ensure the future wellbeing of families.

Students from the “Onward with Your Future” course



## Actions Undertaken by the Banking System in 2011

Well aware of the many urgent necessities of various communities in Mexico, every year the banking system undertake activities that seek to narrow the inequality gap, supporting educational projects that impact the lives of large numbers of people and participating in community work programs and the improvement of infrastructure conditions.

These programs are aided through economic support, through donations in kind, or through links with civil society organizations (CSOs) that carry out actions as part of their everyday activities.

For this reason, the ABM also works at reinforcing the institutional structures of these organizations through consulting, training courses, and funding projects.

The subjects dealt with vary in accordance with the objectives of each institution, but they are generally in line with the institution's particular business focus. Education, health, and environmental issues are also addressed. Another aspect worth emphasizing is the care and conservation of cultural heritage, through initiative that allow clients, members of the community, and banking system employees become involved in various cultural and artistic expressions.

## Education

Education is a priority of the banking system. It supports a range of programs through ATM collection campaigns, donations of cash and goods, and the participation of volunteers in educational programs.

### For Those Who Stay Behind

In response to the phenomenon of emigration in Mexico, and with a view to improving living conditions in areas with high levels of emigration, as scholarship program entitled "For Those Who Stay Behind" has been created to support the children and family members of migrants through study grants and social development programs.

### All for the Children of Oaxaca

The United Nations Children's Fund (UNICEF) and the government of Oaxaca signed an accord to guarantee the rights of children and adolescents in the state, particularly those living in vulnerable situations, through the generation and development of public policies and actions to promote their integral development. As part of this initiative, the "All for the Children of Oaxaca" program collects funds through ATM donations

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Every year the banking system undertake activities that seek to narrow the inequality gap, supporting educational projects that impact the lives of large numbers of people and participating in community work programs and the improvement of infrastructure conditions.

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*Participation of volunteers in educational programs*





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Education is a priority of the banking system. It supports a range of programs through ATM collection campaigns, donations of cash and goods, and the participation of volunteers in educational programs.

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to channeled into educational programs for 146,000 children and young people in the state.

### **Children's Knowledge Olympiad**

The aim of the Children's Knowledge Olympiad is to recognize and reward academic excellence among schoolchildren finishing their primary education in the different modalities of the National Education System: official urban and rural schools, primary schools for indigenous communities, private primary schools, and community courses offered by the National Board of Educational Development (Consejo Nacional de Fomento Educativo).

The 1,000 winners of the Children's Knowledge Olympiad receive a secondary school scholarship through a fund financed by the Mexican Ministry of Education (Secretaría de Educación Pública, or SEP) and the foundation of the banking institution that is in charge of the fund. The SEP contributes resources for 450 scholarships and the foundation in question resources for the other 550.

### **Just Raise Your Hand**

In collaboration with the Fundación Lazos, the "Just Raise Your Hand" program has been implemented in affiliated primary schools in the aim of improving teaching skills, enhancing infrastructure, and providing schoolchildren with uniforms and school supplies. Also, employees of the institution may sponsor children through the program.

In 2011 1,013 children were sponsored and the infrastructure of nine schools was improved, through the participation of 450 volunteers who donated 2,460 hours of their time.

### **Universities**

The "Universities" program arranges collaborative accords with public and private universities in Mexico, through which the universities receive financial support for the development of teaching projects, Spanish language promotion, scholarships and study grants, student and teacher exchange programs, research, relations between the academic and business sectors, new technologies, and global projects such as Universia and Biblioteca Virtual Miguel de Cervantes, which makes Spanish literature available online. In 2011 the program granted al-

most 10,000 scholarships and arranged more than 143 collaborative agreements with numerous universities, representing more than 60% of the total in Mexico. As part of the launch of the National Higher Education Financing Program, students were given access to undergraduate and post-graduate studies through financing supported by Nacional Financiera.

### **Community and Education Support**

The Fundación Comunitaria del Bajío was supported through the payment of the salaries of two administrative assistants and the donation of furnishings and computers for a school.

In collaboration with Proeducación, an organization that seeks to improve the quality of the basic education children receive in public primary schools through the integral development of the educational community, support was provided to 1,345 schoolchildren. The aim of the program is to offer alternative integral education to children and young people facing the risk of academic failure, by drawing up profiles of their strengths and special educational needs, as well as educational alternatives that meet individual needs.

Thanks the support of the banking system, some 900 students received courses under the Desem system, which develops educational programs and materials for courses to train young businesspeople, seeking to foster the development of entrepreneurial culture in Mexico.

INROADS de México, A.C. is a non-profit organization engaged in seeking out and training talent in marginalized sectors of the population. INROADS has developed a program to offer selected university students practical experience in areas related to their studies through jobs at top-level companies. Support is also given to them during the personal process of following up on and complementing their university studies. Twenty students were provided with financial aid through this program in 2011.

Universia México is a network of 412 higher education institutions, both public and private, which represent 85% of the university collective of the country and involve the participation of 2,537,694 university students and professors. In 2011 Universia carried out more than 17 events with the active participation of students, professors, and distinguished academic figures.

## Museo Interactivo de Economía

Also deserving of mention is the effort made on behalf of social responsibility at the Museo Interactivo de Economía (MIDE), where, in a splendid exhibition hall, a highly educational and dynamic exhibit showing the importance of sustainability to the future of society is on display.

## Nutrition

The Fondo para Niños de México is a grass-roots organization that focuses on children, developing sustainable programs to combat the causes of poverty. It also seeks to create emotional and communicative links between children in these communities and their sponsors, thereby creating a sense of security and self-esteem in the children.

In 2011 support was given to nutritional programs:

- The control and follow-up of the nutritional state of the children
- Nutritional guidance and training for children and mothers

### Nutre-Fácil

The Nutre-Fácil program, which collaborated to eradicate of children's malnutrition in the states where this condition is most prevalent, continued its work in conjunction with state family service agencies (DIF) in Chiapas, Guerrero, Oaxaca, Puebla, Tabasco, Veracruz, and Yucatán. It also signed an agreement with the Sedesol in Nuevo León. In 2011, a total of 2,820,000 packets of Nutre-Fácil were distributed, to the benefit of almost 10,000 children every day.

### Optimus Foundation

This foundation supports needy children in poor areas of the country which are in special need of help. Aid is given in three areas:

- Education and training
- Childhood protection

- Global health research
- Children's health
- Untreated tropical diseases

In 2011 several important projects were carried out on behalf of various communities across Mexico:

### Together against Dengue

Every year, 50 million new cases of dengue are diagnosed. Specific treatment and vaccination methods are lacking, and attempts to eliminate the mosquitoes responsible for the disease through pesticides has not turned reined in its continuing expansion. Based on a treatment method implemented in Nicaragua, a project was started up in Mexico to create a culture of prevention by various means: teams of experts give communities threatened by the disease simple lessons in eliminating foci of mosquitoes. The necessary skills are conveyed through interactive workshops, theater performances, and songs, and also put on the curriculums of primary schools.

### Ingestion of Vitamin A and Zinc to Reduce Diarrhea in Urban Communities

The ingestion of vitamin A and zinc by children in developing countries can help reduce the incidence of diarrhea. A study has proven the effectiveness of the combination in reducing diarrhea in communities in Mexico City.

### Living Healthy

The "Living Healthy" program views wellbeing as a process of self-awareness and action directed at improving ones state of health and quality of life. It consists of three steps that lead to a healthier life: Know yourself, Get active, and Focus. At first, the program was offered only to employees, but in 2011 it was

*Beneficiaries of Nutre-Fácil, Tuxpan and Veracruz, Veracruz*



extended to members of various communities, to whom it provides information about various health-related topics.

## Housing Construction

Fundación Vivienda works with the government and with donors on the construction of housing projects that offer a larger number of families the opportunity to own their own home. In this way it supports needier families to obtain their own property. In 2011, thanks to funds collected through ATM donations, it was possible to build 762 houses in the states of Guanajuato, Sinaloa, Veracruz, and Yucatán.

“Help Me! I’m Mexican Too” is a system of self-construction and sustainable development designed for marginalized communities. Through the donation of funds collected in 2011 it has made a real change in the lives of the communities supported.

## Health

Support for programs which promote a culture of prevention in health issues is a constant of the Mexican banking system. One of the actions carried out in 2011 was providing support in the struggle against breast cancer, through a campaign focused on creating a culture of prevention and on contributing to the treatment of this condition. The campaign was implemented in collaboration with Breast Cancer Awareness. At the same time, resources were channeled into the purchase of a microscope for the Hospital de la Mujer in Mexico City and, in alliance with the Fundación Rebeca de Alba, support was given to children and young people suffering from cancer.

## Natural Disaster Aid

The effects of the 2011 earthquake and tsunami in Japan had devastating consequences for many people in that country. Various organizations in Mexico held campaigns to collect funds,

which were delivered to the Mexican Red Cross for distribution to the victims.

In the wake of the serious damage caused by flooding in Manzanillo, Colima, 2,000 care packages were distributed, to the benefit of many clients and members of the community there, as well as in Cihuatlán, Melaque, and La Pinal, Jalisco

## Product Development

Educational and productive centers were created in low-income communities, especially for women and children, in the aim of improving quality of life through personal and family development.

The centers operate through courses and activities divided into three branches:

- Educational
- Incubation of micro-enterprises
- Transmission of knowledge for social development

In 2011, with a view to improving the quality of life of young people who have not had the opportunity to develop productive projects, 65 persons were given support in this area, in collaboration with ProEmpleo.

## Trust Funds

In the aim of improving the quality of life of vulnerable social groups, various trust funds have been created through the banking institutions to work in collaboration with civil society. These trusts are noteworthy in that they are initiatives created by employees of the institutions, who are themselves responsible for the management of the resources, the selection of the institutions to be supported, and the presentation of results, in which they regularly seek the utmost transparency. Over the years, donations made to these trusts have made it possible to improve the living conditions of many people and to strengthen relations between the institutions involved and those employed by them.

*Natural disaster aid*





### Fideicomiso por los Niños de México

The Fideicomiso por los Niños de México operates with funds generated by voluntary donations of the employees of a banking institution, seeking to lend support to those children most in need of it. Its mission to give economic aid, consulting services, and training to organizations which provide care, sustenance, and development to Mexico's most vulnerable children. It works in the areas of health, nutrition, and education. In 2011, 66 civil society organizations were supported, to the benefit of more than 40,000 children.

### Súmate

Súmate is a new trust that has originated in the "Support" program, whereby voluntary contributions made by employees are channeled through various institutions to the benefit of children, young people, and adults in vulnerable situations. The operations and management of the trust are regulated by the employee volunteers who make up the Technical Committee.

### Volunteer Work

The aim of the volunteer activities undertaken by the member institutions of the ABM is to involve employees of the banking system in the solution of social problems that affect the communities in which they work. They are based on teamwork and are open to all employees who wish to participate in them. In some

cases, the volunteer projects are also opened to participation by family members and friends of employees, clients, and even the general public.

### Actions Undertaken in 2011

"1, 2, 3 for Me and My Community" is a volunteer program through which employees are given the opportunity to choose their activities in accordance with the needs of their own communities, in company with their family members, clients, suppliers, and friends of the institution involved.

Among the activities carried out:

- 2011 Volunteer Fair, with the participation of 358 employees and six organizations
- The chapel known as "La Candelaria, in the Cuajimalpa district of Mexico City, was renovated with the help of the "Good Neighbor" campaign
- In collaboration with "A Roof for My Country," the construction of houses in Xochimilco (Distrito Federal) was supported
- Participation in the Teletón fund raising event
- A collection of toys and blankets, which were distributed to needy communities during the Christmas season.

The corporate volunteer program "Actions" carried out the "Playing Playing and. . . Helping" campaign, now in its second year, through which 34,009 toys were collected and distributed

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In the aim of improving the quality of life of vulnerable social groups, various trust funds have been created through the banking institutions to work in collaboration with civil society.

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*Collection of toys and blankets for vulnerable communities*



*Entrepreneurs in San Cristóbal*





*Community volunteers*

among children's hospitals and orphanages, with the help of 822 volunteers, including executive personnel. The distribution of the toys was made in the first days of January.

Among other actions, the Colectón was held on January 5th, in conjunction with the Fundación CIE. Some 15,000 toys were collected and donated among 46 different institutions, to the benefit of more than 5,000 children.

The institutions benefitted included:

- Estancia Infantil Renovación
- Casa Yolia, Niñas de la Calle, A.C.
- Rescatando a la niñez, A.C.
- Ministerio Vive, A.C.

## **Culture**

The exhibition Corazoles consisted of a collection of 140 sculptures in the form of hearts, half of them large-format pieces and half of them life-sized. This free public showing, an striking exhibition of urban art, organized in various social spaces strategically located in the city of Puebla, raised awareness of the work being done by the Casa del Sol, which houses children under the age of eight who have been abandoned, mistreated, or orphaned. It gives them the care and shelter necessary to allow them to

recommence their physical, psychological, and emotional development from an early age.

"Potential Cubed" is a program that seeks to promote big ideas in the community. The ideas are put on display in an exhibition open to the public, in the categories of Culture, Community, and Lifestyle, with the winners earning the opportunity to work hand-in-hand with the experts participating in the program.

The event was recorded by means of social networks. The projects were reviewed by a panel of jurors who included the mentors and executives of the banking institution involved, and three finalists were chosen in each category. Voting was performed directly by the public, which allowed a study to be done on the reactions of an external audience to social responsibility.

# Caring for our environment





In their quest for better relations with the environment, banking institutions undertake actions that diminish the impact of their operations, reflected mainly in savings in the consumption of water and electricity and in the reduction of greenhouse gas emissions.



*Let's Clean Up Our Mexico*

- More than P\$200 million invested in environmental projects
- Around 16,500 trees planted in reforestation programs in 2011
- More than 63 million kWh saved

Projects were also implemented to reduce the use of paper and to foster an awareness of recycling. These measures involved executive personnel, employees, clients, and in some cases even suppliers. Agreements were signed with governmental authorities, academic institutions, and international agencies, in order to reach a larger number of persons and make a positive impact on the environment.

One example of these initiatives was the study carried out by the Universidad Nacional Autónoma de México, which allowed one of the member institutions of the ABM to set its environmental policy and the performance indicators required to develop a new environmental culture.

In the internal context, there was significant growth in the development of portals and intranets, which allow employees to

access information about events, application follow-ups, online training courses, etc. These portals have become a very valuable tool in office and branch operations, in addition to saving paper for memos and applications.

Another way of collaborating on care of the environment is the use of video-conference systems, which make it possible to eliminate unnecessary trips, thereby rendering operations more efficient.

In 2011 a big boost was given to online banking as a way to save paper previously used for transactions and account statements. This has made for the development of new technologies, so that access to account information is not limited to electronic media, but extended even to cellular telephones. In addition to the savings this represents, it makes for 24-access to account information from anywhere the client happens to be.

## Alliances and Agreements

### MIDE Sustainability Hall

With the collaboration of several institutions, in November the Sustainability Hall was inaugurated at the Museo Interactivo de Economía (MIDE). This is the first exhibition hall in Mexico to deal with the subject of a balance between economic activities, the way we live in society, and the care of our natural surroundings as our home and the source of our raw materials.

Since 2007, the Climate Partnership has been contributing resources, along with the Climate Group, the Earthwatch Institute, the Smithsonian Tropical Research Institute, and World Wildlife Fund, to reduce the impact of climate change on people, forests, freshwater lakes and rivers, and city, and to encourage the adoption of low-emission policies. This program concluded in 2011.

Seeking to smooth the transition toward a green economy, several governmental, academic, and business institutions, including one of the ABM's members, signed an Agreement for a Sustainable Mexico.

In the framework of Earth Month, a congress entitled “Green Light for the Planet” was organized at the Universidad Anáhuac, with the collaboration of one of the ABM’s member institutions and the participation of 500 students, in the aim raising awareness about environmental issues.

The institution also participated as a signatory of the 2011 Carbon Disclosure Project (CDP) in Latin America. The CDP works with investors all around the world to increase investment opportunities and reduce the dangers caused by climate change.

Another important agreement was the donation made to the Nature Conservancy for its woodlands conservation project.

## Energy

- Some noteworthy initiatives included:
- Programming of air conditioning equipment
- Installation of sensors to turn off lights
- Lights turned off on holidays and at lunch hours
- Programming to turn off computer monitors when not in use
- Increase in the number of buildings with LEED certification
- ISO 14001 recertification

In the area of electricity, significant savings have been made through the automatic control of lighting systems in offices and branches and the use of movement sensors to turn lights on and off in corporate offices. The practice of turning off office equipment, such as printers, photocopiers, and monitors, when not in use is ever more frequent.

## Paperless Programs

Several member institutions have implemented policies to reduce the use of paper through printing on both sides of the sheet, the use of electronic formats for applications, changes in the font size for official documentation, reductions in the use of photocopiers, and other measures. Employees form themselves into volunteer teams to review compliance with these objectives and to foster an awareness of conservation among their fellow employees, family members, and clients.

## Water

In the face of the general shortage of water in Mexico, some institutions have joined government water conservation programs. Individual member institutions also look for alternatives for reducing the use of water in their installations.

## Recycling

The banking institutions join in the recycling efforts of the local governments in the communities where they operate. Special containers have been install to separate waste materials in both main offices and bank branches. Awareness campaigns implemented in the offices have yielded positive results, such as a significant reduction in the use of certain materials like Unicef. Recycling programs have succeeded in virtually eliminating the discarding of paper, cardboard, PET, and batteries, among other materials, all of which are delivered to specialized companies for recycling. Recycling includes electronic materials, which require a special process.

## Let’s Clean Up Our Mexico

“Let’s Clean Up Our Mexico” is a nationwide awareness campaign as well as a clean-up and trash collection program. The campaign involves concrete actions to raise awareness of, and to seek solutions for, the problems connected with trash, addressing its harmful effects on people and the environment and emphasizing the need to recycle.

## Greenhouse Gas Emissions

Although banking activities are not considered to have a high environmental impact, medium- and long-term programs and strategies have been put in place to reduce emissions in both main offices and bank branches.

The principal initiatives aimed at reducing greenhouse gas emissions are:

- Verification rounds to ensure that air conditioning equipment is turned off when not required
- Programming of air conditioning equipment and elevators
- Supply of electricity from a wind farm

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“Let’s Clean Up Our Mexico” is a nationwide awareness campaign as well as a clean-up and trash collection program. The campaign involves concrete actions to raise awareness of, and to seek solutions for, the problems connected with trash, addressing its harmful effects on people and the environment and emphasizing the need to recycle.

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The campaign to raise funds for Reforestamos México, A.C. collected a substantial amount to be contributed to the conservation of the environment and to foster an attitude of care and respect for Mexico's biodiversity.

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- Changes in lighting
- LEED lighting in parking areas
- Program to reduce leaks in refrigeration equipment
- Implementation of an energy saving plan
- Improvement of the energy administration system
- Program to reduce company trips
- Use of videoconferences
- Transportation routes for employees from multiple points to the company premises
- Integration of certified electronic equipment and printers

### Reforestation Campaigns

The campaign to raise funds for Reforestamos México, A.C. collected a substantial amount to be contributed to the conservation of the environment and to foster an attitude of care and respect for Mexico's biodiversity.

In addition to awareness campaigns, reforestation activities were also carried out, with the voluntary participation of employees, their family members, and their friends. On some occasions, the reforestation was performed in collaboration with organizations specially engaged in the activity.

The campaigns undertaken in 2011 included:

- Worldwide Reforestation Day
- Family Reforestation Day in the community of San Felipe del Rincón, Estado de México, with the participation of 130 volunteers and 270 guests, during which four hectares were reforested with 2,500 trees
- In collaboration with Reforestamos México, A.C. and the ministry of the environment in Estado de México, 550 employee volunteers and their family members planted 3,000 trees
- On the "Day with the Community," 358 trees were planted

### Environmental Awareness

An Environmental Education Program was carried out in conjunction with the Centro de Información y Comunicación Ambiental de Norte América, A.C. (CICEANA), an organization dedicated to promoting alternative sustainability strategies. Activities focuses on raising awareness of the environmental situation of Mexico and the planet, and of the delicate balance of life on earth. The program was offered to 2,160 students and 93 teachers in 18 different schools.

*Employees performing reforestation work*









# CORPORATE GOVERNANCE AND CITIZENSHIP

Sound corporate governance is fundamental to maintaining efficient management within banking institutions, providing, as it does, better decision making, avoidance of conflicts of interest, and a generally optimal response to the institution's various stakeholders. As a result, Mexican banking institutions have highly efficient structures that adhere to the best global governance practices.

At the same time, good corporate governance impacts positively on an institution's competitiveness, transparency, and proper rendering of accounts, buttressing its sustainability in the process.

The Boards of Directors of the banking institutions are made up of men and women with broad experience and fine reputations in areas such as economics, finance, marketing, industry, politics, sustainability, etc. Also deserving of note is the number of independent members on the boards, as well as the different committees that assist the Boards of Directors in their duties. These include committees responsible for audits, related parties, compensation, planning and finance, and other matters.

## Citizenship

Both the ABM and its member institutions are actively involved in relationships of collaboration and mutual support with many institutions, authorities, and civil society organizations. These are necessary to the healthy performance of financial and banking operations, as well as social, cultural, and environmental activities, which thus constitute an important effort of corporate citizenship undertaken on behalf of thousands of Mexicans.

Among the principal institutions with which the ABM and its members work and regularly communicate are:

- Secretaría de Hacienda y Crédito Público (SHCP)
- Comisión Nacional Bancaria y de Valores (CNBV)
- Banco de México (Banxico)
- Comisión Nacional para la Protección y Defensa de los Usuarios de Servicios Financieros (CONDUSEF)
- Instituto para la Protección al Ahorro Bancario Ahorro Bancario (IPAB)
- Servicio de Administración Tributaria (SAT)
- Consejo Coordinador Empresarial (CCE)
- Buró de Crédito
- Centro de Cómputo Bancario (CECOBAN)
- Círculo de Crédito
- Club de Banqueros
- Consejo de la Comunicación

- Asociación Mexicana de Administradoras de Fondos para el Retiro (AMAFORE)
- Asociación Mexicana de Instituciones de Seguros (AMIS)

## Ethics

The efficient performance of any institution depends on the sound operations of each one of its units, but this cannot be possible without a basic ingredient: ethical conduct. Thus, in the banking system, ethical conduct has a preponderant role in all processes, given the enormous responsibility of handling financial resources of third parties and offering services to the public with economic, social, and environmental implications of great importance.

The ethical conduct of the banking system stems from its strict adherence to all applicable laws and regulations and its respect for human rights. In this sense, each of the banking institutions have an ethical conduct code, in some cases revised annually, which applies generally to all of its employees.

These conduct codes are circulated among employees by various means: in-house magazines, posters, talks, screens, and induction courses. The codes, regularly updated in order to stay in line not only with rapidly evolving new technologies but also with new financial services and instruments, contain the best international practices as outlined in initiatives such as the Equator Principles and the Basel Accords.

To maintain the ethical bases of the different institutions in good working order, there are complaint lines, client and employee ombudspersons, and committees within the different corporate governance structures to supervise ethical conduct.

## Transparency

Being transparent in dealings with our stakeholders is a fundamental part of our social responsibility and a guarantee of our daily activity. In addition to the public operating and financial reports regularly submitted to the financial authorities, some institutions present reports directed at investors as well as sustainability and social responsibility reports. All of this information can be consulted by various means, from printed reports to internet pages, public presentations, and press releases.

This ABM sustainability report, now in its third annual edition, is a clear example of the importance of informing and being transparent, as it allows us to render accounts, as a sector, concerning our day-to-day activities in the area of sustainability,

at the same time encouraging public dialogue and setting a precedent in the use of a internationally accepted methodology to measure our performance.

## Responsible Marketing

The clients of the Mexican banking system have a right to be well-informed concerning the products and services it offers, so that they can make sound financial decisions, maximizing benefits and minimizing risks. This is why the banking system provides a large stock of information about its products and services, especially savings and credit instruments, detailing their characteristics, uses, costs, and management. Other

media are also available to clients who wish to clarify doubts or resolve any issues related to the products and services they may consider hiring.

Also, certain institutions have financial calculators that simulate the behavior of payment flows for different credits, so that clients can choose the ideal instrument for their specific needs.

Responsible marketing incentivizes competition and innovation, providing better solutions while expanding and improving the integral offer of the banking institutions, to the benefit of clients.

*Façade of the Asociación de Bancos de México building*



# AWARDS AND DISTINCTIONS

- Designation as a Socially Responsible Company by the Centro Mexicano para la Filantropía (CEMEFI) for 11, 10, 4, and 2 years.
- Recognition by the “Choose to Serve” program as a Successful Case of Corporate Volunteer Work
- Award for Best Social Responsibility Practices in the Business Ethics category for the “Without Suspicion” case
- Adherence of one more institution to the Global Compact, making a total of four
- Mention of several institutions in the magazine Mundo Ejecutivo’s ranking of the “50 Companies with the Greatest Social Responsibility in Mexico”
- Designation of several institutions as best places to work by the Great Place to Work Institute
- “Beyond Banking” award in the Learn Banking and People’s Choice categories, granted by the “Onward with Your Future” initiative
- Designation as a company with the Best Corporate Governance by Euromoney
- Recognition as partner and founder in the SEMARNAT’s “Clean Transport” program
- ISO 27001 certification for Information Safety
- ISO 9001 certification (2008) for Prevention Process and Detection of Operations with Funds from Illicit Sources
- Certification in the Gender Equity Model of the Instituto Nacional de las Mujeres
- Best Banking Group 2011 Award from the British magazine World Finance
- National Technology Award in the Large Service Organization category, granted by the Secretaría de Economía
- Performance Awards as best trader in the short-term debt, non-contributory debt, and Mexican shares categories
- The book Construyendo Patrias. Iberoamérica. Una reflexión (Constructing Nations. Ibero-America: A Reflection) received the following awards:
  - Premio Quórum, Gold Mention for an Art Book
  - Premio Antonio García Cubas INAH for research and editing in the art books category
  - Third Prize for Best Edited Book. Spanish Ministry of Culture, 2010
- Ranking among “Super Companies: The Places Where Everyone Wants to Work,” an article on Top Companies published in the magazine Expansión
- Gold Quill Excellence Award and three merit prizes for internal communications campaigns from the International Association of Business Communicators
- Second company in Mexico certified with the Standard of Workplace Equality between Men and Women, granted by the Mexican Ministry of Labor (Secretaría de Trabajo)
- Four AMCO awards for communications campaigns and media, granted by the Asociación Mexicana de Comunicadores
- Publication of the case of the “Progress of Women. . . as a Better Business Practice,” material published by Deloitte
- “Small and Medium Enterprise Award” granted by the Mexican Ministry of the Economy (Secretaría de Economía)
- 2011 Bank of the Year Award granted by the magazine The Banker
- Inclusion on the Sustainability Index of the Mexican Stock Exchange and certification as a Sustainable Company
- Eleven mentions at the National Excellence Awards in the Company-Client Relations and Contact Centers categories, granted by the Instituto Mexicano de Teleservicios



# ABOUT THIS REPORT



The 2011 Social Responsibility and Sustainability Report of the Mexican Banking System present the results of actions and programs in economic, social, and environmental matters undertaken from January to December of 2011.

For the third year in a row, the report has been prepared in accordance with version 3.1 of the Guide for preparing sustainability reports of the Global Reporting Initiative (GRI). The determination of the content was made on the basis of actions, initiatives, and results in social, economic, and environmental areas, as well as relations with the stakeholders of the banks that make up the Asociación de Bancos de México ABM, A.C.

The coordination of member institutions, as well as the supervision of the degree of progress and final review of the document was the responsibility of the Asociación de

Bancos de México. McBride SustainAbility collaborated in determining the materiality of content and in the analysis, research, methodology, and drafting of the report.

We believe our level of application corresponds to a B.

#### Cautionary note:

The figures contained in this report, as well as the programs and other data, are a summary in terms of annual reports, and do not constitute an exhaustive presentation of information, which could have an impact on any individual analysis. Likewise, the arrangement of material presented in the document constitutes a tool for facilitating the understanding of concepts and processes and does not represent a particular vision of each banking institution.

APPLICATION LEVEL	PAGE	REPORTED	EXPLANATION
<b>1. Strategy and Analysis</b>			
1.1 Statement from the most senior decision-maker of the organization	2	Fully	
1.2 Description of key impacts, risks, and opportunities	2	Fully	
<b>2. Organizational Profile</b>			
2.1 Name of the organization	Covers	Fully	
2.2 Primary brands, products, and/or services.	11 to 15	Fully	
2.3 Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.	Covers, 7	Fully	
2.4 Location of organization's headquarters	Covers	Fully	
2.5 Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	Covers	Fully	
2.6 Nature of ownership and legal form	Covers	Fully	
2.7 Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries)	12 to 14	Fully	
2.8 Scale of the reporting organization	9,12,13	Fully	
2.9 Significant changes during the reporting period regarding size, structure, or ownership		Fully	No significant changes were reported in 2011
2.10 Awards received in the reporting period.	44	Fully	
<b>3. Report Parameters</b>			
<b>REPORT PROFILE</b>			
3.1 Reporting period (e.g., fiscal/calendar year) for information provided	45	Fully	
3.2 Date of most recent previous report (if any)	45	Fully	
3.3 Reporting cycle (annual, biennial, etc.)	45	Fully	
3.4 Contact point for questions regarding the report or its contents.	Covers	Fully	
<b>REPORT SCOPE AND BOUNDARY</b>			
3.5 Process for defining report content	45	Fully	
3.6 Cobertura de la memoria	45	Fully	
3.7 State any specific limitations on the scope or boundary of the report (see completeness principle for explanation of scope).	45	Fully	
3.8 Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations.	45	Fully	
3.9 Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report.	45	Fully	
3.10 Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g., mergers/acquisitions, change of base years/periods, nature of business, measurement methods).	45	Fully	
3.11 Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	45	Fully	
<b>CONTENTS</b>			
3.12 Table identifying the location of the Standard Disclosures in the report.	46 to 49	Fully	
<b>ASSURANCE</b>			
3.13 Policy and current practice with regard to seeking external assurance for the report.	45	Fully	
<b>4. Governance, Commitments, and Engagement</b>			
<b>GOVERNANCE</b>			
4.1 Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight.	42	Fully	
4.2 Indicate whether the Chair of the highest governance body is also an executive officer	2	Fully	
4.3 For organizations that have a unitary board structure, state the number and gender of members of the highest governance body that are independent and/or non-executive members.	2	Fully	
4.4 Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body	42	Fully	
4.5 Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organization's performance (including social and environmental performance).	42	Fully	
4.6 Processes in place for the highest governance body to ensure conflicts of interest are avoided	42	Fully	
4.7 Process for determining the composition, qualifications, and expertise of the members of the highest governance body and its committees, including any consideration of gender and other indicators of diversity.	42	Fully	
4.8 Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social	Covers, 7	Fully	

INDICADOR	PÁGINA	PROFUNDIDAD	EXPLICACIÓN
performance and the status of their implementation			
4.9 Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles.	42	Fully	
4.10 Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance	42	Fully	
<b>COMMITMENTS TO EXTERNAL INITIATIVES</b>			
4.11 Explanation of whether and how the precautionary approach or principle is addressed by the organization	2	Fully	
4.12 Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses	17 to 40	Fully	
4.13 Memberships in associations (such as industry associations) and/or national/international advocacy organizations in which the organization: * Has positions in governance bodies; * Participates in projects or committees; * Provides substantive funding beyond routine membership dues; or * Views membership as strategic.	42	Fully	
<b>STAKEHOLDER ENGAGEMENT</b>			
4.14 List of stakeholder groups engaged by the organization	5	Fully	
4.15 Basis for identification and selection of stakeholders with whom to engage	5	Fully	
4.16 Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group	5	Fully	
4.17 Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded	5	Fully	
<b>ECONOMIC PERFORMANCE INDICATORS</b>			
EC1 Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.		Not	Not material
EC2 Financial implications and other risks and opportunities for the organization's activities due to climate change		No material	Not material
EC3 Coverage of the organization's defined benefit plan obligations		Fully	
EC4 Significant financial assistance received from government		Not	Not material
<b>MARKET PRESENCE</b>			
EC5 Range of ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation	<a href="http://www.abm.org.mx/descargas/fole-to2009.pdf">http://www.abm.org.mx/descargas/fole-to2009.pdf</a>	Not	Not material
EC6 Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation	5	Fully	
EC7 Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation		Not	Not material
<b>INDIRECT ECONOMIC IMPACTS</b>			
EC8 Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement	13	Fully	
EC9 Understanding and describing significant indirect economic impacts, including the extent of impacts	13 to 15	Fully	
<b>ENVIRONMENTAL INDICATORS</b>			
<b>MATERIALS</b>			
EN1 Materials used by weight or volume		Not	Not material
EN2 Percentage of materials used that are recycled input materials.	38	Fully	
<b>ENERGY</b>			
EN3 Direct energy consumption by primary energy source		Not	Not material
EN4 Indirect energy consumption by primary source		Not	Not material
EN5 Energy saved due to conservation and efficiency improvements	37	Partially	
EN6 Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives	38	Partially	
EN7 Initiatives to reduce indirect energy consumption and reductions achieved	38	Fully	
<b>WATER</b>			
EN8 Total water withdrawal by source		Not	Not material
EN9 Water sources significantly affected by withdrawal of water		Not	Not material
EN10 Percentage and total volume of water recycled and reused		Not	Not material
<b>BIODIVERSITY</b>			
EN11 Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas		Not	Not material
EN12 Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas		Not	Not material
EN13 Habitats protected or restored		Not	Not material
EN14 Strategies, current actions, and future plans for managing impacts on biodiversity		Not	Not material



INDICADOR	PÁGINA	PROFUNDIDAD	EXPLICACIÓN
EN15 Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk		Not	Not material
<b>EMISSIONS, EFFLUENTS AND WASTE</b>			
EN16 Total direct and indirect greenhouse gas emissions by weight		Not	Not material
EN17 Other relevant indirect greenhouse gas emissions by weight		Not	Not material
EN18 Initiatives to reduce greenhouse gas emissions and reductions achieved		Not	Not material
EN19 Emissions of ozone-depleting substances by weight		Not	Not material
EN20 NOx, SOx, and other significant air emissions by type and weight.		Not	Not material
EN21 Total water discharge by quality and destination		Not	Not material
EN22 Total weight of waste by type and disposal method	38	Parcially	
EN23 Total number and volume of significant spills		Not	Not material
EN24 Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally		Not	Not material
EN25 Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff		Not	Not material
<b>PRODUCTS AND SERVICES</b>			
EN26 Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation	13 to 14	Fully	
EN27 Percentage of products sold and their packaging materials that are reclaimed by category		Not	Not material
<b>COMPLIANCE</b>			
EN28 Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations		Fully	No fines or sanctions were reported in 2011
<b>TRANSPORT</b>			
EN29 Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce		Completo Not	Not material
<b>OVERALL</b>			
Total environmental protection expenditures and investments by type		Not	Not material
<b>Social: Labor Practices and Decent Work</b>			
<b>EMPLOYMENT</b>			
LA1 Total workforce by employment type, employment contract, and region, broken down by gender	9	Parcially	
LA2 Total number and rate of new employee hires and employee turnover by age group, gender, and region		Not	Not material
LA3 Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations		<a href="http://www.abm.org.mx/descargas/fole-to2009.pdf">http://www.abm.org.mx/descargas/fole-to2009.pdf</a>	Fully
<b>LABOR/MANAGEMENT RELATIONS</b>			
LA4 Percentage of employees covered by collective bargaining agreements		Not	Not material
LA5 Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements		Not	Not material
<b>OCCUPATIONAL HEALTH AND SAFETY</b>			
LA6 Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs		Not	Not material
LA7 Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region and by gender		Not	Not material
LA8 Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases	9 to 10	Fully	
LA9 Health and safety topics covered in formal agreements with trade unions		Not	Not material
<b>TRAINING AND EDUCATION</b>			
LA10 Average hours of training per year per employee by gender, and by employee category	9	Fully	
LA11 Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	9	Fully	
LA12 Percentage of employees receiving regular performance and career development reviews, by gender	9	Fully	
<b>DIVERSITY AND EQUAL OPPORTUNITY</b>			
LA13 Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity		Not	Not material
LA14 Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation		Not	Not material
LA15 Return to work and retention rates after parental leave, by gender.		Not	Not material
<b>Indicadores del desempeño de Derechos Humanos</b>			
<b>INVESTMENT AND PROCUREMENT PRACTICES</b>			
HR1 Percentage and total number of significant investment agreements and contracts that include clauses incorporating human rights concerns, or that have undergone human rights screening		Not	Not material
HR2 Percentage of significant suppliers, contractors and other business partners that have undergone human rights screening, and actions taken		Not	Not material
HR3 Total hours of employee training on policies and procedures con-	10	Fully	

INDICADOR	PÁGINA	PROFUNDIDAD	EXPLICACIÓN
cerning aspects of human rights that are relevant to operations, including the percentage of employees trained			
<b>NON-DISCRIMINATION</b>			
HR4 Total number of incidents of discrimination and corrective actions taken		Not	Not material
<b>FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING</b>			
HR5 Operations and significant suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and actions taken to support these rights		Not	Not material
<b>CHILD LABOR</b>			
HR6 Operations and significant suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor		Not applicable	The Mexican Banking System does not hire minors
<b>PREVENTION OF FORCED AND COMPULSORY LABOR</b>			
HR7 Operations and significant suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor		Not applicable	The Mexican Banking System operates under collective bargaining contracts
<b>SECURITY PRACTICES</b>			
HR8 Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations		Not applicable	Not material
<b>INDIGENOUS RIGHTS</b>			
HR9 Total number of incidents of violations involving rights of indigenous people and actions taken		Not	Not material
<b>ASSESSMENT</b>			
HR10 Percentage and total number of operations that have been subject to human rights reviews and/or impact assessments		Not	Not material
HR11 "Number of grievances related to human rights filed, addressed and resolved through formal grievance mechanisms."		Fully	The Mexican Banking System has formal grievance mechanisms for conflict resolutions
<b>LOCAL COMMUNITIES</b>			
SO1 Percentage of operations with implemented local community engagement, impact assessments, and development programs	13 to 15	Fully	
<b>ASPECTO: CORRUPCIÓN</b>			
SO2 Percentage and total number of business units analyzed for risks related to corruption		Not	Not material
SO3 Percentage of employees trained in organization's anti-corruption policies and procedures		Not	Not material
SO4 Actions taken in response to incidents of corruption		Not	Not material
<b>PUBLIC POLICY</b>			
SO5 Public policy positions and participation in public policy development and lobbying		Not	Not material
SO6 Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country		Fully	The Mexican Banking System does not give any kind of contributions to political parties, politicians or related institutions
<b>ANTI-COMPETITIVE BEHAVIOR</b>			
SO7 Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes		Not	Not material
<b>COMPLIANCE</b>			
SO8 Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations		Not	Not material
SO9 Operations with significant potential or actual negative impacts on local communities		Not	Not material
SO10 Prevention and mitigation measures implemented in operations with significant potential or actual negative impacts on local communities		Not	Not material
<b>Social: Product Responsibility</b>			
<b>CUSTOMER HEALTH AND SAFETY</b>			
PR1 Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.		Not	Not material
PR2 Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes		Not	Not material
<b>PRODUCT AND SERVICE LABELLING</b>			
PR3 Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements		Fully	The Mexican Banking System productos and services present information required by national procedures
PR4 Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labelling, by type of outcomes		Not	Not material
PR5 Practices related to customer satisfaction, including results of surveys measuring customer satisfaction	5	Fully	
<b>MARKETING COMMUNICATIONS</b>			
PR6 Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship		Not	Not material
PR7 Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes		Fully	No incidentes were presented in 2011
PR8 Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data		Fully	No complaints were presented in 2011
<b>COMPLIANCE</b>			
PR9 Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services		Fully	No fines were presented in 2011

In the Mexican banking system, we are convinced that we can do more together on behalf of economic and social development from a sustainable perspective. Our commitment to Mexico leads us to work to offer the benefits of access to financial products and services to all Mexicans. In this effort we have invested our most valuable resource, our human capita.







# GLOSSARY OF TERMS

## **ABM**

Asociación de Bancos de México

## **Banxico**

Banco de México

## **BIS**

Bank for International Settlements

## **Buró de Crédito**

Private company constituted as a credit information company, designed to integrate and provide information prior to the granting of credit and during the term of the financing

## **Capitalization**

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

## **Capitalization ratio**

Coefficient that represents the financial solidity of an institution against unexpected losses due to the risks it has incurred. It is calculated by dividing net equity by assets weighted by their risk level (market, credit, and operating)

## **Capturing**

The capturing of resources from the public in the domestic market is understood to have occurred when: a) the reception of funds or resources is solicited, offered, or promoted from an indeterminate person or through the mass media, or b) funds or resources are obtained or solicited habitually or professionally; in both cases, through acts causing direct or contingent liability, with the intermediary being obliged to cover the principal and, if applicable, the accessories of the resources captured. Generally they are obtained through instruments such as checking accounts, savings accounts, fixed-term deposits, etc.

## **Círculo de Crédito**

Private company constituted as a credit information company, designed to integrate and provide information prior to the granting of credit and during the term of the financing

## **CNBV**

Comisión Nacional Bancaria y de Valores

## **CO2**

Carbon dioxide

## **CONDUSEF**

Comisión Nacional para la Protección y Defensa de los Usuarios de Servicios Financieros

## **Coverage**

Protection against the losses that may be incurred by a rise in prices, interest rates, or exchange rates

## **Coverage ratio**

Financial ratio obtained by dividing loan-loss reserves by the amount of the loan portfolio. The higher it is, the better an institution is prepared to confront the expected losses of its loan portfolio.

## **GDP**

Gross Domestic Product

## **GRI**

Global Reporting Initiative

## **INEGI**

Instituto Nacional de Estadística y Geografía (the Mexican Bureau of Statistics)

## **IPAB**

Instituto para la Protección al Ahorro Bancario

## **kWh**

Kilowatts per hour

## **Loan portfolio**

Amount of credit granted by a financial institution

## **MIDE**

Museo Interactivo de Economía

## **Non-performing loans ratio**

Non-performing loans as a proportion of the total loan portfolio

## **PST**

Point-of-Sale Terminal

## **SEP**

Secretaría de Educación Pública (the Mexican Ministry of Education)

## **SHCP**

Secretaría de Hacienda y Crédito Público (the Mexican Ministry of Finance)

## **SOFOM**

Sociedades Financieras de Objeto Múltiple

## **Sustainability**

Development which satisfies the needs of the present without endangering the ability of future generations to attend to their own needs

## **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

# CONTACT INFORMATION



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