



# Banca Popolare di Sondrio

## COMMUNICATION ON PROGRESS 2008

In the course of its common activity during the year 2008 Banca Popolare di Sondrio continued its efforts to sustain the ten universally accepted ethical, social and environment principles asserted by UN Global Compact project.

Our membership to Global Compact is always officially communicated by our Chairman and Chief Executive Officer during the ordinary annual general meeting of stakeholders and our commitment is reported on the Annual Report to shareholders each year. This practice underlines our belief that the implementation of social, ethical and environmental values should be implicit in our very nature of “people’s bank” and that our clients and shareholders should be aware of our engagement.

As far as actions taken by the bank last year, we want underline our commitment, as financial institution, to **fight anti-money laundering and financing of terrorism**, by equipping ourselves with up-to-date safety and information systems, in line with international FATF recommendations. Besides, in the field of human resources working inside the bank, “Classroom lectures were devoted above all to issues arising from sector legislation. Branch managers were informed about Legislative Decree 231 of 21 November 2007 with regard to the utilisation of the financial system for laundering the proceed of criminal activity and for funding terrorism” (from Annual Report 2008, page 72).

Being a cooperative bank, as it is quoted in our Articles of Association, “the company’s activities are based on the principles of **mutuality and cooperation**. As part of institutional work to facilitate the development of all productive activities, the company, in consideration of its specific objectives as a cooperative bank, intends to provide specific support for the smaller enterprises and cooperatives present in the territories served; in addition, it will take all appropriate steps to spread and encourage saving”. (from Annual Report 2008, page 84). The topic of mutualistic principles emerges more that once in our reports, for it is a pivotal criterion around which our way of being a bank has always turned. It also takes on a concrete meaning in the difficult economic climate that we now find ourselves in. This difficult moment has allowed the essential role played by the cooperative banking movement at the service of the national economy to come to the fore. Reference is firstly made to the function performed in favour of the areas served. “The financial crisis, which began in the second half of the year and and which is going on, has indeed caused much apprehension among business people, especially the small- and medium-sized business owners, who are seriously and understandably worried about having adequate access to credit. Our bank has done, and is doing, everything possible to carry on ensuring our customers suitable financial assistance, always assuming, of course, that the prerequisites exist. Not only have we not enacted indiscriminate policies of restricting the granting of credit, we have also gone beyond this to come to the assistance of those whose loans have been denied without justification. <...> Among the beneficiaries of our services, a privileged place has been given to households, who have received both ordinary loans and home purchase mortgage loans in adequate amounts. <...> Our commitment to the credit sector has been matched by the protection of savings. We have indeed worked to meet the needs of customer safety through professionalism and transparency, proposing investment tools that are suited to the individual risk profiles. As regards direct deposits in particular, we believe that the best guarantee we can offer our customers is through a style of management that focuses on healthy and prudent support for the real economy: the health of our credits guarantees our *creditors*”(from Annual Report 2008, page 84-85).

The desire to contribute to the economic and social development of the communities we serve is expressed by financially supporting a vast range of initiatives in their favour. In particular: “We have always taken independent and sometimes original roads, seeking a close and immediate contact with

customers, especially through **cultural initiatives**. We want people to take part in meetings and conferences and we promote the use of the services offered by our “Luigi Credaro” library, whose substantial collection of books and documents has thus been made available to the community. And we also seek direct contact with the public through many other initiatives, among which publishing comes first of all. This is not the outcome of a precisely pinpointed marketing policy aimed at identifying the most effective communication strategy according to objective elements. It is more genuine than that, stemming from our being a cooperative bank that interacts with our clientele and the public at large, offering opportunities for culture, learning and enjoyment. We are indeed honoured by the acknowledgements we have received for many of our initiatives.” (from Annual Report 2008, page 73). It follows a list of conferences and seminars organized by the bank, which saw a great public participation, thanks to the interesting subjects handled and the important personalities reporting: His Excellency Monsignor Diego Coletti, Bishop of Como, Santi Licheri, honorary joint president of the Supreme Court of Cassation, Prof. Lamberto Cardia, presidente of Consob, Prof. Roberto Ruozi, president of the Italian Touring Club, Prof. Paolo Biglioli, internationally heart surgeon, Monsignor Archbishop Gianfranco Ravasi.

Apart from a important number of publications and reviews published by the bank and distributed to its customers, Banca Popolare di Sondrio engaged itself in promoting some important local initiatives, such as the project for UNESCO’s recognition of the terraced vineyards of the Valtellina as a world heritage of humanity, and the inclusion of the “Rhaetian Railway in the Albula-Bernina cultural landscape in the UNESCO world heritage of humanity.” We also “participated in the seventh edition of *Invito a Palazzo*, an event promoted by ABI (the Italian Bankers’ Association) for the opening of bank premise of cultural interest to the general public on 4 October 2008. The public was thus able to admire the paintings owned by the Bank and displayed in the central offices, visit the Luigi Credaro Library and the Carlo Donegani Museum at the Stelvio Pass.

*A loving gesture can change the world* was the title of the initiative organised by the Bank on 28 October 2008 to celebrate the eighty-fourth World Savings Day. For this occasion, the new Bianchi bicycle christened with the evocative name of *Stelvio* was presented at our branch office in Bormio in collaboration with the Co.Ba.Po consortium. <.....> A part of the sale price of each *Stelvio* will be donated to the Congregazione Figlie della Croce (Daughters of the Cross Congregation) for building wells in Burkina Faso.” (from Annual Report 2008, page 75).

“In addition to the targeted benefit initiatives, **philanthropic activities** included the distribution of funds in favour of UNICEF, AIRC, AVIS and ADMO (humanitarian associations) according to the indications provided by owners of the Solidarity Current Account. Moreover, the collection of funds to benefit the Fondazioni Bambino Gesù, Centesimus Annus Pro Pontefice, Umberto Veronesi, Pro-Africa, and Comitato Italiano Maison Shalom continued.” (from Annual Report 2008, page 76). The bank’s inclusion of ethical products in its range is aimed at fostering an eco-friendly economy. We regularly pay contributions in favour of public and private entities, universities, hospitals and institutions to which we provide treasury services. We should also quote our donations, from the amount allocated for this purpose at the shareholders’ meeting – to support entities and associations that carry out cultural, sporting or voluntary work. Besides, we are close to the university world and we joined the *Diamogli credito* (Let’s give them credit) scheme for loans to university students, promoted by the Office of the President of the Council of Ministers, the Ministry for Universities and Research, and the Italian Banking Association.

“As a result, the desire to do what others fail to do emerges; and can only benefit the cooperative banking sector. An approach that implies support, assistance, diffusion – in other words, a wide range of relations between the cooperative bank and the territory where it operates with a view to promoting the social and cultural life of the community” (from Annual Report 2008, page 76).

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Banca Popolare di Sondrio, International Division.