



**Banca Popolare
di Sondrio**



COMMUNICATION ON PROGRESS 2009

Since 2005 Banca Popolare di Sondrio has been involved in promoting initiatives in support of **universally recognized values**, thus renewing each year its engagement in the United Nations' project "Global Compact" and sharing it on a regular basis with its shareholders (see page 53 of Annual Report 2009).

In the year 2009, the worldwide economic crisis has gone acute and our bank, as financial institution aimed at supporting people and small-medium sized enterprises, kept faith with its **mission**: receiving credit so as to give credit, the activity which has always been at the heart of our business. "Our work revolves around the territories where we operate, intensifying and enhancing our relationships with households and enterprises. We have been a point of reference for small investors. Detailed knowledge of our counterparties, which supplements the technical analysis, has allowed us to establish the point of equilibrium between not abandoning worthy entrepreneurs and protecting the quality of credit" (page 17 of Annual Report 2009). This activity was carried out in all our branches: "Our status as a **cooperative bank** is reflected above all in our commitment to developing and reinforcing our branch network. Branches are in fact the roots that link us to the territory, giving our work solidity and fuel, allowing us to offer the economies that we serve the financial resources that they need to grow. In this way, the branches tie our efforts to the values of hard work, savings, and economic and social development, a fundamental part of the cooperative banking movement's heritage of ideals... Indeed, we believe that a direct presence on the territory is, at the same time, congenial to and indispensable for the way that we operate as a bank. It is on this deep-rooted conviction that we have modelled our organisational structure, given people the necessary professional skills and, above all, affirmed and confirmed our willingness to serve local communities. This has required investment and a commitment to support the Bank's autonomous growth, being careful to protect the aims and characteristics of **a cooperative**" (page 21 of Annual Report 2009). As a matter of fact, Banca Popolare di Sondrio was born in 1871 as one of the first Italian popular banks, inspired to the cooperative credit movement. It was born in Sondrio but it has widespread in the years until reaching today, with its 289 branches, a presence in seven Italian regions, keeping its traditional local roots: "Being a local bank does in fact mean all of this; it also means promoting and sustaining local resources and characteristics, offering our contribution – not only in terms of financial resources, but also in terms of specialist services – towards the market success of all those small and medium-sized enterprises which represent our most natural counterparty." (page 22 of Annual Report 2009).

Our support to local communities and to the weaker parts of the society was confirmed by the participation of Banca Popolare di Sondrio to the project "**Prestito della Speranza**" promoted by ABI (Italian Banking Association) and CEI (Italian Episcopal Conference). This initiative carried out a micro-credit programme, aimed at sustaining large families, or households suffering from illness or disability, that lost any source of income.

Upon invitation of ABI, we also developed a new computer technology to make voluntary donations in favour of non-profit organisations easier: "**RID anch'io**" allows voluntary donors to use the automatic and recurring payment by banker's order, without any cost, for donations to organisations of their choice.

Besides, since 1996 Banca Popolare di Sondrio has been offering its customers the possibility to open an account, "**Solidarity Current Account**", and to assign a sum of money, bound to the

average yearly deposits, to charity (choosing among various associations): from these accounts, in 2009 Banca Popolare di Sondrio assigned €34.000,00 to different charity associations.

Our institution promoted different fund raising in favour of various associations and foundations, we paid regularly contributions in favour of public and private entities, universities, hospitals and institutions to which we provide treasury services, we support with donations entities and associations that carry out cultural, sporting or voluntary work; further to the earthquake which destroyed the Italian Region of Abruzzo in April 2009, our bank launched a fund raising to help reconstruction, and reached the amount of €385.450.

Last but not least, as far as solidarity is concerned, the trade union organizations of Banca Popolare di Sondrio participate in the “**National Fund of Credit Sector for Solidarity Projects**”, where bank employees and the bank itself, on a voluntary basis, pay a contribution for solidarity initiatives. In spite of our medium-sized dimension, our bank ranks 4th among the 133 Italian banks participating, as far as entity of contribution is concerned.

The desire to contribute to the economic and social development of the communities that we serve, also manifests itself in the financial support that we give to a vast range of initiatives in their favour.

“**Promotion and culture**: two words that immediately recall another two: **bank and territory**. Our identity as a cooperative bank and the intense relationship that binds us to the geographical areas where we operate do in fact get expressed in our cultural and promotional activities. Through them, we give a concrete form to the desire to offer the populations that we serve occasions to meet, to discuss, to reflect and – why not? – also to play sports and have fun. At the same time, these events give the Bank a lot of feedback on community affairs that can generate growth and stimulate improvement. These are the reasons behind our promotional efforts. They are simple forms of motivation, but they are genuine and sincerely felt, and they have always allowed us to stay away from commercial advertising; not because – as someone said ironically – advertising is the unfaithful mirror of the world, but to foster direct contact with our customers, thanks to initiatives that make the Bank live among the people, applying the cooperative spirit that distinguishes it. A tradition that gets renewed year after year, as demonstrated by the numerous events in 2009, starting with the “Notiziario”, our corporate flag-bearer, which has maintained, and if possible increased, in its three annual issues, quality and appreciation, thanks above all to the prestige of those who contribute to it. It was with particular satisfaction on our part – having been the promoters of the initiative born of an idea of Prof. Marco Vitale – that on 18 October 2009 the Fondazione Provinea Onlus, with the Province of Sondrio and the Fondazione Cariplo, presented to the Rome International Film Festival, the splendid documentary with the evocative title “Rupi del Vino” (Wine Rocks). This work by the film director Ermanno Olmi forms part of the Bank’s commitment to get UNESCO recognition of the Valtellina wine terrace as part of the world heritage of humanity.... Illustrious personalities have taken part in the 39th year of conferences held in our Besta Room”, open to the public and integrally transmitted on-line (page 66-67 of Annual Report 2009). We can also quote the running of a public library in Sondrio, the traditional celebration of World Savings Day and the support to the tourist complex of the Stelvio and the Upper Valtellina through our controlled company Pirovano Stelvio SpA.

Banca Popolare di Sondrio also won the special prize “**Banca territoriale 2009**”, assigned by AIFIN (Italian Association for Financial Innovation) in consideration of the projects and initiatives carried out in the field of cultural, economic and social development of the local community.

“At Banca Popolare di Sondrio, the hub of the wheel of efficiency is our staff, who have to maintain contact with our customers and numerous shareholders on a daily basis, guarantee that our products and services are competitive and manage and develop the complex organisational machine. In our line of work, where reliability and a good reputation are key elements, it is the men and women that achieve the result, who make the difference, incorporating the distinctive traits and virtues of our company. It is up to them to interiorise the **ethical values** that come from the cooperative banking tradition, making them live in their day-to-day work. Colleagues with a team spirit, who are creative

and true to their mission. This is what builds trust”. (page 64 from Annual Report 2009). With this spirit, in 2009 Banca Popolare di Sondrio adopted an “Internal auto-discipline code” that every employee has to sign: among many directives, the bank employee has to adopt behaviour of diligence, honesty, professionalism and transparency, not being allowed to make business with persons and organizations that break the fundamental human rights. Moreover, Banca Popolare di Sondrio has been developing internal rules and procedures anti-money laundering and against the financing of terrorism internationally, in line with current international rules.

Sondrio, 22nd December 2010