



BANCO AZTECA



elektra



**2014 GRUPO ELEKTRA
SUSTAINABILITY REPORT**

INDEX

1 COMPANY PROFILE

2 FINANCIAL INFORMATION

3 CORPORATE SUSTAINABILITY

3.1 CORPORATE GOVERNANCE

3.1.1 SHAREHOLDERS' RIGHTS

3.1.1.1 EXECUTIVES

3.1.2 BOARD

3.2 SOCIAL RESPONSIBILITY

3.2.1 COMPANY'S VALUES

3.2.2 HUMAN RESOURCES

3.2.2.1 DIVERSITY AND EQUALITY

3.2.2.2 TRAINING

3.3 ENVIRONMENTAL PERFORMANCE

3.3.1 PRIZES AND DISTINCTIONS

4 CONTACT INFORMATION



COMPANY PROFILE

Grupo Elektra S.A.B. de C.V. (BMV: ELEKTRA*, Latibex: XEKT) is Latin America's leading specialty retailer and financial services company and the largest non-bank provider of cash advance services in the United States. We strengthen the consumption of our customers through affordable credit in about **7,000 points of sales** located in **eight** countries in the Americas.



FINANCIAL INFORMATION

The consolidated financial information presented in the 2014 Annual Report (<http://www.grupoelektra.com.mx/es/informes-anuales>) has been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

FINANCIAL HIGHLIGHTS:

Ps. Millions	2013	2014
Net Revenues	70,423	74,082
Operating Income	6,951	5,789
Total Assets	174,774	195,829
Total Liabilities	128,874	140,941
Equity	45,900	54,888
Capital Investment	3,290	2,274
Share price (pesos) *	444.5	562.9
Employees (number of people)	84,334	77,802

* End of the year

CORPORATE SUSTAINABILITY

Grupo Elektra is publishing its third Sustainability Report and its first executive Sustainability Report in English. The company's Sustainability Report is based on the guidelines of the Global Reporting Initiative (GRI) G3.1 in compliance with the Self-Declared GRI, and in alignment with the Corporate Governance Principles of the Organization for Economic Cooperation and Development (OECD).

In this exercise of transparency to our stakeholders we have prepared a report in which we review the actions taken and the results achieved in 2014 in corporate governance, social responsibility and environmental care in order to help improve the quality of the lives of our employees, the communities where we operate and the planet as a whole. Therefore, we have decided to present this report on an annual basis in subsequent years.



The information presented herein was provided by the responsible individuals for each area in the company. And, even though for the purposes of this report Grupo Elektra decided not to rely on an external verification, it did improve its practices regarding communication strategies that revolve

around the pillars of corporate sustainability which are: corporate governance, social responsibility and environmental care -this as a result of the advisory from Delphi Consulting & Advisory Firm.

CORPORATE GOVERNANCE

Grupo Elektra has a structure aligned with the Mexican Securities Law (LMV, for its initials in Spanish).

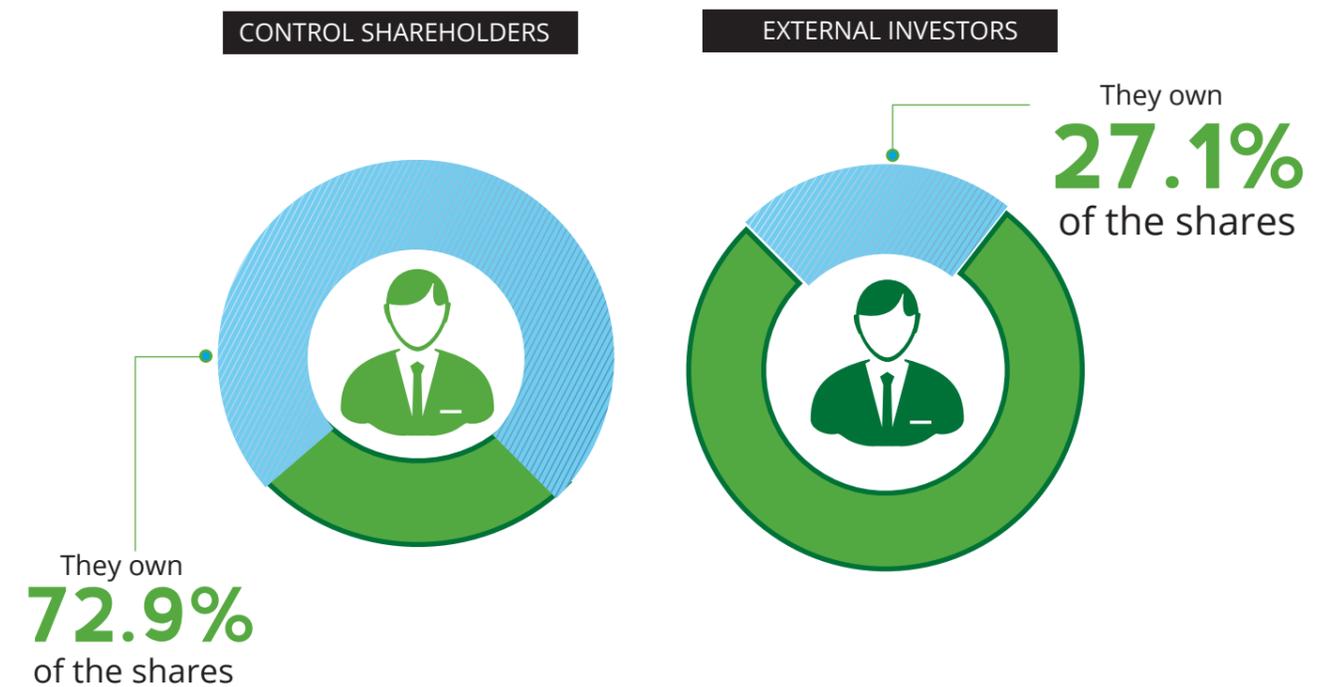
It is through both the annual ordinary shareholders meetings, and the extraordinary meetings where investors, managers and employees can send their comments and recommendations to the Board.

Board meetings may be held at any time when convened by the Chairman, or when 25% of the board members agree upon it.

SHAREHOLDERS' RIGHTS

Grupo Elektra's ownership structure is divided as follows: **the controlling shareholders own 72.9% of our shares, and 27.1% is held by our investors.**

Our ownership structure is divided as follows:



DIVIDENDS

For the past three years, we have paid the following dividends.

Date Declared	Date Dividend Paid	Amount in millions		Percentage related to the Previous Operating Income	Dividend in Ps. per share	Dividend in US\$ per share
		Ps.	In US\$			
March 26, 2012	April 3, 2012	483.7	38.1	6.91%	2.00	0.15773
April 2, 2013	April 11, 2013	521.9	42.5	5.68%	2.20	0.179926
November 28, 2013	December 6, 2013	545.6	41.7	5.94%	2.30	0.17580
March 23, 2015	March 31, 2015	563.4	37.7	9.73%	2.40	0.16038

EXECUTIVES

Name	Position	Years as an Executive	Age
Ricardo B. Salinas Pliego	CEO of Grupo Elektra	30	59
Fabrice Jack Deceliere Márquez.	General Director of Trade at Elektra	1	45
Adriana de la Puente Martínez de Castro	General Director of Human Development, Communication and Integration of Grupo Elektra	21	44
Mauro Aguirre Regis	CFO of Grupo Elektra	17	48
Rodrigo Pliego Abraham	CFO of Grupo Salinas	21	49
Manuel González Palomo	Vice-President of IT	20	58
Alejandro Valenzuela del Río	CEO of Banco Azteca	--	53
Luis Niño de Rivera Lajous	Vice-President of the Board of Directors "A" of Banco Azteca	11	68
Alejandro Vargas Durán	Vice-President of the Board of Directors "B" of Banco Azteca	11	59
Eduardo Benigno Parra Ruiz	CEO of Afore Azteca	1	41
José Alfredo Galindo Pérez	Deputy Director General of Afore Azteca	12	50
Gabriel Alfonso Roqueñí Rello	General Counsel and Secretary of the Board of Directors of Grupo Elektra	20	53
Mario Gordillo Rincón *	CEO of Grupo Elektra	20	47

* Mr. Gordillo exited the company on May 2015.

Questionnaire of Best Corporate Practices

To see last year's Questionnaire of Best Corporate Practices, please refer to our site: <http://www.grupoelektra.com.mx/es/asamblea-de-accionistas>



BOARD

The election of board members is the responsibility of Grupo Elektra's shareholders –they must evaluate the candidates' knowledge of the company and its industry, as well as their **credentials regarding social, environmental and financial matters**, since they preferably should be **aligned with those of the organization**.

Since March 23, 2010, the Board of the company is composed of nine members, three of which are independent directors.

Therefore, this section will share information on our board.



DEFINITION OF INDEPENDENCE IN THE MEXICAN SECURITIES LAW

The applicable definition of independence differs in certain respects from the definition applicable to U.S. issuers under the NYSE standard. The LMV criterion for independence prohibits, among other relationships, an independent director from being an employee or officer of the company or an independent director from being a shareholder that may have influence over the company. It also prohibits certain relationships between the company and the independent director, entities with which the independent director is associated and family members of the independent director.

Every director is appointed to serve for a period of one year at our Annual Shareholders Meeting, and they might be re-elected the following period as well. The current directors were re-elected at the Annual Shareholders Meeting held on March 24, 2015.

BOARD OF DIRECTORS GRUPO ELEKTRA 2014

Name	Type of Board Member	Current Position	Board Member since	Age	Areas of Expertise
Ricardo B. Salinas Pliego (1)	Related	Chairman of the Board of Grupo Elektra	1993	59	Chairman of the board, strategist, values teamwork, tenacity, effort, visionary, social responsibility, passion for technology, computer science, history and sports, Public Accountant with Honors from the Technological Institute of Superior Studies of Monterrey, Master in Finance from Tulane University and an honorary doctorate by the Universidad Autónoma de Guadalajara.
Hugo Salinas Price (2)	Related	Honorary President of Grupo Elektra	1993	83	Senior management, strategist, retired Mexican entrepreneur, lawyer, interests in monetary issues, writer
Pedro Padilla Longoria	Related	CEO of Grupo Salinas	1993	49	Senior management, strategist, lawyer, finance, trade relations, negotiator, Law degree from the UNAM.
Guillermo Salinas Pliego (1)	Related	President of Grupo Avalanz	1993	55	Accountant, finance, management, strategist, Degree in Accounting from ITESM
Roberto Servitje Achutegui	Independent	President of Grupo Altex	2000	61	Mexican entrepreneur, administrator, finance, senior management, strategist, former Executive Vice President and Director of Grupo Industrial Bimbo, financial expert on the audit and corporate practices committees, a graduate of the Universidad Iberoamericana, Master in Business Administration from the J.L. Kellogg Graduate School of Business at Northwestern University
Luis J. Echarte Fernández.	Related	President of the Azteca America Network Board	2003	70	Finance, strategist, negotiator, international relations, investor relations, former CFO of Grupo Elektra and Azteca, Chairman of Fundacion Azteca America, a graduate from Memphis State University and the University of Florida and completed the Executive Management Program of Stanford University
Joaquín Arrangoiz Orvañanos	Related	General Director of Sales and Corporate Relations of Grupo Salinas	2008	58	Manager, marketing, sales, corporate relations, entrepreneur, strategist, purchases, real estate, former director of Group Eusebio Gayosso, ARSACO and Grupo Osiris, Bachelor in Business Administration from the National Autonomous University of Mexico, graduate in marketing at UCLA and an MBA from the IPADE in Mexico
Marcelino Gómez Velasco y Sanromán	Independent	Chairman of the Board of Grupo Netec	2010	57	Systems engineer, administrator, technical and educational consultant, network integration, senior management, strategist, Systems Engineering degree from the Universidad Iberoamericana and a Master's in Business Administration from the Wharton University
Gonzalo Brockmann García	Independent	President of Best Western of Mexico	2010	59	Administrator, hotel business, retailer, customer service, former President of Hostels of America, Bachelor in Administration from Universidad Anahuac and Master in Business Administration at the University of Texas

(1) Son of Hugo Salinas Price

(2) Father of Ricardo B. Salinas Pliego and Guillermo Salinas Pliego

SOCIAL RESPONSIBILITY

VALUES WITHIN THE ORGANIZATION

Grupo Elektra, as a company of Grupo Salinas, shares the vision, mission and values of the Group. Those values are strong commitments with our stakeholders because they represent our ideals of who we want to be, and what are going to do about it; plus, they stand as the guidance of our behavior as individuals that –summed together –will show us as a responsible corporation.

Grupo Salinas, from which Grupo Elektra is part of, is guided by these nine corporate values:



<http://www.gruposalinas.com.mx/contenido.aspx?p=valoresen&lang=en>

Moreover, Grupo Elektra gives special emphasis to the values of Honesty and Execution, and has added two more values to its daily work; these two are:



LOYALTY

It consists on “never turning our backs” on Grupo Elektra, and sticking together during good economic times as well as in bad ones.



RESPECT AND MUTUAL TRUST

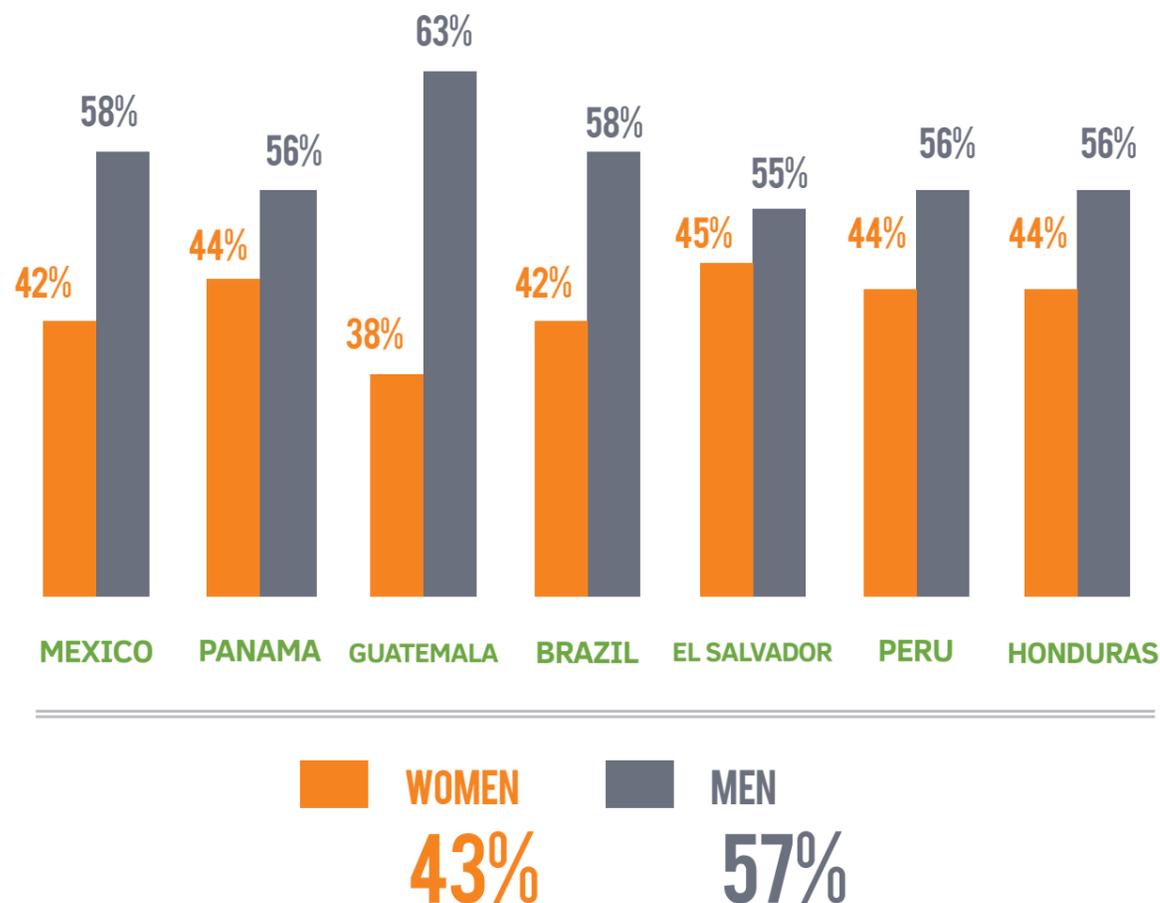
It implies having the disposition to learn, but also the obligation to complement learning, styles and experiences to maximize results.

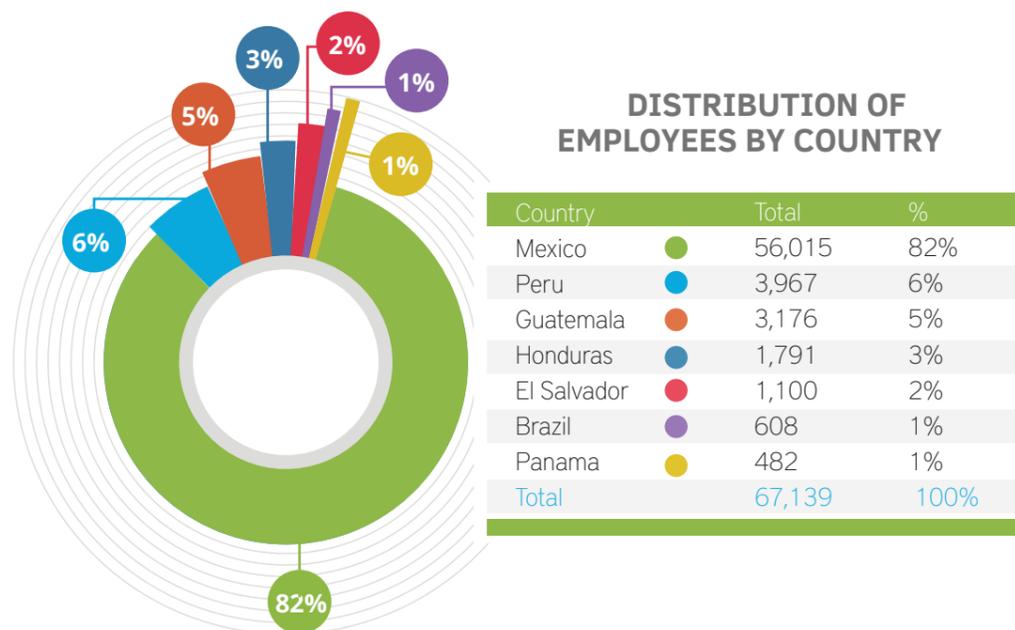
HUMAN RESOURCES

The employees of Grupo Elektra are a fundamental part of the success of its operations. Therefore, some data regarding our human capital are included in this section.

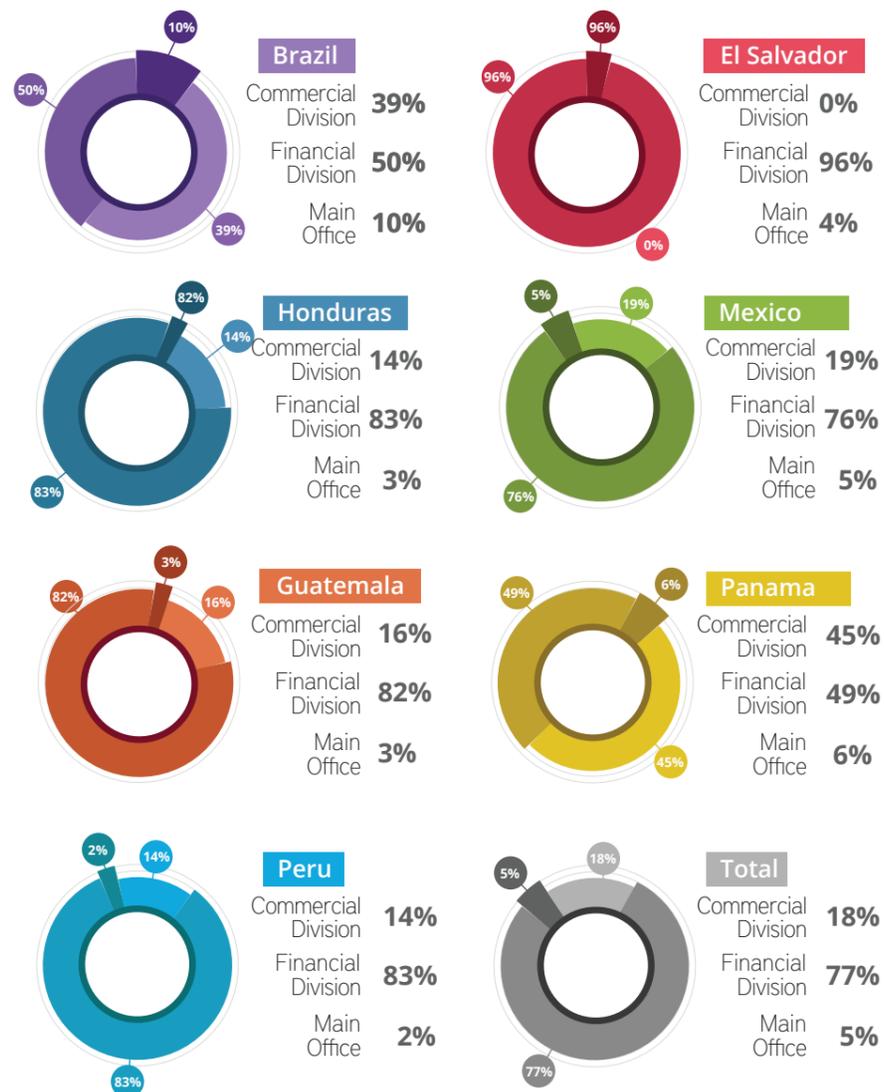
DIVERSITY AND EQUALITY

DISTRIBUTION OF EMPLOYEES BY COUNTRY AND GENDER





DISTRIBUTION OF EMPLOYEES BY DIVISION AND COUNTRY



TRAINING

In Grupo Elektra the training of our employees is an important part of the development of skills and improvement of their abilities; plus, it is a way of ensuring that the clients' service is at its best.

Training programs take place at every level of the organization – from a cashier to a business director; and, all of them consist on explanatory sessions on each individual's responsibilities, and on continuous instructions in order to develop suitable abilities and knowledge for their positions.

To achieve professional improvement, we have diverse development and training mechanisms such as the Center of Instructional Design, where a group of experts define the appropriate educational model considering the needs of the client, in addition to the Center of Leadership area –which looks out to permeate the philosophy and organizational culture of the Group.



» As of today, we have 432 active courses in Grupo Elektra's platform –which is part of the Center of Instructional Design. «

	Current Courses	Percentage of successfully completed courses
Elektra Stores	341	86.95%
Banco Azteca	91	95.80%



ENVIROMENTAL PERFORMANCE

It is critical for us to bring our values into action; hence, we are committed to educate and take actions to preserve the environment.

In 2014, Banco Azteca, which is part of Grupo Elektra, renewed its 'Environmental Compliance Certificate'.

- This certificate is awarded by Mexico City's Ministry of Energy and Environment.

- Grupo Elektra obtained it firstly in 2009, and it has been renewed yearly since

Download the guide, only in Spanish:
www.gruposalinas.com/guias



In addition to the aforementioned certificate, Grupo Elektra launched environmental-awareness campaigns in corporate buildings in 2014. These initiatives consisted on placing stickers with messages that promoted the efficient use of resources.

It is through the area of Energy and the Environment, from where we launch initiatives to preserve it, and we will share our progress in this regard in the following space.

HUMAN RIGHTS

Human rights and gender equality are priorities for the inclusive development of our personnel.

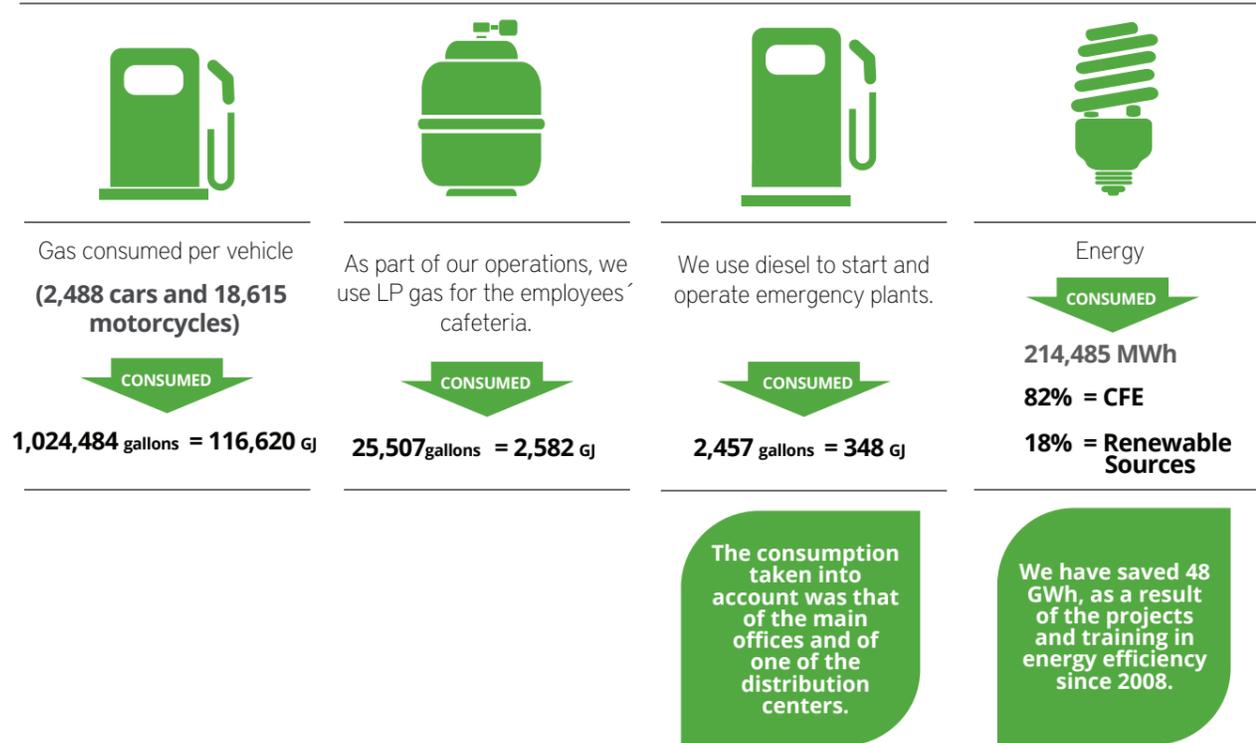
As highlighted before, in 2014, 57% of our employees were men and 43% were women. But, apart from that, it is relevant to mention that, from the total of our human capital, **3% were part of a union**. In this regard, the company considers that our labor relations are good, because, through collective contracts, we manage well the relationship with the unions as these contracts are revised annually in terms of salary, and every two years in terms of provisions.

In 2014, we had 113 collaborators that, in addition to speaking Spanish, also spoke a native dialect; hence, they were assigned to work in our sale points where our clients did not speak Spanish. Furthermore, we offered job opportunities to 31 handicapped people.

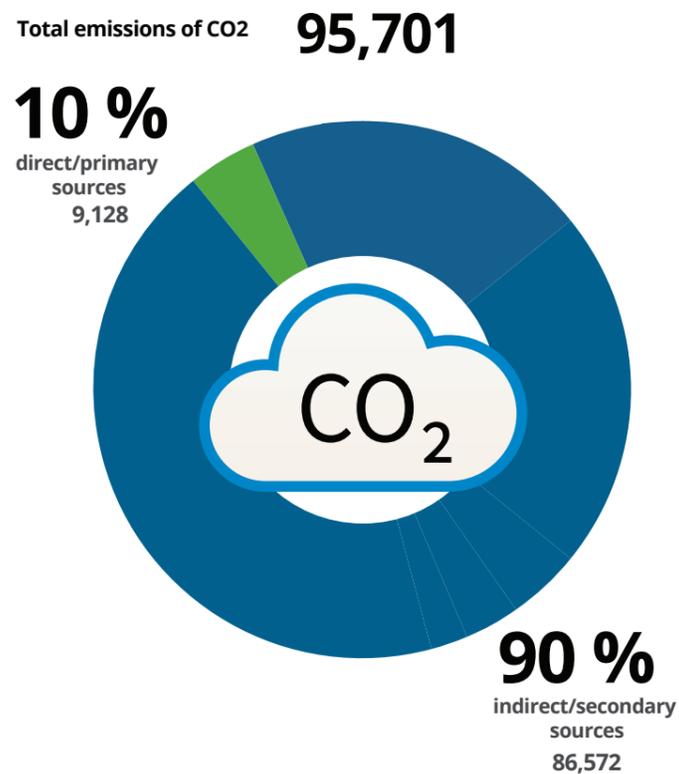


ENERGY

2014

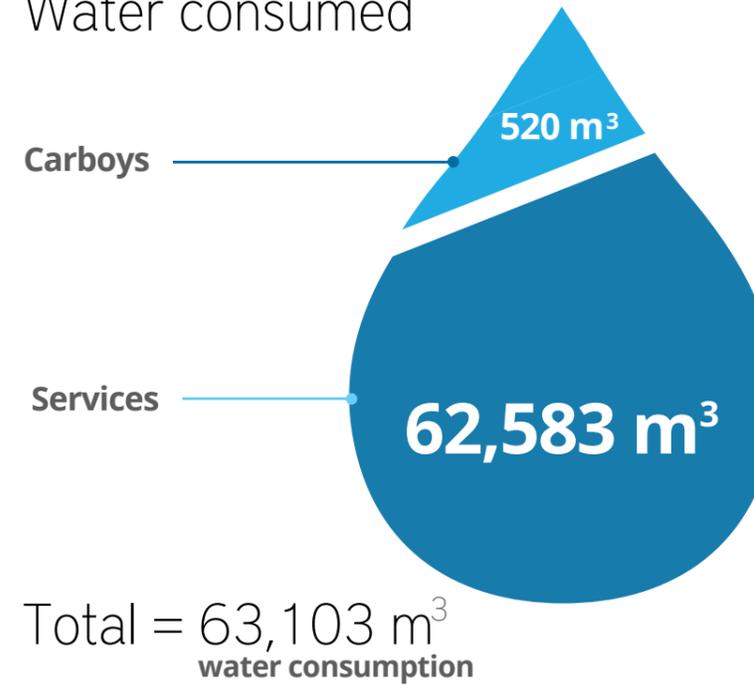


CARBON FOOTPRINT



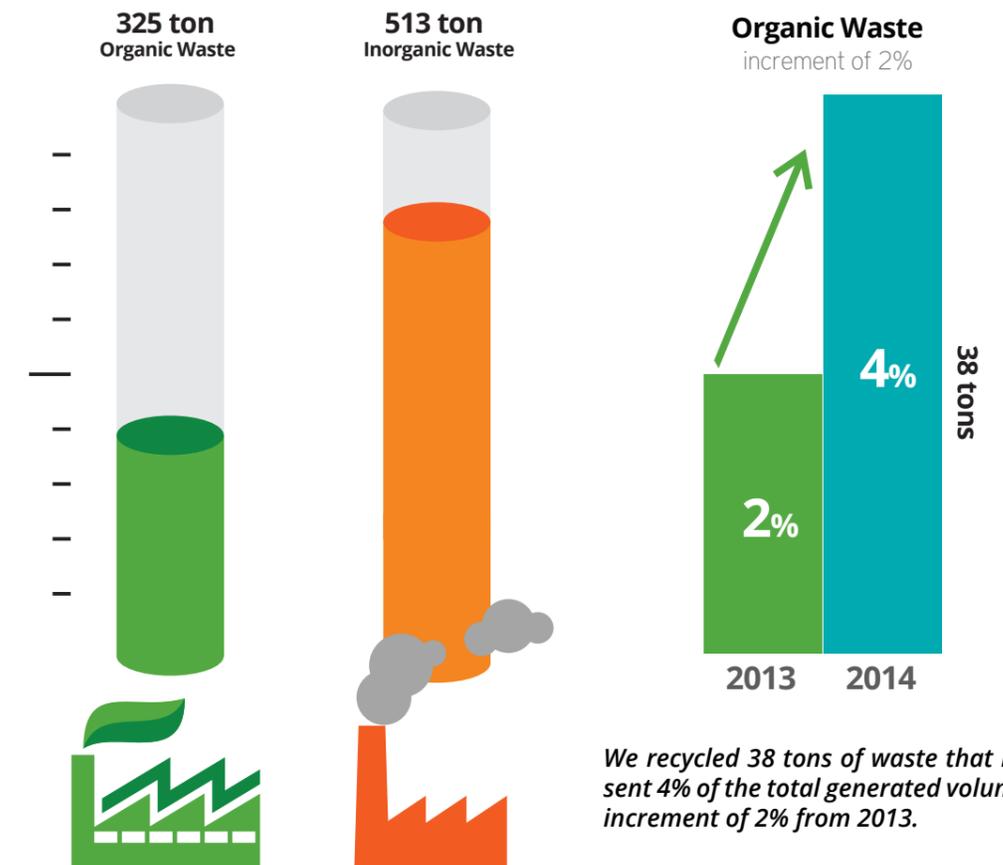
DRINKING WATER

Water consumed



Don't let it go wasted!
Revalue your world.

WASTE



We recycled 38 tons of waste that represent 4% of the total generated volume, an increment of 2% from 2013.

PRIZES AND DISTINCTIONS

2014

01 CORPORATE SUSTAINABILITY INDEX OF THE MEXICAN STOCK EXCHANGE

Grupo Elektra proudly belongs for the second consecutive year to the Corporate Sustainability Index of the Mexican Stock Exchange (BMV), highlighting its financial solidity and compromise with good governance, the environment and society.



02 SOCIALLY RESPONSIBLE COMPANY

Italika, subsidiary of Grupo Elektra, was recognized as a Social Responsible Company by the Mexican Center for Philanthropy (CEMEFI).



03 GREAT PLACE TO WORK

Great Place to Work Institute gave Banco Azteca Guatemala the certificate that grades the ranking of Centro American companies that offer the best labor conditions for their employees.



04 MOST VALUABLE BRAND IN THE RETAIL SECTOR IN LATIN AMERICA

Interbrand puts Grupo Elektra in the 18th place out of 25 as one of the best Mexican brands and in the 4th position as one of the most valuable brands in the retail sector in Latin America.



05 INTERNATIONAL RECOGNITION MAERSK/DAMCO

Grupo Maersk/Damco, global leader in transportation and logistics, recognized internationally the companies of Grupo Salinas, for its great fundamentals, responsibility and professionalism, which have contributed to consolidate a strategic alliance form more than eight years between the two companies.



2013

01 CORPORATE CITIZEN AWARD

The Corporate Citizen Award through the British magazine The new Economy, recognized Grupo Elektra for its leadership in actions in favor of the environment and society.



02 BEYONDBANKING 2012 & 2013

Banco Azteca received the prize BeyondBanking (2012 & 2013), in the category equalBanking, given by the Inter-American Development Bank, for its support to the diversity and gender equality in the granting of financial services to the base of the pyramid sector, but specially for promoting entrepreneurial women empowerment in Brazil, El Salvador, Guatemala Mexico and Peru.



03 RECOGNITION FOR INNOVATION AND TECHNOLOGY

Information Week Mexico granted recognition to the IT area of Banco Azteca for innovation in information technologies for its project of searching clients by digital fingerprint.



2012

01 NATIONAL PRIZE OF ELECTRIC ENERGY SAVING

Obtained the first place of the National Prize of Electric Energy Saving awarded by the FIDE. The company has been receiving this prize since 2010.



CONTACT INFORMATION

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2014 GRUPO ELEKTRA
SUSTAINABILITY REPORT

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promoespacio