

## Instituto HSBC Solidariedade

Press release



INSTITUTO **HSBC**  
**SOLIDARIEDADE**

As a result of the growth of its businesses in Brazil, HSBC Bank Brazil decided to increase its social investments by setting up the Instituto HSBC Solidariedade. As of March 31st, the Instituto will be a Group strategic arm, acting under its own management and focusing on structured projects in the Education and Environmental areas, and on community activities, the institution's principal pillars of support for social action throughout the world.

The foundation of the Instituto HSBC Solidariedade resulted from the need to deepen professional management of the social investment activities undertaken by the institution, which had grown exponentially. A further objective of the initiative is that the new Instituto will provide assistance such that social resources, generated directly and indirectly by the bank, will provide the necessary funds to cover the expenses of its activities.

In Brazil, HSBC has invested over R\$ 6.5 million, in its own social activities and projects or in supporting third party initiatives. In 2005, 1009 projects received support, providing direct benefit to 11,775 people. In line with its sustainability principles, HSBC launched socially responsible banking products. These products, launched in 2005, including HSBC Corporate Sustainability - an investment fund linked to the São Paulo Stock Exchange (Bovespa) Corporate Sustainability Index (ISE), and the HSBC Solidarity card - which is the first credit card in the country to be used exclusively as a social instrument. It has already resulted in a direct donation of R\$ 328.000 to the Children's Pastoral, the result of 51.000 cards entering the market in a mere three months of activity. For 2006, the aim is to reach R\$ 5 million during the year.

<b>Social Responsibility at HSBC - Main numbers for 2005</b>	
Projects which received support	106
People who benefitted	11,775
Total investment	6,145,000.00
HSBC Solidarity card issued	51,000
Children who benefitted from HSBC Education	850
Staff participating in "Investindo na Natureza"	173
HSBC staff volunteers	2,200

Assessoria de Imprensa HSBC

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STRATEGY

## Banks seek to strengthen their institutional image

### HSBC sets up an institute and Santander invests in university education

European banks which are present in Brazil, such as HSBC and Santander, which controls Banespa, are maturing investment policies for the social area as part of their strategy to strengthen their institutional image.

Last week HSBC Bank - which last year had a record profit in the country of R\$ 850.2 million - set up the Instituto HSBC de Solidaridade to manage this area. The creation of the Instituto will also provide the potential for allocating resources in the social area, as Ana Paula Gummy, the senior director for Social Responsibility at HSBC Bank Brazil explained. "The institute will take care of the social investment while the bank will seek to introduce socially responsible practices into business, product and service strategies", Ana Paula explained.

Among the "socially correct" financial products the English bank launched last year was the credit card which provided R\$ 328.000 in funds for the Children's Pastoral. An investment fund was launched that is linked to be São Paulo Stock Exchange (Bovespa) Social Sustainability Index, which includes shares of companies that have good indicators in the social, environmental and corporate governance areas. The bank is also including socio-environmental criteria in its loan evaluation procedures, in line with the Ecuador Principles. In 2005, HSBC Bank invested R\$ 6.1 million in 109 projects throughout the country, the majority of which focused on education and the environment.

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