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HSBC LAUNCHES CLIMATE CHANGE BENCHMARK INDEX

HSBC Corporate, Investment Banking and Markets (CIBM) has announced the launch of the HSBC Global Climate Change Benchmark Index, together with a family of four investable global climate change sub indices – a comprehensive range of climate change indices.

The HSBC Global Climate Change Benchmark Index, developed by CIBM's Global Research team, is a global reference index which has been designed to reflect and track the stock market performance of key companies that are best placed to profit from the challenges presented by climate change. The performance of the benchmark has been tracked back to 2004 and has outperformed the MSCI World Index by around 70%.

From this benchmark, HSBC has established four investable climate change indices that can be used to create portfolios for a diverse range of investment needs such as long only funds, hedge funds, exchange traded funds, discretionary funds and structured products. The indices are:

- HSBC Climate Change Index
- HSBC Low Carbon Energy Production Index (including: solar, wind, biofuels, geothermal)
- HSBC Energy Efficiency & Energy Management Index (including: Fuel Efficiency Autos, Energy Efficient Solutions, fuelcells)
- HSBC Water, Waste & Pollution Control Index (including: water recycling, waste technologies, environmental pollution control)

In creating these indices, HSBC has responded to changing investor sentiment in global equity markets. The HSBC research team has looked at a wide range of stocks and identified approximately 300 companies that are well positioned to benefit from the challenges of climate change.

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Joaquim de Lima, Global Head of Quant Research for Equities, said: “What makes this different and exciting is the index structure which captures a highly diverse number of investment themes with very attractive risk return characteristics. The construction and stock selection of the indices is based purely on quantitative criteria such as value generation and liquidity and these factors will be regularly reviewed.”

Nick Robins, Head of HSBC’s Climate Change Centre of Excellence, who will act as an Adviser on the HSBC Global Climate Change Benchmark Index, commented: “Climate change is set to be one of the defining investment opportunities in the years ahead. This index series captures both the imperative of reducing greenhouse gas emissions and the need to adapt to the physical impact of climate change.”

Stephen Green, Group Chairman of HSBC Holdings plc, said: “HSBC has long recognised the importance of climate change and has shown real commitment to addressing the risks and opportunities it brings. In developing tailored climate change indices we are providing real investment solutions which enable our clients to incorporate climate change into their investment decisions.”

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Bloomberg page: HSWW
Reuters page: HSBC/INDICES14

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Notes to editors:

HSBC Holdings plc

HSBC Holdings plc serves over 125 million customers worldwide through around 10,000 offices in 83 countries and territories in Europe, the Asia-Pacific region, the Americas, the Middle East and Africa. With assets of some US\$2,150 billion at 30 June 2007, HSBC is one of the world’s largest banking and financial services organisations. HSBC is marketed worldwide as 'the world's local bank'.

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