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HSBC TAKES OVER EMERGING MARKET PMIs AND PREPARES TO UNVEIL WORLD'S FIRST EMERGING MARKET INDEX

- HSBC announces five new emerging market Purchasing Managers' Indices (PMIs) - the largest number of new PMIs ever announced at one time
- Including seven existing emerging market PMIs, HSBC now provides PMI data for 64% of the emerging market economies of Asia, South America and Europe*
- First ever PMI announced for South Korea and Taiwan, and new service sector PMIs introduced for Brazil, China and India
- HSBC to use PMIs for composite index and world's first emerging market index in October - the HSBC EMI

HSBC, the world's leading international emerging markets bank, announces that it is partnering with Markit, the global financial information services company, to provide a unique resource that will improve the economic understanding of the world's emerging markets. The partnership combines best in class, Markit-sourced, PMI data with the additional insights created by HSBC's unrivalled network of economists on the ground in emerging markets.

PMIs are leading indicators of economic conditions. They provide advance indication of economic developments by tracking variables such as new orders, employment and prices based on first hand interviews with panels of companies that closely represent economic sectors. PMIs are amongst the most closely watched of all business surveys; it is estimated that just within the FX and fixed income user community alone, 200,000 users wait for each PMI data announcement to be released** and central banks use them extensively when setting interest rates.

Initially the partnership will provide the following existing and closely-watched PMI reports: China (manufacturing); Czech Republic (manufacturing); India (manufacturing); Poland (manufacturing); Turkey (manufacturing); Brazil (manufacturing); Hong Kong (total economy). The partnership will further expand this data set by publishing the first ever PMIs for South Korea manufacturing and Taiwan manufacturing and the first ever service sector PMIs for Brazil, China and India (allowing for the production of new composite PMIs for these three countries).

HSBC will also introduce a number of new products derived from these data that will create leading economic insights for the world's emerging markets. The first, and most important, of these products, the world's first Emerging Markets Index to be derived exclusively from access to PMI data, (The HSBC EMI) will be launched at the IMF conference in Istanbul in October 2009.

HSBC takes over emerging market PMIs and prepares to unveil world's first emerging market index/2

Commenting on the partnership, Stephen Green, Group Chairman, HSBC Holdings plc said: "The world's economic centre of gravity continues to shift from West to East, in particular towards emerging markets. This will continue for several decades. As the world's leading international emerging markets bank, HSBC fully appreciates and embraces its role in helping to enable the economic growth that improves the living standards of millions of people. The new HSBC Emerging Markets Index will be a valuable tool for policymakers and businesses alike as we work together to understand and respond to the changing nature of the global economy."

Lance Uggla, Chief Executive Officer of Markit, said: "The Markit PMIs are closely watched macro-economic indicators. The partnership created between HSBC and Markit is very exciting, leveraging HSBC's emerging markets expertise with our position as an independent data provider. As a result, we will be able to produce additional regional research that will facilitate a greater understanding of these important, fast growing markets."

*Based on IMF 2008 GDP purchasing-power-parity valuation for Central & Eastern Europe, Developing Asia, Western Hemisphere.

** According to research conducted by AMR International in 2005

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Notes to editors

HSBC Bank Australia

In Australia, the HSBC Group offers an extensive range of financial services through a network of 35 branches and offices. These services include personal and commercial financial services, financial planning, trade finance, treasury and financial markets, payments and cash management and securities custody. Principal HSBC Group members operating in Australia include HSBC Bank Australia Limited (ABN 48 006 434 162) and The Hongkong and Shanghai Banking Corporation (ABN 65 117 925 970). HSBC is marketed worldwide as 'the world's local bank'.

HSBC Holdings plc

HSBC Holdings plc, the parent company of the HSBC Group, is headquartered in London. The Group serves customers worldwide from around 8,500 offices in 86 countries and territories in Europe, the Asia-Pacific region, the Americas, the Middle East and Africa. With assets of US\$2,422 billion at 30 June 2009, HSBC is one of the world's largest banking and financial services organisations. HSBC is marketed worldwide as 'the world's local bank'.

HSBC in Emerging Markets

Headquartered in London, HSBC is one of the world's largest banking and financial services organisations and the leading international emerging markets bank. With an international network comprising around 9,500 offices in 85 countries and territories, HSBC has a strong presence in both developed and emerging markets. HSBC's strategy remains unchanged: to combine emerging markets leadership with a global network that offers the advantage of international connectivity and scale. In Asia, HSBC is the largest international emerging markets bank. It is the largest foreign

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bank in China with 139 offices, was the first to open a bank in rural China and has a 19% stake in the country's fifth largest lender, Bank of Communications as well as a 16.8% stake in the insurer Ping An. On 27 August 2009, HSBC announced the opening of a joint venture with Beijing-based The National Trust Ltd (National Trust) which will distribute insurance products under the HSBC brand.

In Latin America, HSBC operates the fourth largest bank in Mexico and has a presence in 17 other markets, including major operations in Brazil and Argentina. HSBC is the largest international bank in the Middle East, with a presence in 15 markets, and has businesses in 24 European markets. It is the top bond underwriter in Latin America, #1 issuer of Asian local currency bonds and is a global leader in Islamic Finance. HSBC is the largest international bank in China and Asia.

In the 2009 Euromoney Awards for Excellence HSBC was named 'Best Global Bank', 'Best Global Debt House', 'Best Global Transaction Banking House', 'Best Debt House in Latin America', 'Best Debt House in Asia', and 'Best Debt House in the Middle East'.

About Markit

Markit is a financial information services company with more than 1,200 employees in Europe, North America and Asia-Pacific. Over 1,500 financial institutions use our independent services to manage risk, improve operational efficiency and meet regulatory requirements.

Markit Economics is the division of Markit that owns and compiles the Purchasing Managers' Indices in most major economies. For more information, see www.markit.com.

What are Purchasing Managers' Indices?

Purchasing Managers' Indices (or PMIs) are monthly surveys of carefully selected companies which provide an advance indication of what is really happening in the private sector economy by tracking variables such as business activity, new orders, employment and prices across all sectors of the economy. PMIs, which are essentially headline figures from the surveys, are a weighted combination of survey variables designed to provide an overall view of business conditions.

The PMI surveys are based on fact, not opinion, and are the first indicators of economic conditions published each month. The data are collected using identical methods in all countries so that international comparisons may be made between, for example, the US ISM non-manufacturing PMI and the Eurozone services PMI, or similarly between the Indian and UK service sector PMI monthly reports.

These surveys are the most closely watched in the world and are essential must-have data for economic analysts, financial market players and other decision makers that require early indicators of changing market conditions (such as central banks) when setting interest rates.

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