



London, 31 March 2005
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ABN AMRO and Citigroup say new ecosystem markets are poised to deliver profits and major conservation benefits

Groups today launch first ever comprehensive tracking tool for ecosystem services markets at conference in London - estimated to be worth EUR 45 billion in Europe alone by 2012

The world's first online information platform for the growing international trade in ecosystem services was launched today with the backing of two of the world's leading financial institutions, ABN AMRO and Citigroup.

The *Ecosystem Marketplace*SM, developed by the non-profit conservation group Forest Trends, will provide much-needed transparency for emerging ecosystem markets, including the burgeoning carbon market.

The new information platform will be launched today at an ecosystems marketplace conference in London, addressed by Sir Win Bischoff, Chairman of Citigroup Europe and Herman Mulder, Co-Head of Group Risk Management at ABN AMRO. The conference will also be addressed by Sir John Bond, Group Chairman of HSBC.

Carbon market transactions have doubled in volume every year from 2001 to 2003, from nearly 13 million tons to more than 70 million tons of CO₂ equivalent. Since January this year, the first month of the newly launched European Union Emissions Trading Scheme (EU ETS), 25 million EU allowances have already been traded with an average price of EUR 10 per ton*.

ABN AMRO estimates that the total value of the carbon market in Europe alone will be EUR 45 billion by 2012. That includes both market turnover in the EU ETS and the Kyoto Protocol 'flexible mechanisms'. ABN AMRO plans to launch new environmental financial products related to the EU ETS and the climate markets related to the Kyoto Protocol.

Richard Burrett, Managing Director of Sustainable Development at ABN AMRO, said: "The rapid growth we've seen in carbon markets shows that markets for ecosystem services are viable and have great potential, given the right regulatory environment. In the near future we expect new legislation – both national and global – which will create efficient markets for ecosystem services; our support of the *Ecosystem Marketplace*SM demonstrates our commitment to being at the forefront of these exciting developments."

Other ecosystem markets have the potential to expand rapidly in the next decade, including biodiversity, water, and other conservation markets. In the US, wetlands mitigation banking has more than quadrupled in the last decade, with nearly 400 established mitigation banks in 40

states today. Although there are no reliable numbers on the size of the US wetland mitigation market, industry insiders estimate that the market is worth US1 billion per annum and is poised for rapid growth.

Ecosystem markets, which have emerged over the last decade, recognize the necessary “services” ecosystems provide – clean air, clean water, climate control, rich soil etc. – and attach an economic value to them.

Today, the world has lost almost 3 billion hectares, nearly half, of the forests that once covered the earth. There are 150 permanent or recurring coastal dead zones in seas worldwide. And at current rates of habitat loss, as many as 10 percent of the world’s species could be lost over the next 25 years.

Pamela P. Flaherty, Senior Vice President of Global Community Relations at Citigroup, said, “We have no doubt that ecosystem services markets will play an important role in addressing global environmental concerns and will provide significant financial opportunities in the coming decade – for large and small businesses globally and for low-income entrepreneurs. Our support of the *Ecosystem Marketplace*SM is in line with our commitment to sustainable development and our long-standing support of micro-enterprises throughout developing countries.”

Further demonstrating the growing importance of ecosystems marketplaces to major financial services institutions, Sir John Bond, Group Chairman of HSBC, will address the significance of these new markets for the environment in a speech at today’s launch event in London.

“Financial-community backing is critical to the success of ecosystem markets and we applaud the leadership shown today by ABN AMRO, Citigroup and HSBC,” said Michael Jenkins, President of Forest Trends. “The *Ecosystem Marketplace*SM will provide much-needed information and transparency that the finance and business community needs in order to understand and take full advantage of ecosystem market opportunities.”

The *Ecosystem Marketplace*SM contains comprehensive news, regulatory information, market analysis and price tracking, at www.ecosystemmarketplace.com. The *Ecosystem Marketplace*SM harvests the knowledge and ingenuity of over 150 worldwide business and environmental experts that comprise the Katoomba Group.

This important initiative is being supported by ABN AMRO, Citigroup Foundation, Swiss Re, the UK Department for International Development (DFID) the US Forest Service, the World Conservation Union (IUCN), Conservation International, The Nature Conservancy, Surdna Foundation, the David and Lucile Packard Foundation and others.

*Source: PointCarbon, 25 March 2005

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Notes to Editors:**About Forest Trends**

Established in 1999 by an international group of leaders from environmental and community development NGOs, forest industry, multilateral development agencies and investment firms, Forest Trends works to achieve sustainable forest management and conservation by creating and capturing market values for ecosystem services such as carbon sequestration, water purification, flood control, and biodiversity conservation; support innovative projects and companies that are developing these new markets; and enhance the livelihoods of local communities living in and around those forests. For more information visit www.forest-trends.org

About ABN AMRO

Netherlands-based ABN AMRO is a leading international bank with total assets of EUR 608.6 bln (as at 31 December 2004). It has over 3,000 branches in more than 60 countries and territories, and has a staff of about 100,000 full-time equivalents worldwide. ABN AMRO is listed on the Euronext and New York stock exchanges.

ABN AMRO operates through three Strategic Business Units, each responsible for managing a distinct client segment. Wholesale Clients provides integrated corporate and investment banking services to corporate, institutional and public sector clients worldwide. Consumer & Commercial Clients focuses on retail and SME clients in three home markets – the Netherlands, the US Midwest and Brazil and in a number of selected growth markets. Private Clients & Asset Management provides private banking services to wealthy clients and investment products to financial intermediaries and institutional clients. More information on the group can be found at www.abnamro.com

About Citigroup

Citigroup (NYSE: C), the leading global financial services company, has some 200 million customer accounts and does business in more than 100 countries, providing consumers, corporations, governments and institutions with a broad range of financial products and services, including consumer banking and credit, corporate and investment banking, insurance, securities brokerage, and asset management. Major brand names under Citigroup's trademark red umbrella include Citibank, CitiFinancial, Primerica, Smith Barney, Banamex, and Travelers Life and Annuity. Additional information may be found at www.citigroup.com.