2009 INVESTOR ROADSHOW – HONG KONG AND SHANGHAI

Private Banking

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Forward-looking statements

This presentation and subsequent discussion may contain certain forward-looking statements with respect to the financial condition, results of operations and business of the Group. These forward-looking statements represent the Group's expectations or beliefs concerning future events and involve known and unknown risks and uncertainty that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. Additional detailed information concerning important factors that could cause actual results to differ materially is available in our Interim Report. Past performance cannot be relied on as a guide to future performance.

All financial information used in this presentation is reported in accordance with IFRS and extracted from HSBC Holdings plc's 2009 Interim Report unless indicated otherwise. 'Hong Kong' does not include Hang Seng Bank, 'Asia' includes Hong Kong and Rest of Asia and 'Asia-Pacific' includes Asia and the Middle East, unless stated otherwise.

Agenda

Presence

Performance

Opportunity

Strategy

Summary

Presence

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Presence

Strong presence across the region

History of growth

- 2000 – Acquired Republic National Bank
- 2004 – Acquired Bank of Bermuda
- 2008 – Established onshore operations in Shanghai, Beijing and Guangzhou

Regional hubs in Hong Kong and Singapore

Domestic presence in mainland China, India, Japan and Taiwan

The largest trustee operation in Asia

Performance

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Global Private Banking performance and vision

Profit before tax (PBT), US$m

Vision: To be the world's leading international private bank known for excellent client experience and global connections

Key initiatives:

- Global distribution – Expanded network through investment in domestic operations, particularly in emerging markets
- Brand – New campaign leveraging Group brand and driving intra-group sales (eg net new money of US$6.8bn from other customer groups in 2008)
- Business – Building annuity revenues through product leadership (eg credit, trust, hedge funds, multi-manager)
- People – Driving up employee engagement, whilst maintaining market-leading profit per staff position[1]
- IT – Investing in front-end One HSBC systems

Note:
(1) Staff positions calculated in terms of full-time equivalents

Private Banking Asia

Resilient performance in a difficult market

1H09 financial results, US$m[1]

Market environment

- Wealth creation has slowed, but remains resilient
- Flight to safety
- Investor confidence and risk appetite slowly returning

Highlights

- Resilient revenues and effective cost management resulted in relatively strong PBT
- Positive new money inflows
- Scalable and efficient platform
- Regional and global market recognition
  - Awarded Best Private Bank in Asia (*Euromoney, Financial Times*)

Note:
(1) Results do not include HSBC Premier, HSBC Securities (HK) ex-Wardley, or Hang Seng Private Banking

Opportunity

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Opportunity

Economic shift from West to East: Asia will outpace the world in wealth creation

Global HNWI wealth 2007 – 2013, US$trn[1]

- High-net-worth individuals' wealth in Asia to grow 12.8% CAGR 2008 – 2013 vs 7% in Americas and 6.5% in Europe
- Mainland China is expected to have the world's 2nd largest GDP within 3-4 years
- New wealth markets opening up (eg Mainland China, India, non-resident Indians)

Notes:
(1) Capgemini World Wealth Report 2009; high-net-worth individuals' (HNWIs) are defined as those having investable assets of US$1 million or more, excluding primary residence, collectibles, consumables, and consumer durables

Strategy

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Growth strategy and approach

Driving growth

Growth strategy

- **Increase share of wallet in key markets**
  - Hong Kong
  - Mainland China
  - Taiwan
  - Philippines
  - Singapore
  - Indonesia
  - Thailand
  - Malaysia
- **Capture growth in new segments**
  - International clients
  - NRIs
- **Continue investment in high-growth domestic operations**
  - Mainland China
  - India
  - Taiwan
  - Japan

Approach

- **Client acquisition**
  - Referrals by clients
  - Experienced Relationship Managers
  - HSBC intra-group relationships
- **Growing with clients**
  - Personal investments
  - Business needs
  - Family succession planning

Supported by Group strength and unique competitive advantages

HSBC advantages

- Unrivalled brand and financial strength
- Global footprint with extensive branch network benefiting domestic businesses
- High connectivity with Commercial Banking and Global Banking & Markets

Key differentiators

- Strength of experienced talent
- Integrated platform offering full suite of services, including family succession planning and comprehensive trust services

Delivering on strategy

Asia revenues, US$m[1]

Highlights

- Revenue growth
- Cost control and scalable platform
- Intra-Group referrals
- Domestic operations

Key transactions

- South-East Asia – Private placement of a hospitality fund, US$65m
- Hong Kong – Secondary placement of a leading footwear retailer, US$80m+
- Philippines – Trustee, family governance and philanthropy services, AUM US$3bn[2]
- Mainland China – Advisory work on proposed IPO structuring, asset protection and succession plan, AUM US$3bn[2]
- Hong Kong – Advisory work on family governance, business succession and philanthropy for a large and complex structure, AUM US$3bn[2]

Notes:
(1) 1H05-1H07 includes Middle East
(2) Assets under management

Summary

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Summary

HSBC Private Banking is well positioned to capitalise on emerging trends

Industry and regional trends	HSBC position
Brand and economies of scale becoming increasingly important advantages	• Strong Group brand and capital position • Scale and ability to invest
Growth in emerging markets continues to outpace developed markets	• Extensive Group-wide business network • Long-term investments in domestic operations – mainland China and India
Client demand for generational transfer of wealth and integrated solutions	• Comprehensive platform providing personal investment, family succession planning and business support solutions