2009 INVESTOR ROADSHOW – HONG KONG AND SHANGHAI

Delivering Asia

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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' includes Hang Seng Bank, 'Asia' includes Hong Kong and Rest of Asia and 'Asia-Pacific' includes Asia and the Middle East, unless stated otherwise.

Agenda

HSBC Group overview and performance

Asia overview and performance

Opportunity

Strategy

Outlook

Summary

HSBC Group overview and performance

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Leading emerging markets international bank

Linking developing and developed markets

	Total assets	Total revenues[1]	Profit before tax (PBT)	Tier 1 capital ratio	Total capital ratio
1H09	US$2.42trn	US$34.7bn	US$5.0bn	10.1%	13.4%
2008	US$2.53trn	US$81.7bn	US$9.3bn	8.3%	11.4%

Global footprint

- **8,500 offices in 86 countries and territories**
- **Listings in London, Hong Kong, New York, Paris and Bermuda**
- **220,000 shareholders in 119 countries and territories**
- **100 million customers**
- **Over 295,000 staff**
- **Personal Financial Services, Commercial Banking, Global Banking and Markets and Private Banking**

Note:
(1) Net operating income before loan impairment charges

Geographically diversified

Emerging markets leading performance

Europe (US$bn)

- PBT: 3.0
- Loans: 457.1
- Deposits: 529.7

North America (US$bn)

- PBT: (3.7)
- Loans: 226.3
- Deposits: 140.3

ASIA (US$bn)

- PBT: 4.5
- Loans: 171.5
- Deposits: 394.1

Latin America (US$bn)

- PBT: 0.58
- Loans: 44.7
- Deposits: 64.9

Middle East (US$bn)

- PBT: 0.64
- Loans: 25.1
- Deposits: 34.3

Note:
All figures are as at 1H09

Financial strength

Funding and liquidity

% change
- 6%
- 1%

Note:
(1) Restated for constant currency, acquisitions and disposals

A diversified business

By customer group

Profit before tax[1]

Personal Financial Services **Commercial Banking** **Global Banking and Markets** **Private Banking** **Other**

Note:
(1) Excludes goodwill impairment on North American PFS business

Financial strength

Capital

Movement in Tier 1 capital, 1H09, US$bn

Risk-weighted assets, US$bn

Tier 1 ratio, %

Notes:
(1) Rights issue excludes US$344m loss on a forward foreign exchange contract associated with hedging the proceeds of the rights issue, recognised in net trading income
(2) Attributable profit adjusted for movements in fair value on own debt net of deferred tax

Managing the Group

Living wills

HSBC Holdings

HSBC Mexico S.A.	The Hongkong and Shanghai Banking Corporation Ltd	HSBC Bank Middle East Ltd	HSBC Bank USA, Inc	HSBC Bank plc
HSBC Bank Brazil S.A. Banco Multiplo	Hang Seng Bank Ltd	HSBC Bank Egypt S.A.E.	HSBC Finance Corporation	HSBC France
HSBC Bank Argentina S.A.	HSBC Bank (China) Company Ltd	The Saudi British Bank	HSBC Bank Canada	HSBC Trinkaus & Burkhardt AG
	HSBC Bank Malaysia Berhad			HSBC Private Banking (UK) Ltd

Personal Financial Services

Global wealth management growing and balanced between developed and emerging markets

Growth towards 6 million Premier customers in 2011

Customer accounts, 1H09

Revenue, 1H09

Customer loans and advances, 1H09

Commercial Banking

A global opportunity

Regional mix, 1H07 – 1H09

PBT, US$m

Emerging vs developed PBT, 1H09

Resilient and diversified performance

Remained profitable in all regions through the downturn

Leveraging global scale, serving international customers and expanding in emerging markets

Global Banking and Markets

Unique regional positioning to capitalise on emerging trends

Regional mix, 1H07 – 1H09

Profit/ (loss) before tax, US$m

Positioned to capitalise on emerging trends

HSBC Insurance

Share of personal customers who buy one or more HSBC Insurance products

Wealth insurance customer penetration, Jun 09

Private Banking

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

Regional mix, 1H09

- Brand
- Leveraging the Group brand
- Global distribution
- Strength from diversified business
- Business
- Building annuity revenues
- People
- Optimising resources

Asia overview and performance

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Asia

PBT of US$4.5bn in 1H09

Hong Kong mix, 1H09

Profit / (loss) before tax

	US$m	% share
Personal Financial Services	1,337	54
Commercial Banking	424	17
Global Banking and Markets	907	36
Private Banking	106	4
Other	(273)	(11)
Total	2,501	100

Rest of Asia mix, 1H09

Profit / (loss) before tax

	US$m	% share
Personal Financial Services	135	7
Commercial Banking	459	23
Global Banking and Markets	1,239	61
Private Banking	47	2
Other	142	7
Total	2,022	100

Asia mix, 1H09

Profit / (loss) before tax, US$m

US$4.5bn

Asia

Diversified income split between Hong Kong and Rest of Asia

PBT in 2004, US$m

US$6.2bn

PBT in 2008,US$m

US$10.2bn

Presence

Largest foreign bank[1] in mainland China, Hong Kong, Indonesia and Malaysia

Footprint in Asia

- **History in Asia spans nearly 150 years**
- **Presence in 22 countries and territories[2]**
- **Access to half of the world's population with combined GDP of US$21.3trn, the size of the combined GDP of the US, UK, Germany and France[3]**
- **Nearly 1,000 branches and offices in the region**
- **Over 3 million internet banking customers in Asia, over half located in Hong Kong**

Notes:
(1) In respect of branch network
(2) Includes a representative office in Nigeria
(3) CIA The World Factbook 2009: Population and GDP (purchasing power parity)

Investments

A decade of expansion in Asia

Mainland China

- 19.01% in Bank of Communications
- 16.78% in Ping An Insurance
- 12.78% in Industrial Bank via Hang Seng Bank
- 20% in Yantai City Commercial Bank via Hang Seng Bank
- 8% in Bank of Shanghai
- 24.9% in Beijing HSBC Insurance Brokers
- 49% in HSBC Jintrust Fund Management
- 50% in HSBC Life Insurance Company Ltd.

India

- 93.86% in HSBC InvestDirect (IL&FS Investsmart)
- 26% in Canara HSBC Oriental Bank of Commerce Life Insurance Company Limited

Indonesia

- 98.96% in Bank Ekonomi

Malaysia

- 49% in HSBC Amanah Takaful Malaysia
- First foreign bank to locally incorporate Islamic bank
- Purchased ABN AMRO's retail mortgage portfolio in 2002

South Korea

- Acquired 50% less one share in Hana Life

Taiwan

- Integrated assets and operations of The Chinese Bank
- Acquired 100% of Chailease Credit Services

Philippines

- Acquired 100% of PCI Savings Bank

Singapore

- Acquired 100% of Keppel Insurance
- Acquired 100% of Asia Fund Services

Australia

- Acquired 100% of Westpac sub-custody business

Vietnam

- 20% in Techcombank
- Agreement to increase stake in Bao Viet to 18% from 10.3%

Outlets[1]		Staff[1]		Assets[2]		Profit before tax[2]	
1999	2008	1999	2008	1999	2008	1999	2008
592	910	45,307	127,489	220,711	669,456	3,383	11,929

Notes:
(1) Outlets and staff in 1999 include Middle East; outlets in 2008 belong to The Hongkong and Shanghai Banking Corporation Limited and exclude the Middle East; staff in 2008 includes Middle East
(2) In US$m; includes Middle East; 1999 PBT and total assets reported in accordance with UK GAAP

Opportunity

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Opportunity

Asia to contribute largest share of global GDP, surpassing EU and US by 2016

World GDP forecast, based on PPP, % of total[1]

Asian consumers to become biggest incremental spenders, overtaking US and European consumers by 2013

Incremental spending, US$bn[2]

Asian intra-regional trade growing significantly faster than world trade overall

World trade forecast, US$trn[2]

Notes:
(1) International Monetary Fund
(2) HSBC Global Research

Opportunity

Mainland China output now 45% of output of Western economies

Mainland China: A catch-up of epic proportions

China output as share of Western economies[1]

Asian output now 110% of output of Western economies

Asia: Catching up for decades

Asia output as share of Western economies[1]

Note:
(1) Gronigen Growth and Development Centre and HSBC calculations; Western economies include Western Europe, US, Canada, Australia and New Zealand

Opportunity

The West slipped up more than the East

GDP growth

Note:
(1) Thomson Financial Datastream

Strategy

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Group strategy

Aligned with key trends

Developing markets are growing faster than mature economies

World trade expanding at a greater rate than gross domestic product

Life expectancy increasing around the world

Combine emerging markets leadership with global network

Build on international connectivity and scale

One HSBC – Joining up the company

Business objectives

- **Deliver HSBC brand promise to enhance customer experience**
- **Leverage distribution network to deliver global propositions**
- **Standardise systems, products and processes on a global scale to achieve cost savings**
- **Creating centres of excellence model to deliver a joined up global business**

Significant positive jaws

Notes:
(1) Restated for constant currency, acquisitions and disposals and excludes movements in FV on own debt
(2) Excludes movements in FV on own debt and acquisitions and disposals
(3) Restated for constant currency, acquisitions and disposals and goodwill impairment

Outlook

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Positive trends

Diversified business model and clear focus on banking fundamentals

- **Nine months' profitability ahead of expectations**
- **Global Banking and Markets' record performance**
- **Commercial Banking solidly profitable in all regions**
- **Deposit spread pressures continue**
- **US consumer finance performing better than expectations**
- **Costs declined; capital ratios increased**
- **Asia performing strongly; growing share of revenues from emerging markets**

Summary

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Summary

Refocusing on our core markets

Building on our strong foundations

- A diversified business
- Financial strength
- A well-managed Group

Each business is executing on an unchanged Group strategy

- International connectivity and emerging markets growth
- Segments where we have competitive advantage
- Joining up the Bank