

ALEX HUNGATE – GROUP MANAGING DIRECTOR

Personal Financial Services

April 2009

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.

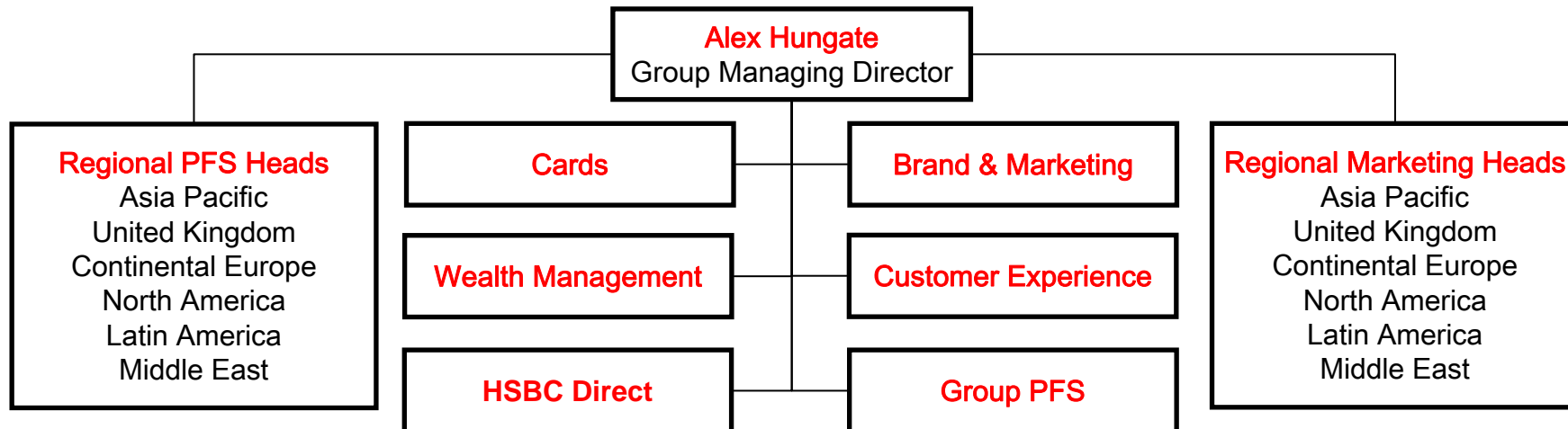
These forward-looking statements represent the Group's expectations or beliefs concerning future events and involve known and unknown risks and uncertainty that could cause actual results, performance or events to differ materially from those expressed or implied in such statements.

Additional detailed information concerning important factors that could cause actual results to differ materially is available in our Interim Report.

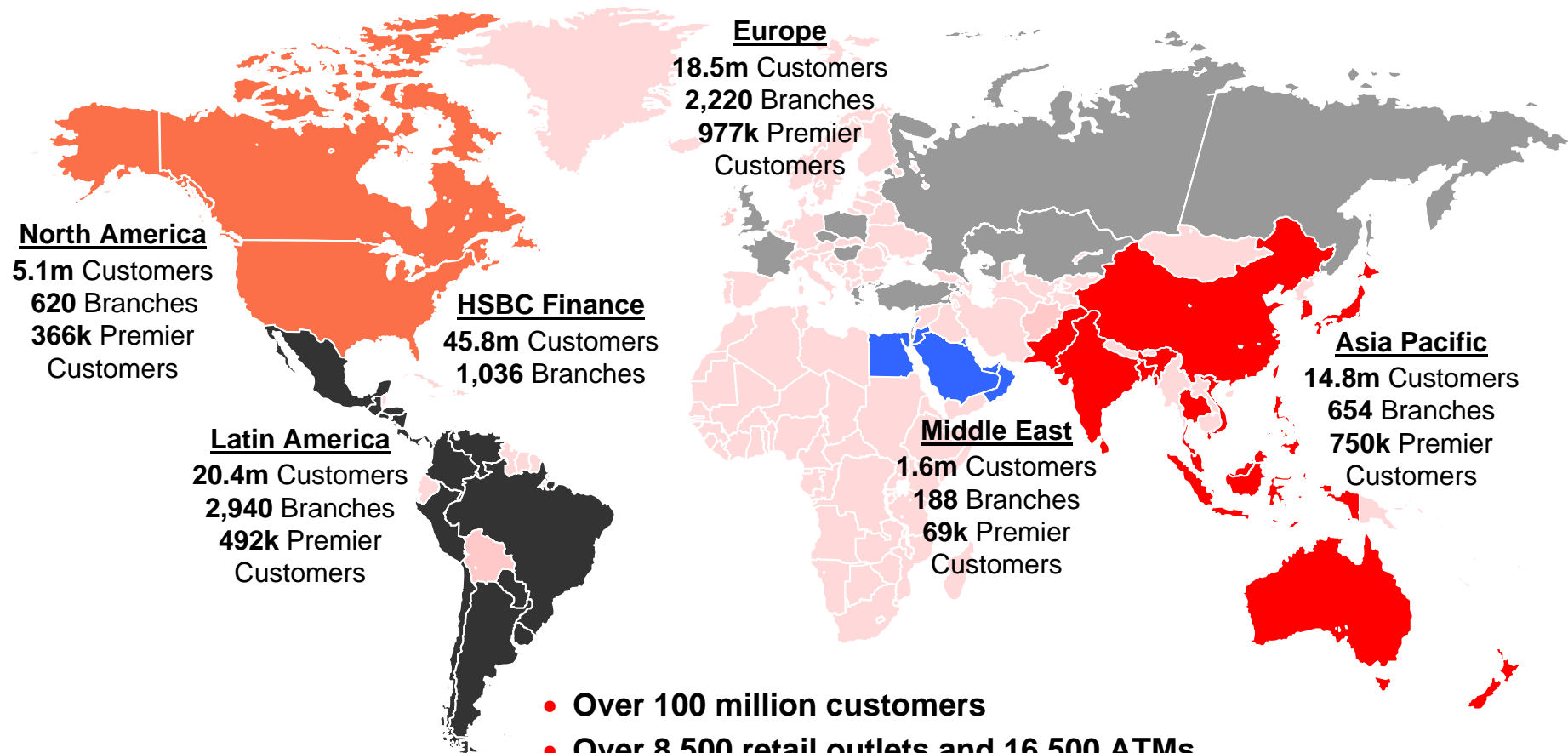
All financial information used in this presentation is reported in accordance with IFRS and extracted from HSBC Holdings plc's 2008 Annual Report and Accounts unless indicated otherwise.

Introduction to Personal Financial Services

- Personal Financial Services (PFS) is the largest Customer Group in HSBC
- PFS provides a broad range of financial products and services; from Credit Cards, Consumer Finance and Transactional Banking to Wealth Management and Insurance to over 100 million customers in 62 countries & territories
- Our global structure...



PFS Global Coverage



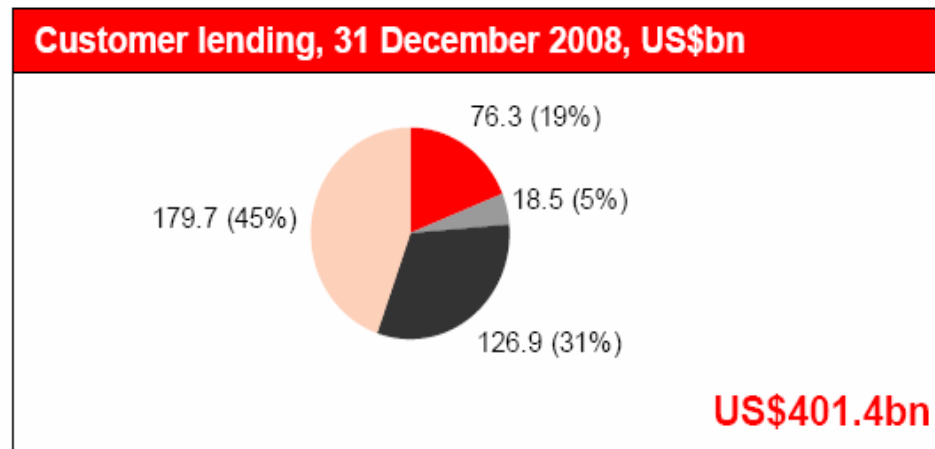
- Over 100 million customers
- Over 8,500 retail outlets and 16,500 ATMs
- Over 2.6 million HSBC Premier customers

Note: Data is current to end of December 2008

PFS Financial Trends

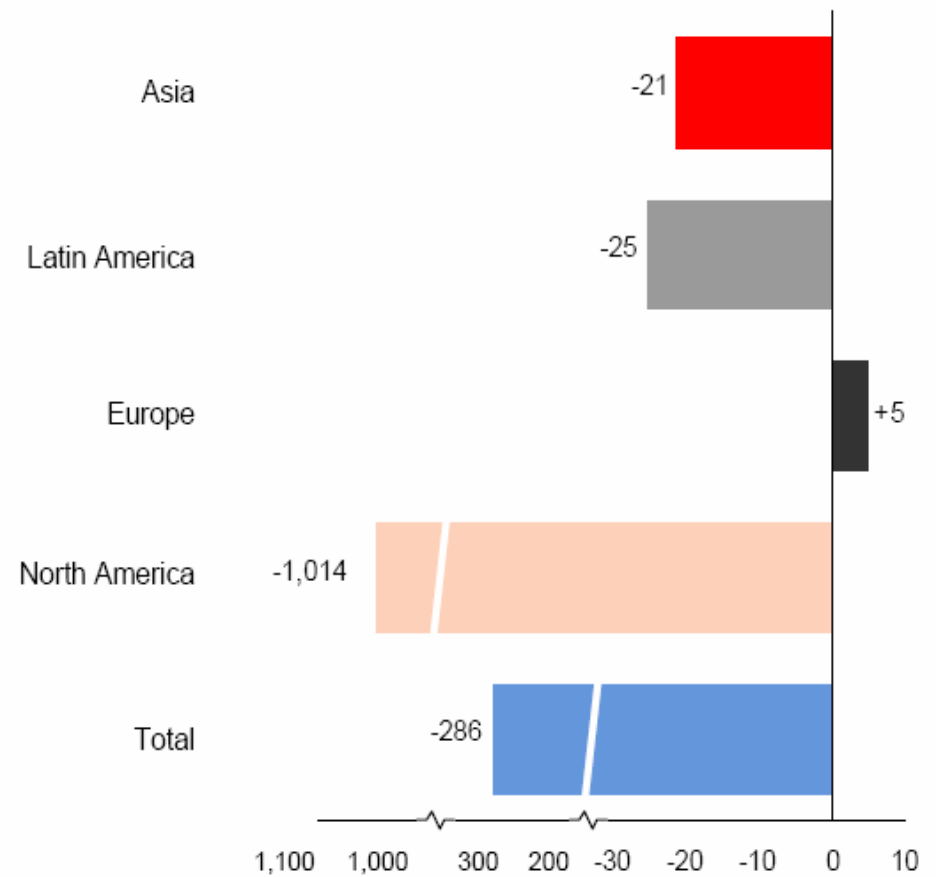
Regional mix

Profit (loss) before tax, 2008	US\$m
Asia	3,928
Latin America	668
Europe	1,658
North America	(17,228)
Total	(10,974)



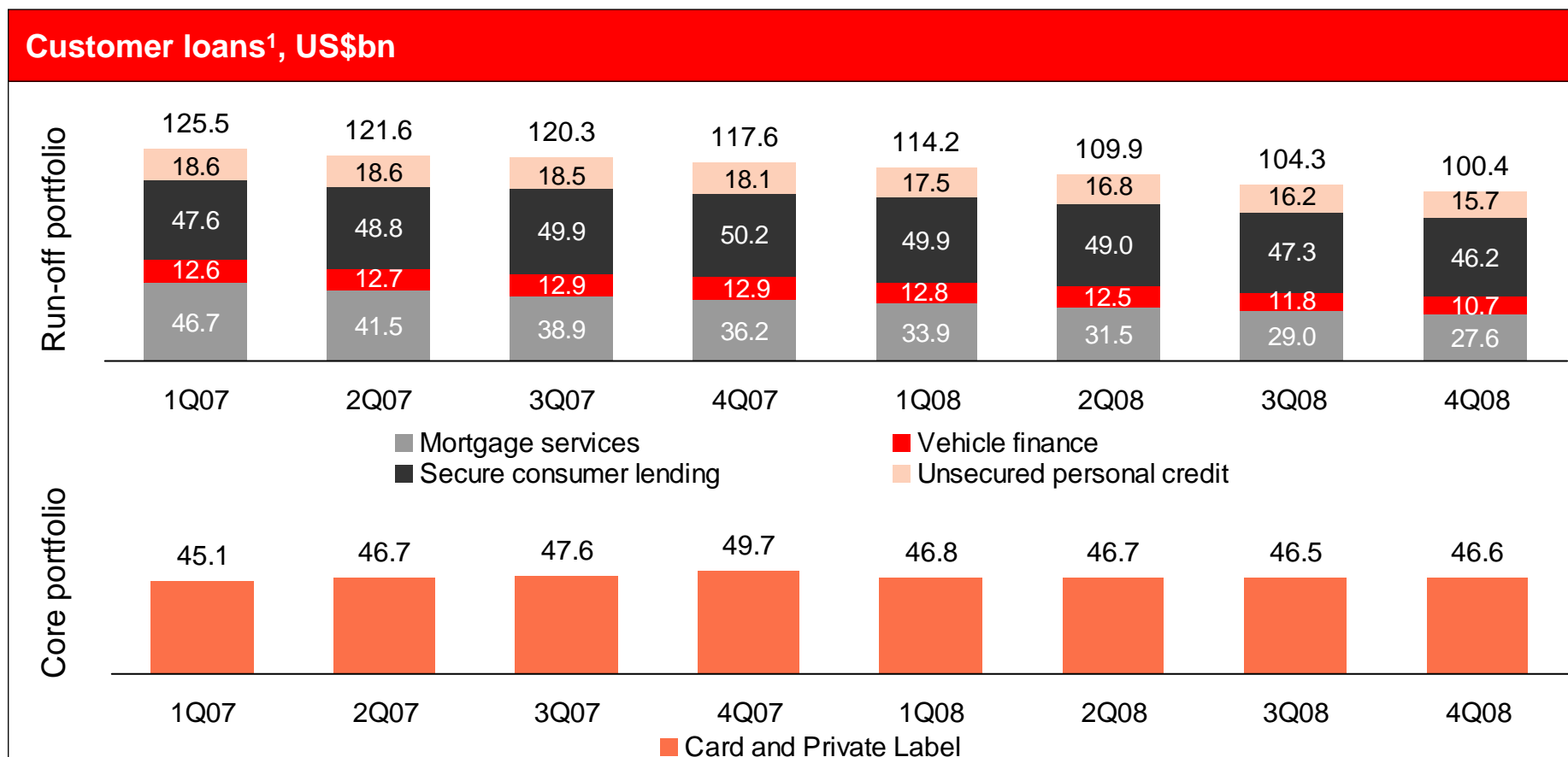
Change in profit (loss) before tax (%)

2008 vs 2007



Managing capital allocation and balance sheet risk

Run-off portfolio, US\$100bn in HSBC Finance Corporation



Note:
 (1) IFRS management basis for US; excludes operations in UK and Canada

Strength from diversified business model and financial position

Funding and liquidity – improving the advances to deposits ratio

US\$bn	2007 ¹	2008	% change ¹
Customer loans and advances²	415	401	-3
Customer accounts	390	440	+13
Advances to deposits ratio	106%	91%	

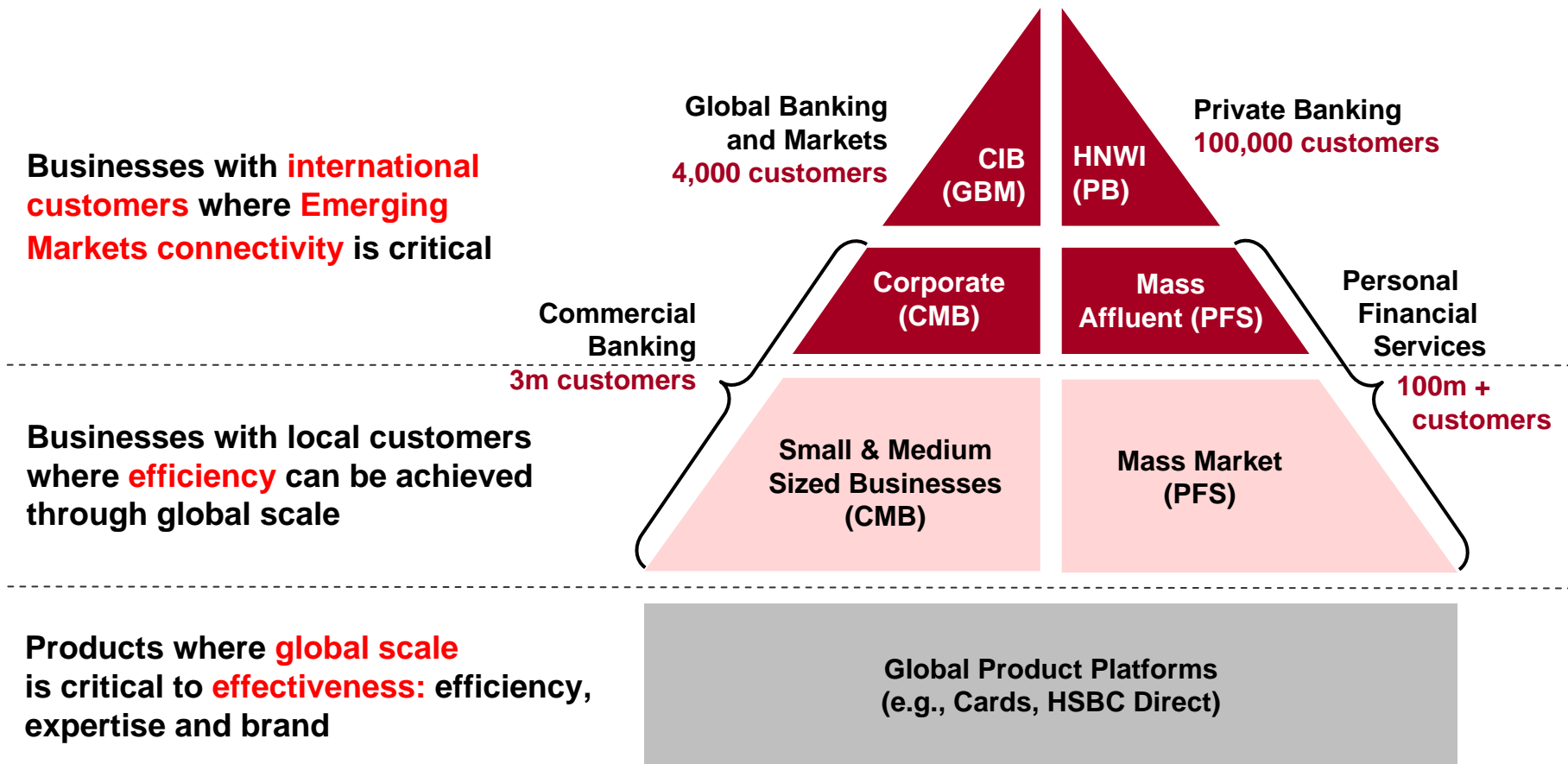
Notes:

(1) Adjusted for constant currency and acquisitions & disposals

(2) Includes HSBC Finance Corp. Net reduction in loans and advances of US\$14bn driven by run off of Lending Portfolio in North America (US\$20bn), offset by US\$6bn global lending growth from the rest of PFS.

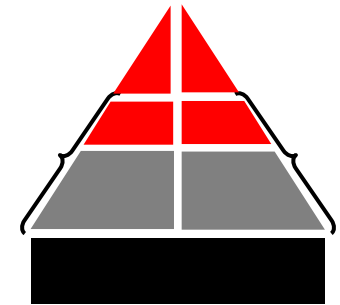
HSBC Strategy

HSBC has identified business models that define our 'right to win'

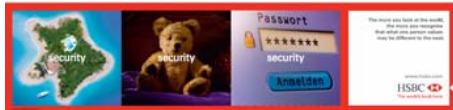


HSBC's Right to Win in Personal Financial Services

	Models	Description	Distribution structure	Customer segments
1 Full participation	Full Service Banking	Full service bank with large physical network targeting multiple segments	Full Service branch network Wealth Management Sales Multi-channel distribution	Multiple segments across the market
	Wealth Management Led	Wealth management-led banking targeting mass affluent	Limited branch network with Premier centres in key locations Mobile WM sales Multi-channel delivery	Mass affluent Executive
2 Selective participation	Cards	Consumer asset led participation providing market entry opportunity in regulated markets	Card partnerships Retail point of sale ATM Networks Third-party sales force Multi-channel delivery support	Credit-worthy individuals Emerging mass affluent
	Direct Banking	HSBC Direct led proposition	Online Support call centre	Confident Saver
3 Network participation	Premier Network Nodes	Leveraging CMB / GBM presence to build limited Premier franchise	Limited Premier / premium centres in key locations Multi-channel delivery support Sharing infrastructure	Cosmocrat Mass affluent Executive
	Premier 'lite' Service Nodes	Providing presence in markets critical for establishing and fulfilling global proposition	Limited Premier servicing centres in key locations Multi-channel delivery support	Visiting and International HSBC Premier customers



PFS Priorities 2009 – 2012



- **Wealth Management**
 - Offering a unique global proposition
 - Enhancing sales, financial planning and relationship management
- **Cards**
 - Leveraging global scale
- **Direct**
 - Enhancing activation and cross-sell
 - Acquiring 'confident' consumers
- **Brand & Customer Experience**
 - Tracking brand and recommendation performance globally
 - Leveraging customer insight to develop a differentiated experience