HSBC Holdings plc

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.**

This presentation contains non-GAAP financial information. Reconciliation of non-GAAP financial information to the most directly comparable measures under GAAP can be found in HSBC's 2010 Interim Report in the Operating and Financial Review.

Agenda

- Changing landscape
- Our opportunity
- HSBC: leading in Asia
- Strategy
- Delivering growth
- Summary

Changing landscape

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Major industry trends

Trends	Opportunities
Wealth creation and concentration moving East	New rich in mainland China, India and other international communities Growth of affluent and mega wealth segments
Wealth creation and concentration moving East	Increase in inter-generational transfer of wealth and succession planning Demand for integrated solutions
Increased Competition	Private Banking has become a priority segment attracting new entrants due to resilience of business
Regulatory and political issues on offshore banking	Players with brand and economies of scale at an advantage Hong Kong and Singapore likely to benefit from overseas investors

Opportunity

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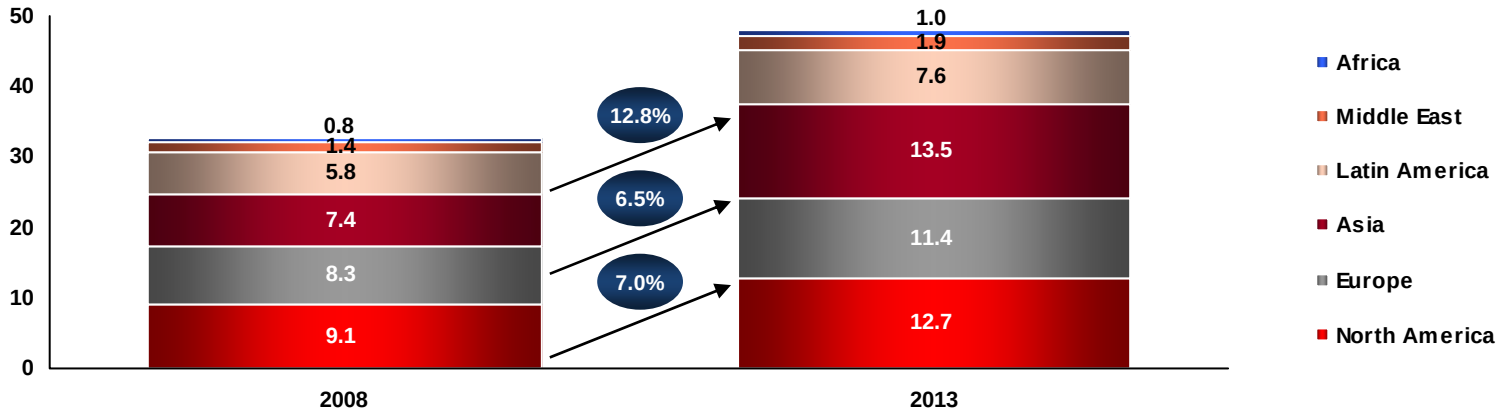
Asia to become the largest wealth market by 2013

HNWI wealth – growth by region[1]

Global HNWIs wealth (USD trillion)



- **High Net Worth Individual (HNWI) wealth in Asia to outpace other regions by 2013**
  - **CAGR of 12.8 per cent between 2008-2013 vs 7.0 per cent in North America and 6.5 per cent in Europe**
- **Nearly 40 per cent of the world's billionaires are in emerging markets**
  - **62 of the 97 new billionaires in the Forbes 2010 list were from Asia**
  - **India and China expected to account for 30-40 per cent of the world's future billionaires[2]**
- **Wealth creation in the developed markets will grow at modest rates**

Notes:
(1) CapGemini Merrill Lynch World Wealth Report 2009
(2) Forbes' World Billionaires, March 2010

HSBC: leading in Asia

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Differentiating value proposition

- **Client experience – award winning service**
- **Strength of experienced talent**
- **Scalability of platform and infrastructure**
- **Unrivalled brand and financial strength**

Leading Private Bank in Asia

Asia

***Financial Times* Global Private Banking Awards 2009**

- Rank #1 Best Private Bank in Asia

***Euromoney* Private Banking Services Overall**

- Rank #1 Best Private Banking Services Overall 2010 and 2009

Hong Kong

***Euromoney* Private Banking Survey 2010**

- Rank #1 Best Private Banking Services Overall

Singapore

***Euromoney* Private Banking Survey 2010**

- Rank #1 Best Foreign Bank

Strategy

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Capturing the opportunity

- **Build on existing scale and strengths in Hong Kong and Singapore**
- **Invest in people and technology in emerging markets, particularly mainland China and India**
- **Strengthen cross-referrals across PFS and CMB; build on GBM partnership to penetrate mega wealthy**
- **Differentiate with Private Wealth solutions and Family Wealth advisory services**
- **Build on strong brand, capital position and robust risk management platform**

Delivering growth

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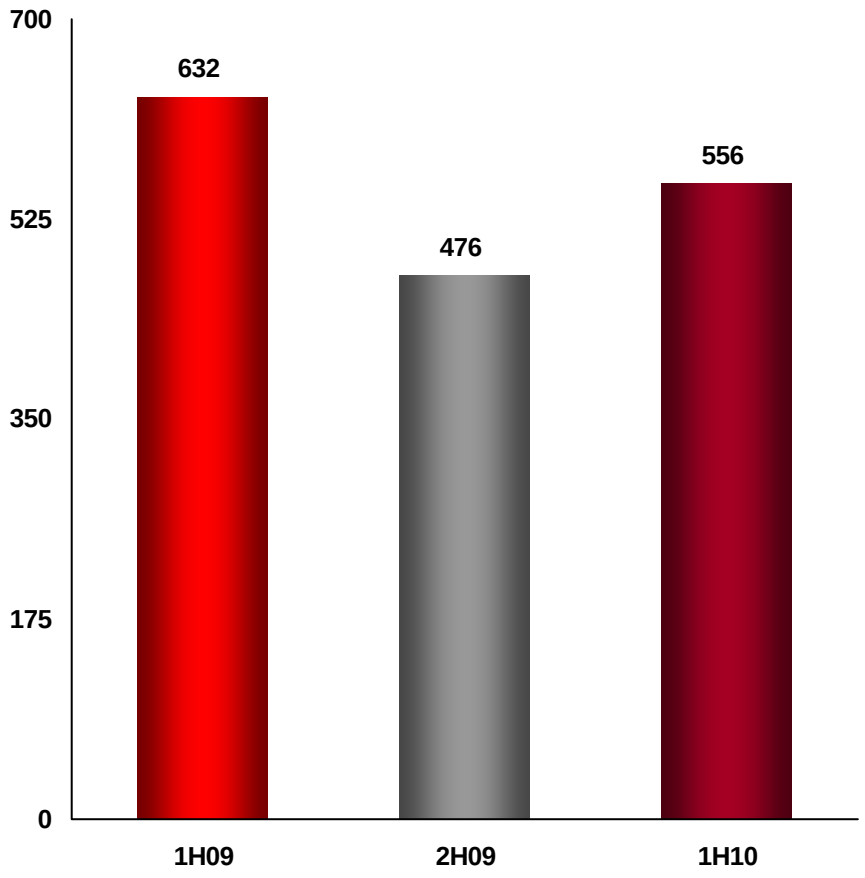
Global Private Banking

International business focused on growth markets

Profit before tax (USDm)



- **Revenues pressured by low interest rate environment, but income from fee and trading has improved with returning client risk appetite**
- **Net new money inflows of over USD7bn with USD2bn generated from cross-business referrals**
- **Family Office Partnership with Global Banking and Markets launched in 2010 to focus on servicing quasi-institutional clients**
- **Plan to hire 500 front office staff over 3 years, with focus on Emerging Markets – over 100 front office hires already in 2010**

HSBC Global Private Bank

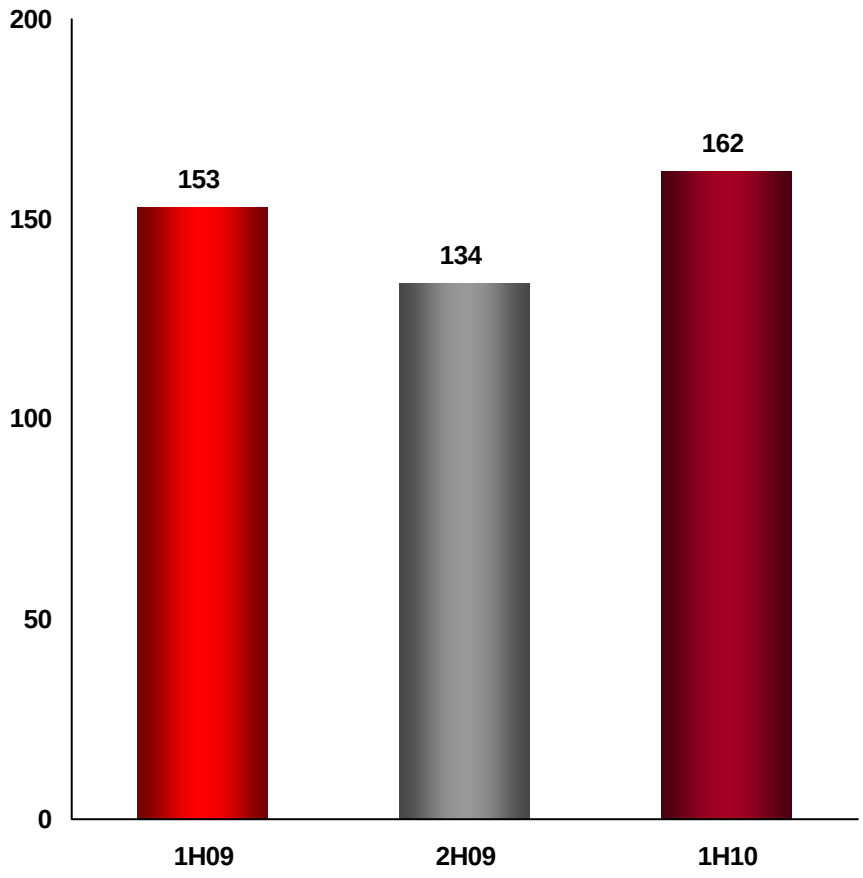
- Best Global Wealth Manager

HSBC Private Bank

- Best Wealth Manager for Alternative Investments

Asia gaining momentum

Profit before tax (USDm)



Highlights – H1 2010

- Asia contributed 29 per cent to Global Private Bank's profit before tax
- 1H10 net new money (NNM) triple that of the same period in 2009
- 20 per cent of net new money from Intra-group referrals
- Over 100 new hires in the past 12 months

Summary

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Positioned to lead

- **Continue to invest and hire in Asia**
- **Leverage Group's emerging markets footprint**
- **Integrated wealth solutions a key competitive advantage**
- **Improve share of wallet through Family Office initiative**