



2 March, 2009

## **HSBC PREMIER SURVEY SHOWS WEALTHIER INDIVIDUALS ARE MORE POSITIVE TOWARD INVESTING DESPITE CHALLENGING FINANCIAL CLIMATE**

HSBC Premier, the wealth management division of the HSBC Group, one of the world's largest banking and financial services organisations with headquarters in London, today announced the results of a survey it has conducted to gauge the attitudes of individuals toward the current financial crisis and how it is affecting their investment behaviour.

The survey was undertaken between 16-17 December, 2008 among 929 people aged between 30-69 years living in Tokyo and Chiba, Kanagawa, and Saitama Prefectures. For the purposes of analysis, the respondents were classified into two groups, namely, "Mass Affluent" defined as individuals with financial assets of at least 10 million yen and "Non-Mass Affluent" defined as those individuals with financial assets below 10 million yen.

The survey found that on the whole, mass affluent individuals viewed the on-going global financial crisis as an investment opportunity over the mid-to-long term and are actively gathering information to make informed investment decisions. In particular, appetite for investments in emerging markets is stronger among the mass affluent group (55 per cent), compared with the non-mass affluent group (37 per cent).

Some of the key highlights of the survey results include:

1. More than twice as many mass affluent individuals view the current financial crisis as an investment opportunity, compared with non-mass affluent individuals
2. Over 60 per cent of people think the financial crisis will end within two years
3. Two thirds of mass affluent respondents had experienced a decline in their financial assets since the start of the financial crisis, with 20 per cent of them experiencing a decline of more than 30 per cent
4. Mass affluent individuals are adopting a more informed and knowledge-based approach to investing and working with financial institutions

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## Summary of the Main Survey Findings

### **Mass affluent inclined to view current crisis as an opportunity. Stronger interest in emerging markets**

39 per cent of mass affluent respondents, compared with only 15 per cent of non-mass affluent respondents, expressed that they view the current state of the financial markets as representing an opportunity to increase the size of their assets and were positively seeking appropriate investment opportunities.

Over half (55 per cent) of mass affluent respondents said that they were interested in investing in emerging markets which have been hit hard by the financial crisis. This compared with only 37 per cent of non-mass affluent respondents.

More than 50 per cent of respondents who indicated an interest in emerging market investments showed the most interest in India. The main reasons cited for this included the growth potential of the country's IT sector (78 per cent of mass affluent and 69 per cent of non-mass affluent) and expected expansion in domestic demand (72 per cent of mass affluent and 63 per cent of non-mass affluent).

### **Mass affluent adopting a more informed and knowledge-based approach to investing and working with financial institutions**

60 per cent of mass affluent respondents, compared with only 34 per cent of the non-mass affluent group, said that as a result of the lessons learned from the financial crisis, they are now more proactive in gathering relevant information to help them make more informed investment decisions. Furthermore, this group also expressed a greater desire (39 per cent of respondents) to receive professional wealth management advice, compared with the non-mass affluent group (19 per cent).

55 per cent of mass affluent individuals and 35 per cent of non-mass affluent individuals said that they are now more sensitive toward information regarding financial institutions, such as ratings-related, valuation, market value and financial results. In light of the financial crisis, mass affluent individuals now place even greater emphasis on the financial state of the financial institutions they use.

### **Greater emphasis on customer service and support**

Over half (51 per cent) of non-mass affluent respondents and more than 60 per cent (62 per cent) of mass affluent respondents expressed that they positively prefer financial institutions whose representatives proactively contact them even when their investments are being negatively impacted.

**Two thirds of mass affluent respondents had experienced a decline in their financial assets since the start of the financial crisis, with 20 per cent of them experiencing a decline of more than 30 per cent**

67 per cent of mass affluent respondents expressed that they had experienced a fall in the total size of their financial assets since the beginning of the financial crisis, with 20 per cent of respondents suffering a decline of more than 30 per cent. This compares with a fall of approximately 30 per cent<sup>1</sup> in the Nikkei 225 Stock Average in the three months following the failure of Lehman Brothers in September 2008.

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**Notes**

<sup>1</sup>The Nikkei 225 Stock Average fell by 29.06% from 12,214.76 points on 12 September, 2008 to 8,664.66 points on 15 December, 2008.

**Notes to editors:**

**1. HSBC Holdings plc**

HSBC Holdings plc serves over 100 million customers worldwide through around 9,500 offices in 85 countries and territories in Europe, the Asia-Pacific region, the Americas, Middle East and Africa. Its headquarters are located in London. With assets of more than US\$2,547 billion at 30 June 2008, HSBC is one of the world's largest banking and financial services organisations. HSBC is marketed worldwide as "The world's local bank."

**2. The Hongkong and Shanghai Banking Corporation Limited in Japan**

The Hongkong and Shanghai Banking Corporation Limited is the founding member of the HSBC Group. It established its first branch in Japan in Yokohama in 1866, making it the oldest bank operating in Japan today. It has branch offices in Tokyo and Osaka, providing commercial banking, private banking and personal wealth management services.

**3. HSBC Premier**

Launched in 2000 and with international services starting in May 2007, HSBC Premier is the first truly global personal wealth management service offering individually tailored financial solutions for the growing number of mass affluent individuals. Globally, HSBC Premier serves over 2.6 million customers through 300 international Premier Centres in 42 countries and territories. In Japan, HSBC Premier launched in January 2008 targeting individuals with liquid financial assets exceeding JPY10 million. HSBC Premier operates seven branches in the Tokyo Metropolitan (Akasaka, Ginza, Hiroo, Ikebukuro, Marunouchi, Yokohama) and Kansai (Kobe) areas.

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