



16 December 2009

**OVER HALF OF JAPANESE AFFLUENT INDIVIDUALS  
INTERESTED IN OVERSEAS INVESTMENT, SAYS HSBC SURVEY**

*\*\*\* Greater China emerges as top potential investment market\*\*\**

The HSBC Affluent Asian Tracker was conducted between September to October 2009 among over 1,700 affluent individuals aged between 30-55 years in Japan and seven other key markets in the Asia Pacific region – Australia, India, Indonesia, mainland China, Malaysia, Singapore and Taiwan. The survey gauged the views of some of the region's most wealthy people in the top 10 per cent of the population by income or liquid assets.

**Potential investments**

Respondents were asked about their plans to invest in overseas funds or equities. The survey showed that 56 per cent of Japanese affluent individuals are interested in overseas investment and are especially looking to invest in Greater China (22%), emerging markets (22%), and the Asia-Pacific region (22%).

The majority of affluent respondents in mainland China (77%) and Taiwan (70%) are looking to invest in Greater China in the next six months. A significant number of respondents in Singapore (62%), Malaysia (47%) and Australia (37%) plan to invest in the Asia-Pacific region.

The survey also revealed that the asset portfolios of affluent Japanese are less well-diversified compared to other Asian markets, and are skewed toward savings, stocks and insurance. However, while the majority of affluent Asians hold cash as their major asset, their current investment portfolio comprises a more diverse set of asset holdings that already includes mutual funds, stocks, insurance and property. Over the next six months, it is expected that affluent Asians will tend to invest in stocks, mutual funds and local or foreign currency deposits.

*more*

Principal members of HSBC in Japan are:  
The Hongkong and Shanghai Banking Corporation Limited  
HSBC Securities (Japan) Limited  
HSBC Global Asset Management (Japan) K.K.

## **Over half of Japanese affluent individuals interested in overseas investment, says HSBC survey/2**

Commenting on the survey findings, Godfrey Swain, Managing Director and Head of Personal Financial Services in Japan, said, “Although the Japanese affluent segment is often perceived as being conservative in its investment approach, there is a strong interest in overseas investment opportunities. In the short to medium term, we expect to see affluent Japanese becoming more sophisticated in their portfolio management selections and in spreading risk as Japanese investors combine greater self-knowledge with professional investment advice.

“HSBC Premier in Japan is positioned to meet their wealth management needs by leveraging the experience, knowledge and product capability of the HSBC Group’s global platform and our expertise and focus on emerging markets and Greater China.”

### **Wealthier today than six months ago**

More affluent Asians say they are wealthier now compared to six months ago. The HSBC Affluent Asian Tracker survey shows savvy wealthy Asian investors came through the financial turmoil at the end of 2009 relatively unscathed.

Leading Asia’s affluent are 70 per cent of mainland Chinese respondents who reported a rise in net worth compared to only 46 per cent six months ago. Similarly, across Asia, the number of affluent respondents reporting an increase in wealth in the past six months nearly doubled:

- 70 per cent in mainland China (vs 46% six months ago),
- 68 per cent in India (vs 28%),
- 61 per cent in Taiwan (vs 33%),
- 55 per cent in Malaysia (vs 35%),
- 54 per cent in Indonesia<sup>1</sup>,
- 53 per cent in Singapore (vs 23%),
- 42 per cent in Australia (vs 19%) and
- 38 per cent in Japan (vs 21%).

The majority of respondents claimed they gained their wealth through their employment: 89 per cent among affluent in Japan, mainland China, Malaysia and Singapore; 88 per cent in Indonesia, 87 per cent in Australia; 84 per cent in Taiwan and 79 per cent in India.

*more*

**Over half of Japanese affluent individuals interested in overseas investment, says HSBC survey/3**

### **Changes in investment portfolio for next six months**

When asked about changes they expect to make to their investment portfolio in the next six months, four in ten (41%) affluent Japanese said that they have no intention of changing their investment portfolio. However, increasing investments emerged as a priority among most affluent Asians: 60 per cent among affluent Indians; 52 per cent among Singaporeans; 51 per cent among Indonesians; 50 per cent among Malaysians and mainland Chinese. Over half (52%) of affluent mainland Chinese plan to read more about investment strategies and a third (34%) of affluent Singaporeans plan to diversify their investments.

Excluding mainland China, at least half of Asian affluent respondents say they are most likely to make a new investment, increase investment or reallocate funds with extra income. Over half of affluent Mainlanders (54%) say their main investment trigger is positive market news.

### **Risk index**

The survey also calculated a risk index<sup>2</sup> to measure mentality and behaviour towards security and growth using a number of attributes. In a scale of 0-200 where 0 represents security and 200, growth, markets tended to hover near the mean of 100 with Japan being most conservative (86) and Indonesia and mainland China as the most aggressive (99). In general, however, scores indicate a balanced stance across markets.

### **Change in consumption**

Close to three-quarters (74%) of affluent Japanese expect to spend less in the next six months (+39%); 65 per cent among affluent Indonesians (+8%) and 54 per cent among Malaysians (-5%). Over half of affluent Australians (67%), Singaporeans (60%) and Taiwanese (56%) do not expect to change spending habits in the next six months. Travel will be the next big splurge across Asia and the resumption of a lifestyle of dining out and entertaining is evident among mainland Chinese (61%) and Taiwanese (54%), many of whom scaled back on these items six months ago.

*ends/more*

## **Over half of Japanese affluent individuals interested in overseas investment, says HSBC survey/4**

### **Footnotes:**

**1:** Indonesia was not part of wave 1: *HSBC Affluent Asian Tracker – June 2009*

**2:** The HSBC Affluent Asian investment risk index measures propensity towards growth or security using 5 measures or attributes for each. The scores are calculated into an index from 0-200 (100 is the mean), where a higher score represents a stronger propensity towards growth and a lower score, a stronger propensity towards security. More details in the *HSBC Affluent Tracker – November 2009* report attached.

### **Notes to editors:**

#### **1. HSBC Holdings plc**

HSBC Holdings plc, the parent company of the HSBC Group, is headquartered in London. The Group serves customers worldwide from around 8,500 offices in 86 countries and territories in Europe, the Asia-Pacific region, the Americas, the Middle East and Africa. With assets of US\$2,422 billion at 30 June 2009, 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 43 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.

*ends/all*



HSBC Affluent Asian Tracker  
December 2009

# HSBC Affluent Asian Tracker – December 2009

- **Second wave<sup>1</sup> of the first regional survey on mass affluent profile, lifestyle, aspiration and wealth management**
- **Covering 8 markets: Australia, India, Indonesia<sup>2</sup>, Japan, mainland China, Malaysia, Singapore and Taiwan**
- **Conducted by Nielsen across 1,718 individuals aged 30-55 in the top 10% of the population based on either monthly personal income or amount of liquid assets**
- **Gauges affluent aspirations, lifestyle and behaviour related to savings, investments and consumption**
- **Online survey<sup>3</sup> conducted from 17 September to 2 October 2009**

Note:

(1) Wave 1 conducted from 23 April to 4 May 2009

(2) No wave 1 data

(3) Face-to-face survey done for Indonesia

# Regional results

## Mass affluent segments definitions

Area	Personal monthly income	Total liquid assets	Sample
Australia	A\$5,200+ (US\$3,640+)	A\$200k+ (US\$140,000+)	218
India	SEC A1/A2 <sup>1</sup>	RS2.5m+ (US\$49,250+)	223
Indonesia	IDR3,500,000+	IDR500m+	203
Japan	Y666,667+ (US\$6,925+)	Y10m+ (US\$103,870+)	206
Mainland China	RMB12,000+ (US\$1,800+)	RMB500k+ (US\$75,000+)	240
Malaysia	RM5,000+ (US\$1,380+)	RM200k+ (US\$55,200+)	221
Singapore	S\$6,000+ (US\$3,996)	S\$200k+ (US\$133,200+)	207
Taiwan	NT\$70,000+ (US\$2,100)	NT\$3m+ (US\$90,000+)	200

Notes:

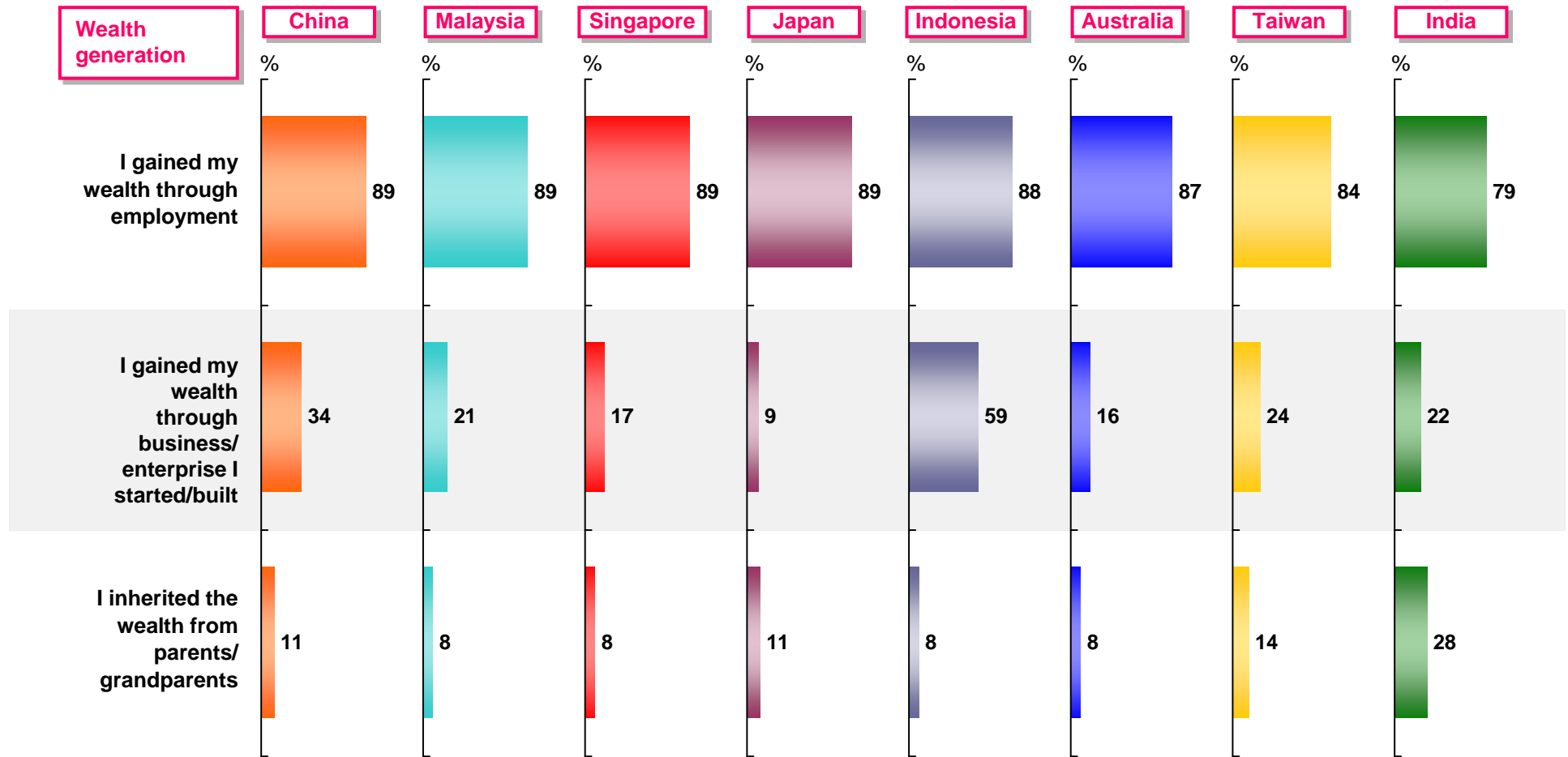
- (1) Refers to India's upper socio-economic class consisting predominantly of executives, officers, professionals and prominent businessmen. More than 90% of individuals in this sector are university graduates
- (2) US\$ equivalent for personal monthly income and total liquid assets in brackets

# Scope

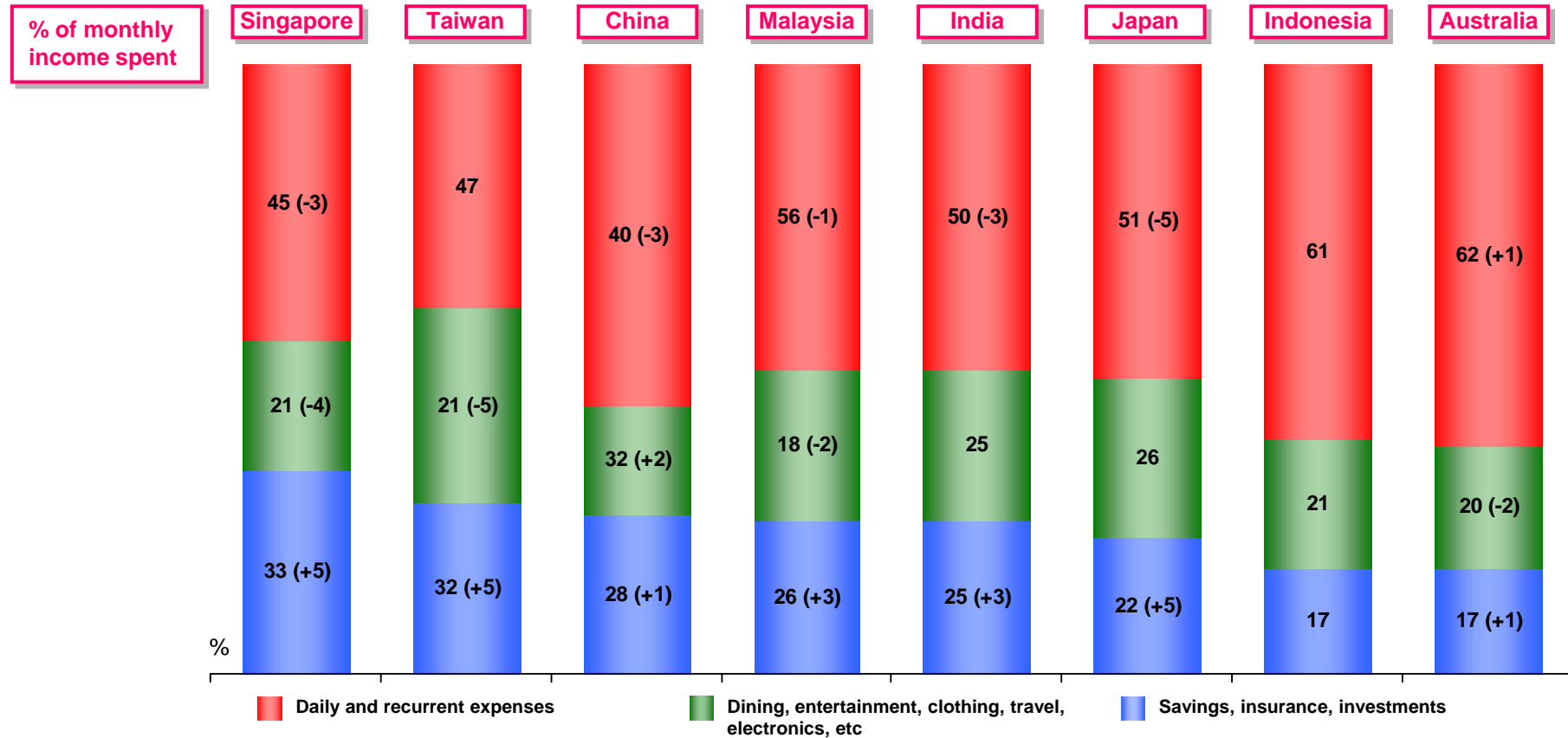
- **Profile**
- **Investment behaviour**
  - Net worth
  - Risk appetite
  - Investment plans
- **HSBC Affluent Asian Investment Risk Index**
- **Consumption behaviour**

# Profile of affluent Asians

# Asia's workforce is the region's emerging affluent



# Affluent in Singapore, Taiwan and mainland China are biggest savers



Notes:  
 (1) Figures may not total 100% due to rounding  
 (2) Figures in ( ) refer to change from wave 1

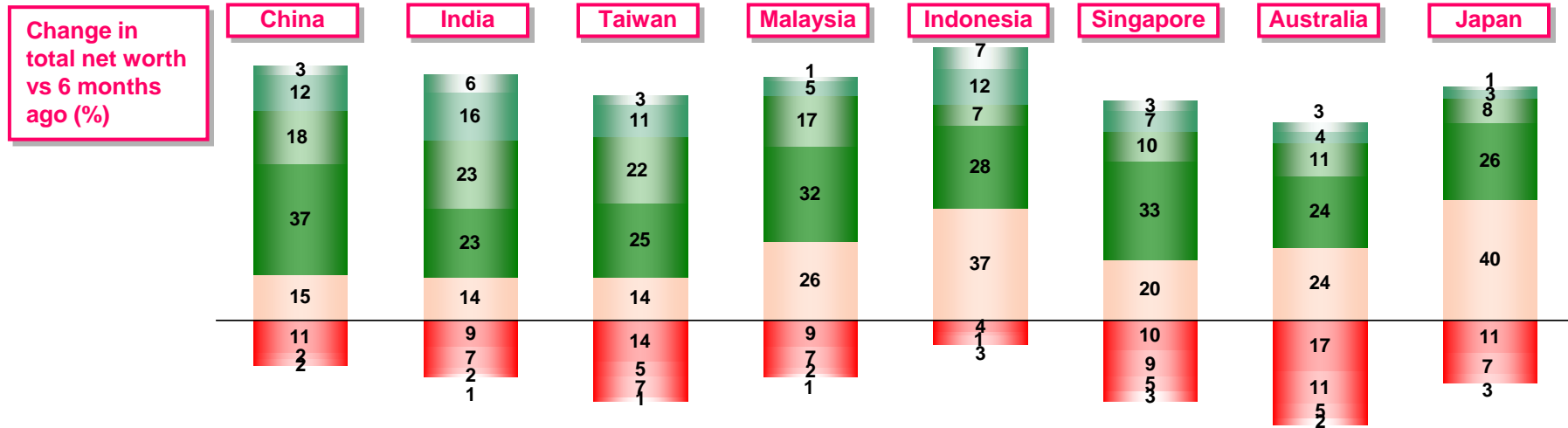
# Cash, stocks and property are major asset holdings

Asset holdings	Indonesia	Japan	China	Taiwan	Singapore	Malaysia	Australia	India
	%	%	%	%	%	%	%	%
Local currency cash savings	100	94 (-1)	88 (+19)	87 (+3)	86 (+1)	73	62 (-12)	62
Local properties (self-use)	32	37 (+6)	80 (+9)	60 (+1)	51 (-8)	65 (+1)	42 (-3)	48 (+5)
Life endowment insurance	24	28 (NA)	39 (NA)	48 (NA)	51 (NA)	34 (NA)	4 (NA)	49 (NA)
Investment-linked insurance	18	6 (-1)	49 (+13)	22 (+5)	52 (+1)	49 (+10)	5 (-1)	48 (+1)
Local properties (investment)	14	10 (-3)	49 (+8)	18 (+1)	20	33 (-1)	31 (-1)	31 (+3)
Whole of life insurance	11	56 (NA)	53 (NA)	77 (NA)	76 (NA)	61 (NA)	26 (NA)	57 (NA)
Certificates of deposit	9	1 (-1)	79 (+8)	24 (+2)	7 (+1)	21 (-4)	3 (+2)	38 (+1)
Foreign currency savings	7	26 (-5)	42 (-3)	39 (+5)	26 (-4)	13 (+3)	6 (+2)	4 (-3)
Local stocks/equities	3	62 (-4)	74 (+5)	80 (+1)	73 (-1)	55	54 (-2)	61 (+3)
Overseas deposits	3	9 (-1)	12 (+4)	14 (-1)	14 (-3)	7 (-1)	5 (-3)	1 (-1)
Structured investment	3	3 (+1)	20 (+6)	8 (+1)	24 (+1)	8 (+5)	12 (+8)	13 (+6)
Unit trust/ mutual funds	2	23 (+2)	47 (+6)	63 (+6)	66	73 (+2)	11 (-9)	68 (-4)
Bonds	*	24 (+3)	38 (+6)	10 (+1)	12	15 (-4)	4 (+1)	23 (-2)
Stocks listed in overseas markets	*	10 (+1)	9 (-2)	14 (+3)	23 (-6)	10 (-3)	11 (-4)	1 (-5)

Notes:  
 Figures in ( ) refer to change from wave 1  
 NA = option not included in wave 1

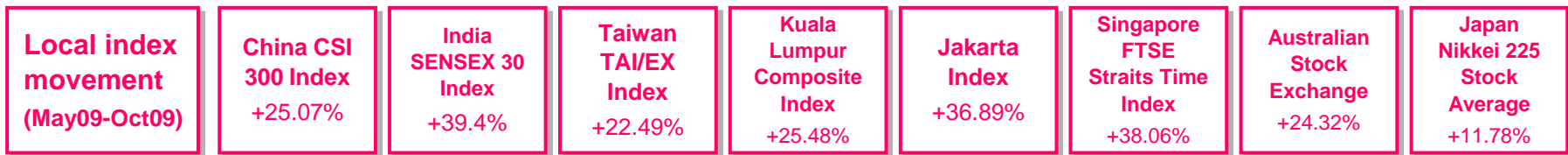
# The affluent Asian investor

# Number of affluent Asians who increased net worth nearly doubled



## % for increase in total net worth

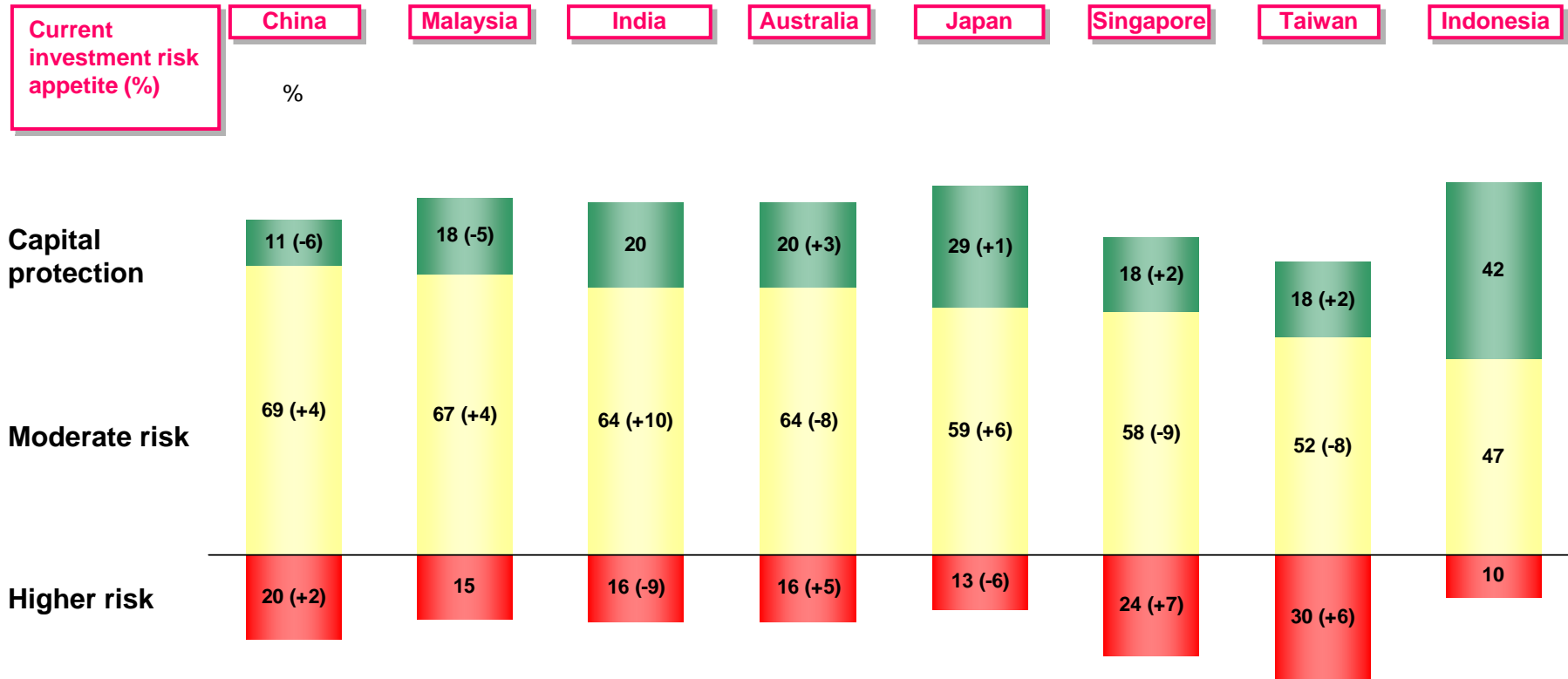
	China	India	Taiwan	Malaysia	Indonesia	Singapore	Australia	Japan
Wave 2	70%	68%	61%	55%	54%	53%	42%	38%
Wave 1	46%	28%	33%	35%	NA	23%	19%	17%



■ The same     
 ■ Increase <10%     
 ■ Increase 11%-24%     
 ■ Increase 25%-50%     
 ■ Increase >50%  
■ Decrease <10%     
 ■ Decrease 11%-24%     
 ■ Decrease 25%-50%     
 ■ Decrease >50%

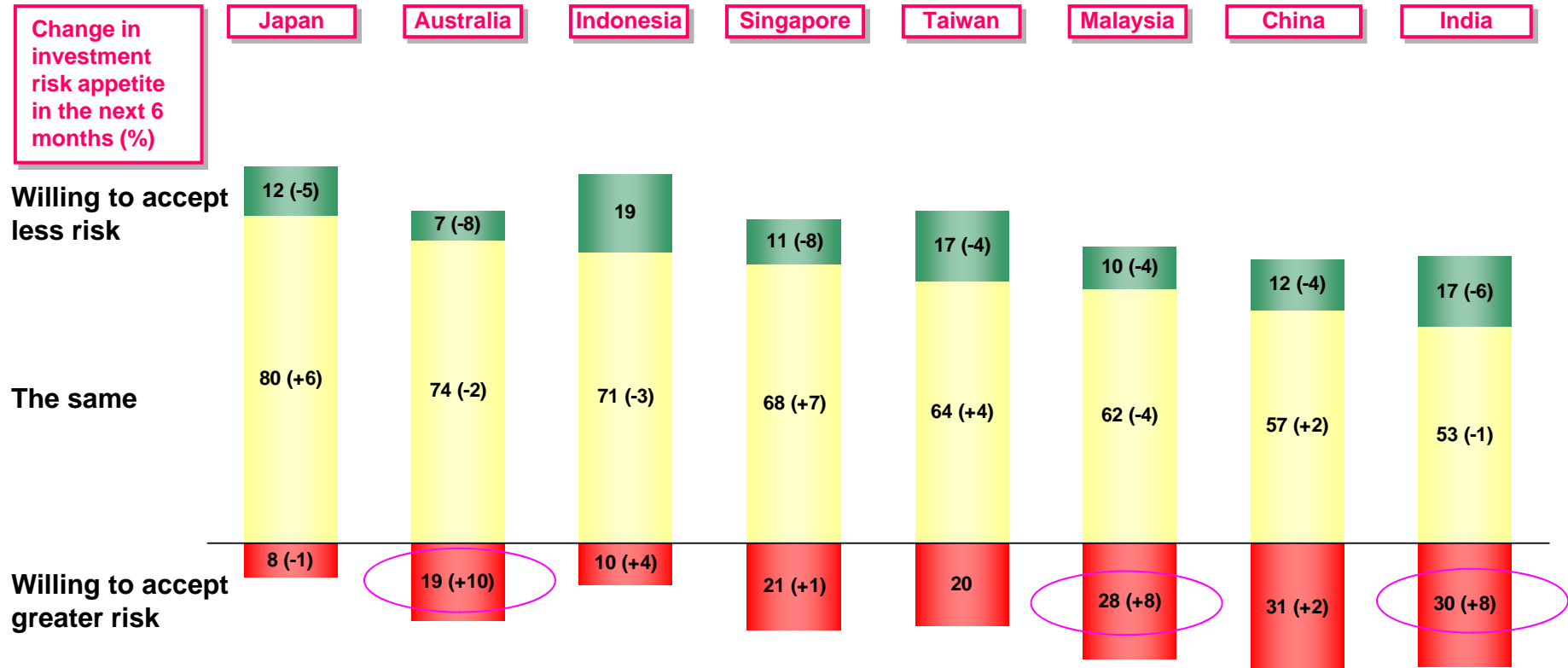
Note:  
 (1) Local index movement corresponds to period covered as 'past 6 months' in Wave 2

# Most affluent Asians have a moderate appetite for investment risk



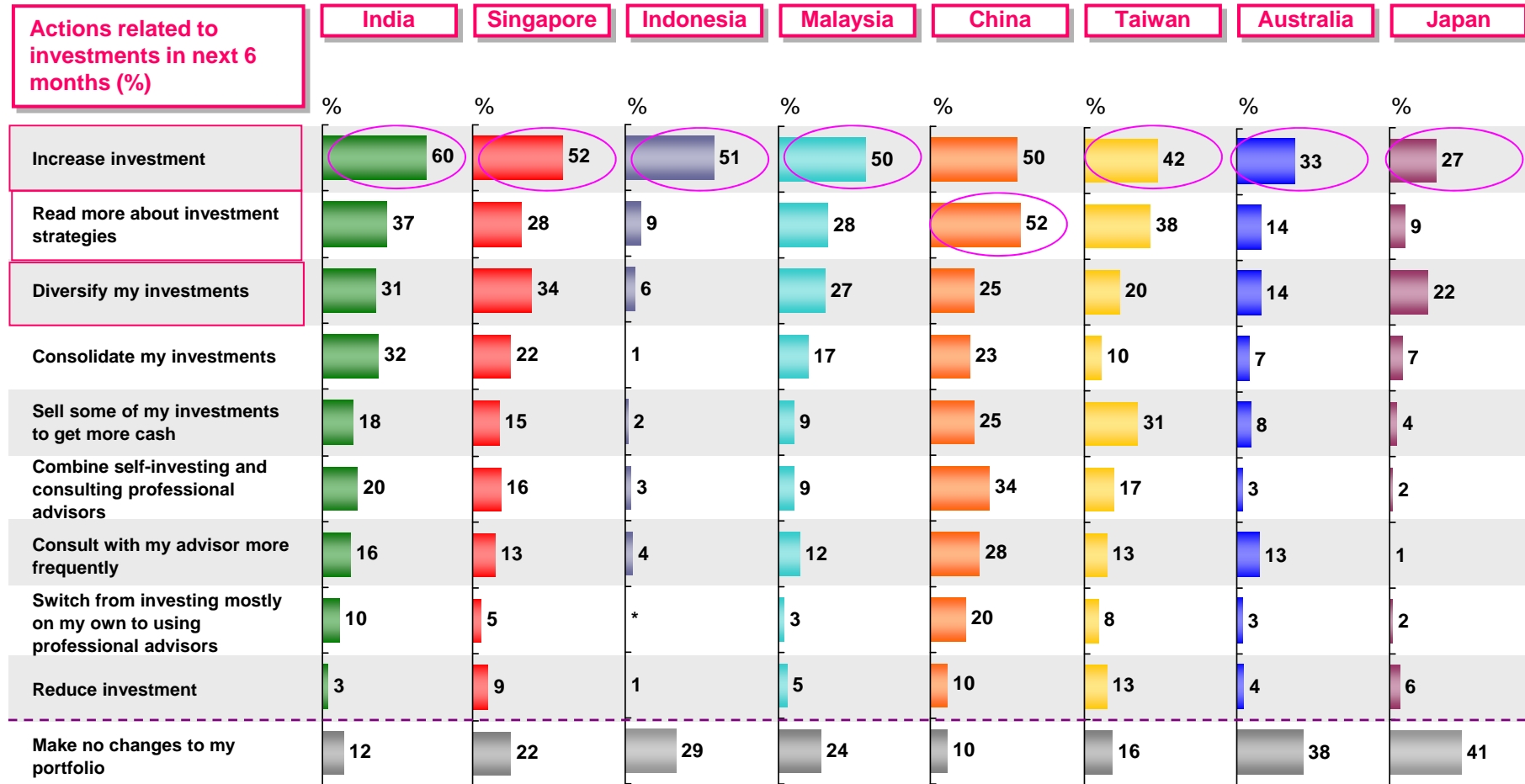
Note:  
Figures in ( ) refer to change in investment risk appetite vs wave 1

# Majority expect to maintain current levels of investment risk appetite in the next 6 months, though more are open to higher risk

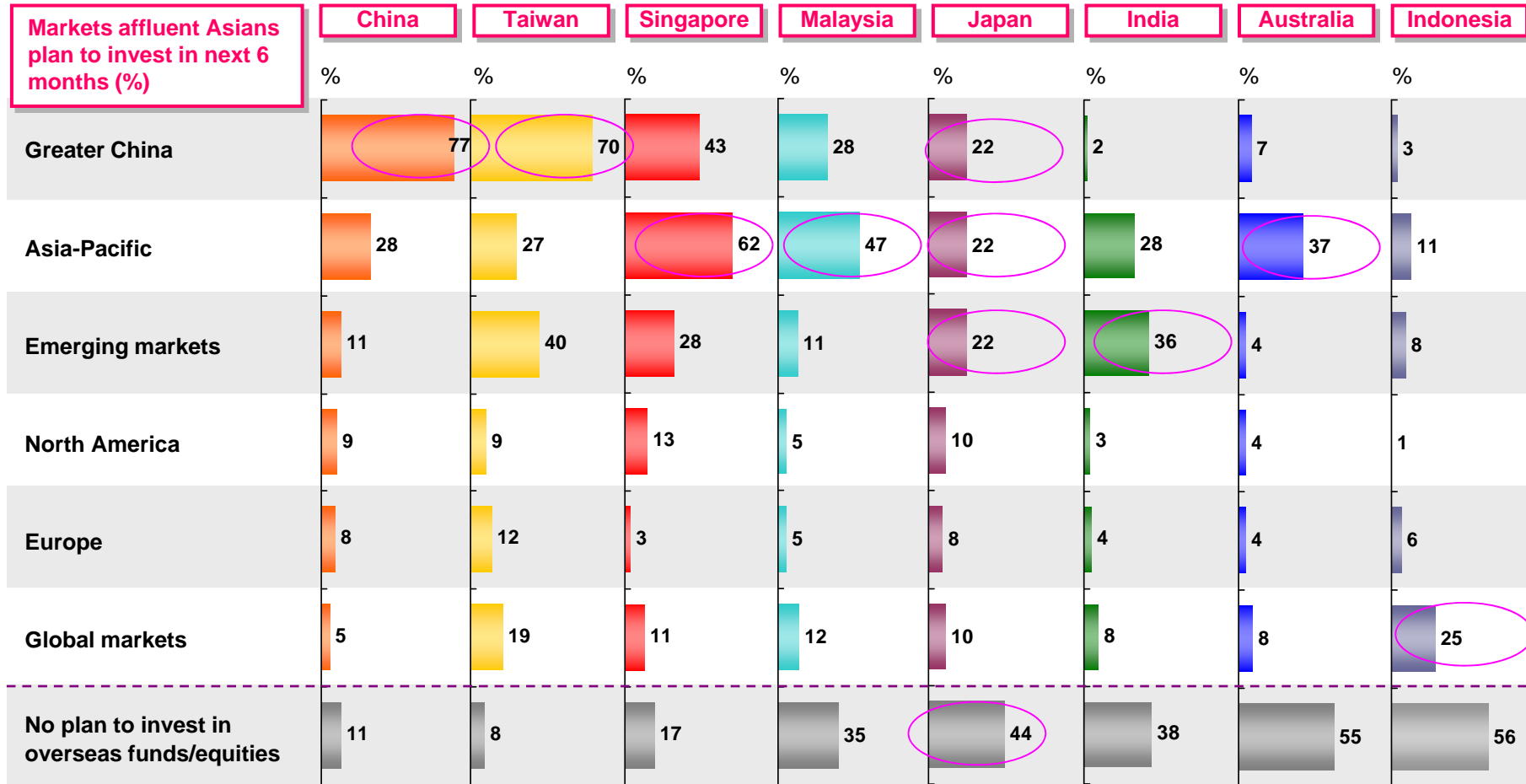


Note:  
 (1) Figures in ( ) refer to change in investment risk appetite compared to wave 1

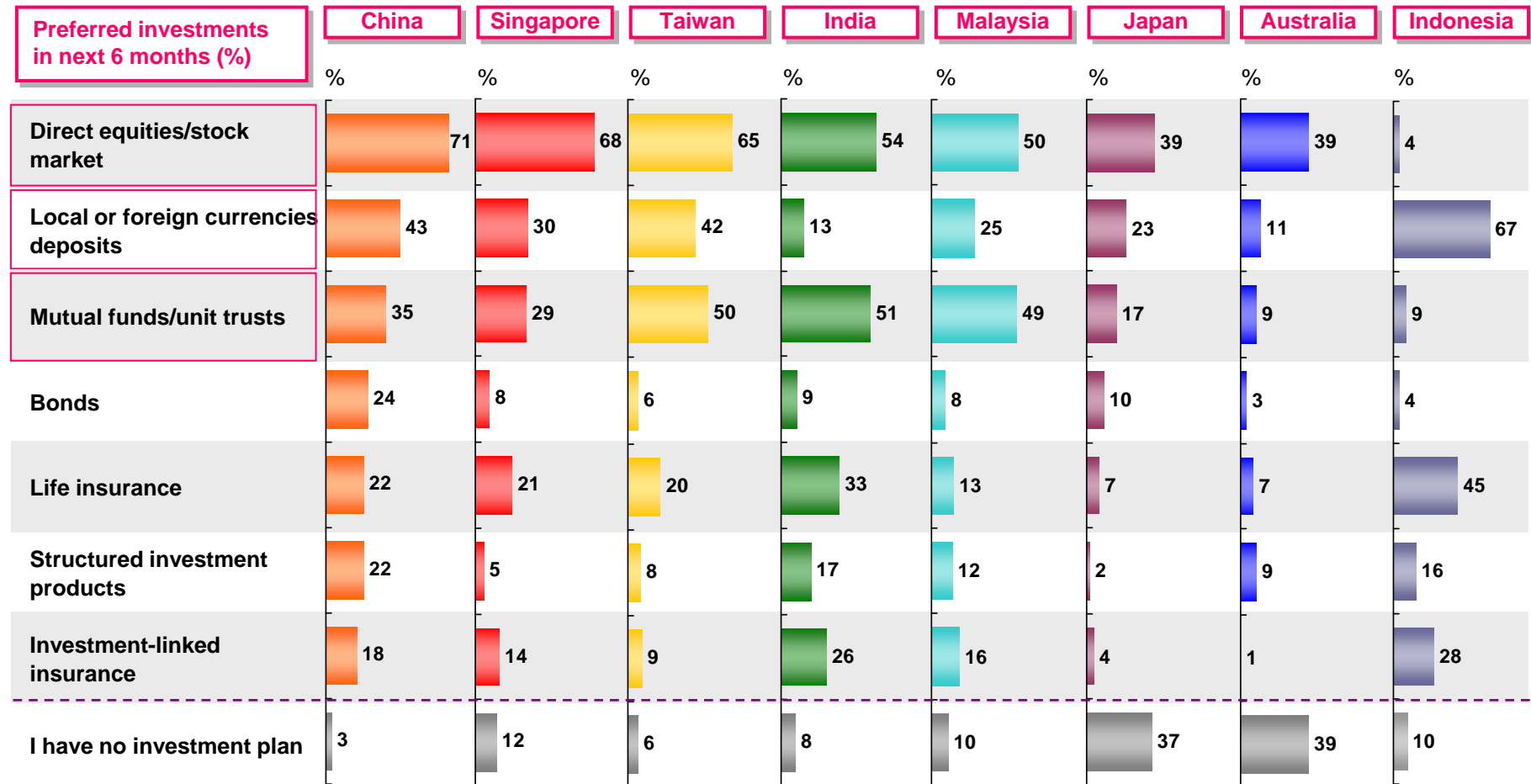
# Affluent Asians plan to increase and diversify investments, and read more about investment strategies



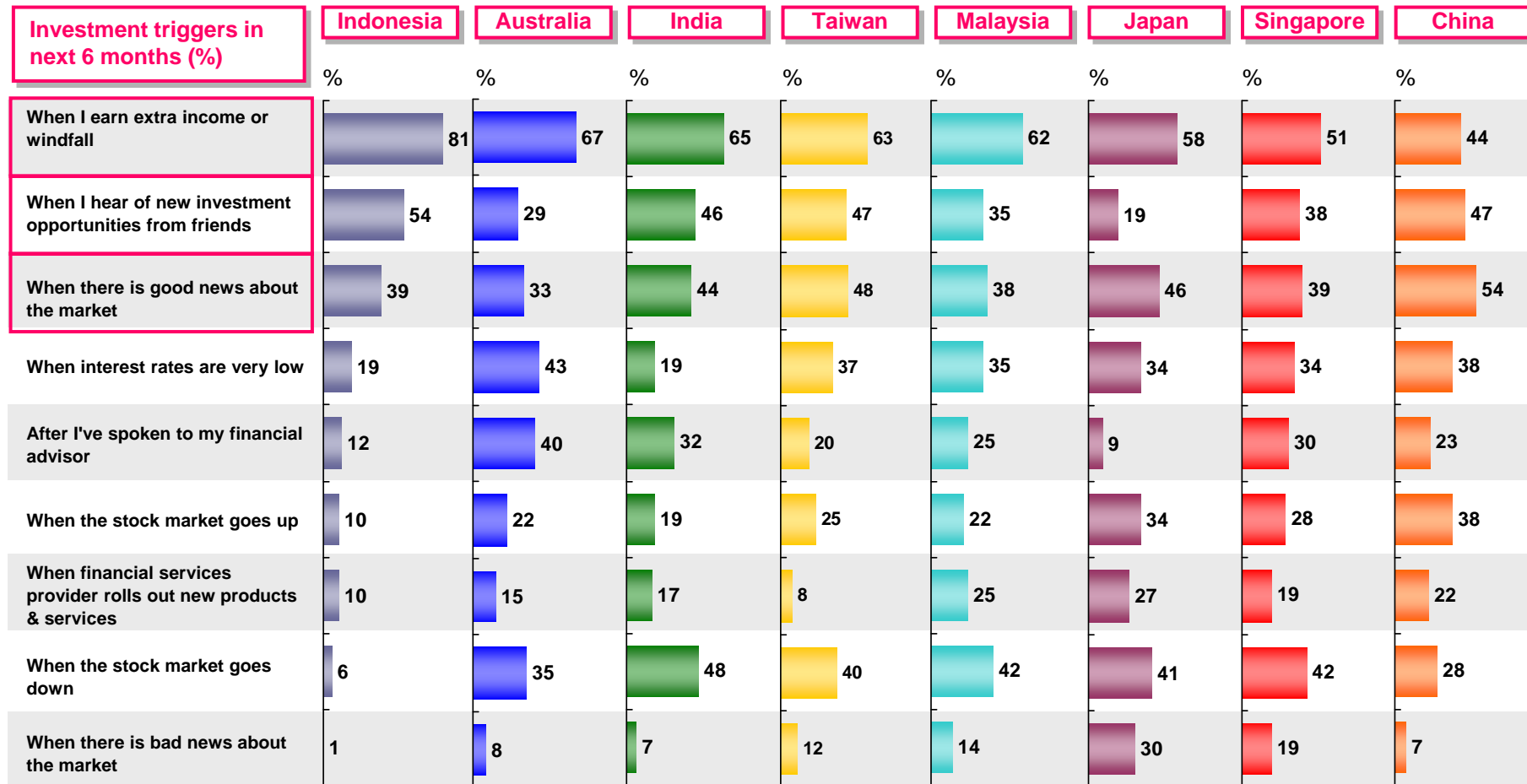
# 56% of affluent Japanese are interested in overseas investment, especially Greater China and Emerging markets



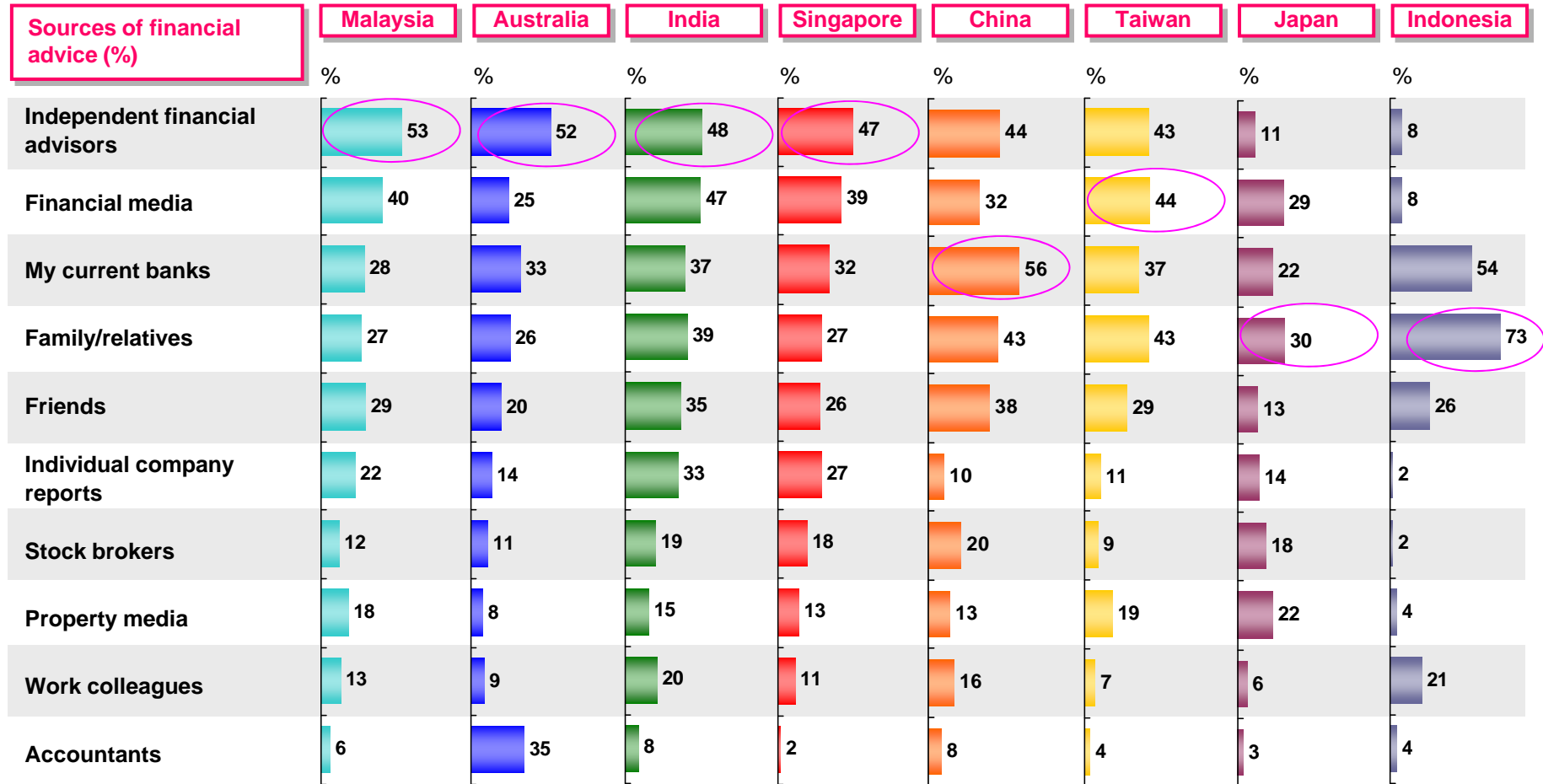
# Affluent Asians to invest in stocks, cash and mutual funds



# Top factors influencing investment decisions: extra income, positive market news and word of mouth

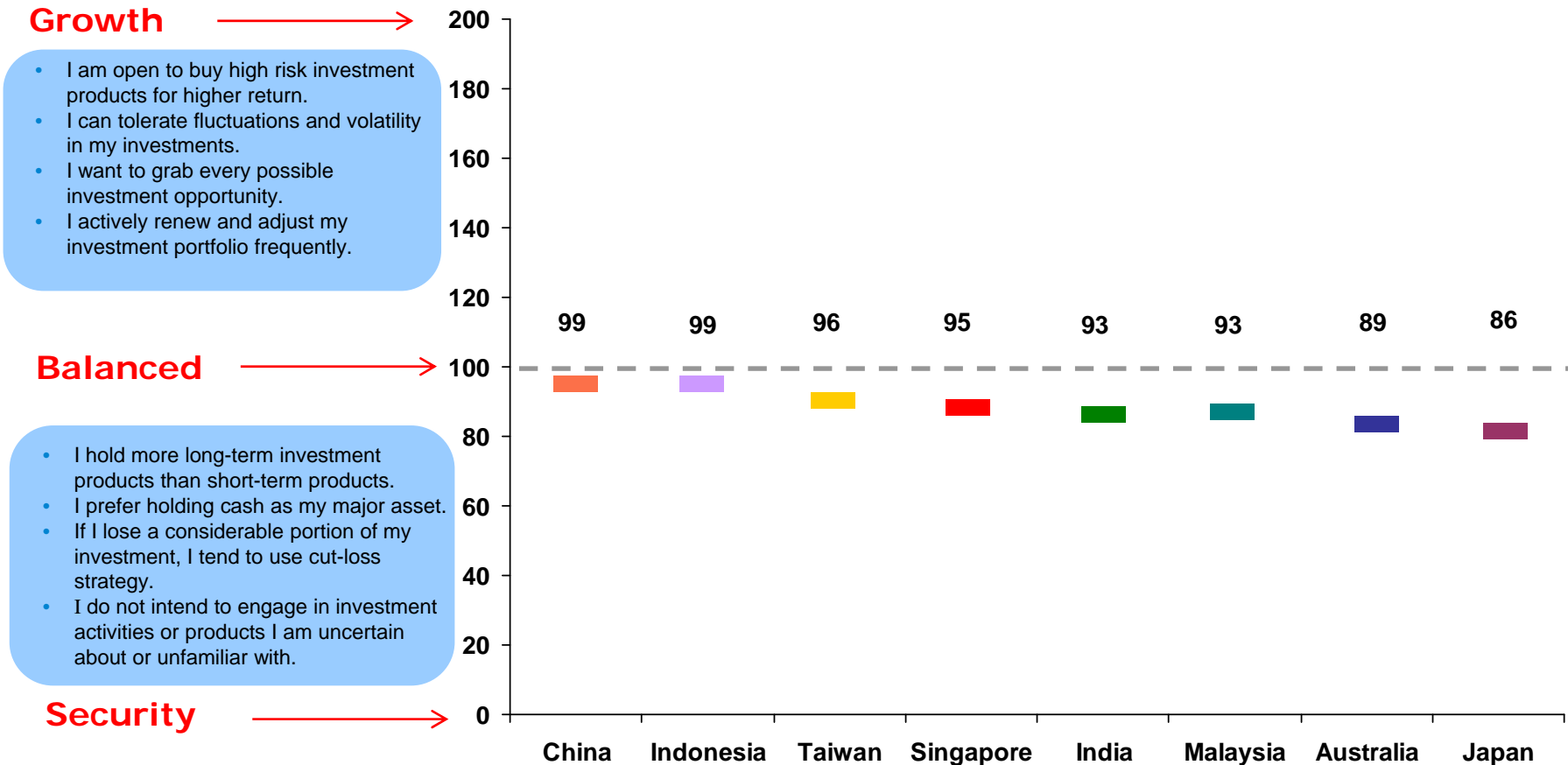


# Independent financial advisors, banks and family are top sources of financial information



# HSBC Affluent Asian Investment Risk Index

*Affluent Asians with balanced propensity for security and growth*

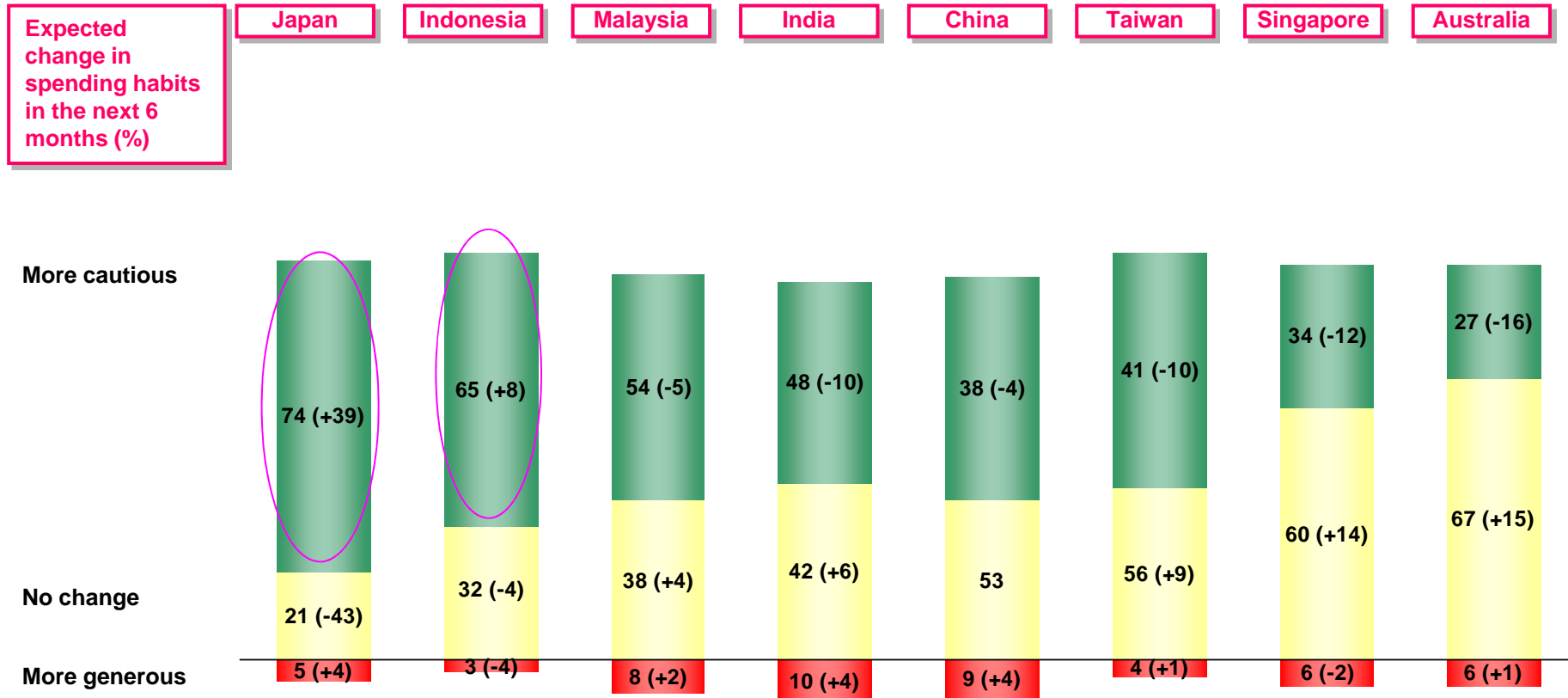


Note:  
With a range of 0-200 (mean at 100), the higher the score, the stronger the propensity towards growth; the lower the score, the stronger the propensity towards security



# The affluent Asian consumer

# Majority of Japanese and Indonesian affluent expect to spend less in the next 6 months



Note:  
 Figures in ( ) refer to change in spending habits compared to the past 6 months

# Travel is the next big splurge

