

HSBC HOLDINGS PLC  
Form 6-K  
February 20, 2009

**FORM 6-K**

**SECURITIES AND EXCHANGE COMMISSION**

**Washington, D.C. 20549**

**Report of Foreign Private Issuer**

**Pursuant to Rule 13a - 16 or 15d - 16 of  
the Securities Exchange Act of 1934**

For the month of February, 2009

**HSBC Holdings plc**

42<sup>nd</sup> Floor, 8 Canada Square, London E14 5HQ, England

(Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F).

Form 20-F  Form 40-F

(Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934).

Yes.....  No

(If "Yes" is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): 82-.....).

*The following is the text of an advertisement which is to be published in the press in Malta on 21 February 2009*

*by HSBC Bank*

*Malta*

*p.l.c., a 70.03 per cent indirectly held subsidiary of HSBC Holdings plc.*

20 February 2009

**HSBC BANK  
MALTA  
p.l.c.  
2008 RESULTS - HIGHLIGHTS**

**Review of Performance**

- Profit before tax of €  
96.  
1  
million for the  
year  
ended  
31 December 200  
8 - down €  
18.  
6  
million, or  
16.  
2  
per cent, compared with €  
114.6  
million  
in 2007  
.
- Profit attributable to shareholders down  
17.  
3  
per cent, or €  
13.  
2  
million, to €  
6  
3  
.  
1  
million, compared with €  
76.3  
million

in 2007

.

- Earnings per share  
of

€0.

21

6

,

down 17.2 per cent  
compared to

€0.

261

for 2007

.

- Loans and advances to customers of €  
3,112.2  
million at  
31 December 2008  
- up €  
289.9  
million, or  
10.3  
per cent, compared with 31 December 2007.

- Core customer deposits of  
€  
3,407.5  
million at  
31 December  
2008 - up €  
33.7  
million  
,  
or 1.0 per cent  
,  
  
compared with 31 December 2007.

- Total assets of €5,  
2

96.1

million, up €

40

1

.

0

million, or

8

.2 per cent, compared with 31 December

2007

.

- Return on equity of 22.3 per cent for the year ended 31 December 2008, compared with 27.6 per cent in 2007.

- Capital adequacy ratio, on a Basel II basis, of 11.0 per cent compared with 10.3 per cent in 2007.

## Commentary

**HSBC Bank  
Malta  
and its subsidiaries  
delivered a  
profit before tax  
in 2008  
of €96.  
1  
million**

**While  
this represents a decline of 16.**

2

**per cent compared to 2007,  
it was  
a solid result achieved  
after taking into account**

**the introduction of the euro and the volatility of world financial markets. Overall  
, profitability was still  
strong with a return on equity of 22.3 per cent.**

Net interest income of €123.0 million

in 2008

was down  
2.5 per cent

,

from  
€126.2 million  
in 2007

.

Increases in  
loans and advances  
generated  
steady growth  
in interest receivable. This was off-set by the increase in interest payable on retail  
deposits

,

and m  
argin pressure  
from  
a combination of increased  
competition  
and

the  
lower  
ing of  
base rates

by  
the

ECB in the last quarter of 2008.

Net f  
ees and commission income of €  
31.8  
million  
in 2008, compared to €31.0 million

in

2007

,  
was achieved  
despite reduced levels of business activity during the first quarter of 2008

following

Malta

,  
s adoption of the euro on 1 January 2008 and the general elections. Adopting the euro also affected foreign exchange  
dealing income  
which

,  
at €  
7.9  
million, was significantly lower than the €  
16.7  
million earned  
in the previous  
year.

Strong organic growth in sales of regular premium term life and investment products, and flat costs contributed to the life insurance business generating a profit before tax of €16.4 million in 2008, up 25.0 per cent on 2007.

The

loss  
of €29.4  
million  
in  
n

et income from insurance financial instrum  
ents designated at fair value  
was  
offset  
by a  
corresponding increase

in  
o  
ther operating income

,

a  
reduction in

n  
et insurance claims incurred and movement in policyholders

,

liabilities.

During the year,  
gains from property disposals and a revaluation gain on investment property

generated €3.5  
million  
in other operating income.

Operating expenses of €  
90.4  
million

in 2008 were

€6.7 million

,  
or  
8  
.1  
per cent

,  
higher compared to the  
previous year

,  
with a cost efficiency ratio of  
48.0

per cent compared to  
42.1  
per cent in 2007.

Employee compensation and benefits increased by €5.6 million  
in 2008

primarily due to an exceptional charge to support  
a voluntary early retirement scheme.

General and administrative e  
xpense growth  
of €1.0 million

was driven  
primarily  
by non-recurring costs related to the euro co  
nversion and  
information technology investment

,  
as well as utility and communications expenditure

.  
S  
tripping out  
the costs incurred by the  
e  
uro conversion and

voluntary retirement scheme

,

operating expenses

remained flat

year-

on

-

year

.

The n

et impai

ment charge of €1.9 million

was six

basis points

of loans and

advances to customers. The

year-

on

-

year increase

was

mainly

due to

the non-recurrence of the high levels of recoveries experienced during 2007

.

L

oans and advances to customers

increased

by

€

289.9

million

in 2008

to €3,112.2 million

,

from €

2,822.3 million

in 2007

,

with

growth

across

both the personal and commercial sectors

.



The quality of the overall loan book remains good with non-performing loans at the 2008 year end representing 2.3 per cent of gross loans,

an improvement from 2.7 per cent at the end of 2007.

Short-term liquid money market placements in the form of loans and advances to banks increased by €441.3 million to €1,072.3 million as more

new funds and maturing liquidity were placed with HSBC

as a result of increasing market risks.

In these challenging times, the availability of available-for-sale investments portfolio was marked down by €9.7 million during the year. HSBC Malta believe

that the credit quality of these assets remains strong and that this deficit will reverse over the long-term. The mark-down was charged to revaluation reserves, net of tax.

**The capital adequacy ratio, on a Basel II basis, remained strong at 11.0 per cent.**

**In September 2008, the bank issued a €30.0 million**

**,  
5.9 per cent**

**,  
subordinated bond  
to  
further  
strengthen**

**its**

**funding base and  
to  
support  
future business growth.**

**Alan Richards,**

**d  
irector and**

**c  
hief**

**e  
xecutive**

**o  
fficer**

**of  
HSBC Bank**

**Malta**

**, said:**

**"**

**It**

**will be a particularly challenging year  
in 2009**

**as many parts of the world head into a recession  
which**

**will leave its mark on**

**Malta**

**. Profitability will be under pressure as the economy slows, margins contract  
further**

**in a low interest rate environment and impairments are likely to increase as the credit cycle**

**continues to weaken**

**.**

**"**

**While**

**st**

some of the challenges we face may be unprecedented

,  
we are in  
good

shape.

I am confident that with our track record, the backing of  
the

HSBC Group, our enduring commitment to liquidity, strong capital and a conservative approach to risk management,  
we are well positioned to build

on  
our strengths and support  
our customers to drive  
future growth

.

"

The  
financial

result for 2008

is  
a testimony to the hard work and professionalism of our staff during these trying times.

"

T  
he Board is declaring a final  
gross dividend of  
€0.  
096  
per share  
(  
€0.  
062

net of tax). This will be paid on  
20 April 2009  
to shareholders who are on the bank

,

s register of  
shareholders  
at 4  
March  
2009

. This, together with the gross interim ordinary dividend of  
€0.  
119 per share

,

results in a total gross dividend for the year of

€0.  
215  
.

**Income statements for the year 1 January  
2008  
to 31 December 2008**

	<i>Group</i>		<i>Bank</i>	
	2008	2007	2008	2007
	€000	€000	€000	€000
Interest receivable and similar income				
– on loans and advances, balances with Central Bank of Malta, Treasury Bills and other instruments	<b>224,031</b>	217,587	<b>223,907</b>	217,671
– on debt and other fixed income instruments	<b>21,479</b>	19,993	<b>21,376</b>	19,993
Interest payable	<b>(122,466)</b>	(111,342)	<b>(124,623)</b>	(113,107)
<b>Net interest income</b>	<b>123,044</b>	126,238	<b>120,660</b>	124,557
Fees and commissions receivable	<b>34,332</b>	33,289	<b>28,498</b>	26,972
Fees and commissions payable	<b>(2,567)</b>	(2,294)	<b>(1,955)</b>	(1,808)
<b>Net fee and commission income</b>	<b>31,765</b>	30,995	<b>26,543</b>	25,164
Dividend income	<b>69</b>	328	<b>1,504</b>	9,655
Trading profits	<b>7,802</b>	16,785	<b>7,802</b>	16,785
Net income from insurance financial instruments designated at fair value through profit or loss	<b>(29,407)</b>	35	-	-
Net gains on sale of available-for-sale financial assets	<b>2,787</b>	3,538	<b>2,725</b>	3,538
Net earned insurance premiums	<b>58,032</b>	73,249	-	-
Other operating income	<b>31,779</b>	15,844	<b>3,749</b>	4,279
<b>Total operating income</b>	<b>225,871</b>	267,012	<b>162,983</b>	183,978
Net insurance claims incurred and movement in policyholders' liabilities	<b>(37,570)</b>	(68,321)	-	-
<b>Net operating income</b>	<b>188,301</b>	198,691	<b>162,983</b>	183,978
Employee compensation and benefits	<b>(55,477)</b>	(49,840)	<b>(52,991)</b>	(47,533)
General and administrative expenses	<b>(27,743)</b>	(26,732)	<b>(26,168)</b>	(24,927)
Depreciation	<b>(5,951)</b>	(6,026)	<b>(5,920)</b>	(5,991)
Amortisation of intangible assets	<b>(1,238)</b>	(1,044)	<b>(1,011)</b>	(780)
Other operating charges	-	(30)	-	(30)
<b>Net operating income before impairment charges and provisions</b>	<b>97,892</b>	115,019	<b>76,893</b>	104,717
Net impairment	<b>(1,907)</b>	(42)	<b>(1,907)</b>	(42)
Reversals/(provisions) for liabilities and other charges	<b>102</b>	(340)	<b>103</b>	(305)
<b>Profit before tax</b>	<b>96,087</b>	114,637	<b>75,089</b>	104,370
Tax expense	<b>(32,972)</b>	(38,322)	<b>(25,706)</b>	(33,458)
<b>Profit attributable to shareholders of the bank</b>	<b>63,115</b>	76,315	<b>49,383</b>	70,912
<b>Earnings per share</b>	<b>21.6c</b>	26.1c	<b>16.9c</b>	24.3c

<b>Balance sheets at 31 December 2008</b>				
	<i>Group</i>		<i>Bank</i>	
	<b>2008</b>	2007	<b>2008</b>	2007
	<b>€000</b>	€000	<b>€000</b>	€000
<b>Assets</b>				
Balances with Central Bank of Malta, Treasury Bills and cash	<b>130,682</b>	472,136	<b>130,681</b>	472,136
Cheques in course of collection	<b>9,308</b>	3,103	<b>9,308</b>	3,103
Financial assets held for trading	<b>11,823</b>	15,980	<b>12,057</b>	15,980
Financial assets designated at fair value through profit or loss	<b>279,714</b>	275,695	-	-
Financial investments	<b>429,912</b>	456,525	<b>412,016</b>	452,008
Loans and advances to banks	<b>1,072,306</b>	631,018	<b>1,072,269</b>	630,936
Loans and advances to customers	<b>3,112,240</b>	2,822,315	<b>3,112,240</b>	2,822,315
Shares in subsidiary companies	-	-	<b>35,707</b>	29,541
Intangible assets	<b>64,256</b>	36,110	<b>1,797</b>	1,363
Property and equipment	<b>70,684</b>	77,820	<b>70,731</b>	77,857
Investment property	<b>14,050</b>	12,885	<b>11,647</b>	10,482
Assets held for sale	<b>9,168</b>	11,922	<b>9,317</b>	12,071
Current tax recoverable	<b>2,966</b>	2,596	<b>2,164</b>	1,887
Deferred tax assets	<b>15,916</b>	11,553	<b>15,726</b>	11,548
Other assets	<b>25,824</b>	25,855	<b>8,425</b>	8,938
Prepayments and accrued income	<b>47,239</b>	39,576	<b>44,598</b>	36,571
<b>Total assets</b>	<b>5,296,088</b>	4,895,089	<b>4,948,683</b>	4,586,736
<b>Liabilities</b>				
Financial liabilities held for trading	<b>11,381</b>	15,043	<b>12,375</b>	15,239
Amounts owed to banks	<b>462,185</b>	87,142	<b>462,185</b>	87,142
Amounts owed to customers	<b>4,016,632</b>	4,039,492	<b>4,073,875</b>	4,107,994
Provision for current tax	<b>688</b>	11,043	-	4,294
Deferred tax liabilities	<b>17,600</b>	12,361	-	-
Liabilities to customers under investment contracts	<b>15,122</b>	18,947	-	-
Liabilities under insurance contracts issued	<b>311,250</b>	290,943	-	-
Other liabilities	<b>36,734</b>	32,303	<b>33,883</b>	29,294
Accruals and deferred income	<b>53,930</b>	53,147	<b>53,839</b>	52,374
Provisions for liabilities and other charges	<b>312</b>	414	<b>277</b>	380
Subordinated liabilities	<b>87,777</b>	57,962	<b>87,777</b>	57,962
<b>Total liabilities</b>	<b>5,013,611</b>	4,618,797	<b>4,724,211</b>	4,354,679
<b>Equity</b>				
Called up share capital	<b>87,552</b>	84,976	<b>87,552</b>	84,976
Revaluation and other reserves	<b>15,149</b>	24,614	<b>15,314</b>	24,764

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Retained earnings	<b>179,776</b>	166,702	<b>121,606</b>	122,317
<b>Total equity</b>	<b>282,477</b>	276,292	<b>224,472</b>	232,057
<b>Total liabilities and equity</b>	<b>5,296,088</b>	4,895,089	<b>4,948,683</b>	4,586,736
<b>Memorandum items</b>				
Contingent liabilities	<b>129,925</b>	129,972	<b>129,948</b>	129,995
<b>Commitments</b>	<b>1,110,572</b>	1,148,034	<b>1,110,572</b>	1,148,034

The financial statements were approved by the Board of Directors on 20 February 2009 and signed on its behalf by:

Albert Mizzi,  
Chairman

Alan Richards,  
Chief Executive Officer

*Statements of changes in equity for the year 1 January 2008 to 31 December 2008*

<i>Group</i>	<i>Called up share capital</i>	<i>Revaluation and other reserves</i>	<i>Retained earnings</i>	<i>Total equity</i>
	<b>€000</b>	<b>€000</b>	<b>€000</b>	<b>€000</b>
At 1 January 2008	<b>84,976</b>	<b>24,614</b>	<b>166,702</b>	<b>276,292</b>
Release of net gains on a vailable-for sale assets transferred to the income statement on disposal	-	( <b>876</b> )	-	( <b>76</b> )
Net fair value adjustments on financial investments	-	( <b>6,263</b> )	-	( <b>6,263</b> )
Release of revaluat ion reserve on disposal of properties	-	( <b>2,326</b> )	<b>2,326</b>	-
Income and expenses	-	( <b>9,465</b> )	<b>2,326</b>	( <b>7,</b>

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recognised directly in equity		)		<b>139</b> )
Increase in paid-up value	<b>2,576</b>	-	<b>(2,576)</b>	-
Profit for the year	-	-	<b>63,115</b>	<b>63,115</b>
Share-based payments	-	-	<b>858</b>	<b>858</b>
Dividends	-	-	<b>(50,649)</b>	<b>(50,649)</b>
<b>At 31 December 2008</b>	<b>87,552</b>	<b>15,149</b>	<b>179,776</b>	<b>282,477</b>
At 1 January 2007 as previously stated	84,976 -	25,323 (575)	184,062 189	294,361 (386)
Impact of adoption of IFRIC 11				
At 1 January 2007 as restated	84,976	24,748	184,25 1	293,975
Release of net gains on available-for sale assets transferred to the income statement on disposal	-	(1,808)	(491)	(2,299)
Net fair value adjustments on financial investments	-	(6,940)	-	(6,940)
Net surplus on revaluation of freehold and long leasehold properties	-	8,614	-	8,614
Income and expenses recognised directly in equity	-	(134)	(491)	(625)
Profit for the year	-	-	76,315	76,315
Share-based payments	-	-	304	304
Dividends	-	-	(93,677)	(93,677)
At 31 December 2007	84,976	24,614	166,702	276,292
as restated				

*Statements of changes in equity for the year 1 January 2008 to 31 December 2008*

	<i>Called up share capital</i>	<i>Revaluation and other r eserves</i>	<i>Retained earnings</i>	<i>Total equity</i>
<i>Bank</i>	<b>€000</b>	<b>€000</b>	<b>€000</b>	<b>€000</b>
At 1 January 2008	<b>84,976</b>	<b>24,764</b>	<b>122,317</b>	<b>232,057</b>
Release of net gains on available-for-sale assets transferred to the income statement on disposal	-	<b>(836)</b>	-	<b>(836)</b>
Net fair value adjustments on financial investments	-	<b>(6,288)</b>	-	<b>(6,288)</b>
Release of revaluation reserve on disposal of properties	-	<b>(2,326)</b>	<b>2,326</b>	-
Income and expenses recognised directly in equity	-	<b>(9,450)</b>	<b>2,326</b>	<b>(7,124)</b>
Increase in paid-up value	<b>2,576</b>	-	<b>(2,576)</b>	-
Profit for the year	-	-	<b>49, 383</b>	<b>49,383</b>
Share-based payments	-	-	<b>805</b>	<b>805</b>
Dividends	-	-	<b>(50,649)</b>	<b>(50,649)</b>
<b>At 31 December 2008</b>	<b>87,552</b>	<b>15,314</b>	<b>121,606</b>	<b>224,472</b>
At 1 January 2007 as previously stated	84,976	25,288	145,083	255,347
Impact of adoption of IFRIC 11	-	(540)	179	(361)
At 1 January 2007 as restated	84,976	24,748	145,262	254,986
Release of net gains on available-for-sale assets transferred to the income statement on disposal	-	(1,808)	(491)	(2,299)
Net fair value adjustments on financial investments	-	(6,790)	-	(6,790)
Net surplus on revaluation of freehold and long leasehold properties	-	8,614	-	8,614
Income and expenses recognised directly in equity	-	16	(491)	(475)
Profit for the year	-	-	70,912	70,912
Share-based payments	-	-	311	311
			<b>(93,677)</b>	<b>(93,677)</b>



Dividends	-	-		
At 31 December 2007	84,976	24,764	122,317	232,057
as restated				

**Cash flow statements  
for the  
year  
1 January 2008 to 31**

**December  
2008**

	<i>Group</i> <b>2008</b>	2007	<i>Bank</i> <b>2008</b>	2007
	<b>€000</b>	€000	<b>€000</b>	€000
<b>Cash flows from operating activities</b>				
Interest, commission and premium receipts	<b>314,862</b>	337,419	<b>248,029</b>	256,212
Interest, commission and claims payments	<b>(145,954)</b>	(122,534)	<b>(125,827)</b>	(105,199)
Payments to employees and suppliers	<b>(79,468)</b>	(76,438)	<b>(75,013)</b>	(72,602)
Operating profit before changes in operating assets/liabilities	<b>89,440</b>	138,447	<b>47</b>	78,411
			<b>189</b>	
(Increase)/decrease in operating assets:				
Trading instruments	<b>(32,825)</b>	(15,549)	<b>33</b>	(1,349)
Reserve deposit with Central Bank of Malta	<b>61,306</b>	(815)	<b>61,306</b>	(815)
Loans and advances to customers and banks	<b>(471,985)</b>	(112,672)	<b>(471,985)</b>	(112,672)
Treasury Bills	<b>80,531</b>	(54,896)	<b>80,531</b>	(54,896)
Other receivables	<b>(4,867)</b>	18,388	<b>(4,876)</b>	18,730
Increase/(decrease) in operating liabilities:				
Customer accounts and amounts owed to banks	<b>2,379</b>	405,122	<b>(8,316)</b>	444,805

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Other payables	<b>5,213</b>	(1,202)	<b>3,801</b>	(1,165)
Net cash (used in)/from operating activities before tax	<b>(270,808)</b>	376,823	<b>(292,317)</b>	371,049
Tax paid	<b>(38,876)</b>	(33,818)	<b>(30,498)</b>	(33,355)
Net cash (used in)/from operating activities	<b>(309,684)</b>	343,005	<b>(322,815)</b>	337,694
<b>Cash flows from investing activities</b>				
Dividends received	<b>49</b>	228	<b>982</b>	7,566
Interest received from financial investments	<b>23,884</b>	21,011	<b>23,825</b>	21,011
Proceeds from sale and maturity of financial investments	<b>88,551</b>	195,078	<b>86,156</b>	195,078
Proceeds on sale of property and equipment and intangible assets	<b>9,755</b>	61	<b>9,750</b>	61
Purchase of financial investments	<b>(83,733)</b>	(278,768)	<b>(67,953)</b>	(274,104)
Purchase of property and equipment, investment property and intangible assets	<b>(7,556)</b>	(9,981)	<b>(7,454)</b>	(9,723)
Purchase of shares in subsidiary companies	-	-	<b>(6,166)</b>	(6,988)
Net cash from/(used in) investing activities	<b>30,950</b>	(72,371)	<b>39,140</b>	(67,099)
<b>Cash flows from financing activities</b>				
Dividends paid	<b>(50,649)</b>	(93,677)	<b>(50,649)</b>	(93,677)
Issue of subordinated loan stock	<b>30,000</b>	58,234	<b>30,000</b>	58,234
Subordinated loan stock issue costs	<b>(226)</b>	(302)	<b>(226)</b>	(302)
Net cash used in financing activities	<b>(20,875)</b>	(35,745)	<b>(20,875)</b>	(35,745)
<b>(Decrease)/increase in cash and cash equivalents</b>	<b>(299,609)</b>	234,889	<b>(304,550)</b>	234,850
Effect of exchange rate changes on cash and cash equivalents	<b>(22,840)</b>	(27,258)	<b>(22,840)</b>	(27,258)
Net (decrease)/increase in cash and cash equivalents	<b>(276,769)</b>	262,147	<b>(281,710)</b>	262,108
Cash and cash equivalents at beginning of year	<b>604,204</b>	369,315	<b>604,122</b>	369,27

<b>Cash and cash equivalents at end of year</b>	<b>304,595</b>	604,204	<b>299,572</b>	604,12 2
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**Basis of  
preparation**

*The preliminary profit statement is published pursuant to Listing Rule 9.35 of the MFSA Listing Authority and Article 4 (2) (b) of the Prevention of Financial Markets Abuse (Disclosure and Notification) Regulations, 2005. Figures have been extracted from HSBC Bank*

*Malta  
p.l.c.*

*s Annual Report and Accounts which have been audited by KPMG*

*These financial statements have been prepared and presented in accordance with International Accounting Standards as adopted by the EU (EU endorsed International Financial Reporting Standards) by virtue of Legal Notice 19 of 2009 of the Accountancy Profession Act : Accountancy Profession (Accounting and Auditing Standards) Regulations 2009.*

*HSBC Bank Malta p.l.c. is a member of the HSBC Group, whose ultimate parent company is HSBC Holdings plc. Headquartered in London, HSBC Holdings plc is one of the largest banking and financial services organisations in the world. The HSBC Group*

*s international network comprises around  
9,500*

*properties in 8*

*5*

*countries and territories in Europe, the Asia-Pacific region, the*

*Americas*

*, the Middle East and*

*Africa*

END

**SIGNATURE**

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Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

HSBC Holdings plc

By:

Name: P A Stafford

Title: Assistant Group

Secretary

Date: February 20, 2009