

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  
euro  
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  
a  
vailable-for-  
s  
ale investments portfolio was marked down by €9.7 million during  
the year.

HSBC Malta believe

s  
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