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HSBC HOLDINGS PLC
Form 6-K
February 16, 2006

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 2006

HSBC Holdings plc

42nd 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 announcement which is to be published in the press in Malta on 17 February 2006 by HSBC Bank Malta p.l.c., a 70.03 per cent indirectly-held subsidiary of HSBC Holdings plc.

HSBC Bank Malta p.l.c. Preliminary Profit Statement
for the year ended 31 December 2005

The preliminary profit statement is published pursuant to Listing Rule 9.39 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.

All figures are stated in Maltese lira, the functional currency of HSBC Bank Malta p.l.c. The euro exchange rate ruling on 31 December 2005 was EUR1 = Lm0.4293. The US dollar and sterling exchange rates ruling on the same day were US\$1 = Lm0.3637 and GBP1 = Lm0.6245. Average exchange rates for 2005 for euro, US dollar and sterling EUR1 = Lm0.4299, US\$1 = Lm0.3453 and GBP1 = Lm0.6285.

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Review of Performance

During the year ended 31 December 2005, HSBC Bank Malta p.l.c. and its subsidiaries generated a profit before tax on ordinary activities of Lm36.7 million, an increase of Lm3.9 million or 11.7 per cent compared with the year ended 31 December 2004.

Profit attributable to shareholders was Lm24.1 million, an increase of Lm2.1 million on the previous year.

Earnings per share increased from a 2004 figure of 30.2 cents to 33.0 cents, with the pre-tax return on average shareholders' funds increasing from 24.7 per cent in 2004 to 27.6 per cent.

Tax on profit on ordinary activities for 2005 increased to Lm12.6 million from Lm10.8 million in 2004.

Net interest income grew by 13.2 per cent over prior year and contributed Lm46.9 million to total operating income.

Non-interest income levels grew by 16.3 per cent, contributing Lm21.8 million to net operating income.

Operating expenses were Lm32.1 million, an increase of Lm0.5 million over prior year figures.

As a result, the group's cost:income ratio improved to 46.7 per cent from 52.5 per cent in 2004.

Net impairments reduced and recoveries contributed Lm0.1 million to profitability.

The Board is recommending a final ordinary dividend of 19.1 cents gross per share and a special dividend of 21.1 cents gross per share, giving a total final dividend of 40.2 cents gross per share. The dividends will be payable to shareholders who are on the register of shareholders as at 21 February 2006. A gross interim dividend of 19.1 cents and a special dividend of 27.4 cents were paid in August 2005.

The Board is also recommending a three-for-one bonus share issue. The bonus shares will be allotted to shareholders on the register of members as at close of trading on the Malta Stock Exchange on 18 April 2006. These bonus shares will be available for trading by the shareholders at the opening of business on 19 April 2006.

Shaun Wallis, Director and Chief Executive Officer of HSBC Bank Malta p.l.c. said: "2005 has been another successful year for HSBC Bank Malta p.l.c. with strong sales growth across all our key lines of business, reflecting the increased economic activity of our customers.

"These results were achieved by building the market leading bank in Malta with a strong customer-driven culture and a strong sense of community spirit and social responsibility."

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 over 9,700 offices in 77 countries and territories in Europe, the Asia-Pacific region, the Americas, the Middle East and Africa.

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Income Statement for the year 1 January 2005 to 31 December 2005

| | Group | | Bank | |
|---|---------------|---------------|---------------|---------------|
| | 2005 Lm000 | 2004 Lm000 | 2005 Lm000 | 2004 Lm000 |
| Interest receivable and similar income | | | | |
| - on loans and advances, balances with Central Bank of Malta and Treasury Bills | 60,994 | 56,531 | 58,048 | 53,088 |
| - on debt and other fixed income instruments | 13,205 | 12,276 | 12,196 | 11,817 |
| Interest payable | (27,327) | (27,413) | (27,648) | (27,717) |
| Net interest income | 46,872 | 41,394 | 42,596 | 37,188 |
| Fees and commissions receivable | 11,866 | 9,567 | 9,342 | 7,685 |
| Fees and commissions payable | (814) | (765) | (686) | (646) |
| Net fee and commission income | 11,052 | 8,802 | 8,656 | 7,039 |
| Dividend income | 473 | 363 | 22,604 | 5,709 |
| Trading profits | 7,206 | 6,562 | 7,215 | 6,552 |
| Net income from insurance financial instruments designated at fair value through profit or loss | 8,523 | 3,496 | - | - |
| Net gains on disposal of non-trading financial instruments | 1,204 | 1,716 | 1,266 | 1,019 |
| Net earned insurance premium | 16,236 | 14,198 | - | - |
| Other operating income | 723 | 737 | 24 | 50 |
| Total operating income | 92,289 | 77,268 | 82,361 | 57,557 |
| Net insurance claims incurred and movement in policyholders' liabilities | (23,661) | (17,168) | - | - |
| Net operating income | 68,628 | 60,100 | 82,361 | 57,557 |
| Employee compensation and benefits | (20,132) | (19,656) | (19,203) | (18,698) |
| General and administrative expenses | (9,075) | (8,590) | (8,527) | (8,026) |
| Depreciation | (2,197) | (2,311) | (2,157) | (2,253) |
| Amortisation of intangible assets | (635) | (797) | (556) | (616) |
| Other operating charges | (26) | (206) | (6) | (206) |
| Net operating income before impairment reversals and provisions | 36,563 | 28,540 | 51,912 | 27,758 |
| Net impairment reversals | 142 | 4,012 | 121 | 3,649 |
| Reversals of provisions for liabilities and other charges | 1 | 301 | 1 | 301 |
| Profit before tax | 36,706 | 32,853 | 52,034 | 31,708 |
| Tax on profit | (12,642) | (10,843) | (17,854) | (10,627) |
| Profit for the year | 24,064 | 22,010 | 34,180 | 21,081 |
| Profit attributable to shareholders of the bank | 24,057 | 22,010 | 34,180 | 21,081 |
| Profit attributable to minority interest | 7 | - | - | - |
| Earnings per share | 33.0c | 30.2c | 46.8c | 28.9c |

Balance Sheet at 31 December 2005

| | Group | | Bank | |
|-------------------------------|---------------|---------------|---------------|---------------|
| | 2005 Lm000 | 2004 Lm000 | 2005 Lm000 | 2004 Lm000 |
| Assets | | | | |
| Balances with Central Bank of | | | | |

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| | | | | |
|--|-----------|-----------|-----------|-----------|
| Malta, Treasury Bills and cash | 77,121 | 106,806 | 77,118 | 106,781 |
| Cheques in course of collection | 9,727 | 4,458 | 9,727 | 4,458 |
| Financial assets held for trading | 3,907 | 4,826 | 3,907 | 4,826 |
| Financial assets designated at fair value through profit or loss | 93,131 | 72,533 | - | - |
| Investments | 224,500 | 238,446 | 254,468 | 268,226 |
| Loans and advances to banks | 162,882 | 131,283 | 202,332 | 172,363 |
| Loans and advances to customers | 1,016,084 | 976,296 | 937,813 | 884,868 |
| Shares in subsidiary companies | - | - | 20,350 | 19,850 |
| Intangible assets | 9,433 | 8,782 | 829 | 964 |
| Property, plant and equipment | 29,746 | 30,647 | 29,755 | 30,620 |
| Investment property | 961 | 346 | - | - |
| Assets held for sale | 4,918 | 3,150 | 5,864 | 3,150 |
| Current tax recoverable | 1,895 | 1,372 | 1,607 | 1,310 |
| Other assets | 3,522 | 3,715 | 2,699 | 2,856 |
| Prepayments and accrued income | 12,868 | 16,486 | 12,945 | 15,716 |
| Total assets | 1,650,695 | 1,599,146 | 1,559,414 | 1,515,988 |
| Liabilities | | | | |
| Financial liabilities held for trading | 4,050 | 9,917 | 4,050 | 9,917 |
| Amounts owed to banks | 22,667 | 48,336 | 22,667 | 48,336 |
| Amounts owed to customers | 1,367,214 | 1,288,618 | 1,381,683 | 1,296,687 |
| Debt securities in issue | 12 | 12 | - | - |
| Deferred tax liability | 3,843 | 2,251 | 349 | 564 |
| Liabilities to customers under investment contracts | 8,297 | - | - | - |
| Liabilities under insurance contracts issued | 81,096 | 65,996 | - | - |
| Other liabilities | 16,755 | 14,522 | 16,192 | 13,306 |
| Accruals and deferred income | 15,035 | 15,101 | 14,942 | 14,818 |
| Provisions for liabilities and other charges | 25 | 26 | 25 | 26 |
| Subordinated liabilities | - | 19,914 | - | 20,000 |
| Total Liabilities | 1,518,994 | 1,464,693 | 1,439,908 | 1,403,654 |
| Equity | | | | |
| Called up share capital | 9,120 | 9,120 | 9,120 | 9,120 |
| Revaluation reserves | 13,105 | 11,473 | 13,041 | 11,479 |
| Other reserve | 4,242 | 4,242 | 4,242 | 4,242 |
| Retained earnings | 104,906 | 109,618 | 93,103 | 87,493 |
| Equity attributable to shareholders | 131,373 | 134,453 | 119,506 | 112,334 |
| Minority interest | 328 | - | - | - |
| Total equity | 131,701 | 134,453 | 119,506 | 112,334 |
| Total liabilities and equity | 1,650,695 | 1,599,146 | 1,559,414 | 1,515,988 |
| Memorandum items | | | | |
| Contingent liabilities | 51,513 | 44,127 | 51,523 | 44,537 |
| Commitments | 419,573 | 330,584 | 430,401 | 346,758 |

Statement of Changes in Equity for the year 1 January 2005 to 31 December 2005

Attributable to shareholders of the bank

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| Group | Called up share capital Lm000 | Revaluation reserves Lm000 | Other reserve Lm000 | Retained earnings Lm000 | Total Lm000 | Minority interest Lm000 |
|---|----------------------------------|-------------------------------|------------------------|----------------------------|----------------|----------------------------|
| At 1 January 2004 | 9,120 | 11,365 | 4,242 | 106,435 | 131,162 | - |
| Release of net gains on available-for-sale assets transferred to the income statement on disposal | - | (1,357) | - | - | (1,357) | - |
| Net fair value adjustments on investments | - | 615 | - | - | 615 | - |
| Surplus on revaluation of freehold and long leasehold properties | - | 850 | - | - | 850 | - |
| Net gains not recognised in the income statement | - | 108 | - | - | 108 | - |
| Profit for the year | - | - | - | 22,010 | 22,010 | - |
| Dividends | - | - | - | (18,827) | (18,827) | - |
| At 31 December 2004 | 9,120 | 11,473 | 4,242 | 109,618 | 134,453 | - |
| At 1 January 2005 as previously stated | 9,120 | 11,473 | 4,242 | 109,618 | 134,453 | - |
| Impact of adoption of IFRS 4 | - | - | - | (199) | (199) | - |
| At 1 January 2005 as restated | 9,120 | 11,473 | 4,242 | 109,419 | 134,254 | - |
| Release of net gains on available-for-sale assets transferred to the income statement on disposal | - | (783) | - | - | (783) | - |
| Net fair value adjustments on investments | - | 757 | - | - | 757 | - |
| Release of revaluation reserve on disposal of property | - | 30 | - | (45) | (15) | - |
| Movement in deferred tax on revaluation of property | - | 1,628 | - | - | 1,628 | - |
| Net gains not recognised in the income statement | - | 1,632 | - | (45) | 1,587 | - |
| Share capital of subsidiary | - | - | - | - | - | 321 |
| Profit for the year | - | - | - | 24,057 | 24,057 | 7 |
| Dividends | - | - | - | (28,525) | (28,525) | - |
| At 31 December 2005 | 9,120 | 13,105 | 4,242 | 104,906 | 131,373 | 328 |

| Bank | Called up share capital Lm000 | Revaluation reserves Lm000 | Other reserve Lm000 | Retained earnings Lm000 | Total equity Lm000 |
|---|----------------------------------|-------------------------------|------------------------|----------------------------|-----------------------|
| At 31 December 2003 as previously stated | 9,120 | 32,456 | 4,242 | 85,239 | 131,057 |
| Effect of change in accounting policy for valuation of investment in subsidiary companies | - | (21,752) | - | - | (21,752) |
| At 31 December 2003 as restated | 9,120 | 10,704 | 4,242 | 85,239 | 109,305 |

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| | | | | | |
|---|-------|--------|-------|----------|----------|
| At 1 January 2004 | 9,120 | 10,704 | 4,242 | 85,239 | 109,305 |
| Release of net gains on available-for-sale assets transferred to the income statement on disposal | - | (660) | - | - | (660) |
| Net fair value adjustments on investments | - | 585 | - | - | 585 |
| Surplus on revaluation of freehold and long leasehold properties | - | 850 | - | - | 850 |
| Net gains not recognised in the income statement | - | 775 | - | - | 775 |
| Profit for the year | - | - | - | 21,081 | 21,081 |
| Dividends | - | - | - | (18,827) | (18,827) |
| At 31 December 2004 | 9,120 | 11,479 | 4,242 | 87,493 | 112,334 |
| At 1 January 2005 | 9,120 | 11,479 | 4,242 | 87,493 | 112,334 |
| Release of net gains on available-for-sale assets transferred to the income statement on disposal | - | (823) | - | - | (823) |
| Net fair value adjustments on investments | - | 727 | - | - | 727 |
| Release of revaluation reserve on disposal of property | - | 30 | - | (45) | (15) |
| Movement in deferred tax on revaluation of property | - | 1,628 | - | - | 1,628 |
| Net gains not recognised in the income statement | - | 1,562 | - | (45) | 1,517 |
| Profit for the year | - | - | - | 34,180 | 34,180 |
| Dividends | - | - | - | (28,525) | (28,525) |
| At 31 December 2005 | 9,120 | 13,041 | 4,242 | 93,103 | 119,506 |

Cash Flow Statement for the year 1 January 2005 to 31 December 2005

| | Group | | Bank | |
|---|----------|----------|----------|----------|
| | 2005 | 2004 | 2005 | 2004 |
| | Lm000 | Lm000 | Lm000 | Lm000 |
| Cash flows from operating activities | | | | |
| Interest and commission receipts | 101,511 | 84,933 | 77,419 | 63,919 |
| Interest and commission payments | (30,381) | (31,843) | (28,359) | (30,256) |
| Payments to employees and suppliers | (29,547) | (25,841) | (27,938) | (25,133) |
| Operating profit before changes in operating assets/liabilities | 41,583 | 27,249 | 21,122 | 8,530 |
| (Increase)/decrease in operating assets: | | | | |
| Trading instruments | 419 | (1,742) | 419 | (1,742) |
| Reserve deposit with | | | | |

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| | | | | |
|---|----------|----------|----------|----------|
| Central Bank of Malta | (1,823) | (4,827) | (1,823) | (4,841) |
| Loans and advances to banks with contractual maturity of over three months | (4,952) | (7,079) | (4,952) | (7,080) |
| Loans and advances to customers | (41,414) | (52,911) | (54,538) | (71,273) |
| Treasury Bills with contractual maturity of over three months | 42,144 | 30,701 | 42,144 | 30,700 |
| Cheques in course of collection | (5,269) | 1,179 | (5,269) | 1,179 |
| Other receivables | (206) | (1,261) | (242) | (1,610) |
| Increase/(decrease) in operating liabilities: | | | | |
| Amounts owed to banks with contractual maturity of over three months | (22,999) | 14,561 | (22,999) | 14,560 |
| Amounts owed to customers | 67,563 | 25,735 | 73,962 | 27,297 |
| Other payables | 2,444 | 4,670 | 3,002 | 1,865 |
| Net cash from/(used in) operating activities before tax | 77,490 | 36,275 | 50,826 | (2,415) |
| Tax paid | (9,784) | (10,412) | (8,953) | (9,504) |
| Net cash flows from/(used in) operating activities | 67,706 | 25,863 | 41,873 | (11,919) |
| Cash flows from investing activities | | | | |
| Dividends received | 397 | 323 | 14,798 | 3,887 |
| Interest received from financial instruments designated at fair value through profit or loss | 2,399 | 1,605 | - | - |
| Interest received from available-for-sale debt and other fixed income instruments | 6,821 | 5,083 | 6,821 | 5,083 |
| Interest received from held-to-maturity debt and other fixed income instruments | 4,978 | 7,429 | 6,328 | 8,802 |
| Proceeds on disposal of financial instruments designated at fair value through profit or loss | 9,454 | 4,031 | - | - |
| Proceeds on disposal of available-for-sale instruments | 15,498 | 10,814 | 15,354 | 5,224 |
| Proceeds on maturity of held-to-maturity debt and other fixed income instruments | 41,707 | 70,488 | 41,707 | 70,488 |
| Proceeds on disposal of property, plant and equipment | 264 | 57 | 255 | 47 |
| Purchase of financial instruments designated at fair value through profit or loss | (21,506) | (23,319) | - | - |
| Purchase of available-for-sale instruments | (37,330) | (35,332) | (37,330) | (30,764) |

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| | | | | |
|--|----------|----------|----------|----------|
| Purchase of held-to-maturity debt and other fixed income instruments | - | (57,805) | - | (57,805) |
| Purchase of property, plant and equipment and investment property | (2,143) | (1,290) | (1,553) | (1,244) |
| Purchase of intangible assets | (712) | (86) | (421) | (81) |
| Purchase of shares in subsidiary companies | - | - | (1,500) | - |
| Net cash flows from/(used in) investing activities | 19,827 | (18,002) | 44,459 | 3,637 |
| Cash flows from financing activities | | | | |
| Dividends paid | (28,525) | (18,827) | (28,525) | (18,827) |
| Maturity of subordinated loan stock | (19,914) | - | (20,000) | - |
| Issue of units to minority interest | 321 | - | - | - |
| Cash used in financing activities | (48,118) | (18,827) | (48,525) | (18,827) |
| Increase/(decrease) in cash and cash equivalents | 39,415 | (10,966) | 37,807 | (27,109) |
| Effect of exchange rate changes on cash and cash equivalents | 2,558 | (1,139) | 2,558 | (1,139) |
| Net increase/(decrease) in cash and cash equivalents | 36,857 | (9,827) | 35,249 | (25,970) |
| | 39,415 | (10,966) | 37,807 | (27,109) |
| Cash and cash equivalents at beginning of year | 97,053 | 108,019 | 138,108 | 165,217 |
| Cash and cash equivalents at end of year | 136,468 | 97,053 | 175,915 | 138,108 |

Segmental Information

a Class of business

| | Personal Financial Services | | Commercial Banking | | Corporate, Investment Banking and Markets | | Total | |
|-------------------------------|-----------------------------|---------------|--------------------|---------------|---|---------------|---------------|---------------|
| | 2005 Lm000 | 2004 Lm000 | 2005 Lm000 | 2004 Lm000 | 2005 Lm000 | 2004 Lm000 | 2005 Lm000 | 2004 Lm000 |
| Group | | | | | | | | |
| Profit before tax | | | | | | | | |
| Segment operating income | 33,732 | 29,606 | 23,517 | 22,136 | 11,379 | 8,358 | 68,628 | 60,000 |
| Segment impairment allowances | (507) | 107 | 649 | 3,905 | - | - | 142 | 4,000 |
| Common costs | | | | | | | (32,064) | (31,000) |
| Profit before tax | | | | | | | 36,706 | 32,000 |
| Assets | | | | | | | | |
| Segment total assets | 577,333 | 476,124 | 610,844 | 653,122 | 462,518 | 469,900 | 1,650,695 | 1,599,000 |
| Average total | | | | | | | | |

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|--------------|---------|---------|---------|---------|---------|---------|-----------|--------|
| assets | 526,728 | 444,835 | 631,983 | 648,577 | 466,209 | 475,653 | 1,624,920 | 1,569, |
| Total equity | 38,261 | 39,451 | 79,806 | 82,069 | 13,634 | 12,933 | 131,701 | 134, |

b Geographical segments

The group's activities are carried out within Malta. There are no identifiable geographical segments or other material concentrations.

SIGNATURE

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 16, 2006