

HSBC HOLDINGS PLC
Form 6-K
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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 March 2010

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-.....).

1 March 2010

**THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED
2009 CONSOLIDATED RESULTS - HIGHLIGHTS**

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Net operating income before loan impairment charges and other credit risk provisions down 4.8 per cent to HK\$118,250 million (HK\$124,264 million in 2008).

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Pre-tax profit down 7.6 per cent to HK\$62,563 million (HK\$67,690 million in 2008).

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Attributable profit down 8.9 per cent to HK\$45,808 million (HK\$50,306 million in 2008).

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Return on average shareholders' equity of 21.2 per cent (24.3 per cent in 2008).

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Assets up 1.9 per cent to HK\$4,342 billion (HK\$4,260 billion at the end of 2008).

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Capital adequacy ratio of 16.1 per cent; core capital ratio of 12.2 per cent. (Capital adequacy ratio of 13.4 per cent; core capital ratio of 10.3 per cent at 31 December 2008).

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Cost efficiency ratio of 44.1 per cent (42.1 per cent for 2008).

Within this document, the Hong Kong Special Administrative Region of the People's Republic of China has been referred to as 'Hong Kong'.

Results

Comment by Michael Geoghegan, Chairman

2009 was an extremely challenging year for the world economy. Asia was not immune from the effects of global recession, and it was a year of two distinct halves. Many economies were hit hard by falling trade and investment flows in the first part of the year. During the second half, conditions began to improve. Supported by effective stimulus and healthy employment levels, exports and domestic demand both saw a rebound.

Conditions for the banking sector also remained challenging. As a deposit-rich bank, we felt the considerable impact of low interest rates on our liability spreads. Demand for loans, trade finance and investment products was lower across Asia, but picked up again during the second half as economic conditions improved. Against continued uncertainty in the global banking landscape, Asia's banks continued to benefit from sound regulation. Many remained relatively healthy throughout the financial crisis and as a result competition from local and regional banks remains intense while several international banks are targeting emerging markets as a prime source of their recovery.

The Hongkong and Shanghai Banking Corporation Limited showed considerable resilience against these economic and competitive pressures. Our broad-based business model helped to limit the impact of the downturn and our pre-tax profit was HK\$62,563 million, down 7.6 per cent on 2008. Excluding our Malaysian business, which was transferred into the group at the beginning of the year, pre-tax profit was down by 10.7 per cent.

We grew deposits, excluding our acquisitions in the year, by 9.9 per cent, showing the confidence savers have in our financial strength and brand. We limited lending growth during the early part of the year in line with our cautious approach to managing risk, but the second half provided opportunities for selective growth. We increased lending in mortgages and cards overall. We successfully expanded our presence as a leading bancassurer, with total insurance premiums increasing by 16.8 per cent. Global Banking and Markets continued to perform strongly. Customer numbers increased overall, positioning us well for future revenue growth.

We managed costs tightly and operating expenses fell compared with 2008. We continued to actively manage our risks, and loan impairment charges fell by 6.4 per cent across the region, underscoring the success of our approach. In India where loan impairment charges increased significantly, we took remedial action.

We continued to expand and integrate our operations across the region. In Vietnam, we became the first locally-incorporated bank, and in January this year we increased our shareholding in Bao Viet Holdings. In Taiwan, we made strong progress in integrating the operations of The Chinese Bank. In Indonesia, we completed our acquisition of Bank Ekonomi, which has nearly doubled our presence in the world's fifth most populous country to more than 200 branches in 27 cities. In India, we continued to integrate our retail brokerage unit IL&FS Investsmart, which we successfully rebranded as HSBC InvestDirect.

In mainland China, where we are the leading international bank, we expanded our network, reaching 98 HSBC-branded outlets in 22 cities by year-end. We were the first international bank to issue an offshore renminbi bond, and the first to settle cross-border renminbi trade transactions. Developing our relationships with strategic partners remains a principal pillar of our growth strategy and the market value of our strategic investments increased by US\$11.3 billion in the year to US\$25.4 billion. We expect to open our new mainland China headquarters in Shanghai during the first half of this year.

In Personal Financial Services, we reinforced our leading position in the Hong Kong mortgage and deposit markets. We grew customer numbers, particularly in HSBC Premier where they increased by 28.6 per cent. We continued to build our presence across the region, including in mainland China, and we expanded our product offering in wealth management to complement our strong positions in cards and loans. Pre-tax profit was 20.2 per cent lower, mainly because of deposit spread compression in the low interest rate environment. Loan impairments increased but the book remained healthy overall, with the exception of India and Indonesia where we experienced problems in the unsecured portfolios.

In Commercial Banking, we continued to focus on meeting the financial needs of SMEs and international business customers in the region, in line with our strategy. Customer confidence began to improve as the year progressed. Commercial Banking remained solidly profitable across the region despite the challenging economic conditions, and pre-tax profit was down 20.6 per cent overall. We increased our lending commitment to smaller businesses, growing our SME loan fund in Hong Kong to HK\$20 billion and launching a new SME fund in Malaysia. We continued to see deposit inflows and gains in customer numbers across the region. Despite the impact of higher corporate failures in India credit quality remained stable overall, and loan impairment charges reduced by 4.9 per cent, led by improvements in Hong Kong.

Global Banking and Markets achieved another strong performance thanks to its clear strategy and well-balanced business model. Pre-tax profits were down 3.7 per cent on the previous year. In Global Banking, performance was ahead of expectations across our main financing and investment banking activities. In Global Markets, our core businesses continued to perform strongly and we captured market opportunities, particularly in Rates and Credit. While we expect Balance Sheet Management revenues to reduce in 2010, our customer-focused business model means we are well positioned to maintain and build revenues in the region. We won a number of key industry awards including

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Best Domestic Debt House, and we led the 2009 Asia Debt Capital Markets league tables for market share in local currency bonds and Asia-Pacific ex-Japan bonds.

Thanks to the strength of the HSBC brand and our effective bancassurance model, our insurance business performed strongly during 2009, gaining share across the region. In Hong Kong, more than one in three people hold life insurance or a pension with HSBC. In India, our joint venture with Canara and Oriental Bank of Commerce generated market-leading premium growth for a start-up. In South Korea, we became the leading bancassurer.

2009 brought to a close one of the most momentous decades of growth and change that we have experienced in our 145 years of doing business in Asia. During these ten years, our number of outlets almost doubled to nearly 1,000, our total assets rose from HK\$1,638 billion to HK\$4,342 billion, and our pre-tax profit more than doubled.

It is an exciting time to be in Asia. This is why

I moved my principal office to Hong Kong in February this year, to manage the HSBC Group from the heart of the world's fastest-growing region. This move reflects our deep roots here, and also underscores our commitment to Asia's future.

On 1 February this year, I succeeded Vincent Cheng as Chairman of The Hongkong and Shanghai Banking Corporation Limited upon his retirement. In a career spanning 32 years, Vincent has made a huge and extremely valuable contribution to HSBC, including leading a significant expansion of our network in mainland China. I am delighted that we will continue to draw on Vincent's vast knowledge and experience as he continues to serve the Group as a Director on the Board of HSBC Holdings plc, and also as Chairman of HSBC Bank (China) Company Limited and HSBC Bank (Taiwan) Limited.

I would also like to congratulate Sandy Flockhart who, starting 1 February, is the Global Head of Personal and Commercial Banking. Sandy will also be in charge of the Group's operations and head office functions, as well as spearheading our continued expansion into Latin America and Africa. As CEO of The Hongkong and Shanghai Banking Corporation Limited for the past three years, Sandy has led the Group to new heights in Asia. He will continue this involvement through his new role as well as a Director of this Board and HSBC Holdings plc. Peter Wong will take up the role of Chief Executive after an excellent tenure as Executive Director Hong Kong and Greater China.

Looking ahead, Asia is playing an important role in leading the world out of recession, and will play an equally significant role in driving growth in the generation ahead. Within three years, the Asia-Pacific region is expected to overtake Europe and North America as home to the largest number of high net worth individuals in the world, with a combined wealth of US\$13.5 trillion. Meanwhile, the fast-growing corporate sector will demand access to broader and more sophisticated financial services and capital markets.

There are potential risks on the horizon, not least those of asset bubbles, higher inflation and the impact of withdrawing stimulus measures. The debate on regulatory change is also intensifying, but we are confident that we are well placed to meet the challenges, thanks to a number of core strengths. These include our prudent and transparent structure based largely upon separately capitalised local subsidiaries, our capital and liquidity strength, and our well-balanced and diversified business model.

Our unrivalled network and reach, our customer focus and our deep relationships across the region position us strongly and competitively for future growth in Asia. We will continue to grow organically in our target segments and markets, and we will review carefully the opportunities for acquisition and strategic partnerships that emerge.

Finally, I would like to say thank you to all of my colleagues. Throughout the 2009 roadshow and since returning to the region, I have been greatly impressed by your professionalism, your commitment and your vision of the future. I look forward to working with you all during 2010.

Geographical Regions

<i>Figures in HK\$m</i>	<i>Hong Kong</i>	<i>Rest of Asia-Pacific</i>	<i>Intra-segment elimination</i>	<i>Total</i>
Year ended 31 December 2009				
Net interest income	30,935	27,484	13	58,432
Net fee income	19,119	11,159	-	30,278
Net trading income	8,427	12,112	(13)	20,526
Net income from financial instruments designated at fair value	6,391	868	-	7,259
Gains less losses from financial investments	117	(248)	-	(131)
Dividend income	245	119	-	364
Net earned insurance premiums	28,566	2,829	-	31,395
Other operating income	9,791	1,746	(4,279)	7,258
Total operating income	103,591	56,069	(4,279)	155,381
Net insurance claims incurred and movements in policyholders' liabilities	(34,070)	(3,061)	-	(37,131)
Net operating income before loan impairment charges and other credit risk provisions	69,521	53,008	(4,279)	118,250
Loan impairment charges and other credit risk provisions	(3,875)	(7,360)	-	(11,235)

Total operating income

Net operating income	65,646	45,648	(4,279)	107,015
Operating expenses	(28,918)	(27,554)	4,279	(52,193)
Operating profit	36,728	18,094	-	54,822
Share of profit in associates and joint ventures	59	7,682	-	7,741
Profit before tax	36,787	25,776	-	62,563
Share of profit before tax	58.8%	41.2%	-	100%
Advances to customers	744,577	606,067	-	1,350,644
Customer accounts	1,984,872	959,667	-	2,944,539

Geographical Regions

<i>Figures in HK\$m</i>	<i>Hong Kong</i>	<i>Rest of Asia-Pacific</i>	<i>Intra-segment elimination</i>	<i>Total</i>
Year ended 31 December 2008				
Net interest income	42,679	26,374	(8)	69,045
Net fee income	18,458	12,309	-	30,767
Net trading income	7,201	14,154	8	21,363
Net loss from financial instruments designated at fair value	(9,607)	(1,375)	-	(10,982)
Gains less losses from financial investments	(2,848)	(128)	-	(2,976)
Dividend income	363	489	-	852
Net earned insurance premiums	25,351	1,535	-	26,886
Other operating income	6,525	1,222	(3,671)	4,076
Total operating income	88,122	54,580	(3,671)	139,031
Net insurance claims incurred and movements in policyholders' liabilities	(14,981)	214	-	(14,767)

Net operating income before loan impairment

charges and other credit risk provisions	73,141	54,794	(3,671)	124,264
Loan impairment charges and other credit risk provisions	(5,837)	(6,163)	-	(12,000)
Net operating income	67,304	48,631	(3,671)	112,264
Operating expenses	(28,811)	(27,123)	3,671	(52,263)
Operating profit	38,493	21,508	-	60,001
Share of profit in associates and joint ventures	120	7,569	-	7,689
Profit before tax	38,613	29,077	-	67,690
Share of profit before tax	57.0%	43.0%	-	100%
Advances to customers	747,742	538,403	-	1,286,145
Customer accounts	1,791,056	785,028	-	2,576,084

Results by Geographic Customer Group

Hong Kong	Personal Financial Services		Global Banking and Private Banking		Intra-segment Other elimination		Total
<i>Figures in HK\$m</i>		Commercial Banking	Market Banking				
Year ended 31 December 2009							
Net interest income/(expense)	20,039	7,274	8,912	-	(4,367)	(923)	30,935
Net fee income	10,933	4,106	3,760	-	320	-	19,119
Net trading income	1,091	718	6,226	-	(529)	921	8,427
Net income/(loss) from financial instruments designated at fair value	5,650	(359)	1,072	-	26	2	6,391
Gains less losses from financial investments	623	136	(661)	-	19	-	117
Net operating income before loan impairment							

Dividend income	5	11	71	-	158	-	245
Net earned insurance premiums	24,512	3,926	128	-	-	-	28,566
Other operating income	2,680	498	439	-	8,042	(1,868)	9,791
Total operating income	65,533	16,310	19,947	-	3,669	(1,868)	103,591
Net insurance claims incurred and movement in policyholders' liabilities	(30,840)	(3,142)	(88)	-	-	-	(34,070)
Net operating income before loan impairment charges and other credit risk provisions	34,693	13,168	19,859	-	3,669	(1,868)	69,521
Loan impairment charges and other credit risk provisions	(1,575)	(1,301)	(1,004)	-	5	-	(3,875)
Net operating income	33,118	11,867	18,855	-	3,674	(1,868)	65,646
Operating expenses	(12,138)	(4,469)	(7,361)	-	(6,818)	1,868	(28,918)
Operating profit/(loss)	20,980	7,398	11,494	-	(3,144)	-	36,728
Share of profit in associates and joint ventures	40	10	11	-	(2)	-	59
Profit/(loss) before tax	21,020	7,408	11,505	-	(3,146)	-	36,787
Share of profit/(loss) before tax	33.6%	11.8%	18.4%	-	(5.0)%	-	58.8%
Advances to customers	340,177	218,808	170,527	-	15,065	-	744,577
Customer accounts	1,290,680	481,904	206,657	-	5,631	-	1,984,872

Hong Kong			<i>Global</i>					
<i>Figures in HK\$m</i>	<i>Personal</i>	<i>Commercial</i>	<i>Banking</i>	<i>and Private</i>	<i>Other</i>	<i>Intra-</i>	<i>segment</i>	<i>Total</i>
	<i>Financial</i>	<i>Banking</i>	<i>Markets</i>	<i>Banking</i>	<i>elimination</i>			
	<i>Services</i>							
Year ended 31 December 2008								
Net interest income/(expense)	26,326	11,664	11,853	2	(6,657)	(509)		42,679
Net fee income	11,225	4,271	2,837	-	125	-		18,458
Net trading income	1,193	620	4,868	-	87	433		7,201
Net (loss)/income from financial instruments designated at fair value	(10,051)	(79)	300	-	147	76		(9,607)
Gains less losses from financial investments	1,220	250	(605)	-	(3,713)	-		(2,848)
Dividend income	27	17	169	-	150	-		363
Net earned insurance premiums	23,719	1,456	159	-	17	-		25,351
Other operating income	1,030	297	348	-	7,095	(2,245)		6,525
Total operating income	54,689	18,496	19,929	2	(2,749)	(2,245)		88,122
Net insurance claims incurred and movement in policyholders' liabilities	(13,792)	(1,070)	(107)	-	(12)	-		(14,981)
Net operating income before loan impairment charges and other credit risk provisions	40,897	17,426	19,822	2	(2,761)	(2,245)		73,141
Loan impairment charges and other credit risk provisions	(1,044)	(2,605)	(2,198)	-	10	-		(5,837)
Net operating income	39,853	14,821	17,624	2	(2,751)	(2,245)		67,304
Operating expenses	(13,131)	(4,578)	(7,062)	-	(6,285)	2,245		(28,811)
Operating profit/(loss)	26,722	10,243	10,562	2	(9,036)	-		38,493
Share of profit in associates								