

HSBC HOLDINGS PLC  
Form 6-K  
November 05, 2008

**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 November, 2008

**HSBC Holdings plc**

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(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 text is the English version*

*of a news release issued in  
Germany*

*by HSBC Trinkaus & Burkhardt, a 78.6 per cent indirectly owned subsidiary of HSBC Holdings plc.*

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November  
2008

**HSBC TRINKAUS & BURKHARDT  
AG  
THIRD  
QUARTER 2008 RESULTS**

- Operating profit declined 17.6 per cent to €133.6 million in the first nine months of 2008, compared with €162.6 million for the same period in 2007
- Profit after tax was €79.8 million in the first nine months of 2008, down 28.3 per cent compared with the same period in 2007
- Return on equity before tax of 17.0 per cent during the first nine months of 2008 compared with 26.5 per cent for the same period last year.
- Customer deposits increased in the third quarter by around €2 billion to over €12 billion
- Net interest income rose from €83.6 million to €97.0 million in the nine months to 30 September 2008, a

n increase of  
16 per cent compared to the same period in 2007

- Net trading income was €69.4 million for the nine months to 30 September 2008, down 17.7 per cent or €14.9 million compared to the same period in 2007

### Overview

HSBC Trinkaus

results in the first nine months of 2008 reflect the challenges of the global economy in 2008, particularly in the third quarter. However, HSBC Trinkaus benefitted from being part of the HSBC Group and saw customer deposits reach a record level of €12 billion, up some €2 billion in the third quarter.

Despite the difficult trading conditions in the third quarter, net trading income and profit before tax have continued to grow, albeit at a slower rate

Throughout the period, HSBC Trinkaus consistently exceeded the minimum liquidity requirements demanded by the banking supervisors; HSBC Trinkaus has not made use of the central bank's refinancing facility.

### Financial commentary

Operating profit of €133.6 million was 17.6 per cent lower than the record €162.6 million recorded in the same period in 2007

The Management Board believes that, given the difficult market conditions, this represents a solid performance.

Net interest income increased by 16.0 per cent from €83.6 million to €97.0 million.

This was primarily due to the increase in customer deposits referred of €2 billion to over €12 billion

Net fee income was up 7.4 per cent from €242.9 million to €260.9 million

Market volatility led to increased transaction volumes in the third quarter but the overall number of transactions in the year will be down on 2007 due to market declines around the globe. There has also been a reduction in demand for structured products

and investment banking services.

The period under review includes, for the first time

net fee income generated by the fully consolidated International Transaction Services GmbH (ITS), the securities settlement subsidiary acquired on 1 January 2008

Net trading income was down 17.7 per cent from €84.3 million to €69.4 million, but remained profitable even in the third quarter. HSBC Trinkaus saw a substantial increase in income from equities and equity derivatives trading. However, as a large part of liquid Treasury investments are kept in bonds with a mark-to-market valuation, valuation losses occurred as a result of spreads widening

The sales-trading bond positions were affected in the same way.

The equities and equity/index derivatives and the foreign exchange business remained profitable. The bonds and interest rate derivatives business recorded losses.

Net loan impairment and other credit risk provisions increased by €1.7 million compared with the €3.7 million

credit reported in the same period in 2007

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C  
redit risk provisioning  
remains  
at the lower end of  
expectations  
and  
HSBC Trinkaus remains  
largely  
unaffected by major defaults in  
the lending business.  
However a modest increase in provisioning levels reflected the changing economic environment.  
Total a  
dministrative expenses were up 12.9  
per cent  
from €262.5 million to €296.4 million. Excluding ITS'  
s  
administrative expenses, included for the first time, the increase would have been  
three per cent  
. The rise in costs was  
attributable both to an  
increase in the number of employees  
and further investments in IT infrastructure. Performance  
-based remuneration declined in line with the overall result. The introduction of the  
flat tax on capital income in  
Germany  
from 2009  
will  
have the effect of  
put  
ting  
considerable pressure on administrative expenses this year.

**Results by business segment**

Despite the severe  
turbulence in  
global financial market  
s  
, the Corporate Banking and Institutional Clients segments again managed to improve on the strong results recorded  
the previous year. The Private Banking and Global Markets segments were not able to repeat their  
2007 performances  
,  
however  
, due to the unfavourable market conditions  
.

The

Corporate Banking segment improved net fee income in the fixed income, international and foreign exchange businesses

compared to the previous year.

This was driven by higher net interest income accrued

as a result of

a

strong increase in sight deposits and lending volume

coinciding with

an increase in margins on deposits

Revenue growth in the Institutional Clients segment was particularly strong in the fixed income and custody business.

Successful

Asset Management and fixed income business

in

the Private Banking segment

almost offset

the

decline

in transaction revenues in the securities business

as many investors

withdrew from the market.

The Global Markets segment was affected in particular by the unfavourable global economic environment

and revenues

in the period were lower than those achieved in the previous

year

,

especially in respect of interest

rate

products.

However, the

Global Markets

segment did

report a

positive

result thanks to strict risk and limit discipline.

### **Outlook**

HSBC Trinkaus has

performed

well

during a

difficult period in both absolute terms and in relation to the competition

as the bank remains profitable

The resilient business model operated by HSBC Trinkaus, a clear strategy and the benefits of being part of the wider HSBC Group have proved attractive to customers; although we have had to make further provisions, the bank's sustained earning potential in the long term remains unaffected

The global economic outlook remains uncertain but the Management Board will continue to focus on serving the needs of the bank's customers and controlling its costs to ensure HSBC Trinkaus is well positioned for the future.

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**Notes to Editor:**

**1.  
HSBC Trinkaus**

HSBC Trinkaus is one of the leading private banks in Germany and part of the HSBC Group. With over 2,200 employees HSBC Trinkaus can be found at six locations in Germany in addition to the head office in Düsseldorf, and has access to the HSBC Group's global network. With total assets of € 23.8 billion and € 89.5 billion in funds under management and administration at 30 September 2008, the bank has a Fitch rating of "AA", unchanged since December 2007. The Bank's central target groups are wealthy private clients, corporate clients and institutional clients.

All HSBC Trinkaus press releases can be found in the "About us", "Press" section of the website at [www.hsbctrinkaus.de](http://www.hsbctrinkaus.de).

**2. HSBC Holdings plc**  
HSBC Holdings plc serves over 100 million customers worldwide through around 9,500 offices in 8

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

, the Middle East and

Africa

. With assets of some US\$2,

547

billion at 3

0 June 2008

, HSBC is one of the world's largest banking and financial services organisations. HSBC is marketed worldwide as 'the world's local bank'.

**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: November 05, 2008