

Edgar Filing: HSBC HOLDINGS PLC - Form 6-K

HSBC HOLDINGS PLC
Form 6-K
May 11, 2007

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 May, 2007

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-

HSBC BANK MALAYSIA BERHAD

RESULTS FOR THE THREE MONTHS ENDED 31 MARCH 2007 -
HIGHLIGHTS

- Profit before allowance for losses on loans and financing increased by 42.5 per cent to MYR316 million for the three months ended 31 March 2007 (MYR222 million for the same period in 2006).
- Profit before taxation of MYR308 million for the three months ended 31 March 2007 was 48.2 per cent higher than the MYR208 million reported for the same period in 2006.
- Cost efficiency ratio improved to 40.6 per cent from 47.6 per cent for the corresponding period in 2006.
- Net interest income for the three months ended 31 March 2007 up 20.5 per cent to MYR274 million (MYR227 million for the same period in 2006).
- Income from Islamic banking operations rose by 75.8 per cent for the three months ended 31 March 2007 to MYR55 million (MYR31 million in the same period last year).

Edgar Filing: HSBC HOLDINGS PLC - Form 6-K

- Total assets grew by MYR6.9 billion, or 19.1 per cent, to MYR43.5 billion at 31 March 2007 compared with MYR36.6 billion at 31 March 2006.

HSBC Bank Malaysia Berhad reported its highest ever quarterly result in the first quarter of 2007. This reflected improved performance across most of the bank's businesses, in particular in consumer and commercial banking. The bank's profit before tax of MYR308 million was 48.2 per cent higher than for the same period in 2006.

Higher net interest income was principally driven by year-on-year growth in lending of MYR2.0 billion, or 9.1 per cent, in higher margin products, including cards and consumer finance, as well as widening spreads.

Total assets grew by MYR6.9 billion, or 19.1 per cent, mainly attributable to the growth in customer deposits (up MYR5.6 billion or 19.9 per cent compared to 31 March 2006), primarily as a result of successful marketing campaigns.

Income from Islamic banking operations rose strongly, by 75.8 per cent, due to growth in Islamic financing, mainly in consumer credit, and improved profit margins.

Other operating income was up 23.3 per cent to MYR203 million from MYR164 million for the same period in 2006. This was mainly attributable to higher foreign exchange profits due to strengthening of the Malaysian ringgit and further liberalisation of the Central Bank's foreign exchange administrative rules which resulted in higher hedging activities by corporates.

Zarir J Cama, deputy chairman and CEO of HSBC Bank Malaysia Berhad, commented:

"This excellent performance reflects the success of the bank's strategy to create a broad base of income sources and a well-balanced loan portfolio with an even split between corporate and consumer credit.

"The local banking sector remains highly competitive with both conventional and Islamic banks expanding their networks aggressively. However, HSBC Bank Malaysia Berhad is well-positioned in all growth areas, ranging from value-added consumer banking, financing and investment products to innovative financial solutions for corporates to capture new business opportunities. This is particularly the case in Islamic banking which has great growth potential.

"Besides exploring growth opportunities, the bank has embarked on a number of customer focused initiatives to reduce operational costs and improve customer service delivery with the goal of becoming the most preferred bank in Malaysia."

UNAUDITED CONDENSED BALANCE SHEET AS AT 31 MARCH 2007

Figures in MYR '000s	Group		Bank	
	31Mar07	31Dec06	31Mar07	31Dec06
Assets				
Cash and short-term funds	5,208,215	6,114,345	5,208,215	6,114,345
Securities purchased under resale agreements	2,893,018	2,273,539	2,893,018	2,273,539
Deposits and placements with banks and other financial institutions	2,660,975	1,989,882	2,660,975	1,989,882

Edgar Filing: HSBC HOLDINGS PLC - Form 6-K

Securities held-for-trading	1,456,506	795,937	1,456,506	795,937
Securities available-for-sale	5,461,935	3,806,463	5,461,935	3,806,463
Loans, advances and financing	24,042,636	24,343,937	24,042,636	24,343,937
Other assets	701,535	578,089	701,535	578,089
Statutory deposits with Central Bank Malaysia	705,148	698,648	705,148	698,648
Investment in subsidiaries companies	-	-	21	21
Property, plant and equipment	302,263	303,387	302,263	303,387
Intangible assets	35,619	29,172	35,619	29,172
Deferred tax assets	69,063	69,330	69,063	69,330
Total assets	43,536,913	41,002,729	43,536,934	41,002,750
 Liabilities				
Deposits from customers	33,933,980	31,822,208	33,934,001	31,822,229
Deposits and placements of banks and other financial institutions	2,095,032	1,934,326	2,095,032	1,934,326
Obligations on securities sold under repurchased agreements	1,812,175	1,660,739	1,812,175	1,660,739
Bills and acceptances payable	461,060	490,055	461,060	490,055
Other liabilities	1,503,649	1,351,441	1,503,649	1,351,441
Recourse obligation on loans sold to Cagamas Berhad	890,443	899,751	890,443	899,751
Provision for taxation	51,077	31,278	51,077	31,278
Total liabilities	40,747,416	38,189,798	40,747,437	38,189,819
 Shareholders' funds				
Share capital	114,500	114,500	114,500	114,500
Reserves	2,674,997	2,448,431	2,674,997	2,448,431
Proposed dividend	-	250,000	-	250,000
Shareholders' funds	2,789,497	2,812,931	2,789,497	2,812,931
Total liabilities and shareholders' funds	43,536,913	41,002,729	43,536,934	41,002,750
 Commitments and contingencies				
	65,047,866	60,087,067	65,047,866	60,087,067

Note: The financial statements of HSBC Bank Malaysia Berhad have been prepared in accordance with the applicable approved accounting standards issued by the Malaysian Accounting Standards Board.

UNAUDITED CONDENSED INCOME STATEMENT FOR THE FIRST QUARTER ENDED 31 MARCH 2007

Group and Bank

Figures in MYR '000s

31Mar07

31Mar06

Edgar Filing: HSBC HOLDINGS PLC - Form 6-K

Revenue	770,798	619,962
Interest income	483,304	393,829
Interest expense	(209,614)	(166,731)
Net interest income	273,690	227,098
Other operating income	202,794	164,468
Income from Islamic banking operations	55,040	31,303
Operating income	531,524	422,869
Other operating expenses	(215,689)	(201,190)
Profit before allowance	315,835	221,679
Allowance for losses on loans and financing	(7,718)	(13,727)
Profit before taxation	308,117	207,952
Taxation	(86,270)	(65,696)
Profit attributable to shareholders	221,847	142,256
Earnings per MYR0.50 ordinary share - basic/diluted	96.9 sen	62.1 sen

Note: The financial statements of HSBC Bank Malaysia Berhad have been prepared in accordance with the applicable approved accounting standards issued by the Malaysian Accounting Standards Board.

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: 11 May 2007