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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).

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- 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 |

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| | | | | |
|---|------------|------------|------------|------------|
| 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

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| | | |
|---|-----------|-----------|
| 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