

HSBC HOLDINGS PLC
Form 6-K
November 07, 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

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-.....).

7 November
2008

HSBC BANK

**MALAYSIA
BERHAD
CONSOLIDATED
RESULTS FOR THE
NINE MONTHS ENDED
30 SEPTEMBER 2008 - HI
GHIGHLIGHTS**

- Profit before taxation for the nine months ended 30 September 2008 was MYR879 million, 22.2 per cent higher than the MYR720 million reported for the same period in 2007.
- Profit before allowance for losses on loans and financing increased by 12.7 per cent to MYR1,066 million for the nine months ended 30 September 2008 compared with MYR946 million for the same period in 2007.
- Other operating income for the financial period ended 30 September 2008 was up 16.7 per cent to MYR763 million (MYR654 million for the same period in 2007).
- Allowance for losses on loans and financing of MYR187 million was down MYR40 million for the nine months ended 30 September.
- Cost efficiency ratio for the nine months ended 30 September 2008 improved to 41.2 per cent from 42.9 per cent for the corresponding period in 2007.
- Total assets of MYR54.7 billion was up MYR6.5 billion, or 13.6 per cent, at 30 September 2008 compared with MYR48.1 billion at 31 December 2007.

Commentary

Pre-tax profit grew MYR159 million in the first nine months of 2008, an increase of 22.2 per cent on the same period in 2007.

Profit before allowance for losses on loans and financing increased by 12.7 per cent to MYR1,066 million in the period under review,

compared with MYR946 million in 2007, mainly attributable to higher other operating income

Allowance for losses on loans and financing at MYR187 million for the nine months ended 30 September 2008 was 17.5 per cent

lower as loan quality improved compared to the same period in 2007 when higher impairment allowances were made for corporate lending portfolios.

Net interest income for the nine months ended 30 September 2008 grew by 4.2 per cent or MYR35 million, to MYR863 million (nine months to 30 September 2007: MYR828 million). This was principally driven by an increase in lending, (up MYR2.7 billion or 10.0 per cent to MYR29.7 billion at 30 September 2008 from MYR27.0 billion at 30 September 2007), mainly in trade financing products, offset by tighter margins.

Other operating income for the nine months ended 30 September 2008 increased to MYR763 million, up 16.7 per cent or MYR109 million compared to the corresponding period in 2007. This was mainly a result of the increase in trading profits of MYR92 million recorded for the nine months ended 30 September 2008 as the Malaysian ringgit remained volatile against other major currencies, resulting in higher hedging activities by corporate customers. Other operating income for the nine months ended 30 September 2008 was further boosted by an increase of MYR39 million recorded from the disposal of securities, moderated by a decrease of MYR19 million in fees income as agency fees income declined.

Other operating expenses for the first nine months of 2008 increased by 5.3 per cent, or MYR38 million, to MYR748 million compared with the same period in 2007 (MYR710 million) mainly due to higher personnel costs

(up MYR28 million or 7.7 per cent

) as the workforce

increased to support the growth in business.

The cost efficiency ratio for the nine months ended 30 September 2008 improved to 41.2 per cent from 42.9 per cent in the same period last year as a result of stronger growth in all major income streams while other operating expenses grew at a slower pace.

Total assets as at 30 September 2008 grew by MYR6.5 billion or 13.6 per cent against 31 December 2007. The increase in assets was achieved primarily from higher net loans and advances, up MYR3.7 billion or 14.3 per cent compared to 31 December 2007.

Irene Dorner, deputy chairman and CEO

, commented: "HSBC Bank Malaysia Berhad ("HSBC Bank") continues to record growth in all major income streams and profits remain robust. The positive results reflect the confidence customers have in the HSBC brand. As one of the leading foreign banks in Malaysia, HSBC Bank always aims to deliver first class banking and financial services to our customers

, and will continue to do so

in these trying times.

"

Liquidity in the local banking sector remains sufficient

but

future

income growth could be affected by the expected decrease in domestic consumption and the possible dampening of demand for credit due to the weakening global

economic environment. Despite the waning growth of global economies and the significant stress on global credit markets, the local banking sector remains

resilient. While the Malaysian economy will not be insulated from the global economic turmoil, its economic fundamentals are sound and are expected to remain

so

.

"

HSBC Bank intends to capitalise on the growth in Islamic banking in the region as Islamic financing has remained largely positive despite the current global credit crisis

. HSBC Bank

will b

uild

on the impending launch of HSBC Amanah's branches in Malaysia

in

the fourth quarter of 2008

and

increase

its

market penetration

in

Islamic banking."

ends/more

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**UNAUDITED CONDENSED BALANCE SHEETS AS AT
30 SEPTEMBER 2008**

	<i>Group</i>		<i>Bank</i>	
<i>Figures in</i>				
30 Sep 2008	31 Dec 2007	30 Sep 2008	31 Dec 2007	
Assets				
Cash and short term funds				
14,064,598	11,321,351	11,982,991	11,321,351	
Securities purchased under resale agreements				
2,733,018	1,858,579	2,733,018	1,858,579	
Deposits and placements with banks and other financial institutions				
1,485,841	1,448,953	2,428,976	1,448,953	
Securities held-for-trading				
1,152,122	1,236,193	1,152,122	1,236,193	
Securities available-for-sale				
2,313,095	4,272,517	1,766,016	4,272,517	
Loans, advances and financing				
29,728,834	26,007,124	26,745,166	26,007,124	
Other assets				
2,071,497	897,653	2,060,901	897,653	
Statutory deposits				
709,648	704,847	587,248	704,847	

with Central Bank Malaysia Investment in subsidiaries -	-	660,021	21
Prepaid land lease payments	20,890	19,767	20,890
Property, plant and equipment	258,290	256,499	258,290
Intangible assets	41,869	51,252	41,869
Deferred tax assets	69,675	81,409	69,675
Total assets	48,137,941	50,525,386	48,137,962

Liabilities

Deposits from customers	36,314,839	38,727,024	36,314,860
Deposits and placements of banks and other financial institutions	4,441,901	4,106,929	4,441,901
Bills and acceptances payable	627,730	381,816	627,730

Other liabilities				
2,303,807	1,815,550	2,251,685	1,815,550	
Recourse obligation on loans sold to Cagamas Berhad				
715,983	759,101	715,983	759,101	
Provision for taxation				
52,688	57,569	49,081	57,569	
Subordinated bonds				
991,658	1,000,000	991,658	1,000,000	
Total liabilities				
51,372,860	45,016,690	47,224,176	45,016,711	
Shareholders' funds				
Share capital				
114,500	114,500	114,500	114,500	
Reserves				
3,196,437	2,756,751	3,186,710	2,756,751	
Proposed dividend				
-	250,000	-	250,000	
Shareholders' funds				
3,310,937	3,121,251	3,301,210	3,121,251	
Total liabilities and shareholders' funds				
54,683,797	48,137,941	50,525,386	48,137,962	
Commitments and contingencies				
88,820,005	76,966,309	87,057,072	76,966,309	

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

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**UNAUDITED CONDENSED INCOME STATEMENT
FOR THE FINANCIAL QUARTER/PERIOD ENDED
30 SEPTEMBER 2008**

	<i>Group</i>			
	3rd quarter ended		Year-To-Date ended	
<i>Figures</i>				
<i>in</i>				
<i>Malaysian Ringgit</i>	30 Sep 2008	30 Sep 2007	30 Sep 2008	30 Sep 2007
Revenue	880,767	813,351	2,658,365	2,405,400
Interest income	558,233	504,056	1,610,165	1,486,275
Interest expense	(265,565)	(227,716)	(747,180)	(657,989)
Net interest income	292,668	276,340	862,985	828,286
Other operating income	216,847	220,394	763,162	653,891
Income from Islamic banking operations	67,096	59,903	187,688	173,851
Operating income	576,611	556,637	1,813,835	1,656,028
Other operating expenses	(265,281)	(249,533)	(747,957)	(710,214)

Profit before allowance				
311,330	307,104	1,065,878	945,814	
Allowance for losses on				
losse s and financ				
(78,014)	(80,631)	(186,726)	(226,312)	
Profit before taxatio				
233,316	226,473	879,152	719,502	
Taxatio				
(62,612)	(68,055)	(227,045)	(204,333)	
Profit attributable to shareholders				
170,704	158,418	652,107	515,169	
Earnings per MYR0.50				
ordinary share				
741.5 sen	69.2 sen	284.7 sen	225.0 sen	
Dividends per MYR0.50				
ordinary share (net)				
- -	-	109.2 sen	109.2 sen	
paid in respect				

of
prior
year
-
interim
dividend
paid **65.5 sen** 87.3 sen **65.5 sen** 87.3 sen

*Note: The financial statements of HSBC Bank
Malaysia*

*Had have been prepared in accordance with the applicable approved accounting standards issued by the
Malaysian Accounting Standards Board.*

**UNAUDITED CONDENSED INCOME STATEMENT
FOR THE FINANCIAL QUARTER/PERIOD ENDED
30 SEPTEMBER 2008**

	<i>Bank</i>	
	3rd quarter ended	Year-To-Date ended
<i>Figures in MUS\$</i>	30 Sep 2008	30 Sep 2008
	30 Sep 2007	30 Sep 2007
Revenue	846,267	2,623,865
	813,351	2,405,400
Interest income	561,710	1,613,642
	504,056	1,486,275
Interest expense	(265,565)	(747,180)
	(227,716)	(657,989)
Net interest income	296,145	866,462
	276,340	828,286
Other operating income	223,103	769,418
	220,394	653,891

Income from Islamic banking operations	37,407	59,903	157,999	173,851
Operating income	556,655	556,637	1,793,879	1,656,028
Other operating expenses	(261,100)	(249,533)	(743,776)	(710,214)
Profit before allowance	295,555	307,104	1,050,103	945,814
Allowance for losses on loans and financial instruments	(75,455)	(80,631)	(184,167)	(226,312)
Profit before taxation	220,100	226,473	865,936	719,502
Taxation	(58,968)	(68,055)	(223,401)	(204,333)
Profit attributable to shareholders	161,132	158,418	642,535	515,169
Earnings per MYR0.50 ordinary share - basic/100 sen	70.4 sen	69.2 sen	280.6 sen	225.0 sen

Dividends
per
MYR0.50

ordinary
share
(net)

-			
paid in respect of prior year	-	109.2 sen	109.2 sen
-			
interim dividend paid	65.5 sen	87.3 sen	65.5 sen 87.3 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: November 07, 2008

