

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**

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

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

**Liabilities**

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

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

*d.*

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

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

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

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

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

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

Dividends  
per  
MYR0.50

ordinary  
share  
(net)

|  |                 |                  |                 |
|--|-----------------|------------------|-----------------|
| -  |                 |                  |                 |
| paid<br>in<br>respect<br>of<br>prior<br>year | -               | <b>109.2 sen</b> | 109.2 sen       |
| -  |                 |                  |                 |
| interim<br>dividend<br>paid                  | <b>65.5 sen</b> | 87.3 sen         | <b>65.5 sen</b> |
|  |                 |                  | 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

