

HSBC HOLDINGS PLC  
Form 6-K  
November 13, 2009

**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

**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-.....).





13 November 2009

**HSBC BANK MALAYSIA BERHAD**  
**RESULTS FOR THE NINE MONTHS ENDED**  
**30 SEPTEMBER 2009**

- Profit before tax for the nine months ended 30 September 2009 was MYR631 million, 28.3 per cent lower than the MYR879 million reported for the same period in 2008.
- Operating income decreased by MYR162 million, or 8.9 per cent, compared with the same period in 2008, mainly due to a decline in net interest income of MYR105 million, or 12.1 per cent, and other operating income of MYR69 million or 9.0 per cent.
- Allowance for losses on loans and financing was up MYR18 million, or 9.4 per cent, for the nine months ended 30 September 2009.
- Cost efficiency ratio for the nine months ended 30 September 2009 deteriorated to 48.9 per cent from 41.2 per cent for the corresponding period in 2008.
- Total assets of MYR52.0 billion fell slightly from RM52.8 billion at 31 December 2008.
- Core capital and total risk-weighted capital ratios (net of proposed dividends) of 10.2 per cent and 14.8 per cent at 30 September 2009 improved compared to 8.8 per cent and 13.0 per cent respectively at 31 December 2008.

**Commentary**

HSBC Bank Malaysia Berhad ('the Bank') posted profit before tax of MYR631 million in the first nine months of 2009, a fall of 28.3 per cent on the same period in 2008 as the effects from the global economic downturn became more apparent in 2009.

A 12.1 per cent, or MYR105 million, decline in net interest income for the nine months ended 30 September 2009 to MYR758 million (nine months ended 30 September 2008: MYR863 million) was principally driven by a reduction in balances as gross customer loans and advances declined by MYR1.7 billion, or 5.6 per cent, from 30 September 2008 to 30 September 2009, coupled with reduced interest margins as the Central Bank of Malaysia progressively lowered the Overnight Policy Rate ('OPR') by 150 basis points from November 2008. The reduction in lending rates was greater than the reduction in floor deposit rates, which are determined by the Central Bank.

Other operating income for the nine months ended 30 September 2009 decreased to MYR695 million, down 9.0 per cent or MYR69 million compared to the corresponding period in 2008. This was mainly a result of a decrease of

MYR48 million in trading profits, reflecting lower transaction volumes in the foreign exchange market and a decline of MYR34 million in gains from sales of available-for-sale securities, moderated by higher fees and commissions of MYR8 million, primarily due to a rise in commissions on cards' services.

Income from Islamic Banking operations for the first nine months of 2009 increased by MYR11 million to MYR199 million compared to the corresponding period in 2008, mainly on the growth in fixed rate Islamic personal instalment loans which were relatively unaffected by the reduction in the OPR.

Other operating expenses for the nine months ended 30 September 2009 increased by 7.9 per cent, or MYR59 million, to MYR807 million compared with the same period in 2008. This was mainly due to higher employee costs (up MYR31 million or 7.8 per cent) as provision was made for redundancy costs for employees affected by the transfer of the Bank's call centre activities to a Global Shared Service Centre.

Primarily as a result of the decline in operating income, coupled with the increase in other operating expenses, the cost efficiency ratio for the first nine months of 2009 deteriorated to 48.9 per cent from 41.2 per cent in the same period last year.

Allowance for losses on loans and financing for the nine months ended 30 September 2009 increased by MYR18 million or 9.4 per cent compared to the same period in 2008, reflecting increased provisions against loans to corporate customers impacted by the slowdown in the economy in the current year.

Total assets at 30 September 2009 fell by MYR0.8 billion, or 1.5 per cent, compared to 31 December 2008. Net loans, advances and financing, at MYR28.0 billion, saw a decrease of MYR1.7 billion, or 5.9 per cent, mainly due to lower trade financing activities. However, customer deposits of MYR42.5 billion increased by MYR1.5 billion compared to 31 December 2008 (MYR41.0 billion).

Ms Irene M Dorner, Deputy Chairman and Chief Executive Officer of HSBC Bank Malaysia Berhad, commented: "Notwithstanding the weaker results, the Malaysian economy is now showing signs of recovery. Given where the economy is, these are satisfactory results for HSBC Bank Malaysia. The implementation of economic stimulus packages by the Government has helped to create increased economic activity and, in part, has restored some investor confidence. Things are beginning to look up in the real economy as we look forward into the fourth quarter of 2009 and into 2010 and although recovery is still slow we expect to see further improvement over this period."

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*Unaudited Condensed Balance Sheets at 30 September 2009*

<i>Figures in MYR '000s</i>	<b>Group</b>		<b>Bank</b>	
	<b>30 Sep 2009</b>	31 Dec 2008	<b>30 Sep 2009</b>	31 Dec 2008
<b><u>Assets</u></b>				
Cash and short-term funds	<b>9,252,410</b>	8,428,554	<b>8,240,757</b>	7,445,455
Securities purchased under resale agreements	<b>6,384,308</b>	3,778,793	<b>6,384,308</b>	3,778,793
Deposits and placements with banks and other financial institutions	<b>603,454</b>	997,814	<b>1,546,752</b>	1,941,125
Securities held-for-trading	<b>1,454,352</b>	3,491,259	<b>1,342,026</b>	3,223,521
Securities available-for-sale	<b>4,524,128</b>	3,914,911	<b>4,155,595</b>	3,349,350
Loans, advances and financing	<b>27,974,086</b>	29,719,270	<b>25,213,254</b>	26,792,239
Other assets	<b>1,260,818</b>	1,417,121	<b>1,239,783</b>	1,424,328
Statutory deposits with Central Bank	<b>179,827</b>	653,026	<b>154,898</b>	580,497
Investment in subsidiaries	-	-	<b>660,021</b>	660,021
Prepaid land lease payments	<b>19,212</b>	19,551	<b>19,212</b>	19,551
Property and equipment	<b>254,942</b>	258,092	<b>249,924</b>	255,609
Intangible assets	<b>56,161</b>	51,153	<b>53,990</b>	49,789
Deferred tax assets	<b>83,385</b>	86,769	<b>69,520</b>	71,566
Total assets	<b>52,047,083</b>	52,816,313	<b>49,330,040</b>	49,591,844
<b><u>Liabilities</u></b>				
Deposits from customers	<b>42,465,471</b>	40,953,472	<b>39,788,127</b>	37,709,152
Deposits and placements of banks and other financial institutions	<b>2,145,773</b>	3,531,472	<b>2,145,773</b>	3,531,472
Bills and acceptances payable	<b>287,807</b>	414,233	<b>281,939</b>	413,180
Other liabilities	<b>1,846,322</b>	2,569,719	<b>1,875,064</b>	2,614,505
Recourse obligation on loans sold to National Mortgage Corporation	<b>586,738</b>	701,370	<b>586,738</b>	701,370
Provision for taxation	<b>18,186</b>	41,160	<b>16,100</b>	41,090
Subordinated bonds	<b>1,004,525</b>	1,027,338	<b>1,004,525</b>	1,027,338
Total liabilities	<b>48,354,822</b>	49,238,764	<b>45,698,266</b>	46,038,107
<b><u>Shareholders' funds</u></b>				
Share capital	<b>114,500</b>	114,500	<b>114,500</b>	114,500
Reserves	<b>3,577,761</b>	3,313,049	<b>3,517,274</b>	3,289,237
Proposed dividend	-	150,000	-	150,000
Shareholders' funds	<b>3,692,261</b>	3,577,549	<b>3,631,774</b>	3,553,737

Total liabilities and shareholders' funds	<b>52,047,083</b>	52,816,313	<b>49,330,040</b>	49,591,844
Commitments and contingencies	<b>76,351,069</b>	85,309,889	<b>74,910,158</b>	83,633,914

*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. On 24 August 2008, the Islamic Banking operations which were previously included in the Bank's operations were transferred to a wholly owned subsidiary, HSBC Amanah Malaysia Berhad.*

**Unaudited Condensed Income Statement  
for the Financial Quarter/Period Ended 30 September 2009**

<i>Figures in MYR'000s</i>	<i>Group</i>			
	<b>3rd quarter ended 30 Sep 2009</b>	30 Sep 2008	<b>Year-to-date ended 30 Sep 2009</b>	30 Sep 2008
Revenue	<b>736,605</b>	880,767	<b>2,262,379</b>	2,658,365
Interest income	<b>421,201</b>	558,233	<b>1,329,095</b>	1,610,165
Interest expense	<b>(175,070)</b>	(265,565)	<b>(570,754)</b>	(747,180)
Net interest income	<b>246,131</b>	292,668	<b>758,341</b>	862,985
Other operating income	<b>239,945</b>	216,847	<b>694,593</b>	763,162
Income from Islamic Banking	<b>64,842</b>	67,096	<b>199,009</b>	187,688
Operating income	<b>550,918</b>	576,611	<b>1,651,943</b>	1,813,835
Other operating expenses	<b>(292,575)</b>	(265,281)	<b>(807,406)</b>	(747,957)
Profit before allowance	<b>258,343</b>	311,330	<b>844,537</b>	1,065,878
Allowance for losses on loans and financing	<b>(69,492)</b>	(78,014)	<b>(204,255)</b>	(186,726)
Impairment losses on available for sale securities	-	-	<b>(9,637)</b>	-
Profit before taxation	<b>188,851</b>	233,316	<b>630,645</b>	879,152
Taxation	<b>(49,506)</b>	(62,612)	<b>(161,412)</b>	(227,045)



Profit attributable to shareholders	<b>139,345</b>	170,704	<b>469,233</b>	652,107
Earnings per RM0.50 ordinary share				
- basic/diluted	<b>60.8 sen</b>	74.5 sen	<b>204.9 sen</b>	284.7 sen
Dividends per RM0.50 ordinary share (net)				
- paid in respect of prior year	-	-	<b>65.5 sen</b>	109.2 sen
- interim dividend paid	<b>87.3 sen</b>	65.5 sen	<b>87.3 sen</b>	65.5 sen

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**Unaudited Condensed Income Statement  
for the Financial Quarter/Period Ended 30 September 2009**

<i>Figures in MYR'000s</i>	<i>Bank</i>			
	<b>3rd quarter ended 30 Sep 2009</b>	30 Sep 2008	<b>Year-to-date ended 30 Sep 2009</b>	30 Sep 2008
Revenue	<b>686,743</b>	846,267	<b>2,100,390</b>	2,623,865
Interest income	<b>427,106</b>	561,710	<b>1,346,858</b>	1,613,642
Interest expense	<b>(175,070)</b>	(265,565)	<b>(570,754)</b>	(747,180)
Net interest income	<b>252,036</b>	296,145	<b>776,104</b>	866,462
Other operating income	<b>259,637</b>	223,103	<b>753,532</b>	769,418
Income from Islamic Banking	-	37,407	-	157,999
Operating income	<b>511,673</b>	556,655	<b>1,529,636</b>	1,793,879
Other operating expenses	<b>(282,491)</b>	(261,100)	<b>(773,210)</b>	(743,776)
Profit before allowance	<b>229,182</b>	295,555	<b>756,426</b>	1,050,103
Allowance for losses on loans and financing	<b>(58,231)</b>	(75,455)	<b>(166,459)</b>	(184,167)

Impairment losses on available-for-sale securities	-	-	<b>(9,637)</b>	-
Profit before taxation	<b>170,951</b>	220,100	<b>580,330</b>	865,936
Taxation	<b>(44,580)</b>	(58,968)	<b>(147,715)</b>	(223,401)
Profit attributable to shareholders	<b>126,371</b>	161,132	<b>432,615</b>	642,535
Earnings per RM0.50 ordinary share				
- basic/diluted	<b>55.2 sen</b>	70.4 sen	<b>188.9 sen</b>	280.6 sen
Dividends per RM0.50 ordinary share (net)				
- paid in respect of prior year	-	-	<b>65.5 sen</b>	109.2 sen
- interim dividend paid	<b>87.3 sen</b>	65.5 sen	<b>87.3 sen</b>	65.5 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. On 24 August 2008, the Islamic Banking operations which were previously included in the Bank's operations were transferred to a wholly owned subsidiary, HSBC Amanah Malaysia Berhad.*

### 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: 13 November 2009