

HSBC HOLDINGS PLC
Form 6-K
June 18, 2014

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 June
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-.....).

18 June 2014

HSBC BANK MALAYSIA BERHAD
RESULTS FOR THE FINANCIAL PERIOD ENDED
31 MARCH 2014 - HIGHLIGHTS

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Profit before tax for the three months ended 31 March 2014 was MYR395m, an increase of MYR14m or 3.6% compared with the same period in 2013. The higher profit was due to lower loan impairment charges, partly offset by a decrease in operating income and higher operating expenses.

- Loan impairment charges decreased by MYR61m or 73.2% compared with the same period in 2013 due to lower collective impairment provisions as a result of improvements in asset quality and lower individual impairment charges on corporates.
- Operating expenses increased by MYR35m or 13.1% compared with the same period in 2013, mainly due to higher IT and general administrative expenses.
- Operating income before loan impairment charges reduced to MYR724m, a decrease of MYR12m or 1.6% compared with the three months ended 31 March 2013. The decline was mainly due to a decrease in net trading income, partly offset by an increase in net interest income.
- Cost efficiency ratio for the three months ended 31 March 2014 deteriorated to 42.3% from 36.8% in the same period in 2013 due to higher operating expenses.
- Balance sheet footings at 31 March 2014 grew by MYR1.8bn to MYR81.6bn, mainly due to higher deposits from both financial institutions and customers, which were deployed in to financial assets held-for-trading and financial investments available-for-sale.
- Tier 1 capital ratio and total capital ratio remain strong at 11.4% and 14.0% respectively at 31 March 2014 (31 December 2013: 11.3% and 13.8% respectively).

The interim 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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Notes to editors:

1. HSBC in Malaysia

HSBC Bank Malaysia Berhad was locally incorporated in 1984 and is a wholly-owned subsidiary of The Hongkong and Shanghai Banking Corporation Limited (a company under the HSBC Group). In 2007, HSBC Bank Malaysia Berhad was the first locally incorporated foreign bank to be awarded an Islamic banking subsidiary licence in Malaysia, and HSBC Amanah Malaysia Berhad, a full-fledged Islamic bank wholly owned by HSBC Bank Malaysia Berhad, commenced operations in August 2008. HSBC in Malaysia has a network of 68 branches nationwide, of which 26 are HSBC Amanah Malaysia Berhad branches. In 2006, HSBC was the first foreign bank to be awarded a Takaful (Islamic insurance) license in Malaysia. HSBC Amanah Takaful (Malaysia) Sdn Bhd, a joint venture between HSBC Insurance (Asia Pacific) Holdings Limited (49% shareholding), Jerneh Asia Berhad (31% shareholding) and Employees Provident Fund Board of Malaysia (20% shareholding) commenced operations in August 2006.

2. The Hongkong and Shanghai Banking Corporation Limited

The Hongkong and Shanghai Banking Corporation Limited is the founding and a principal member of the HSBC Group which serves customers worldwide from over 6,300 offices in over 75 countries and territories in Europe, Asia, North and Latin America, and the Middle East and North Africa. With assets of US\$2,758bn at 31 March 2014, the HSBC Group is one of the world's largest banking and financial services organisations.

Unaudited Condensed Statements of Financial Position at 31 March 2014

| Figures in MYR '000s | Group | | Bank | |
|---|-------------------|-------------------|-------------------|-------------------|
| | 31 Mar 2014 | 31 Dec 2013 | 31 Mar 2014 | 31 Dec 2013 |
| Assets | | | | |
| Cash and short-term funds | 14,045,429 | 15,454,507 | 11,000,049 | 12,558,786 |
| Securities purchased under resale agreements | 3,406,054 | 2,877,270 | 3,406,054 | 2,877,270 |
| Deposits and placements with banks and other financial institutions | 4,951,699 | 4,011,340 | 5,881,373 | 5,203,425 |
| Financial assets held-for-trading | 3,992,520 | 2,333,390 | 3,953,375 | 2,243,731 |
| Financial investments available-for-sale | 7,642,767 | 6,499,601 | 5,962,720 | 5,158,595 |
| Loans, advances and financing | 43,159,477 | 44,659,904 | 33,830,285 | 35,484,730 |
| Derivative financial assets | 1,083,937 | 1,320,144 | 1,215,121 | 1,413,325 |
| Other assets | 1,601,616 | 761,686 | 1,649,723 | 738,904 |
| Statutory deposits with Central Bank | 1,252,860 | 1,384,160 | 857,798 | 993,598 |
| Investments in subsidiary companies | - | - | 660,021 | 660,021 |
| Property and equipment | 347,759 | 355,047 | 327,078 | 332,254 |
| Intangible assets | 56,705 | 55,352 | 56,697 | 55,343 |
| Tax recoverable | 3,041 | 14,472 | - | - |
| Deferred tax assets | 102,822 | 86,976 | 96,910 | 79,883 |
| Total assets | 81,646,686 | 79,813,849 | 68,897,204 | 67,799,865 |
| Liabilities | | | | |
| Deposits from customers | 60,842,605 | 59,914,419 | 49,461,214 | 48,883,876 |
| Deposits and placements of banks and other financial institutions | 9,319,640 | 8,297,828 | 9,083,903 | 8,270,879 |
| Bills and acceptances payable | 457,457 | 906,595 | 443,171 | 895,623 |
| Derivative financial liabilities | 934,358 | 1,098,453 | 999,867 | 1,160,067 |
| Other liabilities | 1,804,880 | 1,636,295 | 1,679,311 | 1,646,543 |
| Provision for taxation | 11,755 | 16,055 | 11,755 | 16,055 |
| Multi-Currency Sukuk Programme | 500,000 | 500,000 | - | - |
| Subordinated bonds | 1,004,942 | 1,005,071 | 1,004,942 | 1,005,071 |
| Total liabilities | 74,875,637 | 73,374,716 | 62,684,163 | 61,878,114 |
| Equity | | | | |
| Share capital | 114,500 | 114,500 | 114,500 | 114,500 |
| Reserves | 6,356,549 | 6,024,633 | 5,798,541 | 5,507,251 |
| Proposed dividend | 300,000 | 300,000 | 300,000 | 300,000 |
| Total equity attributable to shareholder of the Bank | 6,771,049 | 6,439,133 | 6,213,041 | 5,921,751 |

| | | | | |
|-------------------------------|-------------|-------------|-------------|-------------|
| Total liabilities and equity | 81,646,686 | 79,813,849 | 68,897,204 | 67,799,865 |
| Commitments and contingencies | 144,946,775 | 140,001,374 | 143,442,343 | 138,108,215 |

Unaudited Condensed Statements of Profit or Loss and Other Comprehensive Income
For The Financial Period Ended 31 March 2014

| | Group | | Bank | |
|---|----------------|----------------|----------------|----------------|
| | 31 Mar 2014 | 31 Mar 2013 | 31 Mar 2014 | 31 Mar 2013 |
| Figures in MYR'000s | | | | |
| Revenue | 1,000,278 | 1,024,215 | 853,348 | 885,989 |
| Interest income | 577,836 | 568,175 | 585,219 | 577,678 |
| Interest expense | (211,373) | (227,322) | (211,373) | (227,322) |
| Net interest income | 366,463 | 340,853 | 373,846 | 350,356 |
| Fee and commission income | 118,199 | 113,736 | 118,199 | 113,736 |
| Fee and commission expense | (6,152) | (10,648) | (6,152) | (10,648) |
| Net fee and commission income | 112,047 | 103,088 | 112,047 | 103,088 |
| Net trading income | 113,919 | 150,828 | 109,911 | 150,113 |
| Income from Islamic banking operations | 124,143 | 127,371 | - | - |
| Other operating income | 7,361 | 13,527 | 40,019 | 44,462 |
| Operating income before impairment losses | 723,933 | 735,667 | 635,823 | 648,019 |
| Loans / financing impairment charges and other credit risk provisions | (22,377) | (83,408) | (7,629) | (51,306) |
| Net operating income | 701,556 | 652,259 | 628,194 | 596,713 |
| Other operating expenses | (306,513) | (271,033) | (282,926) | (251,258) |
| Profit before income tax expense | 395,043 | 381,226 | 345,268 | 345,455 |
| Income tax expense | (100,276) | (97,316) | (88,498) | (88,427) |
| Profit for the period | 294,767 | 283,910 | 256,770 | 257,028 |
| Other comprehensive income/(expense) | | | | |
| Items that will subsequently be reclassified to profit or loss when specific conditions are met | | | | |
| Cash flow hedge: | | | | |
| Effective portion of changes in fair value | 1 | (12) | 1 | (12) |
| Net amount transferred to profit or loss | (64) | (96) | (64) | (96) |

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Available-for-sale reserves:

| | | | | |
|--|--------|---------|--------|---------|
| Change in fair value | 13,654 | 5,423 | 10,319 | 4,090 |
| Amount transferred to profit or loss | 453 | (7,631) | 453 | (7,631) |
| Income tax (expense)/credit relating to components of other comprehensive income | | | | |