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HSBC HOLDINGS PLC  
Form 6-K  
May 01, 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- .....)

GRUPO FINANCIERO HSBC, S.A. DE C.V.  
FIRST QUARTER 2007 FINANCIAL RESULTS - HIGHLIGHTS

On 8 August 2006, HSBC Panama was sold by Grupo Financiero HSBC, S.A. de C.V. to HSBC Asia Holdings BV. All comparative commentary within this report is therefore on a like-for-like basis excluding HSBC Panama, as presented in Appendix A. The financial statements on pages 5 - 12 include HSBC Panama up until the date of disposal.

- Net income down 3.6 per cent to MXN1,376 million for the first quarter of 2007 (MXN1,428 million for the first quarter of 2006).
- Net loans and advances to customers up MXN25.7 billion, or 19.3 per cent, to MXN158.9 billion at 31 March 2007 (MXN133.2 billion at 31 March 2006).
- Total assets up MXN29.5 billion, or 10.6 per cent, to MXN309.0 billion at 31 March 2007 (MXN279.5 billion at 31 March 2006).

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- Cost efficiency ratio (excluding monetary position) of 59.8 per cent for the first quarter of 2007 (61.8 per cent for the first quarter of 2006).
- Return on equity of 16.5 per cent for the first quarter of 2007 (21.8 per cent for the first quarter of 2006).

HSBC Mexico S.A. (the bank) is Grupo Financiero HSBC, S.A. de C.V.'s (the group) primary subsidiary, and is subject to supervision by the Mexican Banking and Securities Commission. The bank is required to file periodic financial information on a quarterly basis (in this case for the quarter ended 31 March 2007) and this information is publicly available. Given that this information is available in the public domain, Grupo Financiero HSBC, S.A. de C.V. has elected to file this release.

Results are prepared in accordance with Mexican GAAP (generally accepted accounting principles), with figures denominated in Mexican pesos (MXN). Comparative figures are presented on an actual basis, indexed to constant MXN as at 31 March 2007.

Grupo Financiero HSBC, S.A. de C.V. is a 99.99 per cent directly owned subsidiary of HSBC Holdings plc (HSBC).

Commentary by Paul Thurston, CEO of Grupo Financiero HSBC Mexico:

"Grupo Financiero HSBC has achieved strong business growth during the first quarter of 2007 as a result of our continued investment in building our customer base and business volumes in Mexico. Year-on-year, our personal customer base is up by more than 800,000 clients, the number of credit cards in issue has increased by 69.4 per cent to 2.1 million cards, and our small business client base has risen by 21 per cent. Our packaged products have continued to be very successful, and in the first quarter we sold 170,000 Tu Cuenta and 1,718 Estimulo packages.

"Net income of MXN1,376 million in the first quarter of 2007, however, fell by MXN52 million compared with the first quarter of 2006 as overall strong revenue momentum was offset by reduced revenues in Global Markets, with trading income down MXN224 million year-on-year.

"The group achieved strong total revenue growth of 11.1 per cent - despite lower earnings from Global Markets - exceeding cost growth of 7.5 per cent for the period ended 31 March 2007 compared with the same period of 2006, and resulting in a cost efficiency improvement. Loan impairment charges grew as a consequence of our investment in expanding our consumer and small business commercial loan portfolios.

"In line with the HSBC Group's organic growth strategy, we continue to invest in building our business in Mexico, and are modernising and streamlining our processes to handle greater business volumes and provide improved services to our clients. By combining the Group's knowledge, network and brand with the experience and capabilities of our staff, we are driving product innovation and service enhancements to capture market share in key markets.

"Our commitment to Corporate Responsibility remains strong and I am pleased to announce that, in 2007, for the second consecutive year, the Mexican Philanthropy Centre (CEMEFI) and Aliarse recognised HSBC Mexico with a certification for Socially Responsible Company 2007."

### Overview

In the first quarter of 2007, Grupo Financiero HSBC's net income of MXN1,376 million was MXN52 million, or 3.6 per cent, lower than the same period in 2006.

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Net interest income (excluding monetary position) was up by MXN692 million to MXN5,110 million for the period ended 31 March 2007, a 15.7 per cent increase compared to the same period in 2006. Lower spreads on deposits, as a result of reduced market rates, and lower net interest income in Global Markets, were more than offset by significant growth in higher-yielding credit card lending and small- and medium-sized business (SME) products.

Net fees and commissions were up by MXN321 million to MXN2,433 million for the quarter ended 31 March 2007, a 15.2 per cent increase on the same period in 2006. This was mainly driven by an increased number of credit cards in circulation and the continued success of the bank's packaged products, Tu Cuenta (for personal customers) and Estimulo (for business customers), in addition to ATM, point of sale, mutual fund and trade services fees.

Trading income at MXN325 million was 40.8 per cent lower than in the same period of the previous year. Retail foreign exchange continues to drive positive results, but both interest rate and fixed income trading portfolios generated lower income than in the same period in 2006, affected by the volatility in the local markets resulting from both local and international market conditions.

Administrative expenses of MXN4,705 million were 7.5 per cent higher than in the same period in 2006. Personnel expenses increased as a result of the 2,199 new employees hired since March 2006. Marketing expenses, information technology improvements and investment in the expansion, relocation and renovation of the branch and ATM infrastructure have also contributed to expense growth. With cost growth below the rate of revenue growth, however, the cost efficiency ratio (excluding monetary position) improved from 61.8 per cent in the first quarter of 2006 to 59.8 per cent for the same period in 2007.

During the first quarter of 2007, loan impairment charges increased by MXN781 million to MXN1,407 million compared with the same period in 2006, reflecting strong growth in the consumer loan portfolio and higher impairment in the small business and self-employed loan portfolios. These were partially offset by higher recoveries (which are included in Other Income in 2007 in accordance with new Mexican GAAP reporting requirements). The allowance for loan losses as a percentage of impaired loans was 141.6 per cent as at 31 March 2007.

The bank's capital adequacy ratio remains sound at 14.7 per cent, well above Mexican Banking and Securities Commission (CNBV) requirements.

### Business highlights

During the first quarter of 2007, the bank's Personal Financial Services (PFS) business generated significant volume growth, with higher balances in credit cards, mortgages, personal and payroll loans. More than 370,000 new credit cards were issued during the quarter. At the end of March 2007, total customer loans were up 27.8 per cent year-on-year. Higher revenues were generated from credit cards, ATMs and from the Tu Cuenta packaged financial services product, which reached 1.2 million accounts at 31 March 2007. Insurance premiums continued to grow, with a 15.6 per cent increase year-on-year.

During the first quarter of 2007, the distribution network grew with six new branches opened and 76 new ATMs installed. In March, HSBC launched a savings account, Cuenta Chicos HSBC, for children between the ages of one and 15 years' old.

In Commercial Banking (CMB), customer loans were 32.9 per cent higher than in the first quarter of 2006 as HSBC continued to be a market leader in delivering banking services to the small and micro business sector in Mexico. There were higher revenues from card acquiring and trade services fees, as well as increased cross-sales activity through ATMs and of payments and cash management

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(PCM) services. HSBC Mexico's trade services business continues to increase market share and has now opened offices in three regional centres, in Monterrey, Guadalajara and Puebla.

The international business centre, which supports Mexican businesses in expanding internationally and foreign companies in investing in Mexico, has been expanded to cater for the growth in inward and outward business flows between HSBC Mexico and HSBC Group members in other countries.

In Corporate, Investment Banking and Markets (CIBM), revenues from the PCM business increased compared to the first quarter of 2006. However, in Global Markets, revenues were significantly lower than in the same period of 2006, as interest rate, fixed income and balance sheet trading were all negatively affected by the volatility in the local markets resulting from both local and international market conditions. This was partially offset by continued profitability in retail foreign exchange and the sale of securities from the available-for-sale portfolio.

In March 2007, HSBC Mexico successfully issued its first residential mortgage-backed security (RMBS) for MXN2,500 million, in two series and with a term of 15.9 years. This issuance was the largest of its kind in Latin America and obtained AAA(mex) and mxAAA grades assigned by Fitch Ratings and Standard & Poors, respectively.

### About HSBC

Grupo Financiero HSBC, S.A. de C.V. is Mexico's fourth largest banking and financial services institution with 1,350 branches, 5,482 ATMs, approximately 7.8 million customers and more than 23,000 employees. For more information, consult our website at [www.hsbc.com.mx](http://www.hsbc.com.mx).

Grupo Financiero HSBC, S.A. de C.V. is a 99.99 per cent directly owned subsidiary of HSBC Holdings plc. Headquartered in London, UK, the HSBC Group serves over 125 million customers worldwide through 10,000 offices in 82 countries and territories in Europe, the Asia-Pacific region, the Americas, the Middle East and Africa. With assets of US\$1,861 billion at 31 December 2006, HSBC is one of the world's largest banking and financial services organisations. With listings on the London, Hong Kong, New York, Paris and Bermuda stock exchanges, shares in HSBC Holdings plc are held by nearly 200,000 shareholders in some 100 countries and territories. HSBC is marketed worldwide as 'the world's local bank'.

### Consolidated Balance Sheet

Figures in MXN millions	GROUP		BANK	
	31Mar07	31Mar06	31Mar07	31Mar06
<b>Assets</b>				
Cash and deposits in banks	54,519	53,865	54,518	49,217
Investment in securities	53,334	62,026	52,251	60,170
Trading securities	17,858	10,100	16,775	9,739
Available-for-sale securities	31,555	47,821	31,555	46,326
Held to maturity securities	3,921	4,105	3,921	4,105

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Securities and derivative operations	190	626	184	625
Repurchase agreements	87	86	82	86
Derivative transactions	103	540	102	539
Performing loans				
Commercial loans	61,583	49,865	61,583	44,098
Loans to financial intermediaries	6,107	5,806	6,107	5,699
Consumer loans	38,168	31,130	38,168	29,305
Mortgage loans	18,440	22,652	18,440	17,444
Loans to government entities	36,689	37,881	36,689	37,881
Loans to Fobaproa or IPAB	-	1,164	-	1,164
Total performing loans	160,987	148,498	160,987	135,591
Impaired loans				
Commercial loans	1,840	1,302	1,840	1,254
Consumer loans	2,056	971	2,056	957
Mortgage loans	1,233	991	1,233	911
Immediate collection, remittances and other	-	13	-	13
Total impaired loans	5,129	3,277	5,129	3,135
Gross loans and advances to customers	166,116	151,775	166,116	138,726
Allowance for loan losses	(7,262)	(5,764)	(7,262)	(5,576)
Net loans and advances to customers	158,854	146,011	158,854	133,150
Other accounts receivable	29,430	22,565	26,773	21,873
Foreclosed assets	65	337	65	294
Property, furniture and equipment, net	6,111	5,897	6,097	5,640
Long-term investments in equity securities	2,845	2,532	156	208
Deferred taxes	-	886	-	742
Goodwill	2,680	3,426	-	-
Other assets, deferred charges and intangibles	1,000	1,744	966	1,544
Total assets	309,028	299,915	299,864	273,463
Liabilities				
Deposits	213,167	220,240	214,822	202,512
Demand deposits	121,208	124,622	122,863	117,361
Time deposits	87,690	95,618	87,690	85,151
Bonds	4,269	-	4,269	-
Bank deposits and other liabilities	10,588	6,389	10,588	6,389
On demand	2,015	-	2,015	-
Short-term	6,467	4,281	6,467	4,281
Long-term	2,106	2,108	2,106	2,108
Securities and derivative transactions	4,415	8,408	4,410	8,407
Repurchase agreements	20	63	15	62
Securities deliverable under loan transactions	4,395	8,345	4,395	8,345
Other accounts payable	44,226	33,642	41,505	32,408
Income tax and employee				

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profit sharing payable	1,467	1,965	1,416	1,909
Sundry creditors and other accounts payable	42,759	31,677	40,089	30,499
Subordinated debentures outstanding	2,209	2,699	2,209	2,301
Deferred taxes	384	-	429	-
Deferred credits	120	30	120	24
Total liabilities	275,109	271,408	274,083	252,041
Equity				
Paid in capital	20,928	20,928	13,194	13,194
Capital stock	8,004	8,004	3,977	3,977
Additional paid in capital	12,924	12,924	9,217	9,217
Other reserves	12,970	7,576	12,568	8,227
Capital reserves	853	668	9,258	4,831
Retained earnings	18,635	13,304	4,466	4,427
Result from the mark-to- market of available-for- sale securities	-	-	86	90
Result from translation of foreign operations	-	10	-	12
Cumulative effect of restatement	(3,888)	(3,888)	(3,504)	(3,545)
Gains on non-monetary asset valuation	(4,006)	(4,007)	1,152	1,165
Net income	1,376	1,489	1,110	1,247
Minority interest in capital	21	3	19	1
Total equity	33,919	28,507	25,781	21,422
Total liabilities and equity	309,028	299,915	299,864	273,463

Consolidated Balance Sheet (continued)

Figures in MXN millions	GROUP	
	31Mar07	31Mar06
Memorandum Accounts		
Transactions on behalf of third parties	91,274	97,523
Customer current accounts	(11)	1
Customer bank	-	1
Settlement of customer securities and documents	(11)	-
Customer securities	65,545	75,545
Customer securities in custody	65,539	74,214
Pledged customers securities and documents	6	1,331

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Transactions on behalf of customers	2,323	2,597
Customer repurchase transactions	2,323	2,597
Other transactions on behalf of customers	23,417	19,380
Investment on behalf of customers, net	23,417	19,380
Other memorandum accounts	356,274	508,854
Investment of the SAR funds	3,540	3,680
Integrated loan portfolio	173,788	144,371
Other memorandum accounts	178,946	360,803
Transactions for the group's own accounts	1,054,615	568,419
Accounts for the group's own registry	1,054,548	568,398
Guarantees granted	48	61
Irrevocable lines of credit granted	7,623	5,584
Goods in trust or mandate	111,818	72,039
Goods in custody or under administration	56,165	72,294
Amounts committed in transactions with Fobaproa	152	119
Amounts contracted in derivative operations	874,673	400,399
Securities in custody	3,942	4,097
Other contingent obligations	127	13,805
Repurchase/resale agreements		
Securities receivable under repos	45,764	49,823
(less) Repurchase agreements	(45,700)	(49,801)
	64	22
Reverse repurchase agreements	5,324	16,050
(less) Securities deliverable under repos	(5,321)	(16,051)
	3	(1)

BANK

Figures in MXN millions	31Mar07	31Mar06
Memorandum Accounts		
Guarantees granted	47	61
Other contingent obligations	127	13,805
Irrevocable lines of credit granted	7,623	5,584
Goods in trust or mandate	111,818	72,039
Goods in custody or under administration	56,165	72,294
Third party investment banking operations, net	23,417	19,380
Amounts committed in transactions with Fobaproa	152	119
Amounts contracted in derivative operations	874,673	400,399
Investments of retirement savings system funds	3,540	3,680

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Integrated loan portfolio	173,788	144,371
Other control accounts	178,946	360,802
	1,430,296	1,092,534
Securities receivable under repos	43,442	47,239
(less) Repurchase agreements	(43,377)	(47,204)
	65	35
Reverse repurchase agreements	3,001	13,454
(less) Securities deliverable under repos	(2,999)	(13,466)
	2	(12)

### Consolidated Income Statement

Figures in MXN millions	GROUP		BANK	
	31Mar07	31Mar06	31Mar07	31Mar06
Interest income	7,546	7,071	7,438	6,787
Interest expense	(2,436)	(2,468)	(2,392)	(2,376)
Monetary position (margin), net	(348)	(197)	(313)	(187)
Net interest income	4,762	4,406	4,733	4,224
Loan impairment charges	(1,407)	(642)	(1,407)	(626)
Risk adjusted net interest income	3,355	3,764	3,326	3,598
Fees and commissions receivable	2,708	2,458	2,500	2,179
Fees payable	(275)	(284)	(272)	(273)
Trading income	325	549	324	547
Total operating income	6,113	6,487	5,878	6,051
Administrative and personnel expenses	(4,705)	(4,518)	(4,558)	(4,205)
Net operating income	1,408	1,969	1,320	1,846
Other income	546	380	558	390
Other expenses	(199)	(210)	(200)	(209)
Net income before taxes	1,755	2,139	1,678	2,027
Income tax and employee profit sharing tax	(582)	(801)	(561)	(760)
Deferred income tax	(17)	(8)	(10)	(21)
Net income before subsidiaries	1,156	1,330	1,107	1,246
Undistributed income from subsidiaries	220	159	2	1
Income from ongoing				



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operations	1,376	1,489	1,109	1,247
Minority interest	-	-	1	-
Net income	1,376	1,489	1,110	1,247

Statement of Changes in Shareholder's Equity

GROUP

Figures in MXN millions

	Capital contributed	Capital reserves	Retained earnings	Deficit in restatement of stock- holders' income	Net income	Minority interest	Total equity
Balances at 31Dec06	20,928	853	13,041	(7,694)	5,594	2	32,724
Movements inherent to the share- holder's decision							
Capitalisation of retained earnings	-	-	5,594	-	(5,594)	-	-
Other movements	-	-	-	-	-	-	-
Total	-	-	5,594	-	(5,594)	-	-
Movements for the recognition of the comprehensive income							
Net income	-	-	-	-	1,376	-	1,376
Result from foreign currency transactions	-	-	-	-	-	-	-
Gains on non-monetary asset valuation	-	-	-	(200)	-	19	(181)
Total	-	-	-	(200)	1,376	19	1,195
Balances at 31Mar07	20,928	853	18,635	(7,894)	1,376	21	33,919

BANK

Figures in MXN millions

	Capital	Capital	Retained	Result from valuation of available-for- sale	Deficit in restatement of stock- holders'	Net	Min
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	contributed	reserves	earnings	securities	equity	income	int
Balances at 31Dec06	13,194	9,258	-	306	(2,373)	4,466	
Movements inherent to the shareholder's decision							
Transfer of result of prior years	-	-	4,466	-	-	(4,466)	
Other movements	-	-	-	-	-	-	
Total	-	-	4,466	-	-	(4,466)	
Movements for the recognition of the comprehensive income							
Net income	-	-	-	-	-	1,110	
Result from valuation of available-for-sale securities	-	-	-	(220)	-	-	
Cumulative effect of restatement	-	-	-	-	28	-	
Others	-	-	-	-	(7)	-	
Total	-	-	-	(220)	21	1,110	
Balances at 31Mar07	13,194	9,258	4,466	86	(2,352)	1,110	

Consolidated Statement of Changes in Financial Position

GROUP

Figures in MXN millions

	31Mar07	31Mar06
Operating activities:		
Net income	1,376	1,489
Items included in operations not requiring (providing) funds:		
Result from mark-to-market valuations	82	(548)
Allowances for loan losses	1,407	642
Depreciation and amortisation	252	174
Deferred taxes	17	8
Undistributed income from subsidiaries, net	(220)	(159)
Value loss estimation for foreclosed assets	2	-
Total operating items not requiring funds	2,916	1,606
Changes in items related to operations:		
(Decrease) in deposits	(8,516)	(3,571)
(Increase) in loan portfolio	(3,511)	(6,135)
(Increase) / decrease in securities and derivative transactions, net	(1,932)	3,635
Decrease / (increase) in financial instruments	4,366	(1,433)
(Decrease) in bank deposits and other liabilities	(2,530)	(951)

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Funds provided by operating activities	(9,207)	(6,849)
Financing activities:		
Subordinated debentures outstanding	(23)	(20)
Increase in other payable accounts	27,211	9,440
Funds used or provided in financing activities	27,188	9,420
Investing activities:		
(Increase) in property, furniture and equipment, net	(331)	(469)
(Increase) in deferred charges or credits, net	(94)	(82)
(Increase) / decrease in foreclosed assets	(12)	78
(Increase) in other receivable accounts	(18,768)	(6,518)
Funds used in investing activities	(19,205)	(6,991)
(Decrease) in cash and equivalents	(1,224)	(4,420)
Cash and equivalents at beginning of period	55,743	58,285
Cash and equivalents at end of period	54,519	53,865

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Figures in MXN millions

	31Mar07	31Mar06
Operating activities:		
Net income	1,110	1,247
Items included in operations not requiring (providing) funds:		
Result from mark-to-market valuations	82	101
Allowances for loan losses	1,407	626
Depreciation and amortisation	253	213
Deferred taxes	10	21
Undistributed income from subsidiaries, net	21	(1)
Value loss estimation for foreclosed assets	2	54
Minority interest	(1)	-
Total operating items not requiring funds	2,884	2,261
Changes in operating accounts:		
(Decrease) in deposits	(8,468)	(4,698)
(Increase) in loan portfolio	(3,511)	(5,439)
Decrease in financial instruments	2,247	1,700
(Decrease) in bank deposits and other liabilities	(2,530)	(880)
Funds provided by operations	(9,378)	(7,056)
Financing activities:		
Subordinated debentures outstanding	(24)	(25)
Increase in other payable accounts	24,579	9,321
Funds used or provided by financing activities	24,555	9,296
Investing activities:		
(Increase) in property, furniture and equipment, net	(167)	(333)
(Increase) in deferred charges or credits, net	(10)	(111)
(Increase) / Decrease in foreclosed assets	(13)	25
(Increase) in other receivable accounts	(16,213)	(6,401)
Funds used in investing activities	(16,403)	(6,820)
(Decrease) in cash and equivalents	(1,226)	(4,580)
Cash and equivalents at beginning of period	55,744	53,797
Cash and equivalents at end of period	54,518	49,217

Appendix A:

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Grupo Financiero HSBC, S.A. de C.V. (HBMX)  
Consolidated balance sheet on a like-for-like basis

Figures in MXN millions

	Total Group Mar07	Mexico <sup>^</sup> Mar06	Panama Mar06	Total Group Mar06
<b>Assets</b>				
Cash and deposits in banks	54,519	49,219	4,646	53,865
Investments in securities	53,334	60,531	1,495	62,026
Trading securities	17,858	10,100	-	10,100
Available-for-sale securities	31,555	46,326	1,495	47,821
Held to maturity securities	3,921	4,105	-	4,105
Securities and derivative operations	190	626	-	626
Repurchase agreements	87	86	-	86
Derivative transactions	103	540	-	540
<b>Performing loans</b>				
Commercial loans	61,583	44,098	5,767	49,865
Loans to financial intermediaries	6,107	5,699	107	5,806
Consumer loans	38,168	29,305	1,825	31,130
Mortgage loans	18,440	17,444	5,208	22,652
Loans to government entities	36,689	37,881	-	37,881
Loans to Fobaproa or IPAB	-	1,164	-	1,164
Total performing loans	160,987	135,591	12,907	148,498
<b>Impaired loans</b>				
Commercial loans	1,840	1,255	47	1,302
Consumer loans	2,056	957	14	971
Mortgage loans	1,233	911	80	991
Immediate collection, remittances and other	-	13	-	13
Total impaired loans	5,129	3,136	141	3,277
<b>Gross loans and advances to customers</b>				
	166,116	138,727	13,048	151,775
Allowance for loan losses	(7,262)	(5,576)	(188)	(5,764)
<b>Net loans and advances to customers</b>				
	158,854	133,151	12,860	146,011
Other accounts receivable	29,430	22,418	147	22,565
Foreclosed assets	65	294	43	337
Property, furniture and equipment, net	6,111	5,649	248	5,897
Long-term investments in equity securities	2,845	2,532	-	2,532
Deferred taxes	-	845	41	886
Goodwill	2,680	2,680	746	3,426
Other assets, deferred charges and intangibles	1,000	1,563	181	1,744
<b>Total assets</b>	<b>309,028</b>	<b>279,508</b>	<b>20,407</b>	<b>299,915</b>

<sup>^</sup> On 8 August 2006, HSBC Panama was sold by Grupo Financiero HSBC, S.A. de C.V. to HSBC Asia Holdings BV. Therefore, the balance sheet as at 31 March 2006 has been restated to exclude HSBC Panama to compare on a like-for-like basis.

Grupo Financiero HSBC, S.A. de C.V. (HBMX)  
Consolidated balance sheet on a like-for-like basis (continued)

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Figures in MXN millions

	Total Group Mar07	Mexico <sup>^</sup> Mar06	Panama Mar06	Total Group Mar06
<b>Liabilities</b>				
Deposits	213,167	202,428	17,812	220,240
Demand deposits	121,208	117,277	7,345	124,622
Time deposits	87,690	85,151	10,467	95,618
Bonds	4,269	-	-	-
Bank deposits and other liabilities	10,588	6,389	-	6,389
On demand	2,015	-	-	-
Short-term	6,467	4,281	-	4,281
Long-term	2,106	2,108	-	2,108
Securities and derivative transactions	4,415	8,408	-	8,408
Repurchase agreements	20	63	-	63
Securities deliverable under loan transactions	4,395	8,345	-	8,345
Other accounts payable	44,226	33,142	500	33,642
Income tax and employee profit sharing payable	1,467	1,935	30	1,965
Sundry creditors and others accounts payable	42,759	31,207	470	31,677
Subordinated debentures outstanding	2,209	2,301	398	2,699
Deferred taxes	384	-	-	-
Deferred credits	120	25	5	30
<b>Total liabilities</b>	<b>275,109</b>	<b>252,693</b>	<b>18,715</b>	<b>271,408</b>
<b>Equity</b>				
Paid in capital	20,928	19,612	1,316	20,928
Capital stock	8,004	6,688	1,316	8,004
Additional paid in capital	12,924	12,924	-	12,924
Other reserves	12,970	7,200	376	7,576
Capital reserves	853	668	-	668
Retained earnings	18,635	13,006	298	13,304
Result from mark-to-market of available-for-sale securities	-	(7)	7	-
Result from translation of foreign operations	-	-	10	10
Cumulative effect of restatement	(3,888)	(3,888)	-	(3,888)
Gains on non monetary asset valuation	(4,006)	(4,007)	-	(4,007)
Net income	1,376	1,428	61	1,489
Minority interest in capital	21	3	-	3
<b>Total equity</b>	<b>33,919</b>	<b>26,815</b>	<b>1,692</b>	<b>28,507</b>
<b>Total liabilities and equity</b>	<b>309,028</b>	<b>279,508</b>	<b>20,407</b>	<b>299,915</b>

<sup>^</sup> On 8 August 2006, HSBC Panama was sold by Grupo Financiero HSBC, S.A. de C.V. to HSBC Asia Holdings BV. Therefore, the balance sheet as at 31 March 2006 has

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been restated to exclude HSBC Panama to compare on a like-for-like basis.

Grupo Financiero HSBC, S.A. de C.V. (HBMX)  
Consolidated income statement on a like-for-like basis

Figures in MXN millions

	Total Group Mar07	Mexico <sup>^</sup> Mar06	Panama Mar06	Total Group Mar06
Interest income	7,546	6,770	301	7,071
Interest expense	(2,436)	(2,352)	(116)	(2,468)
Monetary position (margin), net	(348)	(195)	(2)	(197)
Net interest income	4,762	4,223	183	4,406
Loan impairment charges	(1,407)	(626)	(16)	(642)
Risk adjusted net interest income	3,355	3,597	167	3,764
Fees and commissions receivable	2,708	2,383	75	2,458
Fees payable	(275)	(271)	(13)	(284)
Trading income	325	549	-	549
Total operating income	6,113	6,258	229	6,487
Administrative and personnel expenses	(4,705)	(4,377)	(141)	(4,518)
Net operating income	1,408	1,881	88	1,969
Other income	546	380	-	380
Other expenses	(199)	(210)	-	(210)
Net income before taxes	1,755	2,051	88	2,139
Income tax and employee profit sharing	(582)	(773)	(28)	(801)
Deferred taxes	(17)	(9)	1	(8)
Net income before subsidiaries	1,156	1,269	61	1,330
Undistributed income from subsidiaries	220	159	-	159
Income from ongoing operations	1,376	1,428	61	1,489
Net income	1,376	1,428	61	1,489

<sup>^</sup> On 8 August 2006, HSBC Panama was sold by Grupo Financiero HSBC, S.A. de C.V. to HSBC Asia Holdings BV. Therefore, results for the quarter ended 31 March 2006 have been restated to exclude results for HSBC Panama up until the date of disposal in order to compare on a like-for-like basis.

### 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

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Title: Assistant Group Secretary  
Date: 01 May 2007