

HSBC HOLDINGS PLC  
Form 6-K  
May 07, 2010

**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 2010

**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-.....).

---

**UNITED STATES SECURITIES AND  
EXCHANGE COMMISSION  
Washington, D.C. 20549**

**Form 10-Q**

(Mark One)

- QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d)  
OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended **March 31, 2010**

OR

- TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d)  
OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from

\_\_\_\_\_ to \_\_\_\_\_

**Commission file number 1-8198**

**HSBC FINANCE CORPORATION**

(Exact name of registrant as specified in its charter)

<b>Delaware</b> (State of Incorporation)	<b>86-1052062</b> (I.R.S. Employer Identification No.)
<b>26525 North Riverwoods Boulevard,</b> <b>Mettawa, Illinois</b> (Address of principal executive offices)	<b>60045</b> (Zip Code)

**(224) 544-2000**

**Registrant's telephone number, including area code**

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes

- Yes  
 No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes

- Yes  
 No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer,"

"accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer     
  Accelerated filer     
  Non-accelerated filer     
  Smaller reporting company

(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes

No  
 R

As of April 30, 2010, there were 65 shares of the registrant's common stock outstanding, all of which are owned by HSBC Investments (North America) Inc.

## HSBC FINANCE CORPORATION

### FORM 10-Q

#### TABLE OF CONTENTS

<b>Part/Item No.</b>	<b>Page</b>
<b>Part I.</b>	
Item 1. Financial Statements (Unaudited)	
Consolidated Statement of Income (Loss)	3
Consolidated Balance Sheet	4
Consolidated Statement of Changes in Shareholders' Equity	5
Consolidated Statement of Cash Flows	6
Notes to Consolidated Financial Statements	8
Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations	
Forward-Looking Statements	43
Executive Overview	43
Basis of Reporting	50
Receivables Review	53
Real Estate Owned	55
Results of Operations	56
Segment Results - IFRS Management Basis	63
Credit Quality	69
Liquidity and Capital Resources	80
Fair Value	84
Risk Management	86
Reconciliations to U.S. GAAP Financial Measures	89
Item 3. Quantitative and Qualitative Disclosures about Market Risk	90
Item 4. Controls and Procedures	90

**Part II**

Item 1.	Legal Proceedings	90
Item 6.	Exhibits	92
	Index	93
	Signature	96

*HSBC Finance Corporation*

**Part I. FINANCIAL INFORMATION****Item 1.****Financial Statements****CONSOLIDATED STATEMENT OF INCOME (LOSS) (UNAUDITED)**

<b><u>Three Months Ended March 31,</u></b>	<b><u>2010</u></b>	<b><u>2009</u></b>
	<b>(in millions)</b>	
Finance and other interest income	<b>\$2,071</b>	<b>\$2,846</b>
Interest expense on debt held by:		
HSBC affiliates	<b>39</b>	<b>95</b>
Non-affiliates	<b>828</b>	<b>1,072</b>
<b>Net interest income</b>	<b>1,204</b>	<b>1,679</b>
Provision for credit losses	<b>1,919</b>	<b>2,945</b>
	<b>(715)</b>	<b>(1,266)</b>
<b>Net interest income (loss) after provision for credit losses</b>	<b>)</b>	<b>)</b>
Other revenues:		
Insurance revenue	<b>68</b>	<b>93</b>
Investment income	<b>27</b>	<b>27</b>
Net other-than-temporary impairment losses	<b>-</b>	<b>(20)</b>
Derivative related income (expense)	<b>(102)</b>	<b>38</b>
Gain on debt designated at fair value and related derivatives	<b>133</b>	<b>4,112</b>
Fee income	<b>89</b>	<b>228</b>
Enhancement services revenue	<b>103</b>	<b>135</b>
Taxpayer financial services revenue	<b>29</b>	<b>90</b>
Gain on bulk receivable sales to HSBC affiliates	<b>-</b>	<b>57</b>
Gain on receivable sales to HSBC affiliates	<b>116</b>	<b>128</b>
Servicing and other fees from HSBC affiliates	<b>238</b>	<b>204</b>
Lower of cost or fair value adjustment on receivables held for sale	<b>-</b>	<b>(170)</b>
Other income	<b>10</b>	<b>46</b>
<b>Total other revenues</b>	<b>711</b>	<b>4,968</b>
Operating expenses:		
Salaries and employee benefits	<b>176</b>	<b>420</b>
Occupancy and equipment expenses, net	<b>29</b>	<b>102</b>