

HSBC HOLDINGS PLC  
Form 6-K  
November 10, 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-.....).

**UNITED STATES SECURITIES AND  
EXCHANGE COMMISSION**

Washington, D.C. 20549

**FORM 10-Q**

**(Mark One)**

( X ) QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d)

OF THE SECURITIES EXCHANGE ACT OF 1934

**For the quarterly period ended September 30, 2008**

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

**(Address of principal executive offices)**

**(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 ( X ) 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 ( X )	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 (  )

As of October 31, 2008, there were 60 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**

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**Part I. FINANCIAL INFORMATION****Item 1. Financial Statements**

HSBC Finance Corporation

**CONSOLIDATED STATEMENT OF INCOME (LOSS) (UNAUDITED)**

	<b>Three Months Ended</b>		<b>Nine Months Ended</b>	
	<b><u>September 30,</u></b>		<b><u>September 30,</u></b>	
	<b><u>2008</u></b>	<b><u>2007</u></b>	<b><u>2008</u></b>	<b><u>2007</u></b>
	(in millions)			
Finance and other interest income	<b>\$3,844</b>	\$4,571	<b>\$12,194</b>	\$13,677
Interest expense:				
HSBC affiliates	<b>250</b>	192	<b>773</b>	566
Non-affiliates	<b><u>1,284</u></b>	<u>1,780</u>	<b><u>4,217</u></b>	<u>5,389</u>
<b><i>Net interest income</i></b>	<b>2,310</b>	2,599	<b>7,204</b>	7,722
Provision for credit losses	<b><u>3,821</u></b>	<u>3,134</u>	<b><u>9,944</u></b>	<u>6,480</u>
<b><i>Net interest income (loss) after provision for credit losses</i></b>	<b><u>(1,511)</u></b>	<u>(535)</u>	<b><u>(2,740)</u></b>	<u>1,242</u>
Other revenues:				
Insurance revenue	<b>108</b>	127	<b>321</b>	361
Investment income (loss)	<b>(22)</b>	29	<b>23</b>	78
Derivative income (expense)	<b>30</b>	4	<b>61</b>	(48)
Gain on debt designated at fair value and related derivatives	<b>1,709</b>	519	<b>2,021</b>	533
Fee income	<b>472</b>	653	<b>1,384</b>	1,840
Enhancement services revenue	<b>175</b>	167	<b>532</b>	465
Taxpayer financial services revenue (expense)	<b>10</b>	(27)	<b>165</b>	216
Gain on receivable sales to HSBC affiliates	<b>66</b>	94	<b>188</b>	298
Servicing and other fees from HSBC affiliates	<b>125</b>	126	<b>381</b>	374
Other (expense) income	<b><u>(127)</u></b>	<u>(10)</u>	<b><u>(266)</u></b>	<u>(18)</u>
<b><i>Total other revenues</i></b>	<b><u>2,546</u></b>	<u>1,682</u>	<b><u>4,810</u></b>	<u>4,099</u>
Costs and expenses:				
Salaries and employee benefits	<b>508</b>	544	<b>1,432</b>	1,666
Sales incentives	<b>10</b>	51	<b>50</b>	175
Occupancy and equipment expenses	<b>54</b>	66	<b>172</b>	206
Other marketing expenses	<b>75</b>	161	<b>296</b>	594
Other servicing and administrative expenses	<b>329</b>	278	<b>1,095</b>	641
Support services from HSBC affiliates	<b>256</b>	288	<b>790</b>	848
Amortization of intangibles	<b>42</b>	63	<b>139</b>	189
Policyholders' benefits	<b>51</b>	64	<b>154</b>	184
Goodwill impairment charge	<b><u>71</u></b>	<u>881</u>	<b><u>71</u></b>	<u>881</u>

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<b><i>Total costs and expenses</i></b>	<b><u>1,396</u></b>	<b><u>2,396</u></b>	<b><u>4,199</u></b>	<b><u>5,384</u></b>
Loss from continuing operations before income tax expense (benefit)	<b>(361)</b>	(1,249)	<b>(2,129)</b>	(43)
Income tax expense (benefit)	<b><u>(90)</u></b>	<u>(172)</u>	<b><u>(683)</u></b>	<u>239</u>
<b><i>Income (loss) from continuing operations</i></b>	<b>(271)</b>	(1,077)	<b>(1,446)</b>	(282)
Discontinued Operations (Note 2):				
Loss from discontinued U.K. Operations	-	(31)	<b>(15)</b>	(288)
Income tax benefit	=	<u>(6)</u>	=	<u>(72)</u>
<b><i>Loss from discontinued operations</i></b>	=	<u>(25)</u>	<b><u>(15)</u></b>	<u>(216)</u>
<b><i>Net loss</i></b>	<b><u>\$(271)</u></b>	<u>\$(1,102)</u>	<b><u>\$(1,461)</u></b>	<u>\$(498)</u>

The accompanying notes are an integral part of the consolidated financial statements.





**CONSOLIDATED BALANCE SHEET (UNAUDITED)**

**September 30, December 31,**

**2008                      2007**

**(in millions,  
except share data)**

*Assets*