HSBC Finance Corporation

1Q 2010 Financial Results[1]

US$m	1Q 2009	1Q 2010	% Better / (worse) 2010 vs 2009
Net operating income before loan impairment charges ex changes in Fair Value Option (FVO)	3,284	2,616	(20)
Loan impairment charges and other credit risk provisions	(3,946)	(2,294)	42
Total operating expenses, ex goodwill impairment	(1,100)	(794)	28
Loss before tax ex goodwill and FVO	**(1,762)**	**(472)**	**73**
Customer loans and advances (as at 31 March)[2]	139,609	109,884	(21)

Notes:

(1) The figures are presented on an IFRS management basis. Loss before tax ex goodwill and FVO can be reconciled to profit (loss) before tax as reported in Form 10-Q as follows:

	1Q 2009	1Q 2010
Loss before tax ex goodwill and FVO	$ (1,762)	$ (472)
Adjustments		
FVO income/(loss)	3,991	(78)
Goodwill	(1,615)	-
Profit (loss) before tax as reported in Form 10-Q	$ 614	$ (550)

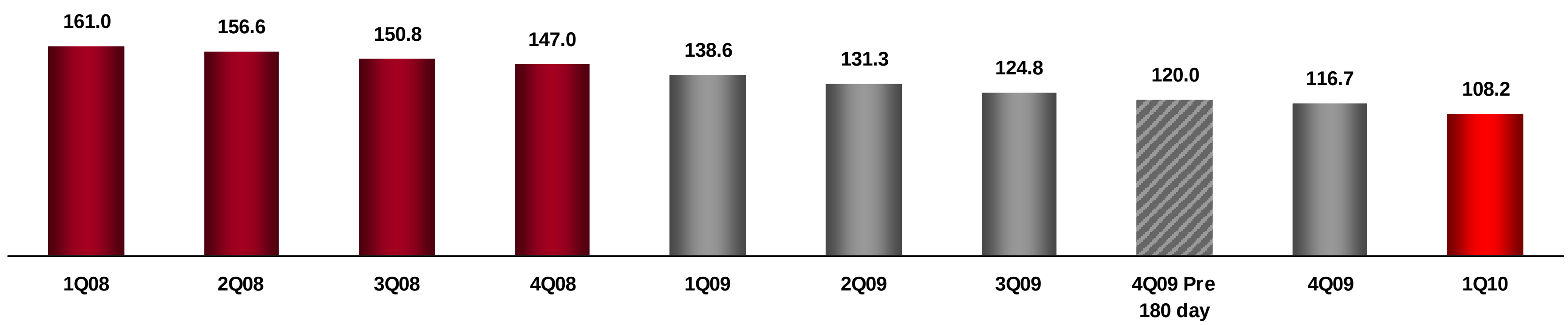
See note 15 'Business Segments' of Form 10-Q for the period ended 31 Mar 2010 for reconciliation of IFRS to US GAAP

(2) Customer loans and advances included reverse repo balances of US$1,700m at 31 Mar 2010 ($1,000m at 31 Mar 2009)

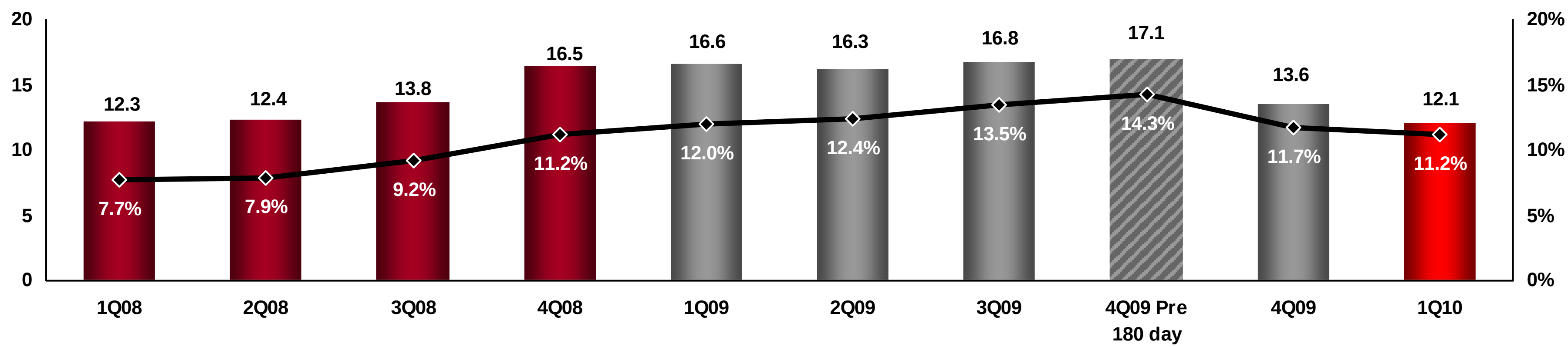
HSBC Finance Corporation

Continued reduction of balance sheet in the US

Customer loans[1], US$bn



2+ Delinquency[1, 2], US$bn

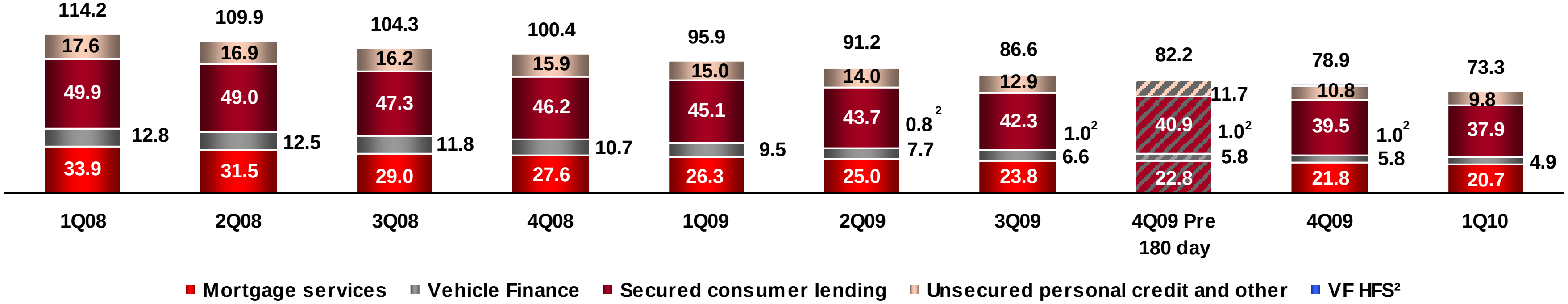


Notes:
(1) Excludes reverse repo balances and vehicle finance loans held for sale
(2) 2+ Delinquency ratio as a percentage of end-of-period customer loans

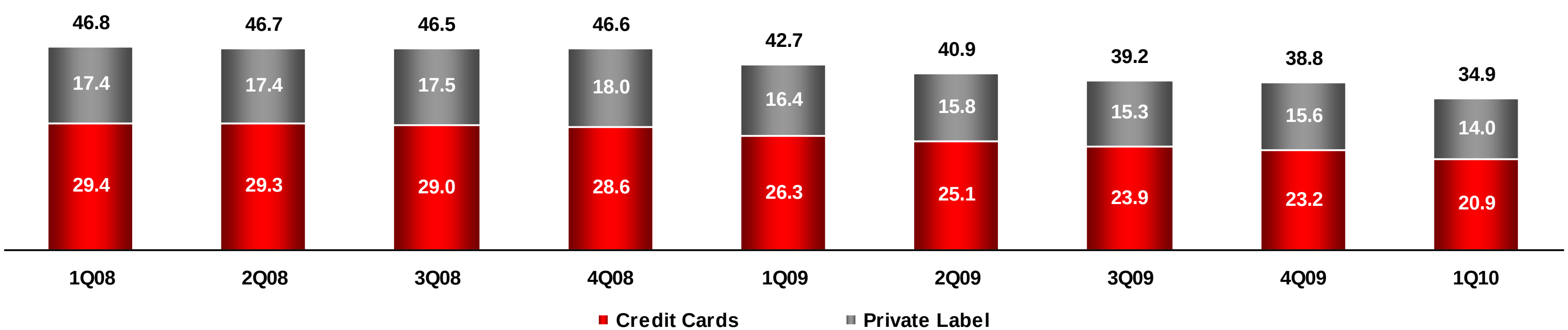
HSBC Finance Corporation

US customer loans – Run-off portfolio: Down 7% from December 2009

Customer loans[1]
Run-off portfolio, US$bn



Customer loans[1]
Core portfolio, US$bn



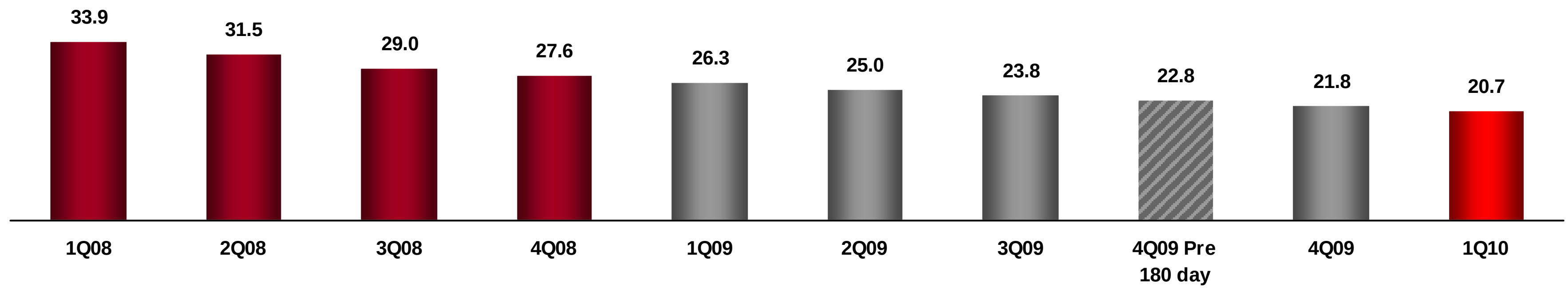
Notes:
(1) Excludes reverse repo balances
(2) Vehicle finance loans held for sale

2

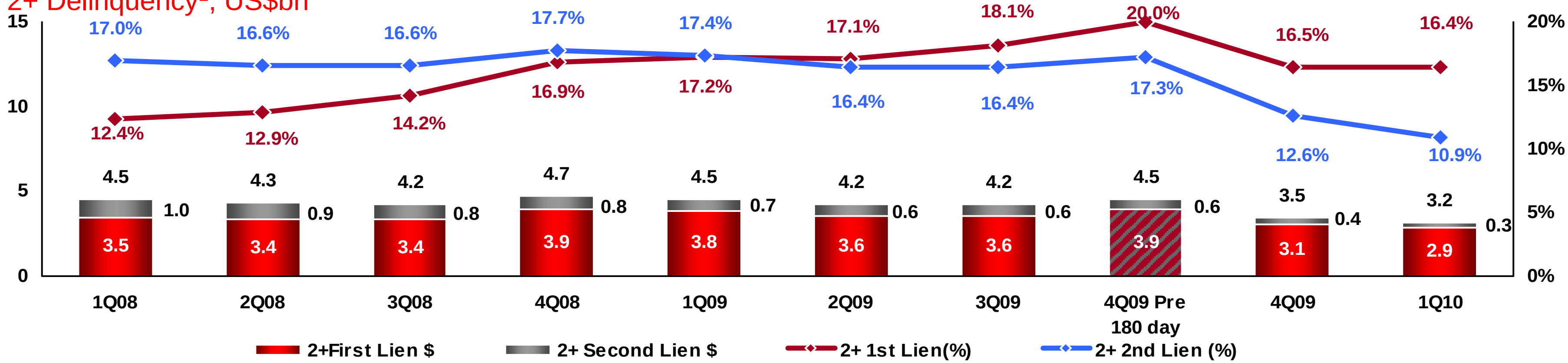
HSBC Finance Corporation

US Mortgages: Continuing to shrink the Mortgage Services portfolio

Mortgages Services
Customer loans, US$bn



Mortgages Services
2+ Delinquency[1], US$bn

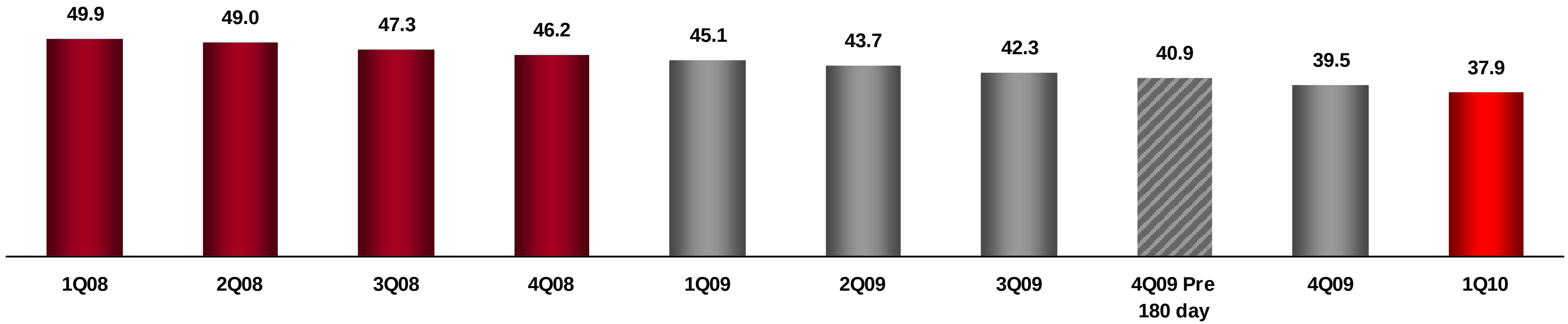


Note:
(1) 2+ Delinquency ratio as a percentage of end-of-period customer loans

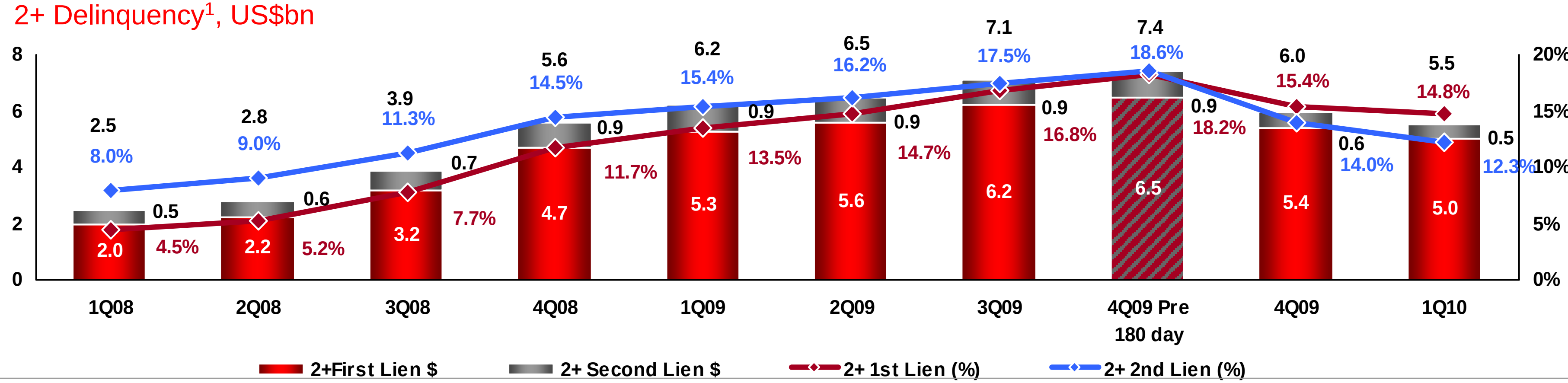
HSBC Finance Corporation

US Mortgages: Continuing to shrink the Consumer Lending mortgage portfolio

Consumer Lending
Customer loans, US$bn



Consumer Lending
2+ Delinquency[1], US$bn

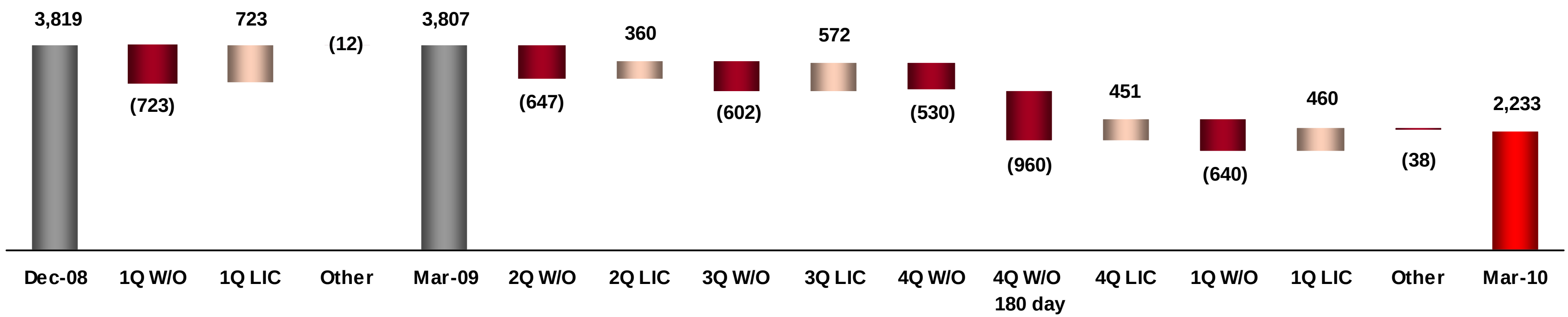


Note:
(1) 2+ Delinquency ratio as a percentage of end-of-period customer loans

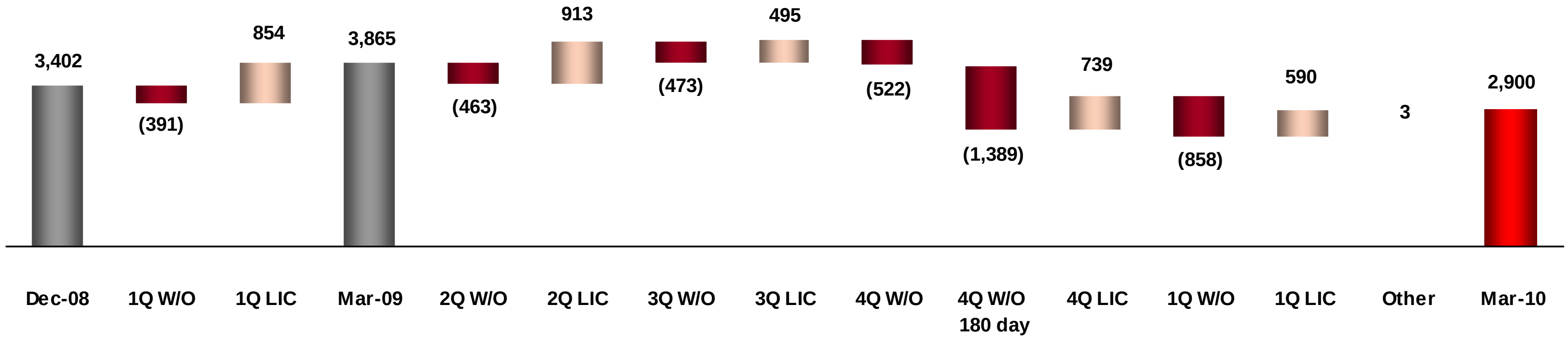
HSBC Finance Corporation

Impairment allowance

Mortgage Services
Real Estate Secured, US$m



Consumer Lending
Real Estate Secured, US$m



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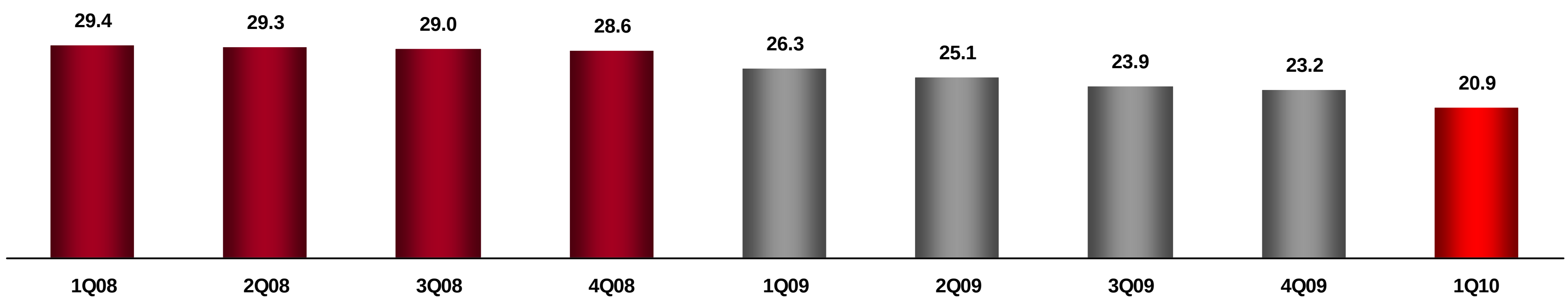
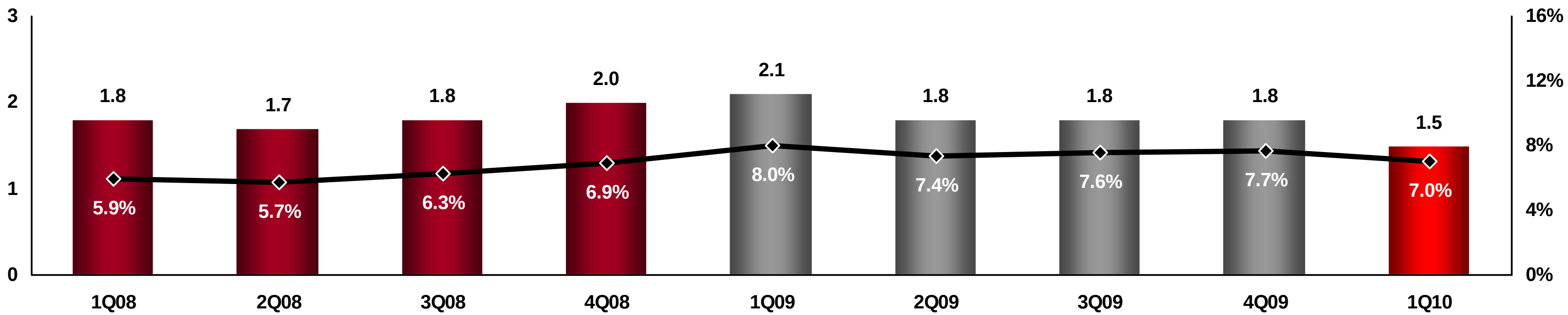
Managing risk in cards: Credit Card

Credit Card
Customer Loans, US$bn



Credit Card
2+ Delinquencies[1], US$bn

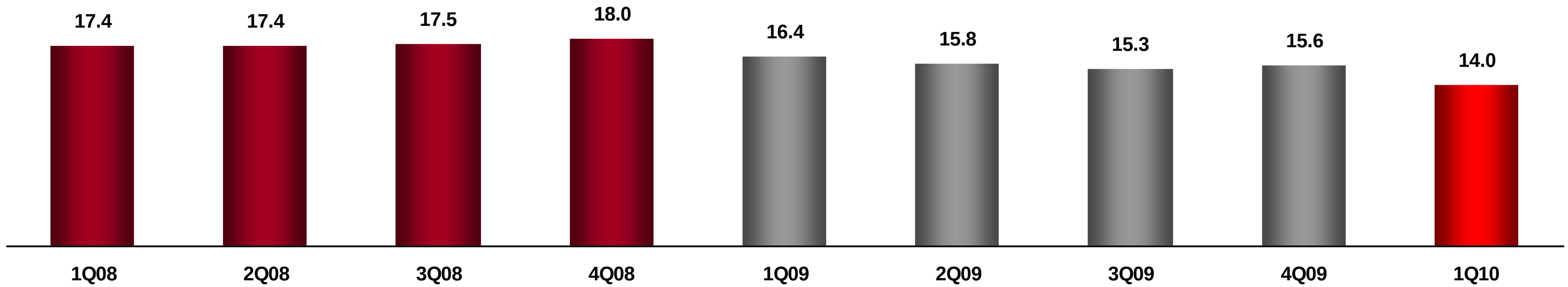


Note:
(1) 2+ Delinquency ratio as a percentage of end-of-period customer loans

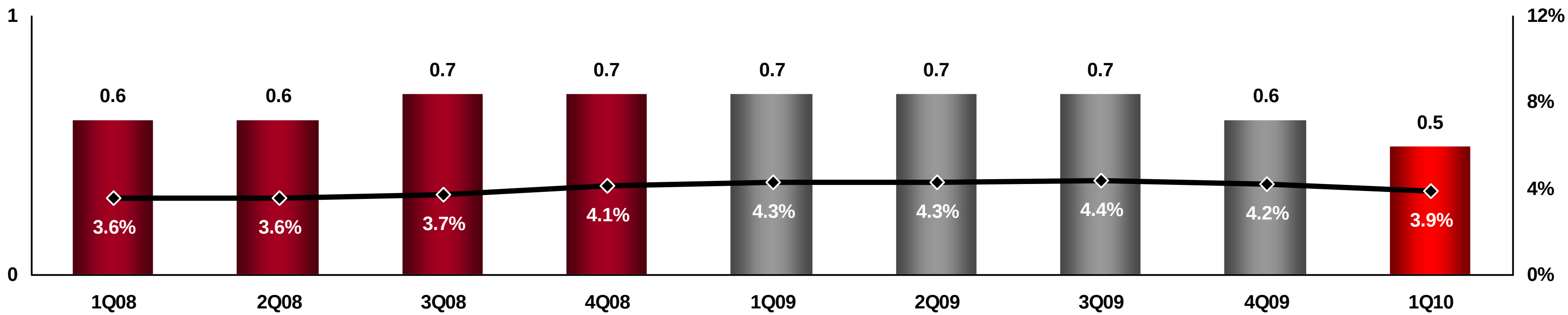
HSBC Finance Corporation

Managing risk in cards: Private Label

Private Label
Customer Loans, US$bn



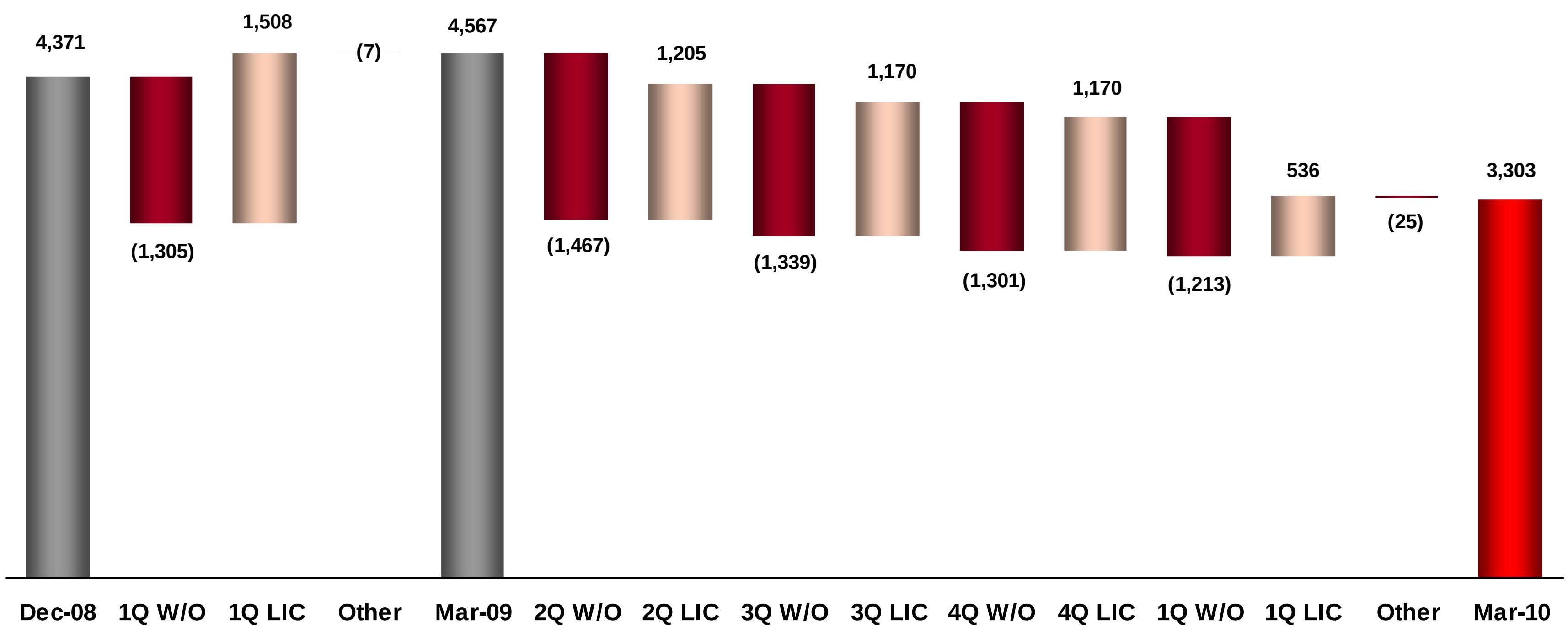
Private Label
2+ Delinquencies[1], US$bn



Note:
(1) 2+ Delinquency ratio as a percentage of end-of-period customer loans

HSBC Finance Corporation
Impairment allowance

Credit Card and Private Label, US$m

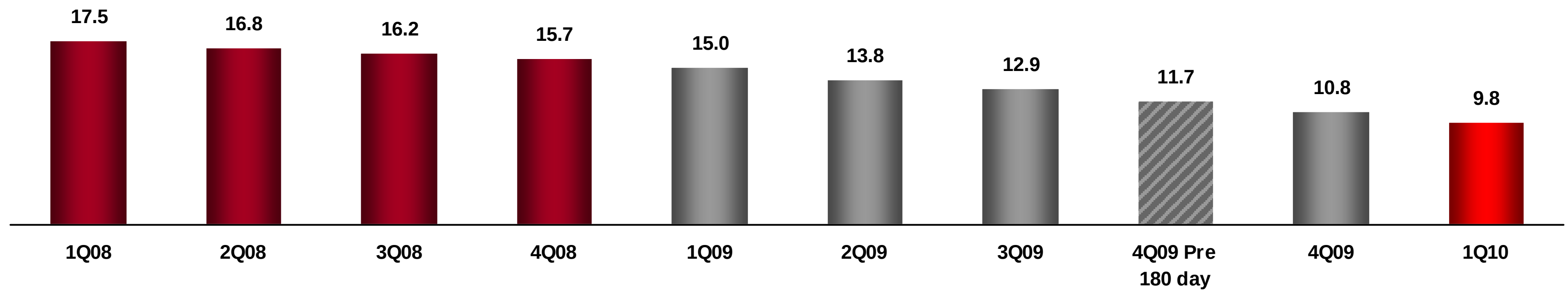


Note:
(1) 2+ Delinquency ratio as a percentage of end-of-period customer loans

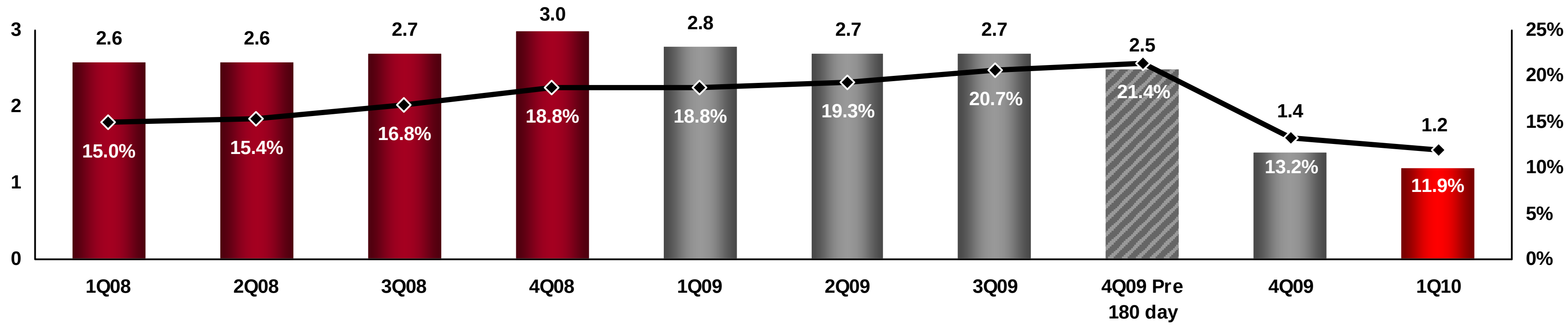
HSBC Finance Corporation

Manage personal non-credit card run-off

Personal Non-Credit Card and Other Unsecured
Customer Loans, US$bn



Personal Non-Credit Card and Other Unsecured
2+ Delinquencies[1], US$bn



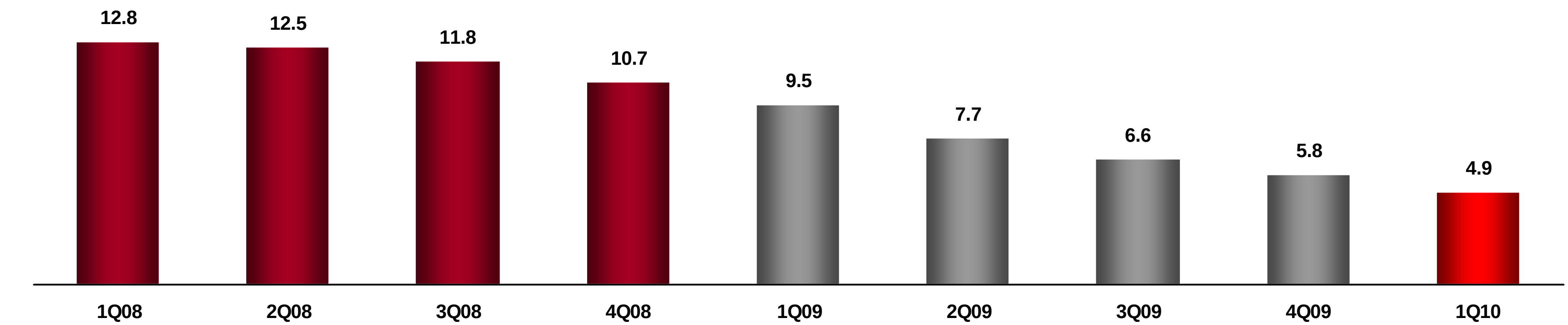
Note:
(1) 2+ Delinquency ratio as a percentage of end-of-period customer loans

HSBC Finance Corporation

Manage vehicle finance run-off[1]

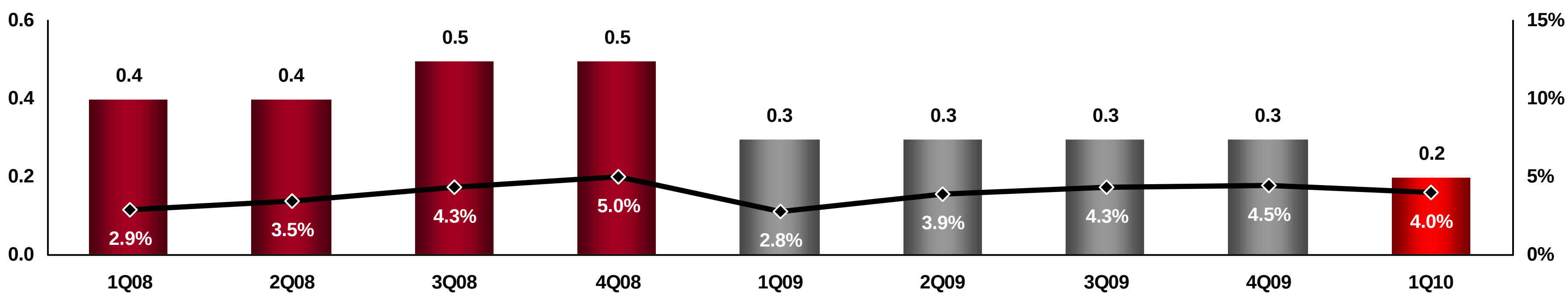
Vehicle Finance

Customer Loans[(2)], US$bn



Vehicle Finance

2+ Delinquencies[(1)(2)], US$bn

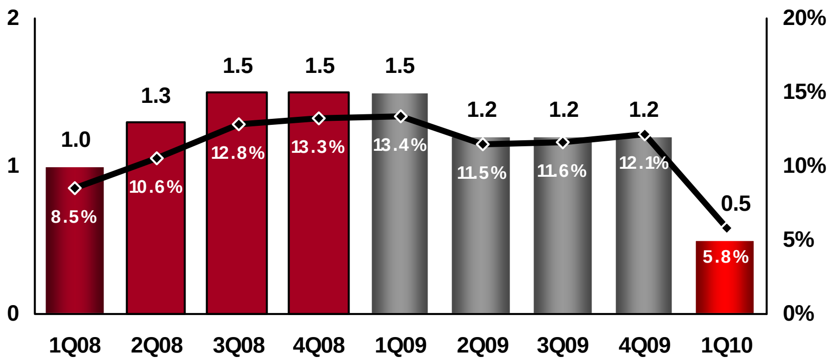


Notes:
(1) 2+ Delinquency ratio as a percentage of end-of-period customer loans
(2) Excludes vehicle finance held for sale loans

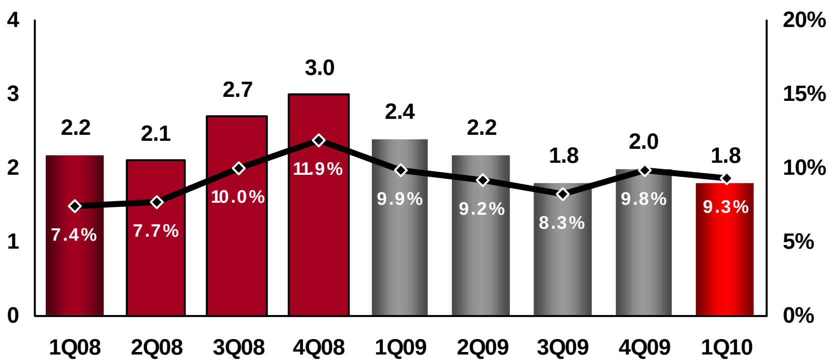
HSBC Finance Corporation

Loan impairment charges[1,2]

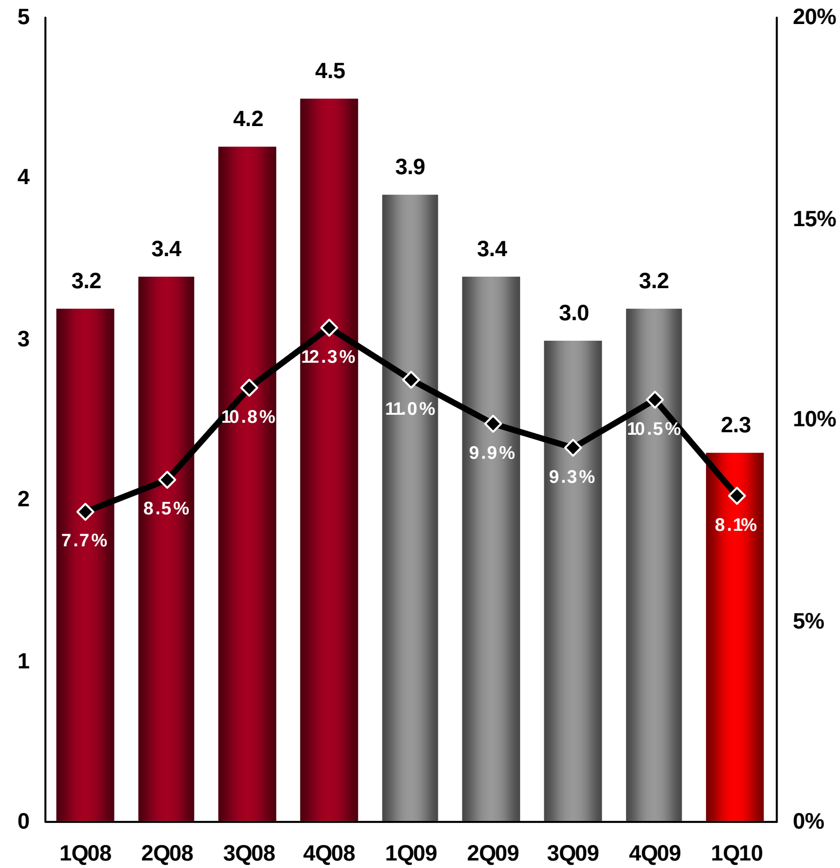
Core Portfolio, US$bn



Run-off Portfolio, US$bn



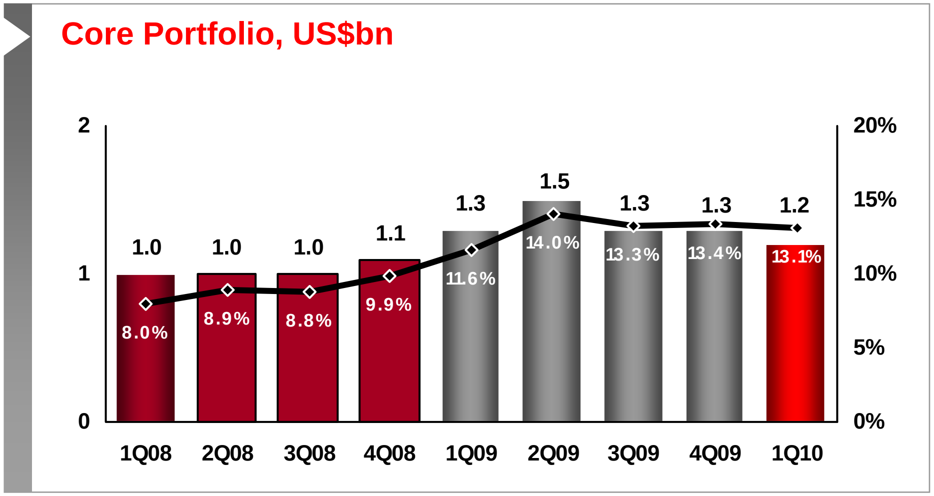
Total HSBC Finance Corp, US$bn

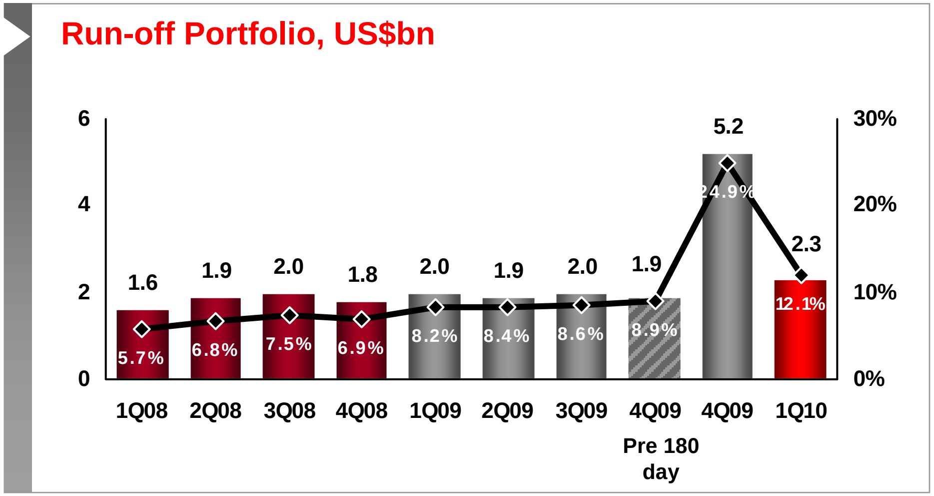


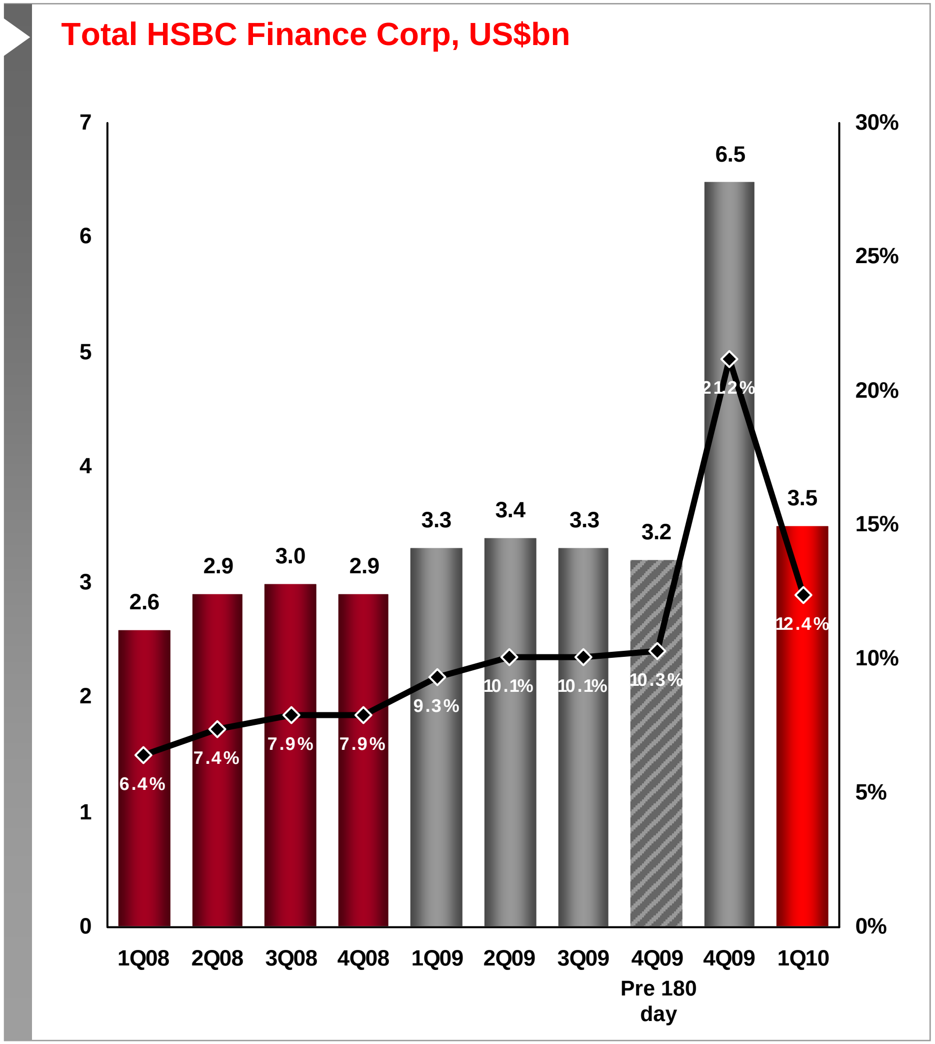
Notes:
(1) Excludes reverse repo balances
(2) Loan impairment charge ratio as a percentage of average total loans (quarter annualised)

HSBC Finance Corporation

Amount written-off [1,2]







Notes:

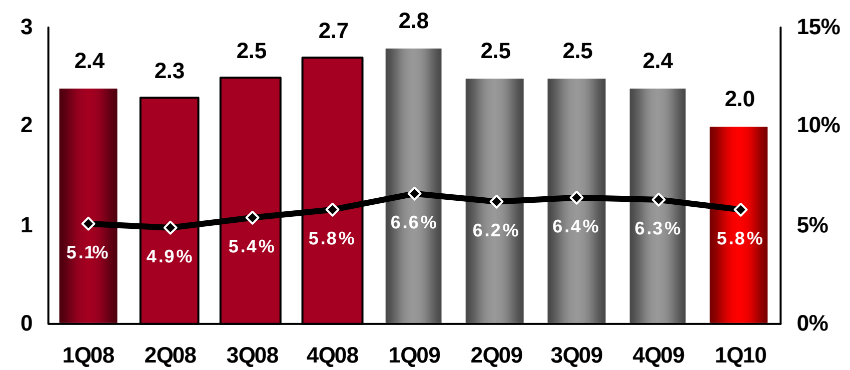
(1) Excludes reverse repo balances

(2) Loans written-off ratio as a percentage of average total loans (quarter annualised)

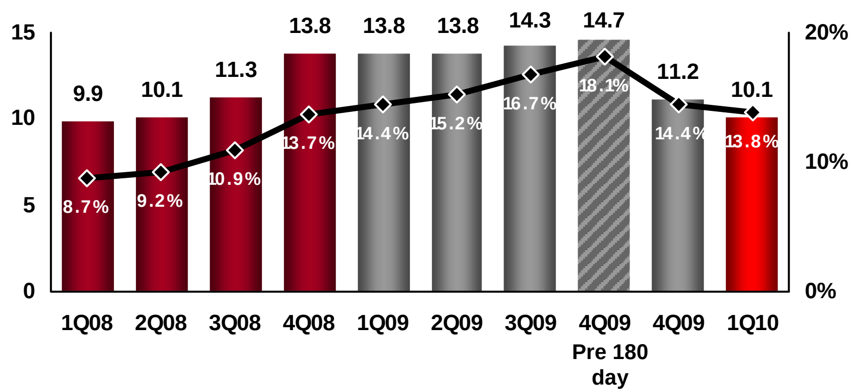
HSBC Finance Corporation

2+ Delinquency[1,2]

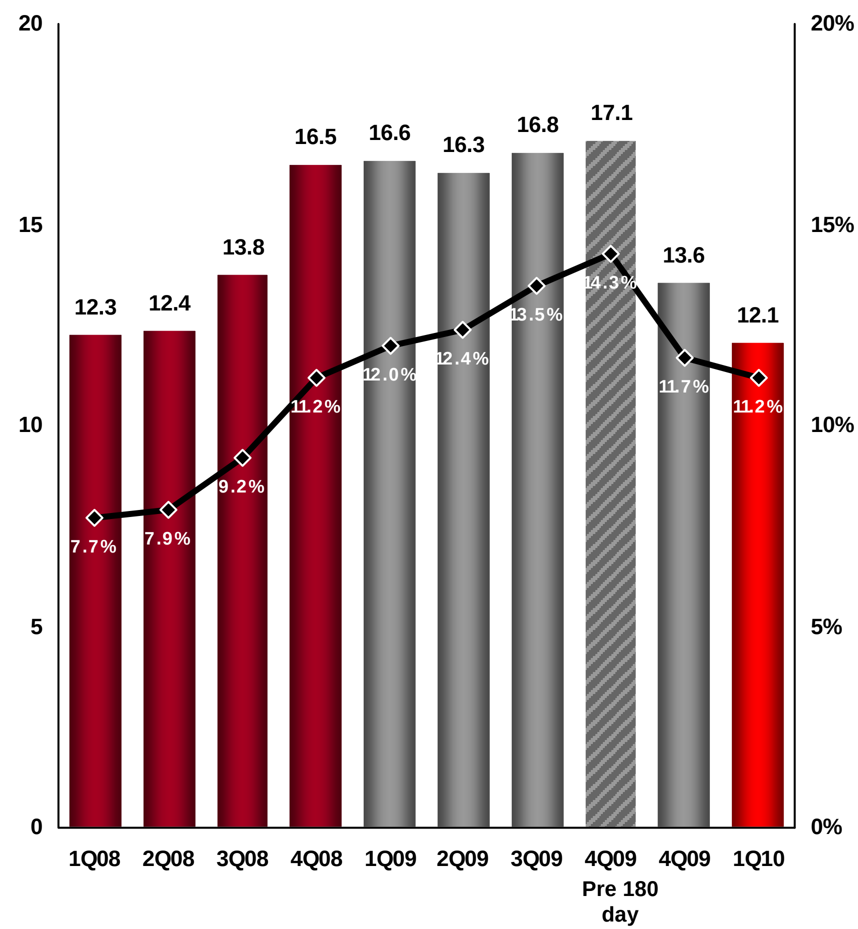
Core Portfolio, US$bn



Run-off Portfolio, US$bn



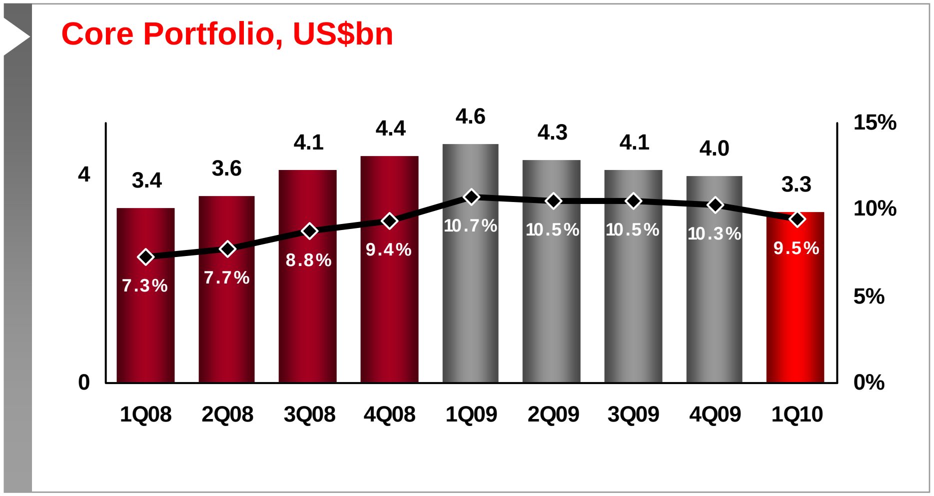
Total HSBC Finance Corp, US$bn

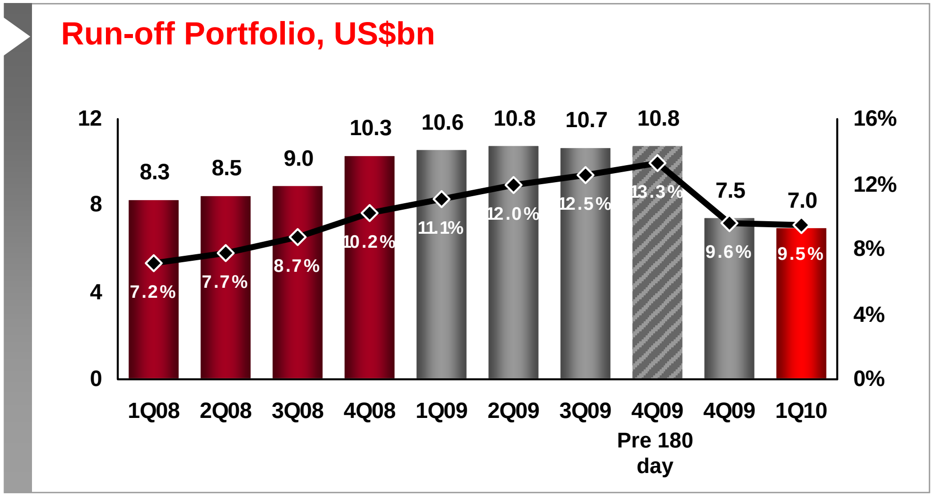


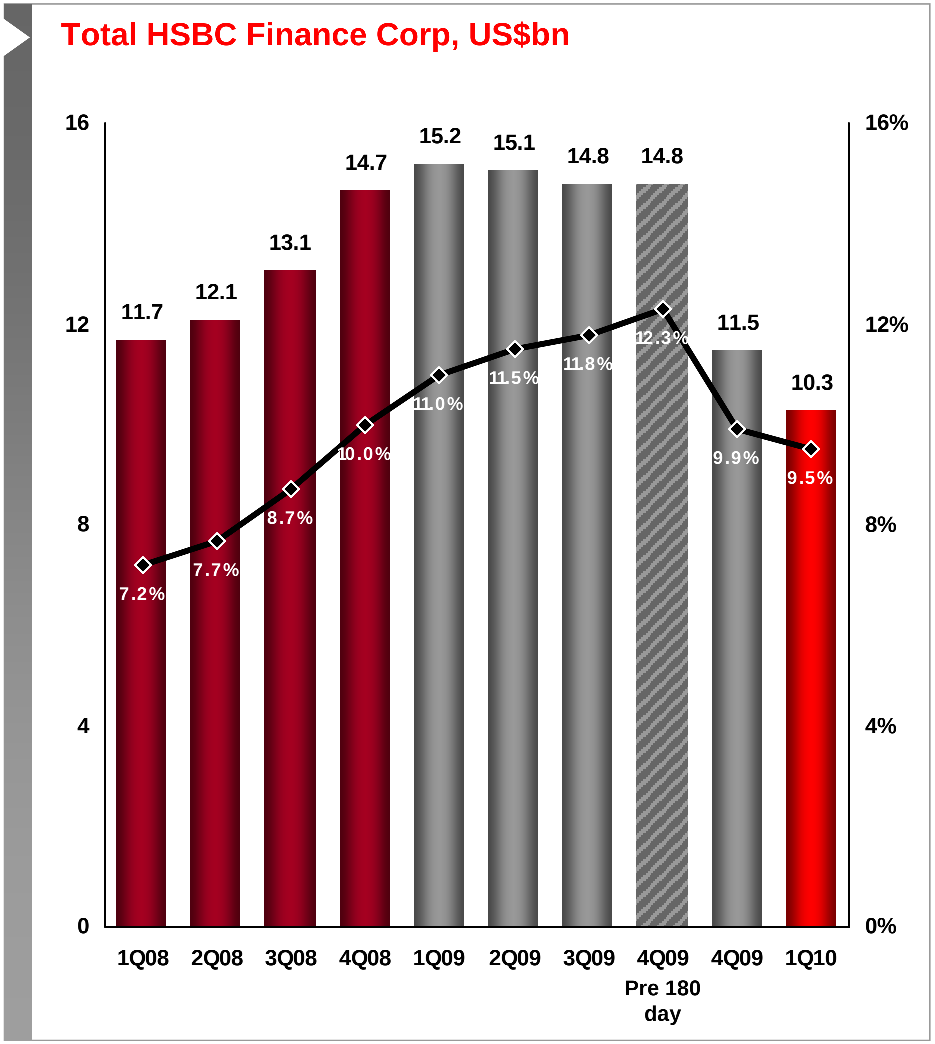
Notes:
(1) Excludes reverse repo balances
(2) 2+ Delinquency ratio as a percentage of end-of-period customer loans

HSBC Finance Corporation

Impairment allowance[1,2]







Notes:
(1) Excludes reverse repo balances
(2) Impairment allowance ratio as a percentage of end-of-period total loans, excluding vehicle finance loans classified as held for sale