

Edgar Filing: HSBC HOLDINGS PLC - Form 6-K

HSBC HOLDINGS PLC
Form 6-K
November 14, 2005

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, 2005

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-)

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

PURSUANT TO SECTION 13 OR 15(D) OF
THE SECURITIES EXCHANGE ACT OF 1934

DATE OF REPORT: NOVEMBER 14, 2005

COMMISSION FILE NUMBER 1-8198

HSBC FINANCE CORPORATION

Edgar Filing: HSBC HOLDINGS PLC - Form 6-K

(EXACT NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)

DELAWARE
(STATE OF INCORPORATION)

86-1052062
(IRS EMPLOYER IDENTIFICATION NUMBER)

2700 SANDERS ROAD, PROSPECT HEIGHTS,
ILLINOIS
(ADDRESS OF PRINCIPAL EXECUTIVE OFFICES)

60070
(ZIP CODE)

(847) 564-5000
REGISTRANT'S TELEPHONE NUMBER, INCLUDING AREA CODE

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

ITEM 2.02. RESULTS OF OPERATIONS AND FINANCIAL CONDITION

Financial supplement pertaining to the financial results of HSBC Finance Corporation for the quarter and nine months ended September 30, 2005. The information included in the financial supplement is presented on a managed basis, which is a non-GAAP financial measure that assumes that securitized receivables have not been sold and remain on our balance sheet.

This information shall not be deemed to be "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the Exchange Act), or otherwise incorporated by reference into any filing pursuant to the Securities Act of 1933, as amended, or the Exchange Act except as otherwise expressly stated in such a filing.

ITEM 9.01. FINANCIAL STATEMENTS, PRO FORMA FINANCIAL INFORMATION AND EXHIBITS

- (a) Financial statements of businesses acquired.

Not applicable.

- (b) Pro forma financial information.

Not applicable.

- (c) Exhibits.

Edgar Filing: HSBC HOLDINGS PLC - Form 6-K

NO. EXHIBIT
--- -----

99 Quarterly Financial Supplement for the quarter ended
September 30, 2005

SIGNATURE

Pursuant to the requirement of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

HSBC FINANCE CORPORATION
(Registrant)

By: /s/ Patrick D. Schwartz

Patrick D. Schwartz
Vice President-Deputy General
Counsel-Corporate

Dated: November 14, 2005

EXHIBIT 99

HSBC FINANCE CORPORATION

QUARTERLY FINANCIAL SUPPLEMENT -- SEPTEMBER 30, 2005

INDEX -----	PAGE NO. -----
Basis of Reporting.....	2
Consolidated Statements of Income -- Owned Basis:	
Three Months.....	3
Nine Months.....	5
Receivables Analysis.....	7
Financial Highlights -- Managed Basis:	
Three Months.....	8
Nine Months.....	9
Credit Quality/Credit Loss Reserves -- Managed Basis.....	10
Reconciliations to GAAP Financial Measures:	
Revenues, Average Interest-Earning Assets and Net Interest Income:	
Three Months.....	11
Nine Months.....	12
Selected Financial Ratios.....	13
Credit Quality/Credit Loss Reserves:	
Two-Months-and-Over Contractual Delinquency.....	14
Quarter-to-Date Charge-offs, Net of Recoveries.....	14
Real Estate Charge-offs and REO Expense.....	16
Credit Loss Reserves.....	17

Edgar Filing: HSBC HOLDINGS PLC - Form 6-K

Nonperforming Assets..... 17

HSBC Finance Corporation

BASIS OF REPORTING

NON-GAAP FINANCIAL MEASURES

This Quarterly Financial Supplement includes financial information which is presented on a non-GAAP basis as discussed below. Information included in this Quarterly Financial Supplement is intended to supplement and should not be considered a substitute for owned basis reporting. This Quarterly Financial Supplement should be read in conjunction with the owned basis information reported in our Quarterly Report on Form 10-Q.

See "Reconciliations to GAAP Financial Measures" for quantitative reconciliations of non-GAAP financial information to the equivalent owned basis GAAP financial information.

MANAGED BASIS REPORTING We have historically monitored our operations and evaluated trends on a managed basis (a non-GAAP financial measure), which assumes that securitized receivables have not been sold and remain on our balance sheet. This is because the receivables that we securitize are subjected to underwriting standards comparable to our owned portfolio, are serviced by operating personnel without regard to ownership and result in a similar credit loss exposure for us. In addition, we fund our operations and make decisions about allocating resources such as capital on a managed basis.

When reporting on a managed basis, net interest income, provision for credit losses and fee income related to receivables securitized are reclassified from securitization related revenue in our owned statement of income into the appropriate caption. Additionally, charge-off and delinquency associated with these receivables are included in our managed basis credit quality statistics.

Debt analysts, rating agencies and fixed income investors also evaluate our operations on a managed basis for the reasons discussed above and have historically requested managed basis information from us. We believe that managed basis information enables such investors and other interested parties to better understand the performance and quality of our entire managed loan portfolio and is important to understanding the quality of originations and the related credit risk inherent in our owned and securitized portfolios. As the level of our securitized receivables falls over time, managed basis and owned basis results will eventually converge.

HSBC Finance Corporation

CONSOLIDATED STATEMENTS OF INCOME -- OWNED BASIS

THREE MONTHS

Edgar Filing: HSBC HOLDINGS PLC - Form 6-K

	THREE MONTHS ENDED			% CHANGE FROM	
				PRIOR	
	9/30/05	6/30/05	9/30/04	QTR.	YEAR
(DOLLARS ARE IN MILLIONS)					
Finance and other interest income.....	\$3,402	\$3,139	\$2,779	8.4%	22.4%
Interest expense:					
HSBC affiliates.....	222	134	95	65.7	100+
Non-affiliates.....	1,017	970	715	4.8	42.2
NET INTEREST INCOME.....	2,163	2,035	1,969	6.3	9.9
Provision for credit losses.....	1,361	1,031	1,123	32.0	21.2
NET INTEREST INCOME AFTER PROVISION FOR CREDIT					
LOSSES.....	802	1,004	846	(20.1)	(5.2)
Other revenues:					
Securitization related revenue.....	41	54	267	(24.1)	(84.6)
Insurance revenue.....	229	229	203	--	12.8
Investment income.....	33	33	36	--	(8.3)
Derivative income (expense).....	(53)	76	72	(100+)	(100+)
Fee income.....	439	354	302	24.0	45.4
Taxpayer financial services revenue (expense)...	(1)	18	(3)	(100+)	(66.7)
Gain on receivable sales to HSBC affiliates.....	99	109	10	(9.2)	100+
Servicing fees from HSBC affiliates.....	102	100	6	2.0	100+
Other income.....	213	151	147	41.1	44.9
TOTAL OTHER REVENUES.....	1,102	1,124	1,040	(2.0)	6.0
Costs and expenses:					
Salaries and employee benefits.....	513	526	472	(2.5)	8.7
Sales incentives.....	117	90	91	30.0	28.6
Occupancy and equipment expenses.....	83	82	77	1.2	7.8
Other marketing expenses.....	196	185	174	5.9	12.6
Other servicing and administrative expenses.....	149	143	235	4.2	(36.6)
Support services from HSBC affiliates.....	226	217	183	4.1	23.5
Amortization of intangibles.....	90	83	83	8.4	8.4
Policyholders' benefits.....	109	116	93	(6.0)	17.2
TOTAL COSTS AND EXPENSES.....	1,483	1,442	1,408	2.8	5.3
Income before income tax expense.....	421	686	478	(38.6)	(11.9)
Income tax expense.....	140	214	153	(34.6)	(8.5)
NET INCOME.....	\$ 281	\$ 472	\$ 325	(40.5)%	(13.5)%

Edgar Filing: HSBC HOLDINGS PLC - Form 6-K

	THREE MONTHS ENDED		
	9/30/05	6/30/05	9/30/04
(IN MILLIONS)			
Net initial gains(1).....	\$ --	\$ --	\$ --
Net replenishment gains(1).....	38	44	112
Servicing revenue and excess spread.....	3	10	155
Total.....	\$ 41	\$ 54	\$ 267

(1) Net of our estimate of probable credit losses under the recourse provisions.

RECEIVABLES SECURITIZED

	THREE MONTHS ENDED		
	9/30/05	6/30/05	9/30/04
(IN MILLIONS)			
Auto finance.....	\$--	\$--	\$--
MasterCard/Visa(1).....	--	--	--
Private label.....	--	--	--
Total.....	\$--	\$--	\$--

(1) MasterCard and Visa are registered trademarks of MasterCard International, Incorporated and VISA USA Inc., respectively.

HSBC Finance Corporation

CONSOLIDATED STATEMENTS OF INCOME -- OWNED BASIS

NINE MONTHS

NINE MONTHS ENDED

Edgar Filing: HSBC HOLDINGS PLC - Form 6-K

9/30/05 9/30/04 % CHANGE

(DOLLARS ARE IN MILLIONS)

Finance and other interest income.....	\$9,491	\$7,944	19.5%
Interest expense:			
HSBC affiliates.....	507	213	100+
Non-affiliates.....	2,898	2,012	44.0
	-----	-----	-----
NET INTEREST INCOME.....	6,086	5,719	6.4
Provision for credit losses.....	3,233	3,048	6.1
	-----	-----	-----
NET INTEREST INCOME AFTER PROVISION FOR CREDIT LOSSES.....	2,853	2,671	6.8
	-----	-----	-----
Other revenues:			
Securitization related revenue.....	180	881	(79.6)
Insurance revenue.....	679	618	9.9
Investment income.....	99	107	(7.5)
Derivative income.....	283	248	14.1
Fee income.....	1,099	809	35.8
Taxpayer financial services revenue.....	260	209	24.4
Gain on receivable sales to HSBC affiliates.....	308	25	100+
Servicing fees from HSBC affiliates.....	303	11	100+
Other income.....	477	407	17.2
	-----	-----	-----
TOTAL OTHER REVENUES.....	3,688	3,315	11.3
	-----	-----	-----
Costs and expenses:			
Salaries and employee benefits.....	1,536	1,414	8.6
Sales incentives.....	289	259	11.6
Occupancy and equipment expenses.....	252	237	6.3
Other marketing expenses.....	561	437	28.4
Other servicing and administrative expenses.....	550	659	(16.5)
Support services from HSBC affiliates.....	652	556	17.3
Amortization of intangibles.....	280	278	.7
Policyholders' benefits.....	347	299	16.1
	-----	-----	-----
TOTAL COSTS AND EXPENSES.....	4,467	4,139	7.9
	-----	-----	-----
Income before income tax expense.....	2,074	1,847	12.3
Income tax expense.....	695	619	12.3
	-----	-----	-----
NET INCOME.....	\$1,379	\$1,228	12.3%
	=====	=====	=====

HSBC Finance Corporation

SECURITIZATION RELATED REVENUE

NINE MONTHS ENDED

Edgar Filing: HSBC HOLDINGS PLC - Form 6-K

9/30/05 9/30/04

(IN MILLIONS)

Net initial gains(1).....	\$ --	\$ 25
Net replenishment gains(1).....	135	344
Servicing revenue and excess spread.....	45	512
	----	----
Total.....	\$180	\$881
	====	====

(1) Net of our estimate of probable credit losses under the recourse provisions.

RECEIVABLES SECURITIZED

NINE MONTHS ENDED

9/30/05 9/30/04

(IN MILLIONS)

Auto finance.....	\$ --	\$ --
MasterCard/Visa.....	--	550
Private label.....	--	190
	----	----
Total.....	\$ --	\$740
	====	====

6

HSBC Finance Corporation

RECEIVABLES ANALYSIS

END-OF-PERIOD RECEIVABLES

				% CHANGE FROM PRIOR
	9/30/05	6/30/05	9/30/04	----- QTR. YEAR

(DOLLARS ARE IN MILLIONS)

OWNED RECEIVABLES:

Edgar Filing: HSBC HOLDINGS PLC - Form 6-K

Real estate secured.....	\$ 78,130	\$ 71,930	\$ 58,726	8.6%	33.0%
Auto finance.....	10,137	8,997	6,823	12.7	48.6
MasterCard/Visa.....	18,974	17,421	11,666	8.9	62.6
Private label(1).....	2,777	2,905	14,000	(4.4)	(80.2)
Personal non-credit card.....	18,484	17,255	14,888	7.1	24.2
Commercial and other.....	220	253	334	(13.0)	(34.1)
	-----	-----	-----	-----	-----
Total owned receivables.....	128,722	118,761	106,437	8.4	20.9
	-----	-----	-----	-----	-----
RECEIVABLES SERVICED WITH LIMITED RECOURSE:					
Real estate secured.....	--	--	165	--	(100.0)
Auto finance.....	1,474	1,819	3,060	(19.0)	(51.8)
MasterCard/Visa.....	3,615	4,752	8,843	(23.9)	(59.1)
Private label(1).....	--	--	3,921	--	(100.0)
Personal non-credit card.....	1,670	2,409	4,186	(30.7)	(60.1)
	-----	-----	-----	-----	-----
Total receivables serviced with limited recourse.....	6,759	8,980	20,175	(24.7)	(66.5)
	-----	-----	-----	-----	-----
MANAGED RECEIVABLES: (2)					
Real estate secured.....	78,130	71,930	58,891	8.6	32.7
Auto finance.....	11,611	10,816	9,883	7.4	17.5
MasterCard/Visa.....	22,589	22,173	20,509	1.9	10.1
Private label(1).....	2,777	2,905	17,921	(4.4)	(84.5)
Personal non-credit card(3).....	20,154	19,664	19,074	2.5	5.7
Commercial and other.....	220	253	334	(13.0)	(34.1)
	-----	-----	-----	-----	-----
Total managed receivables.....	\$135,481	\$127,741	\$126,612	6.1%	7.0%
	=====	=====	=====	=====	=====

(1) On December 29, 2004, all domestic private label receivables were sold to HSBC Bank USA, N.A.

(2) Managed basis reporting is a non-GAAP financial measure. See "Basis of Reporting" for a discussion on the use of non-GAAP financial information.

(3) Personal non-credit card receivables are comprised of the following:

	9/30/05	6/30/05	9/30/04

(IN MILLIONS)			
Domestic personal unsecured.....			
	\$11,571	\$10,942	\$10,054
Union Plus personal unsecured.....			
	374	387	510
Personal homeowner loans.....			
	4,360	4,395	4,587
Foreign unsecured.....			
	3,849	3,940	3,923
	-----	-----	-----
Total.....	\$20,154	\$19,664	\$19,074
	=====	=====	=====

Edgar Filing: HSBC HOLDINGS PLC - Form 6-K

7

HSBC Finance Corporation

FINANCIAL HIGHLIGHTS -- MANAGED BASIS(1)

REVENUES, AVERAGE INTEREST-EARNING ASSETS AND NET INTEREST INCOME

THREE MONTHS

	THREE MONTHS ENDED						% CH FROM QTR.
	9/30/05	(2)	6/30/05	(2)	9/30/04	(2)	
(DOLLARS ARE IN MILLIONS)							
Finance and other interest							
income.....	\$ 3,671	10.89%	\$ 3,488	10.75%	\$ 3,494	10.79%	5.2%
Interest expense.....	1,331	3.95	1,204	3.71	944	2.91	10.5
NET INTEREST INCOME.....	2,340	6.94%	2,284	7.04%	2,550	7.88%	2.5
Provision for credit losses.....	1,338		1,083		891		23.5
NET INTEREST INCOME AFTER PROVISION FOR CREDIT LOSSES...	\$ 1,002		\$ 1,201		\$ 1,659		(16.6)
Other revenues:							
Insurance revenue.....	\$ 229		\$ 229		\$ 203		--%
Investment income.....	33		33		36		--
Fee income.....	497		428		498		16.1
Securitization related							
revenue.....	(217)		(217)		(742)		--
Derivative income (expense).....	(53)		76		72		(100+)
Taxpayer financial services							
revenue (expense).....	(1)		18		(3)		(100+)
Gain on receivable sales to HSBC							
affiliates.....	99		109		10		(9.2)
Servicing fees from HSBC							
affiliates.....	102		100		6		2.0
Other income.....	213		151		147		41.1
TOTAL OTHER REVENUES.....	\$ 902		\$ 927		\$ 227		(2.7)
Average managed receivables Real							
estate secured.....	\$ 74,369		\$ 70,217		\$ 57,741		5.9%
Auto finance.....	11,230		10,504		9,598		6.9
MasterCard/Visa.....	22,536		22,066		20,441		2.1
Private label.....	2,840		3,017		17,626		(5.9)
Personal non-credit card.....	19,944		19,729		18,928		1.1
Commercial and other.....	234		261		336		(10.3)
Purchase accounting fair value							
adjustments.....	116		153		295		(24.2)

Edgar Filing: HSBC HOLDINGS PLC - Form 6-K

Average managed receivables.....	\$131,269	\$125,947	\$124,965	4.2%
Average noninsurance investments.....	2,868	3,106	3,878	(7.7)
Other interest-earning assets...	680	673	654	1.0
Average managed interest-earning assets.....	\$134,817	\$129,726	\$129,497	3.9%
=====				
SELECTED FINANCIAL RATIOS:				
Return on average managed assets.....	.75%	1.30%	.89%	(42.3)
Efficiency ratio.....	43.86	42.84	48.99	2.4
Net interest margin.....	6.94	7.04	7.88	(1.4)
Risk adjusted revenue.....	7.34	7.22	6.50	1.7
=====				

(1) Managed basis reporting is a non-GAAP financial measure. See "Basis of Reporting" for a discussion on the use of non-GAAP financial information and "Reconciliations to GAAP Financial Measures" for quantitative reconciliations to the equivalent GAAP basis financial measure.

(2) % Columns: comparison to average managed interest-earning assets, annualized

8

HSBC Finance Corporation

FINANCIAL HIGHLIGHTS -- MANAGED BASIS(1)

REVENUES, AVERAGE INTEREST-EARNING ASSETS AND NET INTEREST INCOME

NINE MONTHS

	NINE MONTHS ENDED				% CHANGE
	9/30/05	(2)	9/30/04	(2)	
(DOLLARS ARE IN MILLIONS)					
Finance and other interest income.....	\$ 10,550	10.81%	\$ 10,327	10.89%	2.2%
Interest expense.....	3,706	3.80	2,621	2.76	41.4
NET INTEREST INCOME.....	6,844	7.01%	7,706	8.13%	(11.2)
Provision for credit losses.....	3,292		3,217		2.3
NET INTEREST INCOME AFTER PROVISION FOR CREDIT LOSSES.....	\$ 3,552		\$ 4,489		(20.9)%
=====					
Other revenues:					
Insurance revenue.....	\$ 679		\$ 618		9.9%

Edgar Filing: HSBC HOLDINGS PLC - Form 6-K

Investment income.....	99	107	(7.5)
Fee income.....	1,322	1,399	(5.5)
Securitization related revenue.....	(742)	(1,527)	(51.4)
Derivative income.....	283	248	14.1
Taxpayer financial services revenue.....	260	209	24.4
Gain on receivable sales to HSBC affiliates.....	308	25	100+
Servicing fees from HSBC affiliates.....	303	11	100+
Other income.....	477	407	17.2
	-----	-----	-----
TOTAL OTHER REVENUES.....	\$ 2,989	\$ 1,497	99.7%
	=====	=====	=====
Average managed receivables			
Real estate secured.....	\$ 70,383	\$ 54,768	28.5%
Auto finance.....	10,658	9,226	15.5
MasterCard/Visa.....	22,177	20,492	8.2
Private label.....	3,028	17,486	(82.7)
Personal non-credit card.....	19,833	18,784	5.6
Commercial and other.....	267	365	(26.8)
Purchase accounting fair value adjustments.....	151	344	(56.1)
	-----	-----	-----
Average managed receivables.....	\$126,497	\$121,465	4.1%
Average noninsurance investments.....	2,966	4,307	(31.1)
Other interest-earning assets.....	673	647	4.0
	-----	-----	-----
Average managed interest-earning assets.....	\$130,136	\$126,419	2.9%
	=====	=====	=====
SELECTED FINANCIAL RATIOS:			
Return on average managed assets.....	1.26%	1.14%	10.5%
Efficiency ratio.....	43.43	43.13	.7
Net interest margin.....	7.01	8.13	(13.8)
Risk adjusted revenue.....	7.32	6.69	9.4
	-----	-----	-----

(1) Managed basis reporting is a non-GAAP financial measure. See "Basis of Reporting" for a discussion on the use of non-GAAP financial information and "Reconciliations to GAAP Financial Measures" for quantitative reconciliations to the equivalent GAAP basis financial measure.

(2) % Columns: comparison to average managed interest-earning assets, annualized.

9

HSBC Finance Corporation

CREDIT QUALITY/CREDIT LOSS RESERVES -- MANAGED BASIS (1)

TWO-MONTHS-AND-OVER CONTRACTUAL DELINQUENCY

AS A PERCENT OF MANAGED CONSUMER RECEIVABLES, EXCLUDES COMMERCIAL. 9/30/05 6/30/05 9/30/04

Edgar Filing: HSBC HOLDINGS PLC - Form 6-K

Real estate secured.....	2.51%	2.56%	3.30%
Auto finance.....	2.67	2.69	2.74
MasterCard/Visa.....	4.13	3.77	4.44
Private label.....	5.22	4.91	4.76
Personal non-credit card.....	9.36	9.11	9.52
	----	----	----
TOTAL.....	3.87%	3.85%	4.59%
	=====	=====	=====

QUARTER-TO-DATE CHARGE-OFFS, NET OF RECOVERIES

AS A PERCENT OF AVERAGE MANAGED CONSUMER RECEIVABLES, ANNUALIZED, EXCLUDES COMMERCIAL. 9/30/05

Real estate secured.....	.75%
Auto finance.....	4.41
MasterCard/Visa.....	6.11
Private label.....	5.35
Personal non-credit card.....	8.15

TOTAL.....	3.21%
	=====
Real estate charge-offs and REO expense as a percent of average managed real estate secured receivables.....	.88%
	=====

CREDIT LOSS RESERVES

9/30/05 6/30/05 9/30/04

(IN MILLIONS)

Reserves for managed receivables at beginning of quarter....	\$4,281	\$4,242	\$5,699
Provision for credit losses.....	1,338	1,083	891
Charge-offs.....	(1,185)	(1,162)	(1,486)
Recoveries.....	133	134	123
Other, net.....	4	(16)	(28)
	-----	-----	-----
Reserves for managed receivables at end of quarter.....	\$4,571	\$4,281	\$5,199
	=====	=====	=====
Reserves as a percent of managed receivables.....	3.37%	3.35%	4.11%
	-----	-----	-----

NONPERFORMING ASSETS

9/30/05 6/30/05 9/30/04

Edgar Filing: HSBC HOLDINGS PLC - Form 6-K

(IN MILLIONS)

Nonaccrual managed receivables.....	\$3,541	\$3,348	\$3,476
Accruing managed receivables 90 or more days delinquent.....	604	537	1,201
Renegotiated commercial loans.....	--	1	1
	-----	-----	-----
Total nonperforming managed receivables.....	4,145	3,886	4,678
Real estate owned.....	462	459	601
	-----	-----	-----
TOTAL NONPERFORMING ASSETS.....	\$4,607	\$4,345	\$5,279
	=====	=====	=====
Managed credit loss reserves as a percent of nonperforming managed receivables.....	110.3%	110.2%	111.1%

(1) Managed basis reporting is a non-GAAP financial measure. See "Basis of Reporting" for a discussion on the use of non-GAAP financial information and "Reconciliations to GAAP Financial Measures" for quantitative reconciliations to the equivalent GAAP basis financial measure.

10

HSBC Finance Corporation

RECONCILIATION TO GAAP FINANCIAL MEASURES

REVENUES, AVERAGE INTEREST-EARNING ASSETS AND NET INTEREST INCOME

THREE MONTHS

	THREE MONTHS ENDED 9/30/05			THREE MONTHS ENDED 9/30/04	
	OWNED	SERVICED WITH LIMITED REOURSE (1)	MANAGED	OWNED	SERVICED WITH LIMITED REOURSE (1)
	(DOLLARS ARE IN MILLIONS)				
Finance and other interest income.....	\$ 3,402	\$ 269	\$ 3,671	\$ 3,139	\$ 3,671
Interest expense.....	1,239	92	1,331	1,104	1,331
	-----	-----	-----	-----	-----
NET INTEREST INCOME.....	2,163	177	2,340	2,035	2,340
Provision for credit losses.....	1,361	(23)	1,338	1,031	1,338
	-----	-----	-----	-----	-----
NET INTEREST INCOME AFTER PROVISION FOR CREDIT LOSSES.....	\$ 802	\$ 200	\$ 1,002	\$ 1,004	\$ 1,002
Other revenues:					
Securitization related revenue.....	\$ 41	\$ (258)	\$ (217)	\$ 54	\$ (217)

Edgar Filing: HSBC HOLDINGS PLC - Form 6-K

Insurance revenue.....	229	--	229	229	
Investment income.....	33	--	33	33	
Fee income.....	439	58	497	354	
Derivative income (expense).....	(53)	--	(53)	76	
Taxpayer financial services revenue (expense).....	(1)	--	(1)	18	
Gain on receivable sales to HSBC affiliates.....	99	--	99	109	
Servicing fees from HSBC affiliates...	102	--	102	100	
Other income.....	213	--	213	151	
	-----	-----	-----	-----	-----
TOTAL OTHER REVENUES.....	\$ 1,102	\$ (200)	\$ 902	\$ 1,124	\$ (
Average receivables:					
Real estate secured.....	\$ 74,369	\$ --	\$ 74,369	\$ 70,205	\$
Auto finance.....	9,585	1,645	11,230	8,510	1,
MasterCard/Visa.....	18,442	4,094	22,536	16,626	5,
Private label.....	2,840	--	2,840	3,017	
Personal non-credit card.....	17,904	2,040	19,944	16,972	2,
Commercial and other.....	234	--	234	261	
Purchase accounting fair value adjustments.....	116	--	116	153	
	-----	-----	-----	-----	-----
Average receivables.....	\$123,490	\$7,779	\$131,269	\$115,744	\$10,
Average noninsurance investments.....	2,868	--	2,868	3,106	
Other interest-earning assets.....	680	--	680	673	
	-----	-----	-----	-----	-----
Average interest-earning assets.....	\$127,038	\$7,779	\$134,817	\$119,523	\$10,
Net interest income as a percentage of average interest-earning assets.....	6.81%	9.10%	6.94%	6.81%	9
	=====	=====	=====	=====	=====
Finance and other interest income.....	\$ 2,779	\$ 715	\$ 3,494		
Interest expense.....	810	134	944		
	-----	-----	-----		
NET INTEREST INCOME.....	1,969	581	2,550		
Provision for credit losses.....	1,123	(232)	891		
	-----	-----	-----		
NET INTEREST INCOME AFTER PROVISION FOR CREDIT LOSSES.....	\$ 846	\$ 813	\$ 1,659		
Other revenues:					
Securitization related revenue.....	\$ 267	\$(1,009)	\$ (742)		
Insurance revenue.....	203	--	203		
Investment income.....	36	--	36		
Fee income.....	302	196	498		
Derivative income (expense).....	72	--	72		
Taxpayer financial services revenue (expense).....	(3)	--	(3)		
Gain on receivable sales to HSBC affiliates.....	10	--	10		
Servicing fees from HSBC affiliates...	6	--	6		
Other income.....	147	--	147		
	-----	-----	-----		
TOTAL OTHER REVENUES.....	\$ 1,040	\$ (813)	\$ 227		
Average receivables:					
Real estate secured.....	\$ 57,570	\$ 171	\$ 57,741		
Auto finance.....	6,238	3,360	9,598		
MasterCard/Visa.....	11,251	9,190	20,441		
Private label.....	13,310	4,316	17,626		
Personal non-credit card.....	14,423	4,505	18,928		
Commercial and other.....	336	--	336		

Edgar Filing: HSBC HOLDINGS PLC - Form 6-K

Purchase accounting fair value adjustments.....	295	--	295
	-----	-----	-----
Average receivables.....	\$103,423	\$21,542	\$124,965
Average noninsurance investments.....	3,878	--	3,878
Other interest-earning assets.....	654	--	654
	-----	-----	-----
Average interest-earning assets.....	\$107,955	\$21,542	\$129,497
Net interest income as a percentage of average interest-earning assets.....	7.29%	10.79%	7.88%
	=====	=====	=====

(1) When reporting on a managed basis, finance and other interest income, interest expense, provision for credit losses and fee income related to securitized receivables are reclassified from securitization related revenue in our owned statements of income into the appropriate caption.

11

HSBC Finance Corporation

RECONCILIATION TO GAAP FINANCIAL MEASURES

REVENUES, AVERAGE INTEREST-EARNING ASSETS AND NET INTEREST INCOME

NINE MONTHS

	NINE MONTHS ENDED 9/30/05			NINE MONTHS ENDED 9/30/04	
	OWNED	SERVICED WITH LIMITED RECURSE (1)	MANAGED	OWNED	SERVICED WITH LIMITED RECURSE (1)
(DOLLARS ARE IN MILLIONS)					
Finance and other interest income.....	\$ 9,491	\$ 1,059	\$ 10,550	\$ 7,944	\$ 2,383
Interest expense.....	3,405	301	3,706	2,225	396
	-----	-----	-----	-----	-----
NET INTEREST INCOME.....	6,086	758	6,844	5,719	1,987
Provision for credit losses....	3,233	59	3,292	3,048	169
	-----	-----	-----	-----	-----
NET INTEREST INCOME AFTER PROVISION FOR CREDIT LOSSES.....	\$ 2,853	\$ 699	\$ 3,552	\$ 2,671	\$ 1,818
Other revenues:					
Securitization related revenue.....	\$ 180	\$ (922)	\$ (742)	\$ 881	\$ (2,408)
Insurance revenue.....	679	--	679	618	--
Investment income.....	99	--	99	107	--

Edgar Filing: HSBC HOLDINGS PLC - Form 6-K

Fee income.....	1,099	223	1,322	809	590
Derivative income.....	283	--	283	248	--
Taxpayer financial services revenue.....	260	--	260	209	--
Gain on receivable sales to HSBC affiliates.....	308	--	308	25	--
Servicing fees from HSBC affiliates.....	303	--	303	11	--
Other income.....	477	--	477	407	--
	-----	-----	-----	-----	-----
TOTAL OTHER REVENUES.....	\$ 3,688	\$ (699)	\$ 2,989	\$ 3,315	\$ (1,818)
Average receivables:					
Real estate secured.....	\$ 70,353	\$ 30	\$ 70,383	\$ 54,589	\$ 179
Auto finance.....	8,625	2,033	10,658	5,316	3,910
MasterCard/Visa.....	16,716	5,461	22,177	11,097	9,395
Private label.....	3,028	--	3,028	12,589	4,897
Personal non-credit card.....	17,069	2,764	19,833	13,703	5,081
Commercial and other.....	267	--	267	365	--
Purchase accounting fair value adjustments.....	151	--	151	344	--
	-----	-----	-----	-----	-----
Average receivables.....	\$116,209	\$10,288	\$126,497	\$ 98,003	\$23,462
Average noninsurance investments.....	2,966	--	2,966	4,307	--
Other interest-earning assets.....	673	--	673	647	--
	-----	-----	-----	-----	-----
Average interest-earning assets.....	\$119,848	\$10,288	\$130,136	\$102,957	\$23,462
Net interest income as a percentage of average interest-earning assets.....	6.77%	9.82%	7.01%	7.41%	11.29%
	=====	=====	=====	=====	=====

(1) When reporting on a managed basis, finance and other interest income, interest expense, provision for credit losses and fee income related to securitized receivables are reclassified from securitization related revenue in our owned statements of income into the appropriate caption.

12

HSBC Finance Corporation

RECONCILIATION TO GAAP FINANCIAL MEASURES

SELECTED FINANCIAL RATIOS

	THREE MONTHS ENDED			NINE MONTHS ENDED	
	9/30/05	6/30/05	9/30/04	9/30/05	9/30/04
	-----	-----	-----	-----	-----

Edgar Filing: HSBC HOLDINGS PLC - Form 6-K

(DOLLARS ARE IN MILLIONS)

RETURN ON AVERAGE COMMON SHAREHOLDER'S EQUITY:

Net income.....	\$ 281	\$ 472	\$ 325	\$ 1,379	\$ 1,228
Dividends on preferred stock.....	(25)	(19)	(18)	(62)	(54)
Net income available to common shareholders.....	\$ 256	\$ 453	\$ 307	\$ 1,317	\$ 1,174
Average common shareholder's equity.....	\$ 16,973	\$ 16,671	\$ 17,367	\$ 16,605	\$ 17,057
Return on average common shareholder's equity.....	6.03%	10.87%	7.07%	10.58%	9.18%

RETURN ON AVERAGE ASSETS:

Net income.....	\$ 281	\$ 472	\$ 325	\$ 1,379	\$ 1,228
Average assets:					
Owned basis.....	\$141,765	\$134,834	\$124,512	\$136,185	\$120,456
Serviced with limited recourse.....	7,779	10,203	21,542	10,288	23,462
Managed basis.....	\$149,544	\$145,037	\$146,054	\$146,473	\$143,918
Return on average owned assets.....	.79%	1.40%	1.04%	1.35%	1.36%
Return on average managed assets.....	.75	1.30	.89	1.26	1.14

EFFICIENCY RATIO:

Total costs and expenses less policyholders' benefits.....	\$ 1,374	\$ 1,326	\$ 1,315	\$ 4,120	\$ 3,840
Net interest income and other revenues less policyholders' benefits: Owned basis.....	\$ 3,156	\$ 3,043	\$ 2,916	\$ 9,427	\$ 8,735
Serviced with limited recourse.....	(23)	52	(232)	59	169
Managed basis.....	\$ 3,133	\$ 3,095	\$ 2,684	\$ 9,486	\$ 8,904
Owned basis efficiency ratio.....	43.54%	43.58%	45.10%	43.70%	43.96%
Managed basis efficiency ratio.....	43.86	42.84	48.99	43.43	43.13

MANAGED BASIS RISK ADJUSTED REVENUE:

Net interest income.....	\$ 2,340	\$ 2,284	\$ 2,550	\$ 6,844	\$ 7,706
Other revenues, excluding securitization related revenue as well as the mark-to-market on derivatives which do not qualify as effective hedges and ineffectiveness associated with qualifying hedges under SFAS No. 133.....	1,185	1,086	916	3,494	2,812
Less: Net charge-offs.....	(1,052)	(1,028)	(1,363)	(3,198)	(4,172)
Risk adjusted revenue.....	\$ 2,473	\$ 2,342	\$ 2,103	\$ 7,140	\$ 6,346
Average interest-earning assets.....	\$134,817	\$129,726	\$129,497	\$130,136	\$126,419
Managed basis risk adjusted revenue.....	7.34%	7.22%	6.50%	7.32%	6.69%

Edgar Filing: HSBC HOLDINGS PLC - Form 6-K

HSBC Finance Corporation

RECONCILIATION TO GAAP FINANCIAL MEASURES

CREDIT QUALITY/CREDIT LOSS RESERVES

	Two-Months-and-Over Contractual Delinquency			Quarter-to-Date Net of Reco	
	TWO-MONTHS- AND-OVER CONTRACTUAL DELINQUENCY	CONSUMER RECEIVABLES OUTSTANDING	TWO-MONTHS- AND-OVER CONTRACTUAL DELINQUENCY (1)	NET CHARGE- OFFS	AVERAGE CONSUMER RECEIVABLES

(DOLLARS ARE IN MILLIONS)

SEPTEMBER 30, 2005

OWNED:

First mortgage.....	\$ 1	\$ 22	6.04%	\$ --	\$ 23
Real estate secured.....	1,961	78,130	2.51	140	74,369
Auto finance.....	212	10,137	2.09	78	9,585
MasterCard/Visa.....	846	18,974	4.46	288	18,442
Private label.....	145	2,777	5.22	38	2,840
Personal non-credit card...	1,696	18,484	9.18	358	17,904
	-----	-----	-----	-----	-----
Total.....	\$4,861	\$128,524	3.78%	\$ 902	\$123,163
	=====	=====	=====	=====	=====

SERVICED WITH LIMITED

RECOURSE:

Real estate secured.....	\$ --	\$ --	--%	\$ --	\$ --
Auto finance.....	98	1,474	6.65	46	1,645
MasterCard/Visa.....	87	3,615	2.41	56	4,094
Personal non-credit card...	191	1,670	11.44	48	2,040
	-----	-----	-----	-----	-----
Total.....	\$ 376	\$ 6,759	5.56%	\$ 150	\$ 7,779
	=====	=====	=====	=====	=====

MANAGED:

First mortgage.....	\$ 1	\$ 22	6.04%	\$ --	\$ 23
Real estate secured.....	1,961	78,130	2.51	140	74,369
Auto finance.....	310	11,611	2.67	124	11,230
MasterCard/Visa.....	933	22,589	4.13	344	22,536
Private label.....	145	2,777	5.22	38	2,840
Personal non-credit card...	1,887	20,154	9.36	406	19,944
	-----	-----	-----	-----	-----
Total.....	\$5,237	\$135,283	3.87%	\$1,052	\$130,942
	=====	=====	=====	=====	=====

JUNE 30, 2005

OWNED:

First mortgage.....	\$ 1	\$ 24	6.24%	\$ --	\$ 24
Real estate secured.....	1,841	71,930	2.56	137	70,205
Auto finance.....	187	8,997	2.08	56	8,510
MasterCard/Visa.....	722	17,421	4.14	288	16,626
Private label.....	143	2,905	4.91	33	3,017
Personal non-credit card...	1,525	17,255	8.84	330	16,972

Edgar Filing: HSBC HOLDINGS PLC - Form 6-K

Total.....	\$4,419	\$118,532	3.73%	\$ 844	\$115,354
SERVICED WITH LIMITED RECURSE:					
Real estate secured.....	\$ --	\$ --	--%	\$ --	\$ 12
Auto finance.....	104	1,819	5.72	41	1,994
MasterCard/Visa.....	114	4,752	2.40	70	5,440
Personal non-credit card...	266	2,409	11.04	73	2,757
Total.....	\$ 484	\$ 8,980	5.39%	\$ 184	\$ 10,203
MANAGED:					
First mortgage.....	\$ 1	\$ 24	6.24%	\$ --	\$ 24
Real estate secured.....	1,841	71,930	2.56	137	70,217
Auto finance.....	291	10,816	2.69	97	10,504
MasterCard/Visa.....	836	22,173	3.77	358	22,066
Private label.....	143	2,905	4.91	33	3,017
Personal non-credit card...	1,791	19,664	9.11	403	19,729
Total.....	\$4,903	\$127,512	3.85%	\$1,028	\$125,557

(1) Certain percentages may not recompute from the dollar figures presented due to rounding.

14

HSBC Finance Corporation

RECONCILIATION TO GAAP FINANCIAL MEASURES

CREDIT QUALITY/CREDIT LOSS RESERVES (CONTINUED)

TWO-MONTHS-AND-OVER CONTRACTUAL DELINQUENCY			QUARTER-TO-DA	
TWO-MONTHS-AND-OVER CONTRACTUAL DELINQUENCY	CONSUMER RECEIVABLES OUTSTANDING	TWO-MONTHS-AND-OVER CONTRACTUAL DELINQUENCY (1)	NET CHARGE-OFFS	AVERAGE CONSUMER RECEIVABLES

(DOLLARS ARE IN MILLIONS)

SEPTEMBER 30, 2004

OWNED:

First mortgage.....	\$ 2	\$ 27	5.78%	\$ --	\$ 2
Real estate secured.....	1,921	58,726	3.27	171	57,57
Auto finance.....	124	6,823	1.81	57	6,23
MasterCard/Visa.....	681	11,666	5.84	239	11,25

Edgar Filing: HSBC HOLDINGS PLC - Form 6-K

Private label.....	660	14,000	4.72	159	13,31
Personal non-credit card...	1,314	14,888	8.83	343	14,42
	-----	-----	-----	-----	-----
Total.....	\$4,702	\$106,130	4.43%	\$ 969	\$102,82
	=====	=====	=====	=====	=====
SERVICED WITH LIMITED RECURSE:					
Real estate secured.....	\$ 21	\$ 165	12.73%	\$ --	\$ 17
Auto finance.....	146	3,060	4.77	88	3,36
MasterCard/Visa.....	230	8,843	2.60	115	9,19
Private label.....	193	3,921	4.92	55	4,31
Personal non-credit card...	502	4,186	11.99	136	4,50
	-----	-----	-----	-----	-----
Total.....	\$1,092	\$ 20,175	5.41%	\$ 394	\$ 21,54
	=====	=====	=====	=====	=====
MANAGED:					
First mortgage.....	\$ 2	\$ 27	5.78%	\$ --	\$ 2
Real estate secured.....	1,942	58,891	3.30	171	57,74
Auto finance.....	270	9,883	2.74	145	9,59
MasterCard/Visa.....	911	20,509	4.44	354	20,44
Private label.....	853	17,921	4.76	214	17,62
Personal non-credit card...	1,816	19,074	9.52	479	18,92
	-----	-----	-----	-----	-----
Total.....	\$5,794	\$126,305	4.59%	\$1,363	\$124,36
	=====	=====	=====	=====	=====

(1) Certain percentages may not recompute from the dollar figures presented due to rounding.

15

HSBC Finance Corporation

RECONCILIATION TO GAAP FINANCIAL MEASURES

CREDIT QUALITY/CREDIT LOSS RESERVES (CONTINUED)

	OWNED	SERVICED WITH LIMITED RECURSE	MANAGED
(DOLLARS ARE IN MILLIONS)			
REAL ESTATE CHARGE-OFFS AND REO EXPENSE:			
THREE MONTHS ENDED SEPTEMBER 30, 2005			
Real estate charge-offs and REO expense.....	\$ 163	\$ --	\$ 16
Average real estate secured receivables.....	74,369	--	74,36
	-----	-----	-----
Real estate charge-offs and REO expense as a percentage of average real estate secured receivables(1).....	.88%	--	.8
	=====	=====	=====

Edgar Filing: HSBC HOLDINGS PLC - Form 6-K

THREE MONTHS ENDED JUNE 30, 2005

Real estate charge-offs and REO expense.....	\$ 147	\$ --	\$ 14
Average real estate secured receivables.....	70,205	12	70,21
	-----	----	-----

Real estate charge-offs and REO expense as a percentage of average real estate secured receivables(1).....	.84%	--	.8
	=====	====	=====

THREE MONTHS ENDED SEPTEMBER 30, 2004

Real estate charge-offs and REO expense.....	\$ 189	\$ --	\$ 18
Average real estate secured receivables.....	57,570	171	57,74
	-----	----	-----

Real estate charge-offs and REO expense as a percentage of average real estate secured receivables(1).....	1.31%	--	1.3
	=====	====	=====

(1) Certain percentages may not recompute from the dollar figures presented due to rounding.

16

HSBC Finance Corporation

RECONCILIATION TO GAAP FINANCIAL MEASURES

CREDIT QUALITY/CREDIT LOSS RESERVES (CONTINUED)

	OWNED	SERVICED WITH LIMITED RECOURSE	MANAG
--	-------	-----------------------------------	-------

(DOLLARS ARE IN MILLIONS)

CREDIT LOSS RESERVES:

THREE MONTHS ENDED SEPTEMBER 30, 2005

Reserves for receivables at beginning of quarter.....	\$ 3,756	\$ 525	\$ 4,
Provision for credit losses.....	1,361	(23)	1,
Charge-offs, net of recoveries.....	(902)	(150)	(1,
Other, net.....	5	(1)	
	-----	-----	-----

Reserves for receivables at end of quarter.....	\$ 4,220	\$ 351	\$ 4,
Receivables.....	\$128,722	\$ 6,759	\$135,
Credit loss reserves as a percent of receivables.....	3.28%	5.19%	3
	-----	-----	-----

THREE MONTHS ENDED JUNE 30, 2005

Reserves for receivables at beginning of quarter.....	\$ 3,581	\$ 661	\$ 4,
Provision for credit losses.....	1,031	52	1,
Charge-offs, net of recoveries.....	(844)	(184)	(1,
Other, net.....	(12)	(4)	
	-----	-----	-----

Reserves for receivables at end of quarter.....	\$ 3,756	\$ 525	\$ 4,
Receivables.....	\$118,761	\$ 8,980	\$127,
Credit loss reserves as a percent of receivables.....	3.16%	5.85%	3

Edgar Filing: HSBC HOLDINGS PLC - Form 6-K

THREE MONTHS ENDED SEPTEMBER 30, 2004			
Reserves for receivables at beginning of quarter.....	\$ 3,795	\$ 1,904	\$ 5,
Provision for credit losses.....	1,123	(232)	
Charge-offs, net of recoveries.....	(969)	(394)	(1,
Other, net.....	4	(32)	
Reserves for receivables at end of quarter.....	\$ 3,953	\$ 1,246	\$ 5,
Receivables.....	\$106,437	\$20,175	\$126,
Credit loss reserves as a percent of receivables.....	3.71%	6.18%	4
NONPERFORMING ASSETS:			
SEPTEMBER 30, 2005			
Nonaccrual receivables.....	\$ 3,273	\$ 268	\$ 3,
Accruing receivables 90 or more days delinquent.....	563	41	
Renegotiated commercial loans.....	--	--	
Total nonperforming receivables.....	3,836	309	4,
Real estate owned.....	462	--	
Total nonperforming assets.....	\$ 4,298	\$ 309	\$ 4,
Credit loss reserves as a percent of nonperforming receivables.....	110.0%	--	11
JUNE 30, 2005			
Nonaccrual receivables.....	\$ 3,008	\$ 340	\$ 3,
Accruing receivables 90 or more days delinquent.....	482	55	
Renegotiated commercial loans.....	1	--	
Total nonperforming receivables.....	3,491	395	3,
Real estate owned.....	459	--	
Total nonperforming assets.....	\$ 3,950	\$ 395	\$ 4,
Credit loss reserves as a percent of nonperforming receivables.....	107.6%	--	11
SEPTEMBER 30, 2004			
Nonaccrual receivables.....	\$ 2,891	\$ 585	\$ 3,
Accruing receivables 90 or more days delinquent.....	905	296	1,
Renegotiated commercial loans.....	1	--	
Total nonperforming receivables.....	3,797	881	4,
Real estate owned.....	601	--	
Total nonperforming assets.....	\$ 4,398	\$ 881	\$ 5,
Credit loss reserves as a percent of nonperforming receivables.....	104.1%	--	11

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

Edgar Filing: HSBC HOLDINGS PLC - Form 6-K

undersigned, thereunto duly authorized.

HSBC Holdings plc

By:

Name: P A Stafford

Title: Assistant Group Secretary

Date: 14 November 2005