US UNWIRED INC
Form 425
July 11, 2005

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported) July 10, 2005

SPRINT CORPORATION

(Exact name of Registrant as specified in its charter)

Kansas	**1-04721**	**48-0457967**
(State of Incorporation)	**(Commission File Number)**	**(I.R.S. Employer Identification No.)**

6200 Sprint Parkway, Overland Park, Kansas	**66251**
(Address of principal executive offices)	**(Zip Code)**

Registrant s telephone number, including area code (800) 829-0965

(Former name or former address, if changed since last report)

P. O. Box 7997, Shawnee Mission, Kansas 66207-0997

(Mailing address of principal executive offices)

Check the appropriate box below if the Form 8-K is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

x 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)

x 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 8.01 Other Events.

Proposed Acquisition of US Unwired Inc.

On July 10, 2005, Sprint Corporation, US Unwired Inc. and UK Acquisition Corp., a wholly owned subsidiary of Sprint, entered into a merger agreement, pursuant to which Sprint agreed to acquire US Unwired for approximately $1.3 billion.

Under the terms of the merger agreement, Sprint will commence a cash tender offer to acquire all of US Unwired s outstanding common stock at a price of $6.25 per share. Following completion of the tender offer, any remaining shares of US Unwired will be acquired in a cash merger at the same price. Sprint will also acquire US Unwired s net debt, which was approximately $266 million as of March 31, 2005, in connection with the transaction. Upon completion of the merger, US Unwired will become a wholly owned subsidiary of Sprint.

As part of the merger agreement, Sprint and US Unwired will seek an immediate stay of litigation pending in U.S. District Court in Lake Charles, La., including US Unwired s request for an injunction to block the merger of Sprint and Nextel Communications, Inc., with a final resolution to become effective upon the closing of the acquisition.

The board of directors of US Unwired unanimously approved the merger agreement, the offer and the merger and has unanimously (1) resolved to recommend acceptance of the merger to US Unwired s shareholders, (2) resolved to recommend that US Unwired s shareholders accept the offer and tender their shares pursuant to the offer and (3) determined that the consideration to be paid in the offer and the merger is fair to US Unwired s shareholders and to recommend that US Unwired s shareholders approve the merger, the merger agreement and the transactions contemplated by the merger agreement.

The merger with US Unwired is expected to close in the third quarter of 2005 and is subject to regulatory approvals, as well as other customary closing conditions. The merger agreement contains certain termination rights for each of Sprint and US Unwired and further provides that, upon termination of the merger agreement under specified circumstances, US Unwired may be required to pay Sprint a termination fee of $35 million as liquidated damages to reimburse Sprint for its time, expense and related costs.

The foregoing description of the merger agreement does not purport to be complete and is qualified in its entirety by reference to the merger agreement, which is filed as Exhibit 99.1 hereto and incorporated herein by reference.

On July 10, 2005, Sprint entered into a shareholders agreement with William L. Henning, William L. Henning, Jr., John A. Henning, Sr., Thomas G. Henning, Lena B. Henning, John A. Henning Exempt Class Trust No. 1, William L. Henning, Jr. Exempt Class Trust No. 1, Thomas G. Henning Exempt Class Trust No. 1, Cameron Communications, L.L.C. and The 1818 Fund III, L.P., who collectively beneficially own or have the power to vote approximately 27.3% of the outstanding shares of US Unwired common stock. Pursuant to the shareholders agreement, the shareholders agreed to tender their shares of US Unwired common stock pursuant to the offer and vote their shares of US Unwired common stock in favor of the merger, subject to the terms and conditions in the merger agreement.

The foregoing description of the shareholders agreement does not purport to be complete and is qualified in its entirety by reference to the agreement, which is filed as Exhibit 99.2 hereto and incorporated herein by reference.

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Safe Harbor Statement under the Private Securities Litigation Reform Act of 1995

A number of the matters discussed in this document that are not historical or current facts deal with potential future circumstances and developments, in particular, whether and when the transactions contemplated by the merger agreement will be consummated. The discussion of such matters is qualified by the inherent risks and uncertainties surrounding future expectations generally, and also may materially differ from actual future experience involving any one or more of such matters. Such risks and uncertainties include: the result of the review of the proposed transactions by various regulatory agencies, and any conditions imposed on the companies in connection with consummation of the transactions described herein; the number of shares tendered by shareholders of US Unwired; approval of the merger between Sprint and US Unwired by the shareholders of US Unwired; satisfaction of various other conditions to the closing of the transactions described herein; and the risks that are described from time to time in Sprint s and US Unwired s respective reports filed with the SEC, including each company s annual report on Form 10-K for the year ended December 31, 2004, as amended, and their respective quarterly reports on Form 10-Q for the quarterly period ended March 31, 2005. This document speaks only as of its date, and Sprint disclaims any duty to update the information herein.

Press Release

On July 11, 2005, Sprint and US Unwired issued a press release announcing that their boards of directors have unanimously approved a definitive agreement for Sprint to purchase US Unwired for approximately $1.3 billion, as discussed above. A copy of the press release is filed as Exhibit 99.3 hereto and incorporated herein by reference.

Fact Sheet

On July 11, 2005, Sprint made publicly available a fact sheet relating to Sprint, US Unwired and the acquisition. A copy of the fact sheet is filed as Exhibit 99.4 hereto and incorporated herein by reference.

Sprint PCS Affiliates

Through its relationship with independent PCS affiliates, Sprint has expanded its wireless footprint into certain areas of the United States. These Sprint affiliates currently serve more than 3.4 million subscribers. As previously disclosed, Sprint is subject to exclusivity and other provisions under its arrangements with the Sprint PCS Affiliates. Sprint has been engaged in discussions with various Sprint PCS Affiliates in addition to US Unwired regarding possible amendments to those affiliates commercial arrangements with Sprint and other possible resolutions to Sprint s relationship with Sprint PCS Affiliates in light of the pending Sprint Nextel merger. These discussions are ongoing, and there can be no assurance that any agreements will be reached with any Sprint PCS Affiliates or, if reached, of the timing or nature of any such agreements. No further disclosure will be made by Sprint unless and until definitive agreements are reached.

Item 9.01 Financial Statements and Exhibits.

(c) Exhibits

Number	Exhibit
99.1	Agreement and Plan of Merger, dated as of July 10, 2005, by and among Sprint Corporation, UK Acquisition Corp. and US Unwired Inc.
99.2	Shareholders Agreement, dated as of July 10, 2005, by and among Sprint Corporation, William L. Henning, William L. Henning, Jr., John A. Henning, Sr., Thomas G. Henning, Lena B. Henning, John A. Henning Exempt Class Trust No. 1, William L. Henning, Jr. Exempt Class Trust No. 1, Thomas G. Henning Exempt Class Trust No. 1, Cameron Communications, L.L.C. and The 1818 Fund III, L.P.
99.3	Press release dated July 11, 2005.
99.4	Fact sheet dated July 11, 2005.

SIGNATURES

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 hereunto duly authorized.

	SPRINT CORPORATION
Date: July 11, 2005	By: /s/ Michael T. Hyde Michael T. Hyde Assistant Secretary

EXHIBIT INDEX

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99.4	Fact sheet dated July 11, 2005.

ft" valign="bottom"> **Thomas M. Detelich(9)** 2009 $ 412,500 $ 237,500 $ 370,000 $ - $ - $ 1,149,332 $ 573,651 $ 2,742,983 (former) President 2008 $ 650,000 $ 330,000 $ - $ - $ - $ 190,402 $ 92,081 $ 1,262,483 Consumer & Mortgage 2007 $ 650,000 - $ 440,000 $ - $ 520,000 $ 321,566 $ 174,906 $ 2,106,472 Lending

Walter G. Menezes(9)
2009 $ 192,500 $ - $ 1,125,600 $ - $ - $ 2,020,627 $ 1,024,912 $ 4,363,639 (former) President 2008 $ 650,000 $ 392,400 $ 900,000 $ - $ - $ 781,596 $ 96,400 $ 2,820,396 Card & Retail Services 2007 $ 650,000 $ - $ 440,000 $ - $ 940,000 $ 994,560 $ 162,386 $ 3,186,946 and Auto Finance

(1) Mr. Booker s compensation is tied to an international notional standard denominated in Special Drawing Rights (SDRs). The average SDR to USD conversion rate in effect for 2009 was lower than that for 2008. As such, it appears Mr. Booker incurred a decrease in base salary when in fact his annual rate denominated in SDR remained constant. Also, due to Mr. Booker s position with HSBC, his bonus level additionally reflects his HSBC management position.

(2) The amounts disclosed represent the discretionary cash bonus relating to 2009 performance but paid in February 2010.

(3) Reflects the aggregate grant date fair value of awards granted during the year. With the exception of Messrs. Detelich and Menezes, the grants are subject to various time vesting conditions as disclosed in the footnotes to the *Outstanding Equity Awards at Fiscal Year End Table* and will be released as long as the named executive officer is still in the employ of HSBC Finance Corporation at the time of vesting. Under the separation agreements with Messrs. Detelich and Menezes discussed above, the vesting conditions of their awards have been amended. HSBC Finance Corporation records expense based on the fair value over the vesting period, which is 100 percent of the face value on the date of the award. Dividend equivalents, in the form of cash or additional shares, are paid on all underlying shares of restricted stock at the same rate as paid to ordinary share shareholders.

(4) The HSBC-North America (U.S.) Retirement Income Plan (RIP), the HSBC-North America Non-Qualified Deferred Compensation Plan (NQDCP), the Supplemental HSBC Finance Corporation Retirement Income Plan (SRIP), the HSBC International Staff Retirement Benefit Scheme (Jersey) (ISRBS) are described under *Savings and Pension Plans.*

Increase in values by plan for each participant are: Mr. Booker $771,311 (ISRBS, net of mandatory 2009 contributions), increase is due to conversions of the benefits from GBP to USD and lump sum factors for purposes of this disclosure; Mr. Ancona $94,901 (RIP), $262,909 (SRIP); Mr. Mackay $5,243 (RIP), $13,731 (SRIP); Mr. Burke $84,587 (RIP), $346,753 (SRIP); Mr. Cozza $110,479 (RIP), $308,304 (SRIP), $639,088 (NQDCP); Mr. Armishaw $5,777 (RIP), $15,251 (SRIP); Mr. Detelich $90,581 (RIP), $604,819 (SRIP), $453,932 (NQDCP); and Mr. Menezes $50,434 (RIP), $1,709,202 (SRIP), $260,991 (NQDCP).

(5) Components of All Other Compensation are disclosed in the aggregate. All Other Compensation includes perquisites and other personal benefits received by each named executive officer, such as financial planning services, physical exams, club dues and membership fees, expatriate benefits and car allowance, to the extent such perquisites and other personal benefits exceeded $10,000 in 2009. The value of perquisites provided to Messrs. Burke and Cozza did not exceed $10,000. The following itemizes perquisites and other benefits for each named executive officer who received perquisites and other benefits in excess of $10,000: *Executive Tax Services and/or Financial Planning* for Messrs. Booker, Ancona, Detelich, Menezes, Armishaw and Mackay were $562, $562, $3,000, $3,500, $4,000 and $4,826 respectively; *Executive Physical and Medical Expenses* for Messrs. Booker, Ancona, Detelich, Menezes, Armishaw and Mackay were $7,582, $4,296, $2,725, $4,162, $2,339 and $2,725, respectively; *Club Dues and Membership fees* for Messrs. Booker and Armishaw were $15,624 and $9,568, respectively; *Foreign Housing Allowance and Utilities* for Messrs. Booker and Ancona were $151,751 and $50,804, respectively; *Children s Education Allowances for* Mr. Booker in the amount of $68,116; *Car Allowance*s were paid to Mr. Booker in the amount of $13,887; *Executive Travel Allowances*, for Mr. Booker were $69,551; *Car and Driver Services* for Messrs. Booker, Ancona, Detelich, Armishaw and Mackay in the amounts of $6,948, $83, $97, $406 and $2,457, respectively; *Tax Equalization* for Mr. Booker in the amount of $82,056. *Additional Compensation* for Messrs. Booker, Ancona, Detelich, Armishaw and Mackay in the amounts of $11,050, $10,677, $254, $262 and $256, respectively; *Relocation Assistance* for Messrs. Ancona and Mackay in the amounts of $985 and $769,251, respectively; *Severance* payments to Messrs. Detelich and Menezes in the amounts of $490,000 and $831,000, respectively; *Payment in Lieu of Time Off* (earned but unused) to Messrs. Detelich, Menezes and Mackay in the amounts of $45,625, $167,500 and $15,825.

The total in the All Other Compensation column also includes HSBC Finance Corporation s contribution for the named executive officer s participation in the HSBC-North America (U.S.) Tax Reduction Investment Plan (TRIP) in 2009, as follows: Messrs. Ancona, Mackay, Armishaw, Burke, Detelich and Menezes each had a contribution of $14,700, and Mr. Cozza had a contribution of $10,939. In addition, the following had a company contribution in the Supplemental HSBC Finance Corporation Tax Reduction Investment Plan (STRIP): Mr. Ancona $21,508; Mr. Mackay $19,200; Mr. Armishaw $22,846; Mr. Burke $24,369; Mr. Cozza $7,216; Mr. Detelich $17,250; and Mr. Menezes $4,050 in 2009. TRIP and STRIP are described under *Savings and Pension Plans Deferred Compensation Plans.*

(6) This table reflects only those officers who were named executive officers for the particular referenced years above. Accordingly, Messrs. Mackay and Armishaw were not named executive officers for fiscal year 2007 so the table only reflects compensation for fiscal years 2008 and 2009. Similarly, Messrs. Ancona, Burke and Cozza were not named executive officers for the years 2007 and 2008, so the table only reflects their compensation for fiscal year 2009.

(7)

Mr. Ancona was compensated by Hong Kong Shanghai Banking Corporation Limited as Chief Financial Officer of this company from January 1, 2009 to September 1, 2009.

(8) Mr. Armishaw s base salary remained constant in 2009. However, since HSBC Finance Corporation administered twenty-seven (27) pay periods during 2009, the base salary amount reflects increased cash flow paid during 2009.

(9) Compensation paid in 2010 to each of Messrs. Detelich and Menezes pursuant to the terms of their respective separation agreements is described in the tables under *Potential Payments Upon Termination or Change-In-Control*.

Grants Of Plan-Based Awards Table

		Estimated Future Payouts Under Non-Equity Incentive Plan Awards			Estimated Future Payouts Under Equity Incentive Plan Awards						
Name	**Grant Date**	**Threshold ($)**	**Target ($)**	**Maximum ($)**	**Threshold (#)**	**Target (#)**	**Maximum (#)**	**All Other Stock Awards: Number of Shares of Stock or Units (#)**	**All Other Option Awards: Number of Securities Underlying Options (#)**	**Exercise or Base Price of Option Awards ($/Sh)**	**Grant Date Fair Value of Stock and Option Awards ($)(1)(2)**
Niall S. K. Booker Chief Executive Officer	03/02/2009	N/A	N/A	N/A	N/A	N/A	N/A	135,456	N/A	N/A	$ 777,200
Edgar D. Ancona Senior Executive Vice President and Chief Financial Officer	03/02/2009	N/A	N/A	N/A	N/A	N/A	N/A	81,915	N/A	N/A	$ 470,000(3)
Iain J. Mackay (former) Senior Executive Vice President and Chief Financial Officer	03/02/2009	N/A	N/A	N/A	N/A	N/A	N/A	81,915	N/A	N/A	$ 470,000
	03/02/2009	N/A	N/A	N/A	N/A	N/A	N/A	64,922	N/A	N/A	$ 372,500

Andrew C. Armishaw Senior Executive Vice President and Chief Technology and Services Officer											
Patrick J. Burke Senior Executive Vice President and Chief Executive Officer, Card & Retail Services	03/02/2009	N/A	N/A	N/A	N/A	N/A	N/A	59,693	N/A	N/A	$ 342,500
	06/30/2009	N/A	N/A	N/A	N/A	N/A	N/A	12,009	N/A	N/A	$ 100,000
Patrick A. Cozza Senior Executive Vice President Insurance	03/02/2009	N/A	N/A	N/A	N/A	N/A	N/A	65,358	N/A	N/A	$ 375,000
Thomas M. Detelich (former) President Consumer & Mortgage Lending	03/02/2009	N/A	N/A	N/A	N/A	N/A	N/A	64,486	N/A	N/A	$ 370,000
Walter G. Menezes (former) President Card & Retail Services and Auto Finance	03/02/2009	N/A	N/A	N/A	N/A	N/A	N/A	107,989	N/A	N/A	$ 619,600
	03/02/2009	N/A	N/A	N/A	N/A	N/A	N/A	88,189	N/A	N/A	$ 506,000

(1)

The total grant date fair value reflected is based on 100% of the fair market value of the underlying HSBC ordinary shares on March 2, 2009 (the date of grant) of GBP 3.99 and converted into U.S. dollars using the GBP exchange rate as of the date of grant which was 1.438.

(2) The total grant date fair value reflected is based on 100% of the fair market value of the underlying HSBC ordinary shares on June 30, 2009 (the date of grant) of GBP 5.025 and converted into U.S. dollars using the GBP exchange rate as of the date of grant which was 1.6571.

(3) Mr. Ancona was awarded the shares by Hong Kong Shanghai Banking Corporation Limited as Chief Financial Officer of that company.

Outstanding Equity Awards At Fiscal Year-End Table

	Option Awards					Stock Awards			
Name	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Unearned Options (#)	Option Exercise Price	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)[1]	Market Value of Shares or Units of Stock That Have Not Vested ($)[2]	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#)[1]	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested ($)[2]
Niall S. K. Booker Chief Executive Officer						19,759(3)	227,181		
						78,257(4)	899,767		
						135,456(5)	1,557,417		
Edgar D. Ancona Senior Executive Vice President and Chief Financial Officer	98,228(11)			$16.0344	11/13/2010	31,464(3)	361,760		
	107,437(11)			$18.6226	11/12/2011	33,333(4)	383,249		
	153,482(11)			$9.2895	11/20/2012	81,915(5)	941,825		
	117,048(11)			GBP7.9606	11/03/2013				
	58,524(11)			GBP7.2181	04/30/2014				
Iain J. Mackay (former) Senior Executive Vice President and Chief Financial Officer						70,956(6)	815,823		
						36,267(4)	416,983		
						81,915(5)	941,825		
	117,048[11]			GBP7.2181	04/30/2014	13,443[3]	154,562		

Andrew C.					
Armishaw					
Senior Executive					
Vice President				21,155(4)	243,231
and Chief					
Technology and				8,872(10)	102,007
Services Officer				64,992(5)	746,446
Patrick J. Burke	46,044(11)	$16.0344	11/13/2010	25,743(3)	295,982
Senior Executive					
Vice President	46,044(11)	$18.6226	11/12/2011	36,267(4)	416,983
and Chief Executive					
Officer,	23,023(11)	$9.2895	11/20/2012	59,693(5)	686,325
Card & Retail					
Services	68,852(11)	GBP7.9606	11/03/2013	12,009(12)	138,075
	68,852(11)	GBP7.2181	04/30/2014		
Patrick A. Cozza	46,044(11)	$16.0344	11/13/2010	9,439(3)	108,526
Senior Executive					
Vice	61,392(11)	$18.6226	11/12/2011	33,244(4)	382,226
President Insurance	92,089(11)	$9.2895	11/20/2012	65,358(5)	751,459
	143,442(11)	GBP7.9606	11/03/2013		
	143,422(11)	GBP7.2181	04/30/2014		
Thomas M.					
Detelich	76,741(11)	$16.0344	11/13/2010	50,413(7)	579,628
(former) President					
Consumer	107,437(11)	$18.6226	11/12/2011	64,486(5)	741,433
& Mortgage Lending	306,964(11)	$9.2895	11/20/2012		
	234,097(11)	GBP7.9606	11/03/2013		
	117,048(11)	GBP7.2181	04/30/2014		
Walter G. Menezes	85,950(11)	$18.40	11/13/2010	107,989(5)	1,241,613
(former) President					
Card &	122,785(11)	$21.37	11/12/2011	50,413(7)	579,628
Retail Services and					
Auto Finance	122,785(11)	$10.66	11/20/2012	58,223(8)	669,424
	172,130(11)	GBP9.135	11/03/2013	88,189(9)	1,013,961
	172,130(11)	GBP7.2181	04/30/2014		

(1) Share amounts do not include additional awards accumulated over the vesting periods, including any adjustments for the HSBC share rights issue completed in April 2009.

(2) The market value of the shares on December 31, 2009 was GBP 7.088 and the exchange rate from GBP to U.S. dollars was 1.62212.

(3) This award will vest in full on March 30, 2010.

(4) This award will vest in full on March 31, 2011.

(5) This award will vest in full on March 5, 2012.

(6) One-third of this award vested on July 31, 2009. One-third will vest on July 31, 2010 and one-third on July 31, 2011.

(7) Twenty percent of this award vested on May 26, 2006, May 25, 2007, May 26, 2008 and May 26, 2009. Twenty percent of this award will vest on May 26, 2010.

(8) This award will vest in full on March 3, 2011.

(9) This award will vest in full on March 2, 2013.

(10) This award will vest in full on March 30, 2011.

(11) Reflects fully vested options adjusted for the HSBC share rights issue completed in April 2009.

(12) This award will vest in full on June 30, 2012.

Option Exercises and Stock Vested Table

Name	Option Awards: Number of Shares Acquired on Exercise (#)	Option Awards: Value Realized on Exercise ($)[1]	Stock Awards: Number of Shares Acquired on Vesting (#)[2]	Stock Awards: Value Realized on Vesting ($)[1]
Niall S. K. Booker Chief Executive Officer			10,861(3)	$ 70,145
Edgar D. Ancona Senior Executive Vice President and Chief Financial Officer			43,428(10)	$ 247,919
Iain J. Mackay (former) Senior Executive Vice President and Chief Financial Officer			44,908(4)	$ 465,973
Andrew C. Armishaw Senior Executive Vice President and Chief Technology and Services Officer			17,240(7)	$ 111,342
Patrick J. Burke Senior Executive Vice President and Chief Executive Officer, Cards and Retail Services				
Patrick A. Cozza Senior Executive Vice President Insurance			11,754(8)	$ 75,911
Thomas M. Detelich (former) President Consumer & Mortgage Lending			75,586(5)	$ 629,501
			26,644(6)	$ 172,077
			25,262(11)	$ 310,878
			21,710(14)	$ 231,195
Walter G. Menezes (former) President Card & Retail Services and Auto Finance			96,603(13)	$ 804,352
			26,644(6)	$ 172,077
			18,491(9)	$ 154,561
			22,591(12)	$ 187,946

(1) Value realized on exercise or vesting uses the GBP fair market value on the date of exercise / release and the exchange rate from GBP to USD on the date of settlement.

(2) Includes the release of additional awards accumulated over the vesting period and resulting from the HSBC share rights issue completed in April 2009

(3) Includes the release of 7,972 performance shares granted on March 6, 2006

(4) Includes the release of 35,478 shares granted on July 31, 2007

(5) Includes the release of 50,413 shares granted on May 25, 2005

(6) Includes the release of 19,917 performance shares granted on March 31, 2006

(7) Includes the release of 12,888 performance shares granted on March 31, 2006

(8) Includes the release of 8,787 performance shares granted on March 31, 2006

(9) Includes the release of 14,683 shares granted on March 31, 2006

(10) Includes the release of 32,465 shares granted on March 31, 2006.

(11) Includes the release of 19,577 shares granted on March 31, 2006

(12) Represents the accelerated vesting and release of a portion of shares granted on March 3, 2008 to satisfy income tax obligations.

(13) Includes the release of 50,413 shares granted on May 25, 2005 and the accelerated vesting and release of an additional 21,017 shares granted on May 25, 2005 to satisfy income tax obligations.

(14) Represents the accelerated vesting and release of a portion of shares granted on May 25, 2005 to satisfy income tax obligations.

Pension Benefits

Name	Plan Name[1]	Number of Years Credited Service (#)	Present Value of Accumulated Benefit ($)	Payments During Last Fiscal Year ($)
Niall S.K. Booker[2] Chief Executive Officer	ISRBS	27.8	$3,302,523[7]	$0
Edgar D. Ancona[3]	RIP-Household	15.8	$517,062	$0
Senior Executive Vice President and Chief Financial Officer	SRIP-Household Financial	15.8	$1,772,234	$0
Iain J. Mackay	RIP-Account Based	2.5	$14,547	$0
(former) Senior Executive Vice President and Chief Financial Officer	SRIP-Account Based	2.5	$49,786	$0
Andrew C. Armishaw	RIP-Account Based	6.0	$29,556	$0
Senior Executive Vice President and Chief Technology and Services Officer	SRIP-Account Based	6.0	$106,158	$0
Patrick J. Burke	RIP-Household	20.8	$330,007	$0
Senior Executive Vice President and Chief Executive Officer, Cards & Retail Services	SRIP-Household	20.8	$1,134,093	$0
Patrick A. Cozza[4]	RIP-Household	11.5	$437,879	$0
Senior Executive Vice President Insurance	SRIP-Household	11.5	$1,245,765	$0
Thomas M. Detelich[5]	RIP-Household	33.4	$557,536	$0
(former) President Consumer & Mortgage Lending	SRIP-Household	33.4	$4,541,267	$0
Walter G. Menezes[6]	RIP-Household	13.2	$0	$582,064
(former) President Card & Retail Services and Auto Finance	SRIP-Household	13.2	$5,934,252	$0

(1) Plan described under *Savings and Pension Plans.*

(2) Value of age 53 benefit. Participant is also eligible for an immediate early retirement benefit with a value of $3,535,300.

(3) Value of age 65 benefit. Participant is also eligible for an immediate early retirement benefit with a value of $679,312 (RIP) and $2,359,732 (SRIP).

(4) The 11.5 years of credited service are for those years attributable to Household following its acquisition of Beneficial Corp.

(5) Value of age 65 benefit for RIP and SRIP. Participant resigned from employment on August 1, 2009. Participant is scheduled to commence SRIP benefit on July 1, 2010.

(6) Value of early retirement benefit. Participant commenced early retirement benefit for RIP on April 1, 2009. Participant is scheduled to commence early retirement benefit for SRIP on July 1, 2010.

(7) The amounts were converted into USD from GBP utilizing the exchange rate of 1.62212 at December 31, 2009.

Savings and Pension Plans

Retirement Income Plan (RIP)

The HSBC-North America (U.S.) Retirement Income Plan (RIP) is a non-contributory, defined benefit pension plan for employees of HSBC North America and its U.S. subsidiaries who are at least 21 years of age with one year of service and not part of a collective bargaining unit. Benefits are determined under a number of different formulas that vary based on year of hire and employer.

Supplemental Retirement Income Plan (SRIP)

The Supplemental HSBC Finance Corporation Retirement Income Plan (SRIP) is a non-qualified defined benefit plan that is designed to provide benefits that are precluded from being paid to legacy Household employees by RIP due to legal constraints applicable to all qualified plans. For example, the maximum amount of compensation during 2009 that can be used to determine a qualified plan benefit is $245,000, and the maximum annual benefit commencing at age 65 in 2009 is $195,000. SRIP benefits are calculated without regard to these limits but are reduced after January 1, 2008, for compensation deferred to the HSBC-North America Non-Qualified Deferred Compensation Plan (NQDCP). The resulting benefit is then reduced by the value of qualified benefits payable by RIP so that there is no duplication of payments. Benefits are paid in a lump sum to executives covered by a Household or Account Based Formula between July and December in the calendar year following the year of termination. No additional benefits will accrue under SRIP after December 31, 2010.

Formulas for Calculating Benefits

Household Formula: Applies to executives who were hired after December 31, 1989, but prior to January 1, 2000, by Household International, Inc. The normal retirement benefit at age 65 is the sum of (i) 51% of average salary that does not exceed the integration amount and (ii) 57% of average compensation in excess of the integration amount. For this purpose, compensation includes total base wages and bonuses (as earned); provided, effective January 1, 2008, compensation is reduced by any amount deferred under the NQDCP, and are averaged over the 48 highest consecutive months selected from the 120 consecutive months preceding date of retirement. The integration amount is an average of the Social Security taxable wage bases for the 35 year period ending with the year of retirement. The benefit is reduced pro-rata for executives who retire with less than 30 years of service. If an executive has more than 30 years of service, the percentages in the formula, (the 51% and 57%) are increased 1/24 of 1 percentage point for each month of service in excess of 30 years, but not more than 5 percentage points. Executives who are at least age 55 with 10 or more years of service may retire before age 65 in which case the benefit percentages (51% and 57%) are reduced. As further described in Note 22, Pension and Other Postretirement Benefits in the accompanying consolidated financial statements, effective January 1, 2011, a cash balance based formula will replace this formula and impact the calculation of these benefits as of January 1, 2011.

Account Based Formula: Applies to executives who were hired by Household after December 31, 1999. It also applies to executives who were hired by HSBC Bank USA after December 31, 1996 and became participants in the Retirement Income Plan on January 1, 2005, or were hired by HSBC after March 28, 2003. The formula provides for a notional account that accumulates 2% of annual compensation for each calendar year of employment. For this purpose, compensation includes total base wages and cash incentive payments (as paid); provided, effective January 1, 2008, compensation is reduced by any amount deferred under the NQDCP. At the end of each calendar year, interest is credited on the notional account using the value of the account at the beginning of the year. The interest rate is based on the lesser of average yields for 10-year and 30-year Treasury bonds during September of the preceding calendar year. The notional account is payable at termination of employment for any reason after three years of service although payment may be deferred to age 65.

Provisions Applicable to All Formulas: The amount of compensation used to determine benefits is subject to an annual maximum that varies by calendar year. The limit for 2009 is $245,000. The limit for years after 2009 will increase from time-to-time as specified by IRS regulations. Benefits are payable as a life annuity, or for married participants, a reduced life annuity with 50% continued to a surviving spouse. Participants (with spousal consent, if married) may choose from a variety of other optional forms of payment, which are all designed to be equivalent in value if paid over an average lifetime. Retired executives covered by a Household or Account Based Formula may elect a lump sum form of payment (spousal consent is required for married executives).

HSBC International Staff Retirement Benefits Scheme(Jersey) (ISRBS)

The HSBC International Staff Retirement Benefits Scheme (Jersey) (ISRBS) is a defined benefit plan maintained for certain international managers. Each member must contribute five percent of his salary to the plan during his service, but each member who has completed 20 years of service or who enters the senior management or general management sections during his service shall contribute 6 2/3 percent of his salary. In addition, a member may make voluntary contributions, but the total of voluntary and mandatory contributions cannot exceed 15 percent of his total compensation. Upon leaving service, the value of the member s voluntary contribution fund, if any, shall be commuted for a retirement benefit.

The annual pension payable at normal retirement is 1/480 of the member s final salary for each completed month in the executive section, 1.25/480 of his final salary for each completed month in the senior management section, and 1.50/480 of his final salary for each completed month in the general management section. A member s normal retirement date is the first day of the month coincident with or next following his 53rd birthday. Payments may be deferred or suspended but not beyond age 75.

If a member leaves before normal retirement with at least 15 years of service, he will receive a pension which is reduced by 0.25 percent for each complete month by which termination precedes normal retirement. If he terminates with at least 5 years of service, he will receive an immediate lump sum equivalent of his reduced pension.

If a member dies before age 53 while he is still accruing benefits in the ISRBS then both a lump sum and a widow s pension will be payable immediately.

The lump sum payable would be the cash sum equivalent of the member s Anticipated Pension, where the Anticipated Pension is the notional pension to which the member would have been entitled if he had continued in service until age 53, computed on the assumption that his Final Salary remains unaltered. In addition, where applicable, the member s voluntary contributions fund will be paid as a lump sum.

In general, the widow s pension payable would be equal to one half of the member s Anticipated Pension. As well as this, where applicable, a children s allowance is payable on the death of the Member equal to 25% of the amount of the widow s pension.

If the member retires before age 53 on the grounds of infirmity he will be entitled to a pension as from the date of his leaving service equal to his Anticipated Pension, where Anticipated Pension has the same definition as in the previous section.

Present Value of Accumulated Benefits

For the Account Based formula: The value of the notional account balances currently available on December 31, 2009.

For other formulas: The present value of the benefit payable at assumed retirement using interest and mortality assumptions consistent with those used for financial reporting purposes under SFAS 87 with respect to the company s audited financial statements for the period ending December 31, 2009. However, no discount has been assumed for separation prior to retirement due to death, disability or termination of employment. Further, the amount of the benefit so valued is the portion of the benefit at assumed retirement that has accrued in proportion to service earned on

December 31, 2009.

Deferred Compensation Plans

Tax Reduction Investment Plan: HSBC North America maintains the HSBC-North America (U.S.) Tax Reduction Investment Plan (TRIP), which is a deferred profit-sharing and savings plan for its eligible employees. With certain exceptions, a U.S. employee who has been employed for 30 days and who is not part of a collective bargaining unit may contribute into TRIP, on a pre-tax and after-tax basis (after-tax contributions are limited to employees classified as non-highly compensated), up to 40 percent of the participant s cash compensation (subject to a maximum annual pre-tax contribution by a participant of $16,500 (plus an additional $5,500 catch-up contribution for participants age 50 and over), as adjusted for cost of living increases, and certain other limitations imposed by the Internal Revenue Code) and invest such contributions in separate equity or income funds.

If the employee has been employed for at least one year, HSBC Finance Corporation contributes three percent of compensation each pay period on behalf of each participant who contributes one percent and matches any additional participant contributions up to four percent of compensation. However, matching contributions will not exceed six percent of a participant s compensation if the participant contributes four percent or more of compensation. The plan provides for immediate vesting of all contributions. With certain exceptions, a participant s after-tax contributions which have not been matched by us can be withdrawn at any time. Both our matching contributions made prior to 1999 and the participant s after-tax contributions which have been matched may be withdrawn after five years of participation in the plan. A participant s pre-tax contributions and our matching contributions after 1998 may not be withdrawn except for an immediate financial hardship, upon termination of employment, or after attaining age 591/2. Participants may borrow from their TRIP accounts under certain circumstances.

Supplemental Tax Reduction Investment Plan: HSBC North America also maintains the Supplemental HSBC Finance Corporation Tax Reduction Investment Plan (STRIP), which is an unfunded plan for eligible employees of HSBC Finance Corporation and its participating subsidiaries who are legacy Household employees and whose compensation exceeds limits imposed by the Internal Revenue Code. Beginning January 1, 2008, STRIP participants receive a 6% contribution for such excess compensation, reduced by any amount deferred under the NQDCP, invested in STRIP through a credit to a bookkeeping account maintained by us which deems such contributions to be invested in equity or income funds selected by the participant.

Non-Qualified Deferred Compensation Plan: HSBC North America maintains the NQDCP for the highly compensated employees in the organization, including executives of HSBC Finance Corporation. The named executive officers are eligible to contribute up to 80 percent of their salary and/or cash bonus compensation in any plan year. Participants are required to make an irrevocable election with regard to the percentage of compensation to be deferred and the timing and manner of future payout. Two types of distributions are permitted under the plan, either a scheduled in-service withdrawal, which must be scheduled at least 2 years after the end of the plan year in which the deferral is made, or payment upon termination of employment. For either the scheduled in-service withdrawal or payment upon termination, the participant may elect either a lump sum payment or, if the participant has over 10 years of service, installment payments over 10 years. Due to the unfunded nature of the plan, participant elections are deemed investments whose gains or losses are calculated by reference to actual earnings of the investment choices. In order to provide the participants with the maximum amount of protection under an unfunded plan, a Rabbi Trust has been established where the participant contributions are segregated from the general assets of HSBC Finance Corporation. The Investment Committee for the plan endeavors to invest the contributions in a manner consistent with the participant s deemed elections reducing the likelihood of an underfunded plan.

Non-Qualified Defined Contribution And Other Non-Qualified Deferred Compensation Plans

Name	Non-Qualified Deferred Compensation Plan[1] Executive Contributions in 2009	Supplemental Tax Reduction Investment Plan[2] Registrant Contributions in 2009	Aggregate Earnings in 2009	Aggregate Withdrawals/ Distributions	Aggregate Balance at 12/31/2009
Niall S. K. Booker Chief Executive Officer	N/A	N/A	N/A	N/A	N/A
Edgar D. Ancona Senior Executive Vice President and Chief Financial Officer	N/A	$ 21,508	$ 63,656	N/A	$ 418,181
Iain J. Mackay (former) Senior Executive Vice President and Chief Financial Officer	N/A	$ 19,200	$ 6,036	$ 40,443	$ 0
Andrew C. Armishaw Senior Executive Vice President and Chief Technology and Services Officer	N/A	$ 22,846	$ 4,396	N/A	$ 317,478
Patrick J. Burke Senior Executive Vice President and Chief Executive Officer, Cards and Retail Services	N/A	$ 24,369	$ 54,536	N/A	$ 246,887
Patrick A. Cozza Senior Executive Vice President Insurance	$ 660,000(3)	$ 7,216	$ 690,851	$ 0	$ 3,429,719
Thomas M. Detelich (former) President Consumer & Mortgage Lending	$ 0	$ 17,250	$ 568,956	$ 758,841	$ 2,120,681
Walter G. Menezes (former) President Card & Retail Services and Auto Finance	$ 0	$ 4,050	$ 315,630	$ 554,705	$ 1,095,175

(1) The HSBC-North America Non-Qualified Deferred Compensation Plan (NQDCP) is described under *Savings and Pension Plans.*

(2) The Supplemental HSBC Finance Corporation Tax Reduction Investment Plan (STRIP) is described under *Savings and Pension Plans.* Company contributions are invested in STRIP through a credit to a bookkeeping account, which deems such contributions to be invested in equity or income mutual funds selected by the participant. Distributions are made in a lump sum upon termination of employment. These figures are also included in the Change in Pension Value and Non-Qualified Deferred Compensation Earnings column of the

Summary Compensation Table.

(3) Mr. Cozza s elective deferrals into the NQDCP consist of $360,000 of the 2009 base salary disclosed in the *Summary Compensation Table* and $300,000 of the 2008 bonus disclosed in the *Summary Compensation Table*.

Potential Payments Upon Termination Or Change-In-Control

The following tables describe the payments that HSBC Finance Corporation would be required to make as of December 31, 2009 to Messrs. Booker, Ancona, Armishaw, Burke and Cozza as a result of their termination, retirement, disability or death or a change in control of the company as of that date. Since Mr. Menezes retired and Mr. Detelich resigned, each prior to December 31, 2009, the tables for these two Named Executive Officers disclose only those payments applicable to the triggering event specific to such individual. Mr. Mackay voluntarily terminated employment with HSBC North America to transfer to another HSBC affiliate as of September 2009. Since Mr. Mackay continued employment with HSBC, this employment action did not trigger any payments of cash compensation or long-term incentive awards and, accordingly, there is no table included in this section for Mr. Mackay. The amounts and terms of such payments are defined by HSBC s employment and severance policies, employment protection agreements, and the particular terms of any equity-based awards.

Niall S. K. Booker

ive Benefits and nts Upon Terminati	Voluntary Termination	Disability	Normal Retirement	Involuntary Not for Cause Termination	For Cause Terminati	Voluntary for Good Reason Termination	Death	Change Contr Termina
ompensation								
alary								
Term Award								
ted Stock		$ 272,487(1)	$ 272,487(1)	$ 272,487(1)		$ 272,487(1)	$ 297,259(2)	$ 297.
ted Stock/Units		$ 3,000,686(2)	$ 3,000,686(2)	$ 3,000,686(2)		$ 3,000,686(2)	$ 3,000,686(2)	$ 3,000,

(1) This amount represents accelerated vesting of a pro-rata portion of the outstanding restricted shares assuming good leaver status is granted by REMCO, a termination date of December 31, 2009, and are calculated using the closing price of HSBC ordinary shares and exchange rate on December 31, 2009.

(2) This amount represents a full vesting of the outstanding restricted shares assuming a termination date of December 31, 2009, and are calculated using the closing price of HSBC ordinary shares and exchange rate on December 31, 2009.

Edgar D. Ancona

ive Benefits and nts Upon Terminati	Voluntary Termination	Disability	Normal Retirement	Involuntary Not for Cause Termination	For Cause Terminati	Voluntary for Good Reason Termination	Death	Change Contr Termina

Compensation						
alary			$ 259,615(3)			$ 675,
						$ 1,875,
Term Award						
ted Stock	$ 711,516(1)	$ 711,516(1)	$ 711,516(1)	$ 711,516(1)	$ 949,252(2)	$ 949,
ted Stock/Units	$ 1,122,912(2)	$ 1,122,912(2)	$ 1,122,912(2)	$ 1,122,912(2)	$ 1,122,912(2)	$ 1,122,
ts and Perquisites						
d Contribution nent Benefit						$ 54,
e Benefit Coverage						$ 6,
d Benefit Retirement						$ 394,
cement Services						$ 9,

(1) This amount represents accelerated vesting of a pro-rata portion of the outstanding restricted shares assuming good leaver status is granted by REMCO, a termination date of December 31, 2009, and are calculated using the closing price of HSBC ordinary shares and exchange rate on December 31, 2009.

(2) This amount represents a full vesting of the outstanding restricted shares assuming a termination date of December 31, 2009, and are calculated using the closing price of HSBC ordinary shares and exchange rate on December 31, 2009.

(3) Under the terms of the HSBC-North America (U.S.) Severance Pay Plan, Mr. Ancona would receive 30 weeks of his current salary upon separation from the company.

(4) Refer to the description of Mr. Ancona s employment protection agreement. Mr. Ancona will be entitled to receive a pro rata annual bonus through the date of termination, based on the highest of the annual bonuses payable during the three years preceding the year in which the termination occurs; and a payment equal to 1.5 times the sum of the applicable base salary and highest annual bonus.

(5) Mr. Ancona s employment protection agreement provides 18 months of additional employer contributions under HSBC North America s tax-qualified and supplemental defined contribution plans.

(6) Mr. Ancona s employment protection agreement provides continued welfare benefit coverage for 18 months after the date of termination. The value of this coverage is calculated based on the COBRA rates applicable to Mr. Ancona s current coverage election and assumes termination due to change in control occurred on December 31, 2009.

(7) Mr. Ancona s employment protection agreement provides an additional 18 months of age and service credit under HSBC North America s tax-qualified and supplemental defined benefit retirement plans. He would receive an additional $3,884 per month if termination due to a change in control occurred on December 31, 2009. The present value of this benefit was determined by HSBC Finance Corporation s actuaries to be $394,494.

Andrew C. Armishaw

ive Benefits and nts Upon Terminati	Voluntary Termination	Disability	Normal Retirement	Involuntary Not for Cause Termination	For Cause Termination	Voluntary for Good Reason Termination	Death	Change Contr Termina
ompensation								
alary				$ 242,308(3)				
erm Award								
ted Stock		$ 361,567(1)	$ 361,567(1)	$ 361,567(1)		$ 361,567(1)	$ 504,261(2)	$ 504,
ted Stock/Units		$ 1,015,283(2)	$ 1,015,283(2)	$ 1,015,283(2)		$ 1,015,283(2)	$ 1,015,283(2)	$ 1,015,

(1) This amount represents accelerated vesting of a pro-rata portion of the outstanding restricted shares assuming good leaver status is granted by REMCO, a termination date of December 31, 2009, and are calculated using the closing price of HSBC ordinary shares and exchange rate on December 31, 2009.

(2) This amount represents a full vesting of the outstanding restricted shares assuming a termination date of December 31, 2009, and are calculated using the closing price of HSBC ordinary shares and exchange rate on December 31, 2009.

(3) Under the terms of the HSBC-North America (U.S.) Severance Pay Plan, Mr. Armishaw would receive 28 weeks of his current salary upon separation from the company.

Patrick J. Burke

kecutive Benefits and yments Upon Terminatio	Voluntary Terminatio	Disability	Normal Retirement	Involuntary Not for Cause Terminatio	For Cause Terminatio	Voluntary for Good Reason Termination	Death	Change in Control Termination
ash Compensation								
se Salary				$ 369,231(3)				$ 720,000(
nus								$ 2,250,000(
ng Term Award								
estricted Stock		$ 657,054(1)	$ 657,054(1)	$ 657,054(1)		$ 657,054(1)	$ 905,067(2)	$ 905,067(
estricted Stock/Units		$ 958,301(2)	$ 958,301(2)	$ 958,301(2)		$ 958,301(2)	$ 958,301(2)	$ 958,301(
enefits and Perquisites								
efined Contribution tirement Benefit								$ 58,604(
elfare Benefit Coverage								$ 15,508(
efined Benefit Retirement nefit								$ 184,328(
tplacement Services								$ 9,000

(1) This amount represents accelerated vesting of a pro-rata portion of the outstanding restricted shares assuming good leaver status is granted by REMCO, a termination date of December 31, 2009, and are calculated using the closing price of HSBC ordinary shares and exchange rate on December 31, 2009.

(2) This amount represents a full vesting of the outstanding restricted shares assuming a termination date of December 31, 2009, and are calculated using the closing price of HSBC ordinary shares and exchange rate on December 31, 2009.

(3) Under the terms of the HSBC-North America (U.S.) Severance Pay Plan, Mr. Burke would receive 40 weeks of his current salary upon separation from the company.

(4) Refer to the description of Mr. Burke s employment protection agreement. Mr. Burke will be entitled to receive a pro rata annual bonus through the date of termination, based on the highest of the annual bonuses payable during the three years preceding the year in which the termination occurs; and a payment equal to 1.5 times the sum of the applicable base salary and highest annual bonus.

(5) Mr. Burke s employment protection agreement provides 18 months of additional employer contributions under HSBC North America s tax-qualified and supplemental defined contribution plans.

(6) Mr. Burke s employment protection agreement provides continued welfare benefit coverage for 18 months after the date of termination. The value of this coverage is calculated based on the COBRA rates applicable to Mr. Burke s current coverage election and assumes termination due to change in control occurred on December 31, 2009.

(7) Mr. Burke s employment protection agreement provides an additional 18 months of age and service credit under HSBC North America s tax-qualified and supplemental defined benefit retirement plans. He would receive an additional $3,588 per month if termination due to a change in control occurred on December 31, 2009. The present value of this benefit was determined by HSBC Finance Corporation s actuaries to be $184,328.

Patrick A. Cozza

ecutive Benefits and yments Upon Terminatio	Voluntary Terminatio	Disability	Normal Retirement	Involuntary Not for Cause Terminatio	For Cause Terminatio	Voluntary for Good Reason Termination	Death	Change in Control Termination
sh Compensation								
se Salary				$ 415,385(3)				$ 675,000(
nus								$ 1,750,000(
ng Term Award								
stricted Stock		$ 407,024(1)	$ 407,024(1)	$ 407,024(1)		$ 407,024(1)	$ 616,616(2)	$ 616,616(
stricted Stock/Units		$ 895,938(2)	$ 895,938(2)	$ 895,938(2)		$ 895,938(2)	$ 895,938(2)	$ 895,938(
nefits and Perquisites								
fined Contribution tirement Benefit								$ 32,874(
elfare Benefit Coverage								$ 21,759(
fined Benefit Retirement nefit								$ 445,506(
tplacement Services								$ 9,000

(1) This amount represents accelerated vesting of a pro-rata portion of the outstanding restricted shares assuming good leaver status is granted by REMCO, a termination date of December 31, 2009, and are calculated using the closing price of HSBC ordinary shares and exchange rate on December 31, 2009.

(2) This amount represents a full vesting of the outstanding restricted shares assuming a termination date of December 31, 2009, and are calculated using the closing price of HSBC ordinary shares and exchange rate on December 31, 2009.

(3) Under the terms of the HSBC-North America (U.S.) Severance Pay Plan, Mr. Cozza would receive 48 weeks of his current salary upon separation from the company.

(4) Refer to the description of Mr. Cozza s employment protection agreement. Mr. Cozza will be entitled to receive a pro rata annual bonus through the date of termination, based on the highest of the annual bonuses payable during the three years preceding the year in which the termination occurs; and a payment equal to 1.5 times the sum of the applicable base salary and highest annual bonus.

(5) Mr. Cozza s employment protection agreement provides 18 months of additional employer contributions under HSBC North America s tax-qualified and supplemental defined contribution plans.

(6) Mr. Cozza s employment protection agreement provides continued welfare benefit coverage for 18 months after the date of termination. The value of this coverage is calculated based on the COBRA rates applicable to Mr. Cozza s current coverage election and assumes termination due to change in control occurred on December 31, 2009.

(7) Mr. Cozza s employment protection agreement provides an additional 18 months of age and service credit under HSBC North America s tax-qualified and supplemental defined benefit retirement plans. He would receive an additional $2,725 per month if termination due to a change in control occurred on December 31, 2009. The present value of this benefit was determined by HSBC Finance Corporation s actuaries to be $445,506.

Thomas M. Detelich

Executive Benefits and Payments Upon Termination	Voluntary Termination	Disability	Normal Retirement	Involuntary Not for Cause Termination	For Cause Termination	Voluntary for Good Reason Termination	Death	Change in Control Termination
Cash Compensation								
Base Salary				$ 650,000(2)				
Bonus				$ 1,175,000(3)				
Long Term Award								
Restricted Stock				$ 310,878(4)				
Restricted Stock/Units				$ 1,346,816(5)				

(1) Mr. Detelich resigned from HSBC Finance Corporation effective August 1, 2009.

(2) Amount includes $490,000 paid under the HSBC-North America (U.S.) Severance Pay Plan and $160,000 due under the HSBC-North America (U.S.) Supplemental Severance Pay Plan.

(3) Amount includes $475,000 variable pay award for performance year 2009, to be split between cash and shares, and $700,000 ex-gratia variable compensation payment for 2010, to be payable 50% in cash and 50% as Restricted Share Units.

(4) The figures represent a pro-rata portion of the outstanding restricted share awards based on the number of months elapsed between the date of grant and date of termination assuming good leaver status is granted by REMCO, a termination date of July 31, 2009, and are calculated using the closing price of HSBC ordinary shares and exchange rate on November 17, 2009.

(5) The figures above represent a full vest of the outstanding restricted shares assuming a termination date of July 31, 2009, and are calculated using the closing price of HSBC ordinary shares and exchange rate on December 31, 2009.

Walter G. Menezes

Executive Benefits and Payments Upon Termination	Voluntary Termination	Early Retirement Disability	Normal Retirement	Involuntary Not for Cause Termination	For Cause Termination	Voluntary for Good Reason Termination	Death	Change in Control Termination
Cash Compensation								
Base Salary		$ 662,000(2)						
Bonus		$ 506,000(3)						
Long Term Award								
Restricted Stock		$ 154,561(4)						
Restricted Stock/Units		$ 3,745,925(5)						

(1) Mr. Menezes retired from employment with HSBC Finance Corporation April 1, 2009.

(2) Amount includes $325,000 paid under the HSBC-North America (U.S.) Severance Pay Plan and $337,000 paid in lieu of base salary and health insurance continuation through March 31, 2010.

(3) Amount represents the cash portion of an ex-gratia variable compensation payment for 2009, payable 50% in cash and 50% as Restricted Share Units.

(4) The figures represent a pro-rata portion of the outstanding restricted share awards based on the number of months elapsed between the date of grant and date of termination assuming good leaver status is granted by REMCO, a termination date of March 31, 2009, and are calculated using the closing price of HSBC ordinary shares and exchange rate on June 8, 2009.

(5) Amount includes the Restricted Share Unit portion of an ex-gratia variable compensation payment for 2009, payable 50% in cash and 50% as Restricted Share Units. The figures above represent a full vest of the outstanding restricted shares assuming a termination date of March 31, 2009, and are calculated using the closing price of HSBC ordinary shares and exchange rate on December 31, 2009.

Director Compensation

The following table and narrative text discusses the compensation awarded to, earned by or paid to our Non-executive Directors in 2009. Niall S. K. Booker and Brendan P. McDonagh, as executive directors, receive no additional compensation for their service on the Board of Directors. Former executive director Douglas J. Flint received no additional compensation for his service on the Board of Directors during 2009.

Director Compensation

Name	Fees Earned or Paid in Cash ($)(1)	Stock Awards ($)(2)	Option Awards ($)(3)	Change in Pension Value and Non-Qualified Deferred Compensation Earnings ($)	All Other Compensation ($)(4)	Total ($)
Niall S. K. Booker	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Douglas J. Flint	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Robert K. Herdman	$ 365,000	0	0	$ 0	$ 310	$ 365,310
George A. Lorch	$ 340,000	0	0	$ 157,112	$ 1,730	$ 498,842
Brendan P. McDonagh	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Samuel Minzberg	$ 225,000	0	0	$ 0	$ 1,730	$ 226,730
Beatriz R. Perez	$ 225,000	0	0	$ 0	$ 1,730	$ 226,730
Larree M. Renda	$ 225,000	0	0	$ 389	$ 1,730	$ 227,119

(1) $210,000 for board membership on HSBC Finance Corporation and HSBC North America. Mr. Herdman receives $25,000 as chair of the HSBC Finance Corporation Audit Committee. Mr. Herdman s compensation is grandfathered at an amount equal to his 2007 Board and Committee compensation; he received an additional $130,000 accordingly. Mr. Lorch s compensation is grandfathered at an amount equal to his 2007 Board and Committee compensation; he received an additional $130,000 accordingly. Mr. Minzberg receives $15,000 for service on the HSBC Finance Corporation Audit Committee. Ms. Perez and Ms. Renda each receive $15,000 for their membership on the HSBC Finance Corporation Audit Committee. HSBC Finance Corporation does not pay meeting attendance fees to its Directors. Directors who are employees of HSBC Finance Corporation or any of its affiliates do not receive any additional compensation related to their Board service.

Directors have the ability to defer up to 100% of their annual retainers and/or fees into the HSBC-North America Directors Non-Qualified Deferred Compensation Plan. Under this plan, pre-tax dollars may be deferred with the choice of receiving payouts while still serving on the Board of HSBC Finance Corporation according to a schedule established by the Director at the time of deferral or a distribution after leaving the Board in either lump sum or quarterly installments.

(2) HSBC Finance Corporation does not grant stock awards to its non-management directors nor do any portion of employee directors stock awards reflect services related to the Board. Prior to the merger with HSBC, non-management Directors could elect to receive all or a portion of their cash compensation in shares of common

stock of Household International, Inc., defer it under the Deferred Fee Plan for Directors or purchase options to acquire common stock (as reflected in Footnote 3 below). Under the Deferred Fee Plan, Directors were permitted to invest their deferred compensation in either units of phantom shares of the common stock of HSBC Finance Corporation (then called Household International, Inc.), with dividends credited toward additional stock units, or cash, with interest credited at a market rate set under the plan. Prior to 1995, HSBC Finance Corporation offered a Directors Retirement Income Plan where the present value of each Director s accrued benefit was deposited into the Deferred Phantom Stock Plan for Directors. Under the Deferred Phantom Stock Plan, Directors with less than ten years of service received 750 phantom shares of common stock of Household International, Inc. annually during the first ten years of service as a Director. In January 1997, the Board eliminated this and all future Director retirement benefits. All payouts to Directors earned under the Deferred Phantom Stock Plan will be made only when a Director leaves the Board due to death, retirement or resignation and will be paid in HSBC ordinary shares either in a lump sum or in installments as selected by the Director. Following the acquisition, all rights to receive common stock of Household International, Inc. under both plans described above were converted into rights to receive HSBC ordinary shares. In May 2004, when the plans were rolled into a non-qualified deferred compensation plan for Directors, those rights were revised into rights to receive American Depository Shares in HSBC ordinary shares, each of which represents five ordinary shares. No new shares may be issued under the plans. As of December 31, 2009, 26,714 American Depository Shares were held in the deferred compensation plan account for Directors. Of the current non-management directors, Mr. Lorch held 8,444 American Depository Shares and Ms. Renda held 26 American Depository Shares.

(3) HSBC Finance Corporation does not grant stock option awards to its non-management directors. As referenced in Footnote 2 above, as of December 31, 2009, 118,181 Stock Options were outstanding which were granted pursuant to the historical Directors Deferred Fee Plan. Specifically, Mr. Lorch held options to purchase 72,137 HSBC ordinary shares and Ms. Renda held options to purchase 46,044 HSBC ordinary shares.

(4) Components of All Other Compensation are disclosed in the aggregate. We provide each Director with $250,000 of accidental death and dismemberment (AD&D) insurance and a $10,000,000 personal excess liability insurance policy for which the company paid an aggregate premium of $1,730 per annum for each participating director. Mr. Herdman declined the personal excess liability insurance policy; the amount shown pertains to the annual premium for AD&D insurance exclusively. Under HSBC Finance Corporation s Matching Gift Program, for all directors who were members of the Board in 2006 and continue to be on the Board, we match charitable gifts to qualified organizations (subject to a maximum of $10,000 per year), with a double match for the first $500 donated to higher education institutions (both public and private) and eligible non-profit organizations which promote neighborhood revitalization or economic development for low and moderate income populations. Each current independent Director, other than Mr. Minzberg and Ms. Perez, who each joined the Board in 2008, may ask us to contribute up to $10,000 annually to charities of the Director s choice which qualify under our philanthropic program.

Compensation Policies and Practices Related to Risk Management

All HSBC Finance Corporation employees, including employees in Consumer Lending, Mortgage Services, and Card and Retail Services, are eligible for some form of incentive compensation; however, those who actually receive payments are a subset of eligible employees, based on position held and individual and business performance. Employees participate in either the annual discretionary award plan, the primary incentive compensation plan for all employees, or in formulaic plans, which are maintained for specific groups of employees who are typically involved in production/call center or direct sales environments.

A key feature of HSBC s compensation policy is that it is risk informed, seeking to ensure that risk based returns on capital are factored into the determination of variable compensation and that bonus pools are calculated only after appropriate risk based return has accrued on shareholders capital. We apply Economic Profit (calculated as the average annual difference between return on invested capital and HSBC s benchmark cost of capital) and other metrics to develop variable compensation levels and target a 15% to 19% return on shareholder funds. These requirements are built into the balanced scorecard of the senior HSBC executives and are incorporated in regional and business scorecards in an aligned manner, thereby ensuring that return, risk, and efficient capital usage shape reward considerations. The HSBC Group Chief Risk Officer and the Global Risk Function of HSBC provide input into the balanced scorecard, ensuring that key risk measures are included.

The use of a balanced scorecard framework ensures an aligned set of objectives and impacts the level of individual compensation received, as achievement of objectives is an important determinant of the level of variable compensation awarded under the annual discretionary cash award plan. Objectives are set under four categories; financial, process (including risk mitigation), customer, and people. While the achievement of financial objectives is very important, the other objectives relating to efficiency and risk mitigation, customer development and the productivity of human capital are also key measures of performance that influence reward levels.

Risk oversight of formulaic plans is ensured through formal policies of HSBC requiring that the HSBC North America Chief Credit Officer approve all plans relating to the sale of credit, which are those plans that impact employees selling loan products such as credit cards.

Incentive compensation awards are also impacted by controls established under a comprehensive risk management framework that provides the necessary controls, limits, and approvals for risk taking initiatives on a day-to-day basis (Risk Management Framework). Business management cannot bypass these risk controls to achieve scorecard targets or performance measures. As such, the Risk Management Framework is the foundation for ensuring excessive risk taking is avoided at all times. The Risk Management Framework is governed by a defined risk committee structure, which oversees the development, implementation, and monitoring of the risk appetite process for HSBC Finance Corporation. Risk Appetite is annually reviewed and approved by the HSBC North America Risk Management Committee and HSBC North America Board Audit Committee.

Risk Adjustment of Incentive Compensation

HSBC Finance Corporation uses a number of techniques to ensure that the amount of incentive compensation received by an employee appropriately reflects risk and risk outcomes, including risk adjustment of awards, deferral of payment, appropriate performance periods, and reducing sensitivity to short-term performance. The techniques used vary depending on whether the incentive compensation is paid under the general discretionary cash award plan or a formulaic plan.

The discretionary plan is designed to allow managers to exercise judgment in making variable pay award recommendations, subject to appropriate oversight. A primary consideration when making award recommendations for an employee participating in the discretionary plan is performance against the objectives established in the balanced scorecard. Where objectives have been established with respect to risk and risk outcomes, managers consider performance against these objectives when making variable pay award recommendations.

Participants in the discretionary plan are subject to minimum deferral guidelines for variable pay awards. Deferral rates applicable to variable pay for performance year 2009, payable in 2010, range from 0-60% and increase relative to the level of total compensation earned. Variable pay is deferred through the use of Restricted Share Units with three-year graded vesting so that the economic value of amounts deferred will ultimately be determined by the ordinary share price and foreign exchange rate in effect when each tranche of shares awarded is released. Employees who terminate employment as bad leavers forfeit all unvested equity awards. A claw back provision has been added to all awards granted after January 1, 2010, as further described under the section *Reduction or Cancellation of Long-Term Equity Awards, including Clawbacks* under Compensation Discussion and Analysis.

Employees in formulaic plans are held to performance standards that may result in a loss of incentive compensation when quality standards are not met. For example, participants in these plans may be subject to a reduction in future commission payments if they commit a reportable event (e.g., an error or omission resulting in a loss or expense to the company) or fail to follow required regulations, procedures, policies, and/or associated training. Participants may be altogether disqualified from participation in the plans for unethical acts, breach of company policy, or any other conduct that, in the opinion of HSBC Finance Corporation, is sufficient reason for disqualification or subject to a recapture provision if it is determined that commissions were paid in excess of the amount that should have been paid. Some formulaic incentive plans include limits or caps on the financial measures that are considered in the determination of incentive award amounts.

Performance periods for the formulaic plans are often one month or one quarter, with features that may reserve or hold back a portion of the incentive award earned until year-end. This design is a conscious effort to align the reward cycle to the successful performance of job responsibilities, as longer performance periods may fail to adequately reinforce the desired behaviors on the part of plan participants.

Incentive Compensation Monitoring

HSBC North America monitors and evaluates the performance of its incentive compensation arrangements, both the discretionary and formulaic plans, to ensure adequate focus and control.

The nature of the discretionary plan allows for compensation decisions to reflect individual and business performance based on balanced scorecard achievements. Payments under the discretionary plan are not tied to formula, which enables payments to be adjusted as appropriate based on individual performance, business performance, and risk assessment. Balanced scorecards may also be updated as needed by leadership during the performance year to reflect significant changes in the operating plan, risk, or business strategy of HSBC Finance Corporation. Additionally, the discretionary plan is reviewed annually by REMCO to ensure that it is meeting the desired objectives. The review includes a comparison of actual payouts against the targets established, a cost/benefit analysis, the ratio of payout to overall business performance, and a review of any unintended consequences (e.g., deteriorating service standards).

Formulaic programs are reviewed and revised annually by HSBC North America Human Resources using an incentive plan review template, which highlights basic identifiers for overall plan performance. The review includes: an examination of overall plan expenditures versus actual business performance versus planned expenditures; an examination of individual pay out levels within plans; a determination of whether payment levels align with expected performance levels and market indicators; and a determination of whether the compensation mix is appropriate for the role utilizing market practice and business philosophy.

In addition to the annual review, plan performance is monitored regularly by the business management and periodically by HSBC North America Human Resources, which tracks plan expenditures and plan performance to ensure that plan payouts are consistent with expectations. Calculations for plans are performed systematically based on plan measurement factors to ensure accurate calculation of incentives and all performance payouts are subject to the review of the designated plan administrator to ensure payment and performance of the plan are tracking in line with expectations. Plan inventories are refreshed during the course of the year to identify plans to be eliminated, consolidated, or restructured based on analysis of effectiveness. Finally, all plans contain provisions that enable modification of the plan if necessary to meet business objectives.

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Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.

Security Ownership of Certain Beneficial Owners

HSBC Finance Corporation s common stock is 100% owned by HSBC Investments (North America) Inc. (HINO). HINO is an indirect wholly owned subsidiary of HSBC.

Security Ownership by Management

The following table lists the beneficial ownership, as of January 31, 2010, of HSBC ordinary shares or interests in ordinary shares and Series B Preferred Stock of HSBC Finance Corporation held by each director and each executive officer named in the *Summary Compensation Table*, individually, and the directors and executive officers as a group. Each of the individuals listed below and all directors and executive officers as a group own less than one percent of the ordinary shares of HSBC and the Series B Preferred Stock of HSBC Finance Corporation.

	Number of Shares Beneficially Owned of HSBC Holdings plc(1)(2)	HSBC Shares That May Be Acquired Within 60 Days By Exercise of Options(3)	HSBC Restricted Shares Released Within 60 Days(54)	Number of Ordinary Share Equivalents(5)	Total HSBC Ordinary Shares	Series B Preferred of HSBC Finance Corporation
Directors						
Niall S.K. Booker(6)	71,700	-	25,854	-	97,554	-
Robert K. Herdman	410	-	-	-	410	-
George A. Lorch	13,605	62,863	-	-	76,468	-
Brendan P. McDonagh	142,327	-	47,177	-	189,504	-
Samuel Minzberg	-	-	-	-	-	-
Beatriz R. Perez	-	-	-	-	-	-
Larree M. Renda	1,650	40,125	-	26	41,801	10(7)
Named Executive Officers						
Edgar D. Ancona	394,397	534,719	41,170	-	970,286	-
Iain J. Mackay	-	-	-	-	-	-
Andrew C. Armishaw	-	117,048	17,590	-	134,638	-
Patrick J. Burke	4,516	229,792	33,685	-	267,993	-
Patrick A. Cozza	-	486,409	12,350	-	498,759	-
Thomas M. Detelich	369	842,287	-	-	842,656	-
Walter G. Menezes	128,419(8)	675,780	-	-	804,199	-
All directors and executive officers as a	846,783	3,528,013	310,406	284,517	4,987,719	10

group

(1) Directors and executive officers have sole voting and investment power over the shares listed above, except that the number of ordinary shares held by spouses, children and charitable or family foundations in which voting and investment power is shared (or presumed to be shared) is as follows: Mr. Lorch, 13,605; Mr. Booker, 29,000; and Mr. Menezes, 128,419; and Directors and executive officers as a group, 171,024.

(2) Some of the shares included in the table above were held in American Depository Shares, each of which represents five HSBC ordinary shares.

(3) Represents the number of ordinary shares that may be acquired by HSBC Finance Corporation s Directors and executive officers through April 1, 2010 pursuant to the exercise of stock options.

(4) Represents the number of ordinary shares that may be acquired by HSBC Finance Corporation s Directors and executive officers through April 1, 2010 pursuant to the satisfaction of certain conditions.

(5) Represents the number of ordinary share equivalents owned by executive officers under the HSBC-North America (U.S.) Tax Reduction Investment Plan (TRIP) and the HSBC North America Employee Non-Qualified Deferred Compensation Plan and by Directors under the HSBC North America Directors Non-Qualified Deferred Compensation Plan. Some of the shares included in the table above were held in American Depository Shares, each of which represents five HSBC ordinary shares.

(6) Also a Named Executive Officer.

(7) Represents 400 Depositary Shares, each representing one-fortieth of a share of 6.36% Non-Cumulative Preferred Stock, Series B.

(8) Shares are pledged as collateral for a line of credit.

Item 13. Certain Relationships and Related Transactions, and Director Independence.

Transactions with Related Persons

During our fiscal year ended December 31, 2009, HSBC Finance Corporation was not a participant in any transaction, and there is currently no proposed transaction, in which the amount involved exceeded or will exceed $120,000, and in which a director or an executive officer, or a member of the immediate family of a director or an executive officer, had or will have a direct or indirect material interest, other than the agreements with Messrs. Detelich, Menezes, Ancona, Burke and Cozza described in *Item 11. Executive Compensation Compensation Discussion and Analysis Compensation of Officers Reported in the Summary Compensation Table*.

HSBC Finance Corporation maintains a written Policy for the Review, Approval or Ratification of Transactions with Related Persons which provides that any Transaction with a Related Person must be reviewed and approved or ratified in accordance with specified procedures. The term Transaction with a Related Person includes any transaction, arrangement or relationship, or series of similar transactions, arrangements or relationships, in which (1) the aggregate dollar amount involved will or may be expected to exceed $120,000 in any calendar year, (2) HSBC Finance Corporation or any of its subsidiaries is, or is proposed to be, a participant, and (3) a director or an executive officer, or a member of the immediate family of a director or an executive officer, has or will have a direct or indirect material interest (other than solely as a result of being a director or a less than 10 percent beneficial owner of another entity). The following are specifically excluded from the definition of Transaction with a Related Person :

- compensation paid to directors and executive officers reportable under rules and regulations promulgated by the Securities and Exchange Commission;
- transactions with other companies if the only relationship of the director, executive officer or family member to the other company is as an employee (other than an executive officer), director or beneficial owner of less than 10 percent of such other company s equity securities;
- charitable contributions, grants or endowments by HSBC Finance Corporation or any of its subsidiaries to charitable organizations, foundations or universities if the only relationship of the director, executive officer or family member to the organization, foundation or university is as an employee (other than an executive officer) or a director;
- transactions where the interest of the director, executive officer or family member arises solely from the ownership of HSBC Finance Corporation s equity securities and all holders of such securities received or will receive the same benefit on a pro rata basis;
- transactions where the rates or charges involved are determined by competitive bids; and
- transactions involving services as a bank depositary of funds, transfer agent, registrar, trustee under a trust indenture or similar services.

The policy requires each director and executive officer to notify the Office of the General Counsel in writing of any Transaction with a Related Person in which the director, executive officer or an immediate family member has or will have an interest and to provide specified details of the transaction. The Office of the General Counsel, through the Corporate Secretary, will deliver a copy of the notice to the Board of Directors. The Board of Directors will review the material facts of each proposed Transaction with a Related Person at each regularly scheduled committee meeting and approve, ratify or disapprove the transaction.

The vote of a majority of disinterested members of the Board of Directors is required for the approval or ratification of any Transaction with a Related Person. The Board of Directors may approve or ratify a Transaction with a Related Person if the Board of Directors determines, in its business judgment, based on the review of all available information, that the transaction is fair and reasonable to, and consistent with the best interests of, HSBC Finance Corporation and its subsidiaries. In making this determination, the Board of Directors will consider, among other things, (i) the business purpose of the transaction, (ii) whether the transaction is entered into on an arms-length basis and on terms no less favorable than terms generally available to an unaffiliated third-party under the same or similar circumstances, (iii) whether the interest of the director, executive officer or family member in the transaction is material and (iv) whether the transaction would violate any provision of the HSBC North America Holdings Inc.

Statement of Business Principles and Code of Ethics, the HSBC Finance Corporation Code of Ethics for Senior Financial Officers or the HSBC Finance Corporation Corporate Governance Standards, as applicable.

In any case where the Board of Directors determines not to approve or ratify a Transaction with a Related Person, the matter will be referred to the Office of the General Counsel for review and consultation regarding the appropriate disposition of such transaction including, but not limited to, termination of the transaction, rescission of the transaction or modification of the transaction in a manner that would permit it to be ratified and approved.

Director Independence

The HSBC Finance Corporation Corporate Governance Standards, together with the charters of committees of the Board of Directors, provide the framework for our corporate governance. Director independence is defined in the HSBC Finance Corporation Corporate Governance Standards which are based upon the rules of the New York Stock Exchange. The HSBC Finance Corporation Corporate Governance Standards are available on our website at www.us.hsbc.com or upon written request made to HSBC Finance Corporation, 26525 N. Riverwoods Boulevard, Mettawa, IL 60045, Attention: Corporate Secretary.

According to the HSBC Finance Corporation Corporate Governance Standards, a majority of the members of the Board of Directors must be independent. The composition requirement for each committee of the Board of Directors is as follows:

Committee	**Independence/Member Requirements**
Audit Committee	Chair and all voting members
Executive Committee	100% independent directors, the Chairman and Chief Executive Officer

Messrs. Herdman, Lorch, Minzberg, Ms. Perez and Ms. Renda are considered to be independent directors. Mr. McDonagh served as Chief Executive Officer until February 21, 2008 and currently serves as Chief Executive Officer of HSBC North America Holdings Inc.. Mr. Booker served as Chief Operating Officer of HSBC Finance Corporation until February 21, 2008 and currently serves as Chief Executive Officer of HSBC Finance Corporation. Because of the positions held by Messrs. McDonagh and Booker, they are not considered to be independent directors. Mr. Flint serves as Group Finance Director at HSBC. Because of the position held by Mr. Flint, he was not considered to be an independent director when he was a Director of HSBC Finance Corporation.

See *Item 10. Directors, Executive Officers and Corporate Governance Corporate Governance Board of Directors Committees and Charters* for more information about our Board of Directors and its committees.

Item 14. Principal Accountant Fees and Services.

Audit Fees. The aggregate amount billed by our principal accountant, KPMG LLP, for audit services performed during the fiscal years ended December 31, 2009 and 2008 was $5,357,000 and $7,554,000, respectively. Audit services include the auditing of financial statements, quarterly reviews, statutory audits, and the preparation of comfort letters, consents and review of registration statements.

Audit Related Fees. The aggregate amount billed by KPMG LLP in connection with audit related services performed during the fiscal years ended December 31, 2009 and 2008 was $383,000 and $1,082,000, respectively. Audit related services include employee benefit plan audits, and audit or attestation services not required by statute or regulation.

Tax Fees. There were no fees billed by KPMG LLP for tax related services for the fiscal year ended December 31, 2009. For the fiscal year ended December 31, 2008, total fees billed by KPMG LLP for tax related services were $17,000. These services include tax related research, general tax services in connection with transactions and legislation and tax services for review of Federal and state tax accounts for possible over assessment of interest and/or penalties.

All Other Fees. Other than those fees described above, there were no other fees billed for services performed by KPMG LLP during the fiscal years ended December 31, 2009 and December 31, 2008.

All of the fees described above were approved by HSBC Finance Corporation s Audit Committee.

The Audit Committee has a written policy that requires pre-approval of all services to be provided by KPMG LLP, including audit, audit-related, tax and all other services. Pursuant to the policy, the Audit Committee annually pre-approves the audit fee and terms of the audit services engagement. The Audit Committee also approves a specified list of audit, audit-related, tax and permissible non-audit services deemed to be routine and recurring services. Any service not included on this list must be submitted to the Audit Committee for pre-approval. On an interim basis, any proposed engagement that does not fit within the definition of a pre-approved service may be presented to the Chair of the Audit Committee for approval and to the full Audit Committee at its next regular meeting.

PART IV

Item 15. Exhibits and Financial Statement Schedules.

(a)(1) Financial Statements.

The consolidated financial statements listed below, together with an opinion of KPMG LLP dated March 1, 2010 with respect thereto, are included in this Form 10-K pursuant to Item 8. Financial Statements and Supplementary Data of this Form 10-K.

HSBC Finance Corporation and Subsidiaries:
Report of Independent Registered Public Accounting Firm
Consolidated Statement of Income (Loss)
Consolidated Balance Sheet
Consolidated Statement of Cash Flows
Consolidated Statement of Changes in Shareholder s Equity
Notes to Consolidated Financial Statements
Selected Quarterly Financial Data (Unaudited)

(a)(2) Not applicable.

(a)(3) Exhibits.

3(i)	Amended and Restated Certificate of Incorporation of HSBC Finance Corporation effective as of December 15, 2004, as amended (incorporated by reference to Exhibit 3.1 of HSBC Finance Corporation s Current Report on Form 8-K filed June 22, 2005 and Exhibit 3.1(b) of HSBC Finance Corporation s Current Report on Form 8-K filed December 19, 2005).
3(ii)	Bylaws of HSBC Finance Corporation, as amended February 20, 2009 (incorporated by reference to Exhibit 3.3 of HSBC Finance Corporation s Current Report on Form 8-K filed on February 24, 2009).
4.1	Amended and Restated Standard Multiple-Series Indenture Provisions for Senior Debt Securities of HSBC Finance Corporation dated as of December 15, 2004 (incorporated by reference to Exhibit 4.1 of Amendment No. 1 to HSBC Finance Corporation s Registration Statements on Form S-3 Nos. 333-120494, 333-120495 and 333-120496 filed December 16, 2004).
4.2	Amended and Restated Indenture for Senior Debt Securities dated as of December 15, 2004 between HSBC Finance (successor to Household Finance Corporation) and U.S. Bank National Association (formerly known as First Trust of Illinois, National Association, successor in

interest to Bank of America Illinois, formerly known as Continental Bank, National Association), as Trustee, amending and restating the Indenture dated as of October 1, 1992 between Household Finance Corporation and the Trustee (incorporated by reference to Exhibit 4.3 to Amendment No. 1 to the Company s Registration Statement on Form S-3, Registration No. 333-120494).

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4.3	Amended and Restated Indenture for Senior Debt Securities dated as of December 15, 2004 between HSBC Finance (successor to Household Finance Corporation) and The Bank of New York Mellon Trust Company, N.A. (formerly BNY Midwest Trust Company, formerly Harris Trust and Savings Bank), as Trustee, amending and restating the Indenture dated as of December 19, 2003 between Household Finance Corporation and the Trustee (incorporated by reference to Exhibit 4.4 to Amendment No. 1 to the Company s Registration Statement on Form S-3, Registration No. 333-120494).
4.4	Amended and Restated Indenture for Senior Debt Securities dated as of December 15, 2004 between HSBC Finance (successor to Household Finance Corporation) and The Bank of New York Mellon Trust Company, N.A. (as successor to J.P. Morgan Trust Company, National Association, as successor in interest to Bank One, National Association, formerly known as the First National Bank of Chicago), as Trustee, amending and restating the Indenture dated as of April 1, 1995 between Household Finance Corporation and the Trustee (incorporated by reference to Exhibit 4.5 to Amendment No. 1 to the Company s Registration Statement on Form S-3, Registration No. 333-120494).
4.5	Indenture for Senior Debt Securities dated as of March 7, 2007 between HSBC Finance and Wells Fargo Bank, National Association (incorporated by reference to Exhibit 4.12 to the Company s Registration Statement on Form S-3, Registration No. 333-130580).
4.6	Indenture for Senior Subordinated Debt Securities dated December 17, 2008 between HSBC Finance and The Bank of New York Mellon Trust Company, N.A., as Trustee (incorporated by reference to Exhibit 4.2 to the company s Registration Statement on Form S-3, Registration No. 333-156219).
4.7	Amended and Restated Indenture for Senior Debt Securities dated as of December 15, 2004 between HSBC Finance Corporation (successor to Household Finance Corporation) and The Bank of New York Mellon Trust Company, N.A., as Trustee, amended and restating the Indenture for Senior Debt Securities dated December 1, 1993 between Household Finance Corporation and The Bank of New York Mellon Trust Company, N.A. (as successor to JPMorgan Chase Bank, N.A., as successor to The Chase Manhattan Bank (National Association)), as Trustee (incorporated by reference to Exhibit 4.2 to Amendment No. 1 to the Company s Registration Statement on Form S-3, Registration No. 333-120495).
4.8	Amended and Restated Indenture for Senior Debt Securities dated as of December 15, 2004 between HSBC Finance Corporation (successor to Household Finance Corporation) and The Bank of New York Mellon Trust Company, N.A., as Trustee, amended and restating the Indenture for Senior Debt Securities dated March 1, 2001 and amended and restated April 30, 2003, between Household Finance Corporation and The Bank of New York Mellon Trust Company, N.A. (as successor to JPMorgan Chase Bank, N.A., formerly known as The Chase Manhattan Bank), as Trustee (incorporated by reference to Exhibit 4.2 to Amendment No. 1 to the Company s Registration Statement on Form S-3, Registration No. 333-120496).
4.9	The principal amount of debt outstanding under each other instrument defining of the rights of Holders of our long-term senior and senior subordinated debt does not exceed 10 percent of our total assets. HSBC Finance Corporation agrees to furnish to the Securities and Exchange Commission, upon request, a copy of each instrument defining the rights of holders of our long-term senior and senior subordinated debt.
12	Statement of Computation of Ratio of Earnings to Fixed Charges and to Combined Fixed Charges and Preferred Stock Dividends.

14	Code of Ethics for Senior Financial Officers (incorporated by reference to Exhibit 14 of HSBC Finance Corporation s Annual Report on Form 10-K for the year ended December 31, 2004 filed February 28, 2005).
21	Subsidiaries of HSBC Finance Corporation.
23	Consent of KPMG LLP, Independent Registered Public Accounting Firm.
24	Power of Attorney (included on the signature page of this Form 10-K).
31	Certification of Chief Executive Officer and Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32	Certification of Chief Executive Officer and Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

Upon receiving a written request, we will furnish copies of the exhibits referred to above free of charge. Requests should be made to HSBC Finance Corporation, 26525 North Riverwoods Boulevard, Mettawa, Illinois 60045, Attention: Corporate Secretary.

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Signatures

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, HSBC Finance Corporation has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized on this, the 1st day of March, 2010.

HSBC FINANCE CORPORATION

By: /s/ Niall S. K. Booker

Niall S. K. Booker
Chief Executive Officer

Each person whose signature appears below constitutes and appoints P. D. Schwartz and M. J. Forde as his/her true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for him/her in his/her name, place and stead, in any and all capacities, to sign and file, with the Securities and Exchange Commission, this Form 10-K and any and all amendments and exhibits thereto, and all documents in connection therewith, granting unto each such attorney-in-fact and agent full power and authority to do and perform each and every act and thing requisite and necessary to be done, as fully to all intents and purposes as he/she might or could do in person, hereby ratifying and confirming all that such attorneys-in-fact and agents or their substitutes may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of HSBC Finance Corporation and in the capacities indicated on the 1st day of March, 2010.

Signature	Title
/s/ (N. S. K. BOOKER)	Chief Executive Officer and Director (as Principal Executive Officer)
(N. S. K. Booker)	
/s/ (R. K. HERDMAN)	Director
(R. K. Herdman)	
/s/ (G. A. LORCH)	Director
(G. A. Lorch)	
/s/ (B. P. MCDONAGH)	Chairman and Director
(B. P. McDonagh)	
/s/ (S. MINZBERG)	Director

(S. Minzberg)	
/s/ (B. R. PEREZ)	Director
(B. R. Perez)	
/s/ (L. M. RENDA)	Director
(L. M. Renda)	
/s/ (E. D. ANCONA)	Senior Executive Vice President and Chief Financial Officer
(E. D. Ancona)	
/s/ (J. T. MCGINNIS)	Executive Vice President and Chief Accounting Officer
(J. T. McGinnis)	

Exhibit Index

3(i)	Amended and Restated Certificate of Incorporation of HSBC Finance Corporation effective as of December 15, 2004, as amended (incorporated by reference to Exhibit 3.1 of HSBC Finance Corporation s Current Report on Form 8-K filed June 22, 2005 and Exhibit 3.1(b) of HSBC Finance Corporation s Current Report on Form 8-K filed December 19, 2005).
3(ii)	Bylaws of HSBC Finance Corporation, as amended February 20, 2009 (incorporated by reference to Exhibit 3.3 of HSBC Finance Corporation s Current Report on Form 8-K filed on February 24, 2009).
4.1	Amended and Restated Standard Multiple-Series Indenture Provisions for Senior Debt Securities of HSBC Finance Corporation dated as of December 15, 2004 (incorporated by reference to Exhibit 4.1 of Amendment No. 1 to HSBC Finance Corporation s Registration Statements on Form S-3 Nos. 333-120494, 333-120495 and 333-120496 filed December 16, 2004).
4.2	Amended and Restated Indenture for Senior Debt Securities dated as of December 15, 2004 between HSBC Finance (successor to Household Finance Corporation) and U.S. Bank National Association (formerly known as First Trust of Illinois, National Association, successor in interest to Bank of America Illinois, formerly known as Continental Bank, National Association), as Trustee, amending and restating the Indenture dated as of October 1, 1992 between Household Finance Corporation and the Trustee (incorporated by reference to Exhibit 4.3 to Amendment No. 1 to the Company s Registration Statement on Form S-3, Registration No. 333-120494).
4.3	Amended and Restated Indenture for Senior Debt Securities dated as of December 15, 2004 between HSBC Finance (successor to Household Finance Corporation) and The Bank of New York Mellon Trust Company, N.A. (formerly BNY Midwest Trust Company, formerly Harris Trust and Savings Bank), as Trustee, amending and restating the Indenture dated as of December 19, 2003 between Household Finance Corporation and the Trustee (incorporated by reference to Exhibit 4.4 to Amendment No. 1 to the Company s Registration Statement on Form S-3, Registration No. 333-120494).
4.4	Amended and Restated Indenture for Senior Debt Securities dated as of December 15, 2004 between HSBC Finance (successor to Household Finance Corporation) and The Bank of New York Mellon Trust Company, N.A. (as successor to J.P. Morgan Trust Company, National Association, as successor in interest to Bank One, National Association, formerly known as the First National Bank of Chicago), as Trustee, amending and restating the Indenture dated as of April 1, 1995 between Household Finance Corporation and the Trustee (incorporated by reference to Exhibit 4.5 to Amendment No. 1 to the Company s Registration Statement on Form S-3, Registration No. 333-120494).
4.5	Indenture for Senior Debt Securities dated as of March 7, 2007 between HSBC Finance and Wells Fargo Bank, National Association (incorporated by reference to Exhibit 4.12 to the Company s Registration Statement on Form S-3, Registration No. 333-130580).
4.6	Indenture for Senior Subordinated Debt Securities dated December 17, 2008 between HSBC Finance and The Bank of New York Mellon Trust Company, N.A., as Trustee (incorporated by reference to Exhibit 4.2 to the company s Registration Statement on Form S-3, Registration No. 333-156219).
4.7	Amended and Restated Indenture for Senior Debt Securities dated as of December 15, 2004 between HSBC Finance Corporation (successor to Household Finance Corporation) and The Bank of New York Mellon Trust Company, N.A., as Trustee, amended and restating the Indenture for Senior Debt Securities dated December 1, 1993 between Household

Finance Corporation and The Bank of New York Mellon Trust Company, N.A. (as successor to JPMorgan Chase Bank, N.A., as successor to The Chase Manhattan Bank (National Association)), as Trustee (incorporated by reference to Exhibit 4.2 to Amendment No. 1 to the Company s Registration Statement on Form S-3, Registration No. 333-120495).

4.8 Amended and Restated Indenture for Senior Debt Securities dated as of December 15, 2004 between HSBC Finance Corporation (successor to Household Finance Corporation) and The Bank of New York Mellon Trust Company, N.A., as Trustee, amended and restating the Indenture for Senior Debt Securities dated March 1, 2001 and amended and restated April 30, 2003, between Household Finance Corporation and The Bank of New York Mellon Trust Company, N.A. (as successor to JPMorgan Chase Bank, N.A., formerly known as The Chase Manhattan Bank), as Trustee (incorporated by reference to Exhibit 4.2 to Amendment No. 1 to the Company s Registration Statement on Form S-3, Registration No. 333-120496).

4.9 The principal amount of debt outstanding under each other instrument defining the rights of Holders of our long-term senior and senior subordinated debt does not exceed 10 percent of our total assets. HSBC Finance Corporation agrees to furnish to the Securities and Exchange Commission, upon request, a copy of each instrument defining the rights of holders of our long-term senior and senior subordinated debt.

12 Statement of Computation of Ratio of Earnings to Fixed Charges and to Combined Fixed Charges and Preferred Stock Dividends.
14 Code of Ethics for Senior Financial Officers (incorporated by reference to Exhibit 14 of HSBC Finance Corporation s Annual Report on Form 10-K for the year ended December 31, 2004 filed February 28, 2005).
21 Subsidiaries of HSBC Finance Corporation.
23 Consent of KPMG LLP, Independent Registered Public Accounting Firm.
24 Power of Attorney (included on the signature page of this Form 10-K).
31 Certification of Chief Executive Officer and Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32 Certification of Chief Executive Officer and Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

EXHIBIT 12

HSBC FINANCE CORPORATION
COMPUTATION OF RATIO OF EARNINGS (LOSS) TO FIXED CHARGES AND TO COMBINED FIXED CHARGES AND PREFERRED STOCK DIVIDENDS

Year Ended December 31,	2009	2008	2007	2006	2005
		(dollars are in millions)			
Income (loss) from continuing operations	**$ (7,450)**	$ (2,751)	$ (4,378)	$ 1,485	$ 1,771
Income tax expense (benefit)	**(2,620)**	(1,166)	(913)	837	891
Income (loss) from continuing operations before income tax expense (benefit)	**(10,070)**	(3,917)	(5,291)	2,322	2,662
Fixed charges:					
Interest expense	**4,132**	6,274	7,711	6,996	4,275
Interest portion of rentals[1]	**37**	37	59	50	50
Total fixed charges	**4,169**	6,311	7,770	7,046	4,325
Total earnings from continuing operations as defined	**$ (5,901)**	$ 2,394	$ 2,479	$ 9,368	$ 6,987
Ratio of earnings to fixed charges	**(1.42)**	.38	.32	1.33	1.62
Preferred stock dividends[2]	**57**	57	58	57	125
Ratio of earnings to combined fixed charges and preferred stock dividends	**(1.40)**	.38	.32	1.32	1.57

(1) Represents one-third of rentals, which approximates the portion representing interest.

(2) Preferred stock dividends are grossed up to their pretax equivalents.

EXHIBIT 21

Subsidiaries of HSBC Finance Corporation

Names of Subsidiaries	**US State Organized**
AHLIC Investment Holdings Corporation	Delaware
B.I.G. Insurance Agency, Inc.	Ohio
Beaver Valley, Inc.	Delaware
Bencharge Credit Service Holding Company	Delaware
Beneficial Commercial Corporation	Delaware
Beneficial Commercial Holding Corporation	Delaware
Beneficial Company LLC	Delaware
Beneficial Connecticut Inc.	Delaware
Beneficial Consumer Discount Company dba BMC of PA	Pennsylvania
Beneficial Credit Services Inc.	Delaware
Beneficial Credit Services of Connecticut Inc.	Delaware
Beneficial Credit Services of Mississippi Inc.	Delaware
Beneficial Credit Services of South Carolina Inc.	Delaware
Beneficial Direct, Inc.	New Jersey
Beneficial Finance Co.	Delaware
Beneficial Financial I Inc. dba Beneficial Member HSBC Group	California
Beneficial Financial II LLC	Delaware
Beneficial Florida Inc.	Delaware
Beneficial Franchise Company Inc.	Delaware
Beneficial Homeowner Service Corporation	Delaware
Beneficial Investment Co.	Delaware
Beneficial Kentucky Inc.	Delaware
Beneficial Leasing Group, Inc.	Delaware
Beneficial Loan & Thrift Co.	Minnesota
Beneficial Louisiana Inc.	Delaware
Beneficial Maine Inc. dba Beneficial Credit Services of Maine	Delaware
Beneficial Management Corporation of America	Delaware
Beneficial Management Headquarters, Inc.	New Jersey
Beneficial Massachusetts Inc.	Delaware
Beneficial Michigan Inc.	Delaware
Beneficial Mortgage Corporation	Delaware
Beneficial New Hampshire Inc.	Delaware
Beneficial New York Inc.	New York
Beneficial Oregon Inc.	Delaware
Beneficial Real Estate Joint Ventures, Inc.	Delaware
Beneficial Rhode Island Inc.	Delaware
Beneficial South Dakota Inc.	Delaware
Beneficial Tennessee Inc.	Tennessee
Beneficial West Virginia, Inc.	West Virginia

Names of Subsidiaries	US State Organized
Beneficial Wyoming Inc.	Wyoming
BFC Insurance Agency of Nevada	Nevada
BMC Holding Company	Delaware
Cal-Pacific Services, Inc.	California
Capital Financial Services Inc.	Nevada
dba Capital Financial Services I Inc.	
dba Capital Financial Services No. 1 Inc.	
dba CFSI, Inc.	
dba HB Financial Services	
Chattanooga Valley Associates	Tennessee
Chattanooga Valley Corporation	Connecticut
Decision One Mortgage Company, LLC	North Carolina
Eighth HFC Leasing Corporation	Delaware
Fifth HFC Leasing Corporation	Delaware
First Central National Life Insurance Company of New York	New York
Fourteenth HFC Leasing Corporation	Delaware
Fourth HFC Leasing Corporation	Delaware
Harbour Island Inc.	Florida
HFC Agency of Missouri, Inc.	Missouri
HFC Commercial Realty, Inc.	Delaware
HFC Company LLC	Delaware
HFC Financial I LLC	Delaware
HFC Financial II LLC	Delaware
HFC Leasing Inc.	Delaware
HFS Investments, Inc.	Nevada
HFTA Corporation	Delaware
Household Capital Markets LLC	Delaware
Household Commercial Financial Services, Inc.	Delaware
Household Commercial of California, Inc.	California
Household Consumer Loan Corporation II	Delaware
Household Finance Consumer Discount Company	Pennsylvania
Household Finance Corporation II	Delaware
dba Household Finance Corporation of Virginia	
Household Finance Corporation III	Delaware
dba HFC Mortgage of Nebraska	
dba Household Mortgage Services	
dba HSBC Mortgage	
Household Finance Corporation of Alabama	Alabama
Household Finance Corporation of California	Delaware
Household Finance Corporation of Nevada	Delaware
Household Finance Corporation of West Virginia	West Virginia
Household Finance Industrial Loan Company	Washington
Household Finance Industrial Loan Company of Iowa	Iowa
Household Finance Realty Corporation of Nevada	Delaware
Household Finance Realty Corporation of New York	Delaware

Names of Subsidiaries	US State Organized
Household Financial Center Inc.	Tennessee
Household Global Funding, Inc.	Delaware
Household Industrial Finance Company	Minnesota
Household Industrial Loan Co. of Kentucky	Kentucky
Household Insurance Agency, Inc. Nevada	Nevada
Household Insurance Group Holding Company	Delaware
Household Insurance Group, Inc.	Delaware
Household Investment Funding, Inc.	Delaware
Household Ireland Holdings Inc.	Delaware
Household Life Insurance Co. of Arizona	Arizona
Household Life Insurance Company	Michigan
Household Life Insurance Company of Delaware	Delaware
Household Pooling Corporation	Nevada
Household Realty Corporation	Delaware
dba Household Realty Corporation of Virginia	
Household Recovery Services Corporation	Delaware
Household Servicing, Inc.	Delaware
Household Tax Masters Acquisition Corporation	Delaware
Housekey Financial Corporation	Illinois
HSBC GR Corp.	Delaware
HSBC Auto Accounts Inc.	Delaware
HSBC Auto Credit Inc.	Delaware
HSBC Auto Finance Inc.	Delaware
HSBC Auto Receivables Corporation	Nevada
HSBC Bank Nevada, N. A	United States
HSBC Card Services Inc.	Delaware
HSBC Card Services (III) Inc.	Nevada
HSBC Consumer Lending (USA) Inc.	Delaware
HSBC Credit Center, Inc.	Delaware
HSBC Home Equity Loan Corporation I	Delaware
HSBC Home Equity Loan Corporation II	Delaware
HSBC Insurance Company of Delaware	Ohio
HSBC Mortgage Services Inc.	Delaware
HSBC Mortgage Services Warehouse Lending Inc.	Delaware
HSBC Pay Services Inc.	Delaware
HSBC Receivables Acquisition Company I	Delaware
HSBC Receivables Funding Inc. II	Delaware
HSBC Retail Services Inc.	Delaware
HSBC Taxpayer Financial Services Inc.	Delaware
HSBC TFS I 2005 LLC	Delaware
HSBC TFS I LLC	Delaware
HSBC TFS II 2005 LLC	Delaware
HSBC TFS II LLC	Delaware
Hull 752 Corporation	Delaware
Hull 753 Corporation	Delaware

Names of Subsidiaries	US State Organized
Lapar Associates Limited Partnership	Connecticut
Macray Corporation	California
Metris Receivables, Inc.	Delaware
Mortgage One Corporation	Delaware
Mortgage Two Corporation	Delaware
MTX LLC	Delaware
Neil Corporation	Delaware
Nineteenth HFC Leasing Corporation	Delaware
Palatine Hills Leasing, Inc.	Delaware
PHL One, Inc.	Delaware
PHL Three, Inc.	Tennessee
PHL Four, Inc.	New Jersey
Pargen Corporation	California
Rapal Associates Limited Partnership	Connecticut
Real Estate Collateral Management Company	Delaware
Renaissance Bankcard Services of Kentucky	Kentucky
Service Management Corporation	Ohio
Silliman Associates Limited Partnership	Massachusetts
Silliman Corporation	Delaware
Sixth HFC Leasing Corporation	Delaware
Southwest Texas General Agency, Inc.	Texas
SPE 1 2005 Manager Inc.	Delaware
SPE 1 Manager Inc.	Delaware
Third HFC Leasing Corporation	Delaware
Thirteenth HFC Leasing Corporation	Delaware
Valley Properties Corporation	Tennessee
Wasco Properties, Inc.	Delaware

Non-US Affiliates

Names of Subsidiaries	Country Organized
BFC Insurance (Life) Limited	Ireland
BFC Insurance Limited	Ireland
BFC Ireland (Holdings) Limited	Ireland
BFC Pension Plan (Ireland) Limited	Ireland
BFC Reinsurance Limited	Ireland
ICOM Limited	Bermuda

EXHIBIT 23

Consent of Independent Registered Public Accounting Firm

To the Board of Directors of HSBC Finance Corporation:

We consent to the incorporation by reference in the Registration Statements No. 2-86383, No. 33-21343, No. 33-45454, No. 33-45455, No. 33-52211, No. 33-58727, No. 333-00397, No. 333-03673, No. 333-36589, No. 333-39639, No. 333-47073, No. 333-58291, No. 333-58289, No. 333-58287, No. 333-30600, No. 333-50000, No. 333-70794, No. 333-71198, No. 333-83474 and No. 333-99107 on Form S-8 and Registration Statements No. 33-64175, No. 333-14459, No. 333-47945, No. 333-33240, No. 333-56152, No. 333-61964, No. 333-73746, No. 333-75328, No. 333-85886, No. 33-57249, No. 333-60510, No. 333-100737, No. 333-120494, No. 333-120495, No. 333-120496, No. 333-130580, No. 333-128369 and No. 333-156219 on Form S-3 of HSBC Finance Corporation (the Company) of our reports dated March 1, 2010, with respect to the consolidated balance sheets of the Company as of December 31, 2009 and 2008, and the related consolidated statements of income (loss), changes in the shareholder s equity, and cash flows for each of the years in the three-year period ended December 31, 2009, and the effectiveness of internal control over financial reporting as of December 31, 2009, which reports appear in the December 31, 2009 annual report on Form 10-K of the Company.

/s/ KPMG LLP

Chicago, Illinois
March 1, 2010

EXHIBIT 31

CERTIFICATION OF CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

Certification of Chief Executive Officer

I, Niall S.K. Booker, Chief Executive Officer of HSBC Finance Corporation, certify that:

1. I have reviewed this report on Form 10-K of HSBC Finance Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this annual report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and we have:

a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) evaluated the effectiveness of the registrant s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) disclosed in this report any change in the registrant s internal control over financial reporting that occurred during the registrant s most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant s internal control over financial reporting; and

5. The registrant s other certifying officer and I have disclosed, based on our most recent evaluation, to the registrant s auditors and the audit committee of the registrant s board of directors (or persons performing the equivalent functions):

a) all significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting which are reasonably likely to adversely affect the registrant s ability to record, process, summarize and report financial information; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant s internal control over financial reporting.

Date: March 1, 2010

/s/ NIALL S.K. BOOKER
Niall S.K. Booker
Chief Executive Officer

Certification of Chief Financial Officer

I, Edgar D. Ancona, Senior Executive Vice President and Chief Financial Officer of HSBC Finance Corporation, certify that:

1. I have reviewed this report on Form 10-K of HSBC Finance Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this annual report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and we have:

a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) evaluated the effectiveness of the registrant s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) disclosed in this report any change in the registrant s internal control over financial reporting that occurred during the registrant s most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant s internal control over financial reporting; and

5. The registrant s other certifying officer and I have disclosed, based on our most recent evaluation, to the registrant s auditors and the audit committee of the registrant s board of directors (or persons performing the equivalent functions):

a) all significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting which are reasonably likely to adversely affect the registrant s ability to record, process, summarize and report financial information; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant s internal control over financial reporting.

Date: March 1, 2010

/s/ EDGAR D.ANCONA

Edgar D. Ancona
Senior Executive Vice President
and Chief Financial Officer

EXHIBIT 32

CERTIFICATION OF CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

The certification set forth below is being submitted in connection with the HSBC Finance Corporation (the Company) Annual Report on Form 10-K for the period ending December 31, 2009 as filed with the Securities and Exchange Commission on the date hereof (the Report) for the purpose of complying with Rule 13a-14(b) or Rule 15d-14(b) of the Securities Exchange Act of 1934 (the Exchange Act) and Section 1350 of Chapter 63 of Title 18 of the United States Code.

I, Niall S.K. Booker, Chief Executive Officer of the Company, certify that:

1. the Report fully complies with the requirements of Section 13(a) or 15(d) of the Exchange Act; and

2. the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of HSBC Finance Corporation.

Date: March 1, 2010

/s/ NIALL S.K. BOOKER
Niall S.K. Booker
Chief Executive Officer

Certification Pursuant to 18 U.S.C. Section 1350,
As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

The certification set forth below is being submitted in connection with the HSBC Finance Corporation (the Company) Annual Report on Form 10-K for the period ending December 31, 2009 as filed with the Securities and Exchange Commission on the date hereof (the Report) for the purpose of complying with Rule 13a-14(b) or Rule 15d-14(b) of the Securities Exchange Act of 1934 (the Exchange Act) and Section 1350 of Chapter 63 of Title 18 of the United States Code.

I, Edgar D. Ancona, Senior Executive Vice President and Chief Financial Officer of the Company, certify that:

1. the Report fully complies with the requirements of Section 13(a) or 15(d) of the Exchange Act; and

2. the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of HSBC Finance Corporation.

Date: March 1, 2010

/s/ EDGAR D. ANCONA
Edgar D. Ancona
Senior Executive Vice President
and Chief Financial Officer

These certifications accompany each Report pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not, except to the extent required by the Sarbanes-Oxley Act of 2002, be deemed filed by HSBC Finance Corporation for purposes of Section 18 of the Securities Exchange Act of 1934, as amended.

Signed originals of these written statements required by Section 906 of the Sarbanes-Oxley Act of 2002 have been provided to HSBC Finance Corporation and will be retained by HSBC Finance Corporation and furnished to the Securities and Exchange Commission or its staff upon request.