

HSBC HOLDINGS PLC  
Form 6-K  
November 05, 2010

FORM 6-K

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Report of Foreign Private Issuer

Pursuant to Rule 13a - 16 or 15d - 16 of  
the Securities Exchange Act of 1934

For the month of November

HSBC Holdings plc

42nd Floor, 8 Canada Square, London E14 5HQ, England

(Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F).

Form 20-F  Form 40-F

(Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934).

Yes.....  No

(If "Yes" is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): 82-.....).

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

Form 10-Q

(Mark One)

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

For the quarterly period ended September 30, 2010

OR

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

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number 1-7436

HSBC USA INC.

(Exact name of registrant as specified in its charter)

Maryland  
(State of Incorporation)  
452 Fifth Avenue, New York  
(Address of principal executive offices)

13-2764867  
(I.R.S. Employer Identification No.)  
10018  
(Zip Code)

(212) 525-5000

Registrant's telephone number, including area code

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes  No

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

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company” in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer  
 Accelerated filer  
 Non-accelerated filer  
 Smaller reporting company  
 (Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

As of October 31, 2010, there were 712 shares of the registrant’s common stock outstanding, all of which are owned by HSBC North America Inc.

HSBC USA INC.

FORM 10-Q

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## Part I. FINANCIAL INFORMATION

## Item 1. Financial Statements

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

	Three Months Ended		Nine Months Ended	
	September 30,	September 30,	September 30,	September 30,
	2010	2009	2010	2009
	(in millions)			
Interest income:				
Loans	\$ 1,023	\$ 1,370	\$ 3,343	\$ 4,378
Securities	311	233	823	731
Trading assets	33	52	100	162
Short-term investments	26	22	83	68
Other	12	11	35	35
Total interest income	1,405	1,688	4,384	5,374
Interest expense:				
Deposits	139	224	454	804
Short-term borrowings	22	17	65	51
Long-term debt	153	187	441	634
Total interest expense	314	428	960	1,489
Net interest income	1,091	1,260	3,424	3,885
Provision for credit losses	245	1,006	912	3,247
Net interest income after provision for credit losses	846	254	2,512	638
Other revenues:				
Credit card fees	226	333	708	1,032
Other fees and commissions	211	188	703	635
Trust income	26	30	79	92
Trading revenue	166	353	498	351
Net other-than-temporary impairment losses(1)	(4)	(26)	(45)	(84)
Other securities gains, net	37	5	59	299
Servicing and other fees from HSBC affiliates	44	35	117	112
Residential mortgage banking revenue (loss)	11	15	(106)	139
Gain (loss) on instruments designated at fair value and related derivatives	89	44	317	(201)
Other income (expense)	10	(82)	177	(154)
Total other revenues	816	895	2,507	2,221
Operating expenses:				
Salaries and employee benefits	283	280	830	873
Support services from HSBC affiliates	479	386	1,455	1,228
Occupancy expense, net	66	60	202	211
Other expenses	194	193	594	668
Total operating expenses	1,022	919	3,081	2,980
Income (loss) before income tax expense	640	230	1,938	(121)
Income tax expense	223	69	667	56
Net income (loss)	\$ 417	\$ 161	\$ 1,271	\$ (177)

- (1) During the three and nine months ended September 30, 2010, net other-than-temporary impairment (“OTTI”) on securities available-for-sale and held to maturity totaling \$13 million in losses and \$90 million in recoveries, respectively, were recognized which included \$9 million in losses and \$135 million in recoveries, respectively, recognized in accumulated other comprehensive income (“AOCI”), net of tax and \$4 million and \$45 million, respectively, of OTTI losses recognized in other revenues. During the three and nine months ended September 30, 2009, \$28 million and \$188 million, respectively, of gross OTTI losses on securities available-for-sale were recognized, of which \$2 million and \$104 million, respectively, were recognized in AOCI, net of tax.

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

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## CONSOLIDATED BALANCE SHEET (UNAUDITED)

	September 30, 2010	December 31, 2009
	(in millions)	
Assets		
Cash and due from banks	\$ 2,939	\$ 3,159
Interest bearing deposits with banks(1)	15,709	20,109
Federal funds sold and securities purchased under agreements to resell	11,432	1,046
Trading assets	31,164	25,815
Securities available-for-sale (includes \$659 million and \$1.1 billion at September 30, 2010 and December 31, 2009, respectively, collateralizing long-term debt)(1)	41,332	27,806
Securities held to maturity (fair value of \$3.6 billion and \$2.9 billion at September 30, 2010 and December 31, 2009, respectively, and includes \$871 million at September 30, 2010 collateralizing short-term borrowings)(1)	3,344	2,762
Loans (includes \$2.3 billion at September 30, 2010 and \$2.7 billion at December 31, 2009 collateralizing debt)(1)	72,214	79,489
Less – allowance for credit losses	2,512	3,861
Loans, net	69,702	75,628
Loans held for sale (includes \$1.5 billion and \$1.1 billion designated under fair value option at September 30, 2010 and December 31, 2009, respectively)	2,452	2,908
Properties and equipment, net	516	533
Intangible assets, net	330	484
Goodwill	2,626	2,647
Other assets(1)	10,628	8,182
Total assets(1)	\$ 192,174	\$ 171,079
Liabilities		
Debt:		
Deposits in domestic offices:		
Noninterest bearing	\$ 21,018	\$ 20,813
Interest bearing (includes \$6.6 billion and \$4.2 billion designated under fair value option at September 30, 2010 and December 31, 2009, respectively)	71,156	69,894
Deposits in foreign offices:		
Noninterest bearing	1,426	1,105
Interest bearing	25,346	26,525
Total deposits	118,946	118,337
Short-term borrowings(1)	20,046	6,512
Long-term debt (includes \$5.5 billion and \$4.6 billion designated under fair value option at September 30, 2010 and December 31, 2009, respectively, and \$1.3 billion and \$3.0 billion at September 30, 2010 and December 31, 2009, respectively, collateralized by loans and available-for-sale securities)(1)	18,559	18,008
Total debt	157,551	142,857
Trading liabilities	11,835	8,010
Interest, taxes and other liabilities(1)	5,655	5,035
Total liabilities(1)	175,041	155,902
Shareholders' equity		
Preferred stock	1,565	1,565
Common shareholder's equity:		

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Common stock (\$5 par; 150,000,000 shares authorized; 712 shares issued and  
outstanding at September 30, 2010 and December 31, 2009)  
Additional paid-in capital

— —  
13,786