
**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: May 14, 2007

Commission file number 1-8198

HSBC Finance Corporation
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

86-1052062
(I.R.S. Employer
Identification No.)

2700 Sanders Road,
Prospect Heights, Illinois
(Address of principal
executive offices)

60070
(Zip Code)

(847) 564-5000
Registrant's telephone number, including area code

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

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Solicitation material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 40.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 7.01. Regulation FD Disclosure.

This Form 8-K contains slides in Exhibit 99 to be used in a webcast presentation pertaining to the financial results of HSBC Finance Corporation for the three months ended March 31, 2007. The webcast will occur on May 15, 2007 at 9:00 a.m. (Eastern) and may be accessed at (877) 818-6787 in the United States, 0800.018-0795 in the United Kingdom and (800) 964-136 in Hong Kong. Replays of the call will be available from 11:00 a.m. (Eastern) on May 15 until 11:00 a.m. (Eastern) on May 22, 2007 and may be accessed by dialing (877) 818-6787 in the United States, 0800 376-9055 in the United Kingdom and (852) 2802-5151 in Hong Kong, with the passcode of 723370.

The information included in the slides with respect to HSBC Finance Corporation is presented on an International Financial Reporting Standards (“IFRSs”) Management Basis. IFRS is comprised of accounting standards issued by the International Accounting Standards Board and its predecessor body and interpretations issued by the International Financial Reporting Interpretations Committee and its predecessor body. IFRS Management Basis results are IFRS results that assumes that mortgage and private label receivables transferred to HSBC Bank USA, N.A., an affiliate of HSBC Finance Corporation have not been sold and remain on the HSBC Finance Corporation balance sheet.

HSBC Finance Corporation has filed its Quarterly Report on Form 10-Q for the period ended March 31, 2007 contemporaneously with this Form 8-K. The Form 10-Q is prepared on a U.S. GAAP basis with segment results prepared on an IFRS Management Basis

Item 9.01. Financial Statements and Exhibits.

- (a) Financial Statements of Businesses Acquired.

Not applicable.

- (b) Pro Forma Financial Information.

Not applicable.

- (c) Shell Company Transactions.

Not applicable.

- (d) Exhibits

<u>Exhibit No.</u>	<u>Description</u>
99	HSBC Finance Corporation IFRS Management Basis 1Q 2007 results.

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.

HSBC FINANCE CORPORATION
(Registrant)

By: /s/ Patrick D. Schwartz
Name: Patrick D. Schwartz
Title: Vice President and Deputy General
Counsel – Corporate

Dated: May 14, 2007

EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Description</u>
99	HSBC Finance Corporation IFRS Management Basis 1Q 2007 results.



HSBC Holdings plc

Q1 2007 Results

HSBC Finance Corporation
IFRS Management Basis

Disclosure Statement

This presentation, including the accompanying slides and subsequent discussion, contains certain forward-looking information with respect to the financial condition, results of operations and business of HSBC Holdings plc and HSBC Finance Corporation. This information represents expectations or beliefs concerning future events and is subject to unknown risks and uncertainties. This information speaks only as of the date on which it is provided. Additional detailed information concerning important factors that could cause actual results to differ materially is available in the HSBC Holdings plc Annual Report, and the HSBC Finance Corporation Annual Report on Form 10-K, each for the year ended 31 December 2006. Please further be advised that Regulation FD prohibits HSBC representatives from answering certain, specific questions during the Q&A session. You may get copies of the HSBC Finance Corporation document referred to above free by visiting EDGAR on the SEC Web site at www.sec.gov.

These materials do not constitute an offer to sell, or the solicitation of an offer to buy, any security of HSBC Finance Corporation or any other issuer.

HSBC Holdings plc reports financial results in accordance with International Financial Reporting Standards (“IFRSs”). IFRSs comprise accounting standards issued by the International Accounting Standards Board and its predecessor body and interpretations issued by the International Financial Reporting Interpretations Committee and its predecessor body.

All amounts, unless otherwise stated, represents IFRS management basis of accounting.

IFRS Management Basis assumes that the mortgages and private label customer loans transferred to HSBC’s US banking subsidiary, HSBC Bank USA, N.A. (“HSBC Bank USA”), have not been sold and remain on our balance sheet. Such customer loans continue to be managed and serviced by HSBC Finance Corporation without regard to ownership.

HSBC Finance Corporation – Financial Results

US\$ M	% Change				
	Q1 2006	Q4 2006	Q1 2007	vs Q1 06	vs Q4 06
Net operating income before loan impairment charges	\$3,898	\$4,035	\$4,313	11%	7%
Loan impairment and other charges	(904)	(3,208)	(1,888)	(109%)	41%
Net operating income	2,994	827	2,425	(19%)	193%
Total operating expenses	(1,436)	(1,515)	(1,525)	(6%)	(1%)
Profit before tax	1,558	(688)	900	(42%)	231%
Cost efficiency ratio	36.8%	37.5%	35.4%	14bps	21bps
Customer Loans & Advances (as at period end)	168,522	182,520	179,930	7%	(1%)

Note: The figures above are presented on an International Financial Reporting Standards (“IFRS”) Management basis. See Note 11 “Business segments” of Form 10-Q for the period ended 31 March 2007, for a reconciliation of IFRS to US GAAP

HSBC Finance Corporation – Financial Results (continued)

Q107 Highlights

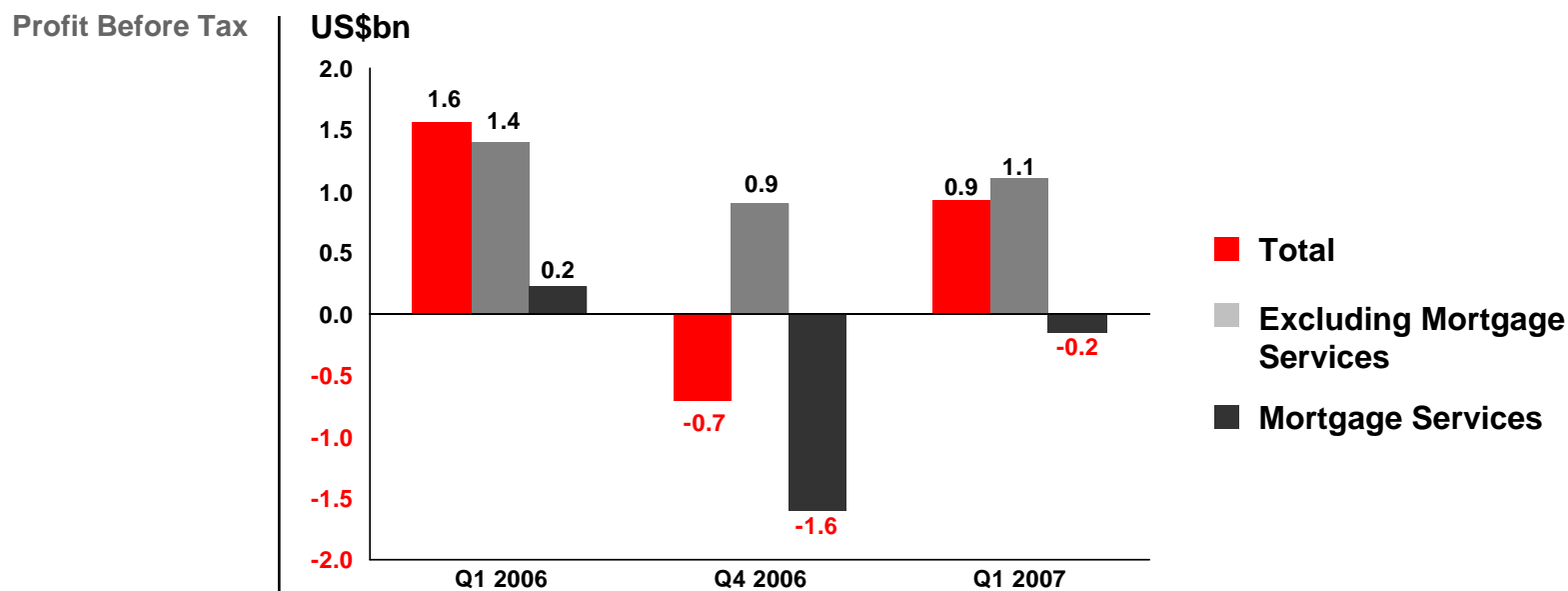
- Notwithstanding modest balance sheet contraction, Q107 net operating income before loan impairment charges was steady compared to Q406.
 - Net operating income before loan impairment charges increased 11% over Q106 primarily driven by 7% loan growth
- Loan impairment charges excluding Mortgage Services, for Q107 compared to Q106 increased as a result of the following:
 - Unusually favorable credit environment, extremely low bankruptcies and strong economic conditions in Q106
 - Growth and seasoning of portfolios
- Q107 credit performance in Mortgage Services was in line with expectations and reflects a deceleration in rate of growth in delinquencies. Actions including the tightening of credit policy, the discontinuance of Correspondent Channel origination and increased collection capacity resulted in reduced Mortgage Services loan balances.
- Operating expenses increased 6% compared to Q106 primarily to support loan growth including higher marketing expenses, investment in co-brand card initiatives and increased collection activities. Operating expenses were flat compared to Q406.
- Credit Card, Retail Branch and Auto businesses performed well and in line with expectations.

HSBC Finance Corporation

Recent Strategic Initiatives

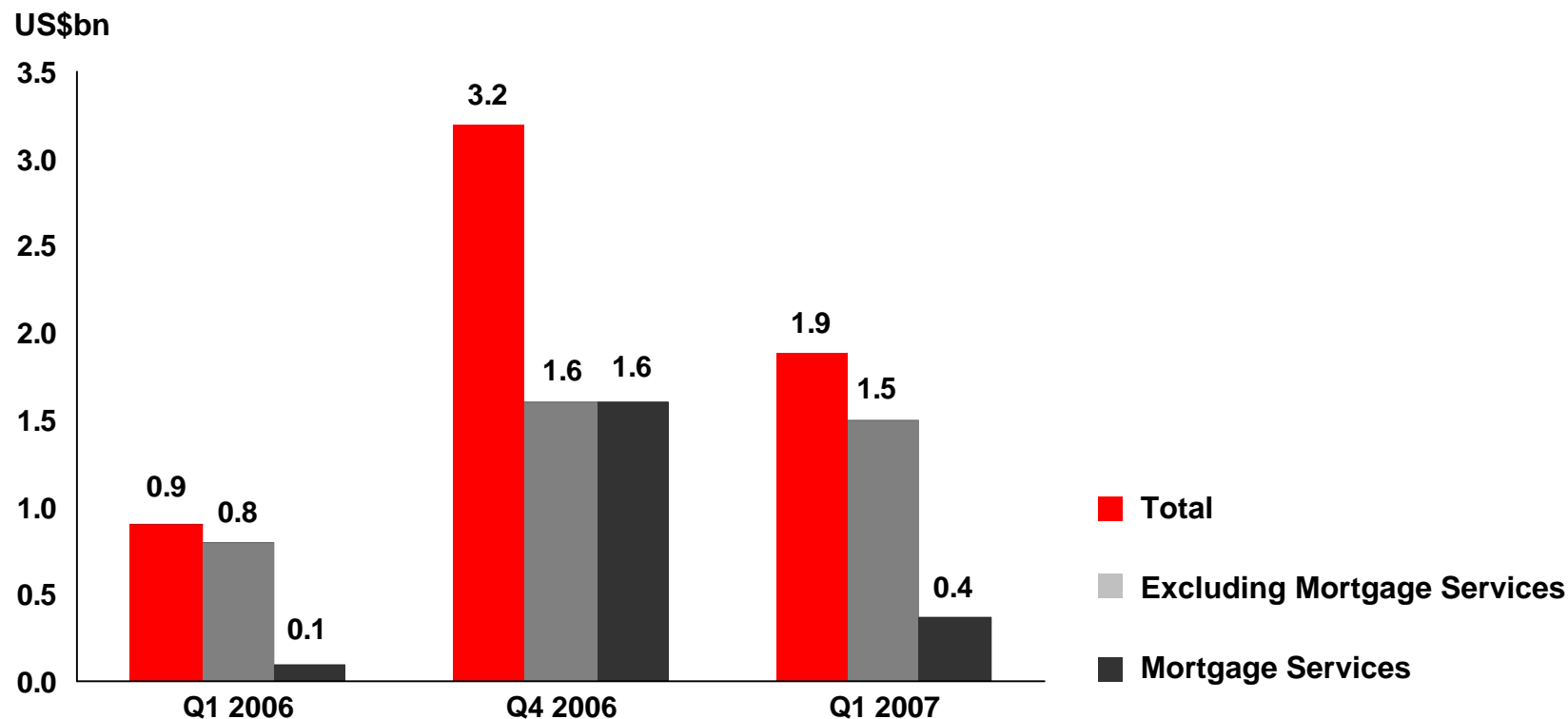
- Strategic repositioning of the Mortgage Services business
 - Discontinuation of Correspondent Channel production in Mortgage Services
 - Centralization of management of mortgage related business
- Strengthened structure with Chief Operating Officer role extended to cover credit risk organisation
- Discontinuation of pre-season and pre-file tax products by Taxpayer Financial Services
 - Result of on-going review to ensure all products and services offered align with our brand promise, focused on offering consumers the most value-added products
- Non-binding agreement to sell UK Insurance operations
 - Result of continuing evaluation and focus on strategic positioning of core businesses

HSBC Finance Corporation



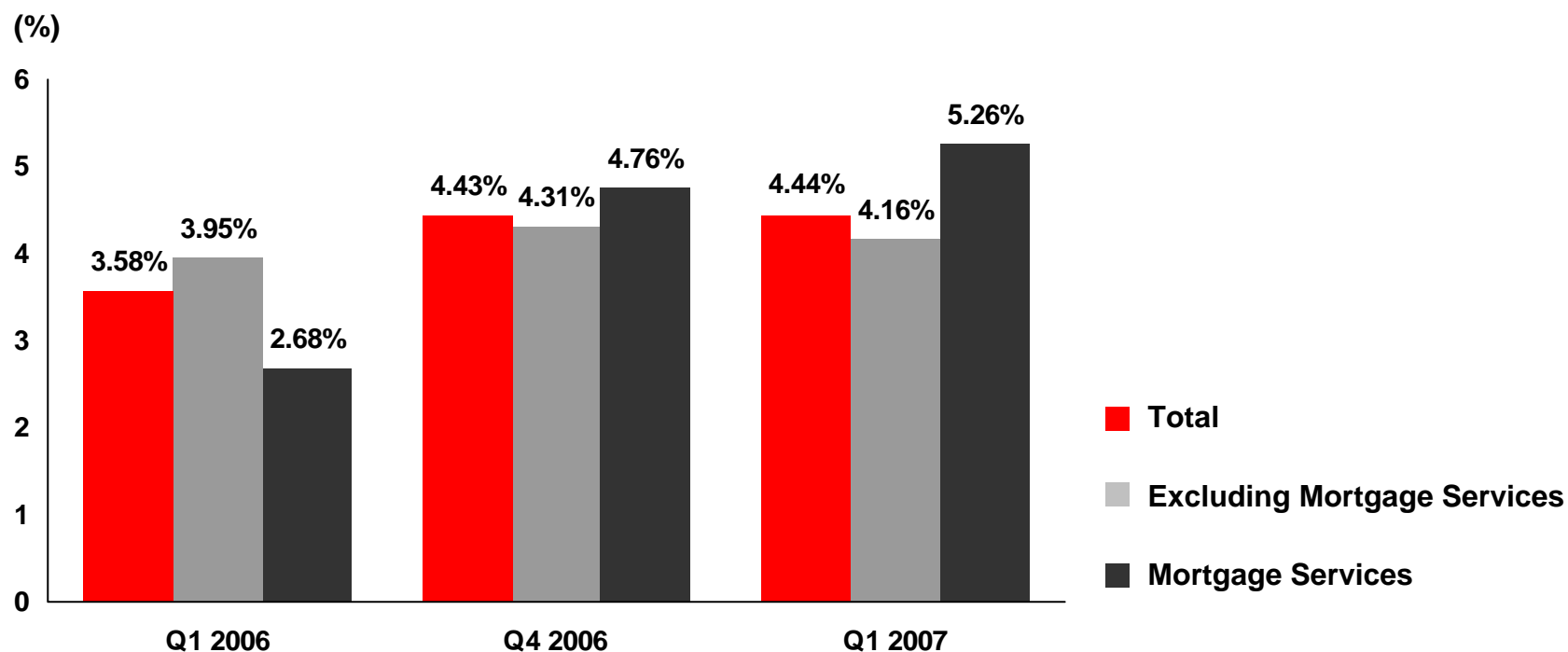
- Q106 benefited from unusually favorable credit environment and economic conditions
- Profit before tax excluding Mortgage Services increased over Q406 primarily driven by strong results in Credit Card business, Retail Branch business and seasonal Taxpayer Financial Services business
- Lower profit before tax excluding Mortgage Services compared to Q106 primarily resulting from higher loan impairment charges as credit environment trends towards more normalised levels

HSBC Finance Corporation Loan Impairment Charges



- Excluding Mortgage Services, loan impairment charges were above Q106 but slightly better compared with Q406
- Q106 significantly benefited from a strong economy, benign credit environment and low bankruptcies

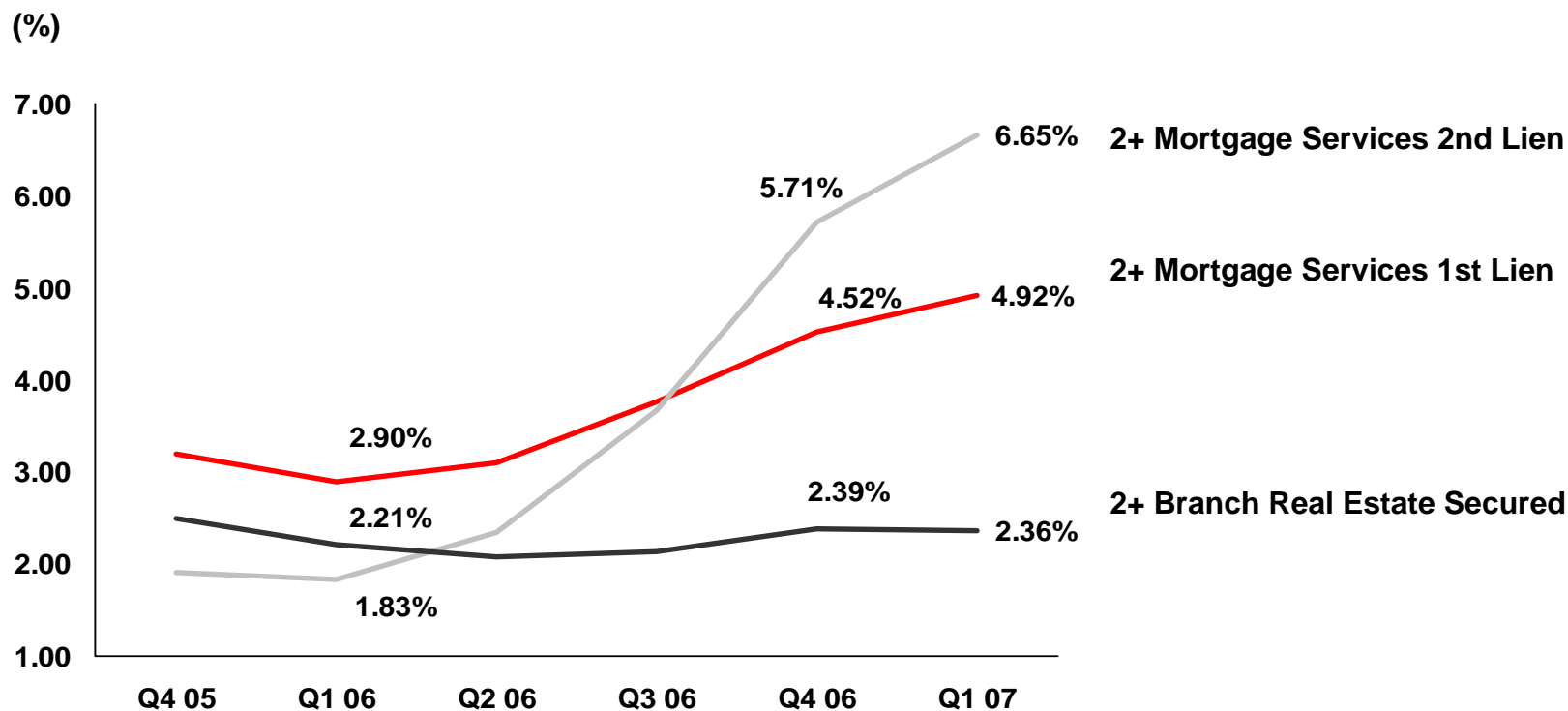
HSBC Finance Corporation 2+ Delinquency Ratio



- Delinquency excluding Mortgage Services was stable to previous quarter
- Mortgage Services delinquency ratio increased primarily driven by expected seasoning of portfolio with declining balances

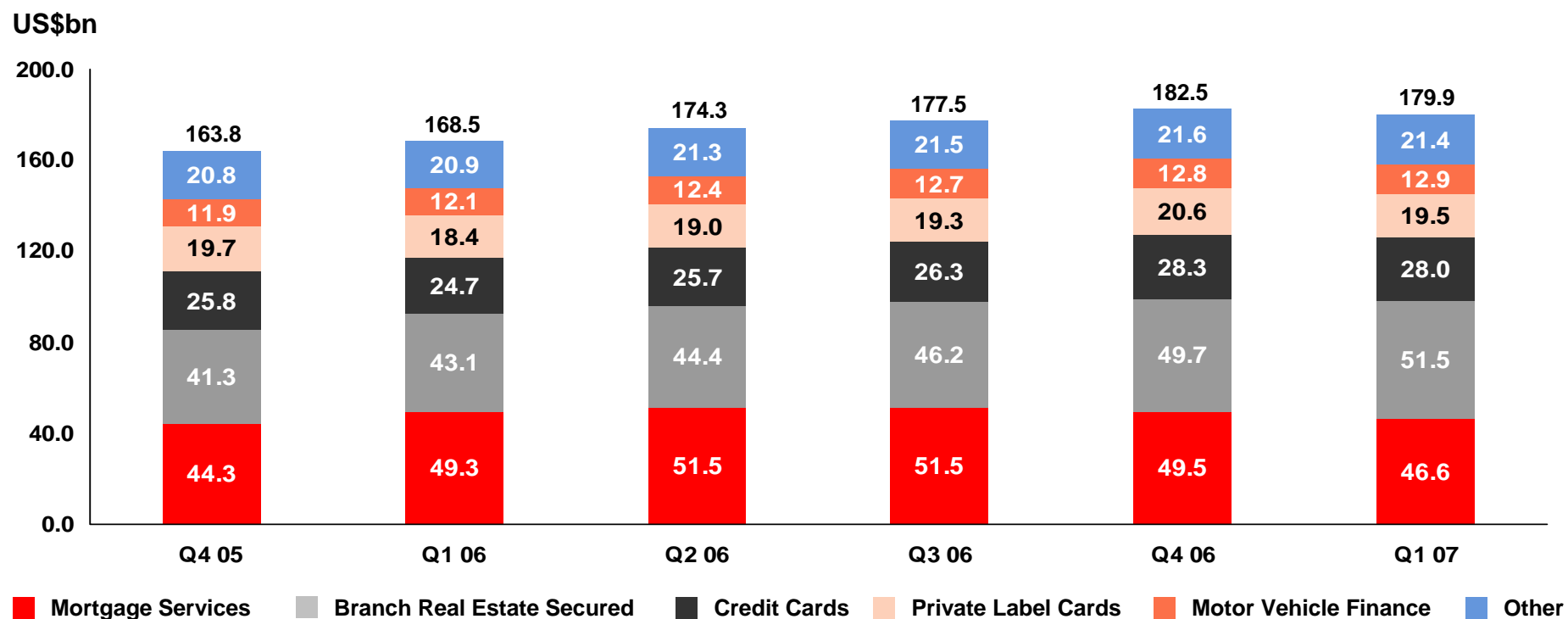


HSBC Finance Corporation Real Estate Secured 2+ Delinquency



- Actions taken in Mortgage Services have positively impacted rate of growth in delinquencies and results are in line with expectations
- Continued stable performance of Branch Real Estate Secured portfolio

HSBC Finance Corporation Customer Loans & Advances



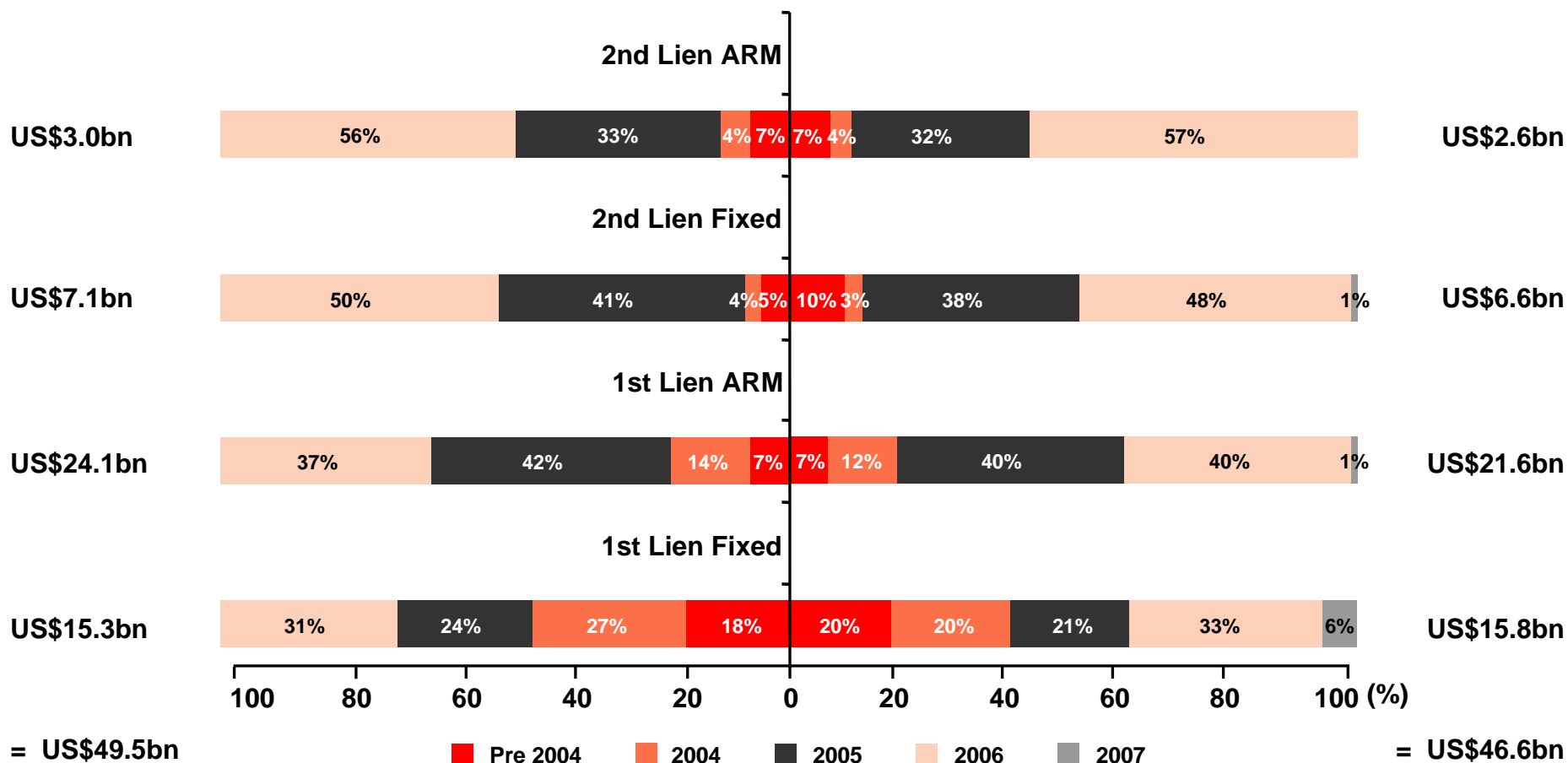
- Strategic reduction in Mortgage Services loan portfolio offset by steady to increasing growth in all other HSBC Finance businesses
 - In March 2007, we announced our decision to discontinue Correspondent Channel acquisitions
 - Growth considering seasonality, in other businesses reflects the strength of the diversified finance business

Mortgage Services

Loans by vintage and type

December 2006

March 2007



Mortgage Services Loans – Vintages

US\$bn

Vintages US\$bn		
	December 2006	March 2007
2007		1.2
2006	18.9	18.8
2005	17.8	15.4
2004	7.8	6.2
Pre 2004	5.0	5.0
	49.5	46.6

- Substantial paydown of 2005 vintages has occurred during the quarter and reflects actions taken within the Correspondent Channel

HSBC Finance Corporation

Ongoing Areas of Focus

- US economic conditions, particularly unemployment levels, bankruptcy filings, housing market and interest rates
- Impact of adjustable rate mortgage resets
- Seasoning of loan balances, including Credit Card vintages originated in Q406