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*The following is the text of an announcement released to the other stock exchanges on which HSBC Holdings plc is listed.*

5 March 2013

## **HSBC FINANCE TO SELL PERSONAL UNSECURED AND PERSONAL HOMEOWNER LOAN PORTFOLIOS**

HSBC Finance Corporation ('HFC'), an indirect wholly-owned subsidiary of HSBC Holdings plc, has entered into an agreement to sell its Personal Unsecured Loan and Personal Homeowner Loan portfolios to SpringCastle Acquisition LLC ('SpringCastle'), a Delaware-based company owned by Springleaf Finance, Inc. ('Springleaf') and Newcastle Investment Corp. ('Newcastle'). The portfolios sale transaction is scheduled for completion in the second quarter of 2013 and is subject to customary closing conditions.

HFC has also entered into an agreement to sell its loan servicing facility and related assets in London, Kentucky ('the Facility') to Springleaf. Completion of the sale of the building and assets, which is subject to customary closing conditions, is expected in the fourth quarter of 2013, following a transitional period to allow for the conversion of loans being sold to SpringCastle. Upon completion of the sale of the Facility, the majority of employees located in the Facility will transfer to become employees of Springleaf.

At 31 December 2012, the carrying value of the gross assets (including the Facility and related assets) being sold was approximately US\$3.4bn (IFRS). The total consideration to be paid by SpringCastle and Springleaf is US\$3.2bn in cash.

Patrick Burke, CEO, HSBC Finance Corporation, said, "These agreements accelerate the run-off of the legacy consumer mortgage and lending business and are a continuation of HSBC's strategy to reposition its U.S. operations and focus on the core businesses supporting our aim to be the world's leading international bank."

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**Media enquiries to:**

**United States**

Neil Brazil +1 847-208-4319 neil.brazil@us.hsbc.com

**United Kingdom**

Patrick Humphris +44 (0)20 7992 1631 patrick.humphris@hsbc.com

**Investor Relations enquiries to:**

**London**

Guy Lewis +44 (0)20 7992 1938 guylewis@hsbc.com

Robert Quinlan +44 (0)20 7991 3643 robert.quinlan@hsbc.com

**Hong Kong**

Hugh Pye +852 2822 4908 hugh.pye@hsbc.com

**Notes to editors:**

**1. HSBC Finance Corporation**

HSBC Finance Corporation, through its subsidiaries, owns and services a liquidating portfolio of residential real estate loans and unsecured loans, and also provides specialty insurance products. HSBC Finance is a subsidiary of HSBC North America Holdings Inc., one of the United States' largest bank holding companies by assets.

**2. HSBC Holdings plc**

HSBC Holdings plc, the parent company of the HSBC Group, is headquartered in London. The Group serves customers worldwide from around 6,600 offices in 81 countries and territories in Europe, the Asia-Pacific region, North and Latin America, and the Middle East and North Africa. With assets of US\$2,693bn at 31 December 2012, the HSBC Group is one of the world's largest banking and financial services organisations.

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The Board of Directors of HSBC Holdings plc as at the date of this announcement are: D J Flint, S T Gulliver, S A Catz†, L M L Cha†, M K T Cheung†, J B Comey†, J D Coombe†, J Faber†, R A Fairhead†, R Fassbind†, J W J Hughes-Hallett†, W S H Laidlaw†, J P Lipsky†, J R Lomax†, I J Mackay, Sir Simon Robertson† and J L Thornton†.

† Independent non-executive Director

Hong Kong Stock Code: 5