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HSBC Holdings plc

Overseas Regulatory Announcement

The attached announcement has been released to the other stock exchanges on which HSBC Holdings plc is listed.

The Board of Directors of HSBC Holdings plc as at the date of this announcement are: Douglas Flint, Stuart Gulliver, Phillip Ameen[†], Kathleen Casey[†], Laura Cha[†], Henri de Castries[†], Lord Evans of Weardale[†], Joachim Faber[†], Sam Laidlaw[†], Irene Lee[†], John Lipsky[†], Rachel Lomax[†], Iain Mackay, Heidi Miller[†], Marc Moses, David Nish[†], Jonathan Symonds[†], Pauline van der Meer Mohr[†] and Paul Walsh[†].

[†] Independent non-executive Director

Hong Kong Stock Code: 5

HSBC Holdings plc

Registered Office and Group Head Office:

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Incorporated in England with limited liability. Registered in England: number 617987



16 June 2016

**HSBC FINANCE CORP. REACHES
AGREEMENT TO RESOLVE
14-YEAR SHAREHOLDER CLASS ACTION**

HSBC Finance Corporation (HSBC Finance) today announced a resolution to a 14-year shareholder class action based on events that took place prior to HSBC's acquisition of Household International Inc. in 2003.

Having previously disclosed in public filings a potential exposure of up to US\$3.6bn, HSBC Finance agreed to pay US\$1.575bn to settle all claims in *Jaffe v. Household International*.

The case was filed in 2002, and a jury ruled for the plaintiffs in a 2009 trial. In May 2015, the US Court of Appeals for the Seventh Circuit reversed a partial final judgment against Household International Inc., the predecessor entity to HSBC Finance, and remanded the case for a new trial on loss causation and damages.

The settlement is subject to court approval and is expected to result in a pretax charge to HSBC Finance of approximately US\$585m, including legal fees and expenses, in the second quarter of 2016.

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Forward-looking statements:

Certain statements in this press release are "forward-looking statements" within the meaning of the rules and regulations of the U.S. Securities and Exchange Commission. These statements are based on management's current expectations and are subject to uncertainty and changes in circumstances. Actual results and other financial conditions may differ materially from those included in these statements due to a variety of factors including those contained in HSBC Finance Corporation's filings with the U.S. Securities and Exchange Commission, including without limitation the "Risk Factors" section of HSBC Finance Corporation's 2015 Annual Report on Form 10-K. Precautionary statements included in such filings should be read in conjunction with this release.

Note to editors:

HSBC Finance Corporation, through its subsidiaries, owns and services a portfolio of residential real estate loans. HSBC Finance Corporation is a subsidiary of HSBC North America Holdings Inc.

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