



Currency Exchange Rate FAQ

1. How do we convert foreign currency transactions to Canadian dollars?

- A foreign currency transaction is converted to Canadian dollars using the applicable exchange rate posted by MasterCard International at the time transaction is submitted.
- In addition to the exchange rate, HSBC Bank Canada charges a foreign conversion mark-up of 2.5% (as detailed in the [Rates & Fees Information Box](#).)
- The conversion rate shown on your account statement reflects both the exchange rate and the foreign conversion mark-up.

Here's an example of the conversion of a Purchase transaction of €1,000.00:

Purchase	€1,000.00
Value of purchase in Canadian dollars	\$1,485.20
Foreign currency conversion mark-up: 2.5%	\$37.13
Total cost of the transaction (billed to your Account)	\$1,522.33

2. Where can I find the MasterCard exchange rate?

- MasterCard has created a Currency Conversion Tool to assist in determining the applicable exchange rate:
<https://www.mastercard.com/global/currencyconversion/>
- To determine the exchange rate using the Currency Conversion Tool, select Canadian dollars as the base rate and identify the applicable exchange rate based on the currency of your Purchase.
- To calculate the Canadian dollar equivalent, you will need to divide 1 by the applicable exchange rate. For example, if you made a purchase in European currency (€) and the MasterCard exchange rate (using Canadian dollars as the base rate) is 0.673309, then such rate is equivalent to CAD 1.485202188 for 1 Euro (*i.e.* 1 divided by 0.673309). This is the exchange rate used in the example above.

3. When I use the conversion rate printed on the statement and multiply it by the foreign currency amount, it does not exactly match the amount billed in CAD. Why?

- When we convert the foreign currency transaction to Canadian dollars, we use the full exchange rate that applies to the transaction. However, the conversion rate displayed on your statement only shows the rate to four decimal places. We are in the process of amending our statements to display the conversion rate up to 9 decimal places.
- Please be assured that the CAD value you have been billed is accurate and reflects the MasterCard exchange rate on that day plus the foreign conversion mark-up.

If we use the example above of a Purchase of €1,000.00 (billed as CAD \$1,522.33), the following shows the actual conversion rate used for the transaction and the rate disclosed on your account statement:

Conversion Rate used for the transaction (MasterCard exchange rate of 1.485202188 plus 2.5% foreign conversion mark-up)	1.522332242
Conversion rate disclosed on your account statement (truncated to 4 decimal places)	1.5223

4. I made multiple foreign currency purchases in the same currency on the same day but the conversion rate applied to those transactions is different. Why?

- The conversion rate applied is based on the MasterCard exchange rate on the day of settlement.
- In some cases, it can take a few days for a merchant to submit transactions to MasterCard for settlement. As a result, if merchants submit transactions on different days, the exchange rate may be different.