

HSBC Small Business – Intro2021 Term Loan Offer

HSBC Bank Canada Small Business is here to help your Small Business with an incredible low interest term loan offer!

For a limited time, HSBC Small Business is offering to **qualified** applicants:

- A special introductory variable rate term loan as low as 1.99% (Prime minus 0.46%)* for the first two years**

New and existing HSBC Small Business customers can simply apply via our easy to use “eCredit” online application using “activation code” **“Intro2021”** located at <https://www.hsbc.ca/small-business-banking-solutions/ecredit/>.

Some of the capitalized terms that we use above are defined below in the definitions section.

For all credit applications, you must be or become a HSBC Canada Small Business customer conditions of the applicable offer as well as credit eligibility to receive the loan.

Please refer to the attached Terms and Conditions below for details of each offer.

* Some credit applications may not qualify for these low interest offers but may still qualify for a credit offer. Following the initial introductory low variable rate for the first two years, standard variable rates will apply for longer term loans to a maximum of 5 years.

** All applications, rates and credit amounts are subject to approved credit.

HSBC Small Business – Intro2021 Term Loan Offer

Terms and Conditions

Effective: From September 29 until December 31, 2021

1. Definitions:

When used in these Terms and Conditions, the definitions set out below mean the following:

- **“HSBC”** means HSBC Bank Canada and its subsidiaries.
- **“Existing HSBC Small Business Customer”** means a customer who has previously opened an HSBC Small Business account in the past and may have one or more products with HSBC Small Business at the time of qualifying for the offer.
- **“New HSBC Small Business Customer”** means a sole proprietorship, partnership or corporation that meets the eligibility requirements for HSBC Small Business banking and has opened a **“Small Business Chequing Account”**. Please refer to HSBC Small Business Guide to Fees and Service Charges available in branches and at www.hsbc.ca/smallbusiness.
- **“Offer”** means the Small Business loan offer described in this document.
- **“Offer Period”** means **September 29 until December 31, 2021**.
- **“Small Business Chequing Account”** means one of the following products in Canadian currency: HSBC Start Chequing, HSBC Smart Chequing or HSBC Unlimited Small Business Chequing account. For full details regarding fees which may apply, please refer to the HSBC Small Business Guide to Fees and Service Charges available in branches and at www.hsbc.ca/smallbusiness.

2. Becoming an HSBC Canada Small Business Customer

New to HSBC Small Business customers must:

- Qualify as an HSBC Small Business Customer, meaning your business must be a sole proprietorship, partnership or corporation domiciled in Canada with an annual gross revenue below \$5 million CAD. Your business must be an operating company or other entity (not a holding company). Other requirements may apply;
- Open a Small Business Chequing Account. The account opening is subject to the standard HSBC account opening process and approval;
- Comply with all terms and conditions for products you open with HSBC; and
- If your business is a corporation or partnership, ensure that all individual beneficial owners of the corporation or partnership that holds the Small Business Chequing Account are of the age of majority in their province of residence.

3. Small Business Intro2021 Term Loan Offer – Conditions for Eligibility

To be eligible to receive the Small Business Term Loan Offer, you must:

- Be either a New or Existing HSBC Small Business Customer;
- Comply with all terms and conditions for products you open with HSBC;
- If your business is a corporation or partnership, ensure that all individual beneficial owners of the corporation or partnership that holds the Small Business Chequing Account are of the age of majority in their province of residence; and
- Submit a credit application via the online HSBC Canada Small Business eCredit tool.
- Applications will be assessed subject to standard credit approval criteria, and be approved.

4. Basic Terms of the Loan

- The **HSBC Small Business Intro2021 Term Loan Offer** with variable interest rate starting as low as 1.99% (Prime minus 0.46%) for the first two years of the loan's term on qualified credit and may be combined with any similar offers being run by HSBC during the duration of this offer.
- **Maximum term of loan is 5 years.** The introductory interest rate will only apply during the first two years of the loan term (if the loan term is longer than two years). After the first two years of the loan term, a standard interest rate will apply. The interest rate (the percentage above or below Prime) will be set out in the Small Business Credit Agreement.
- Standard variable interest rates will apply for the remaining term determined at time of application subsequent to the initial first two-year introductory rate.
- Unsecured loans will be available up to \$350,000 CAD on approved credit.
- Loans secured by real estate or cash deposit at HSBC are available up to \$1.25M CAD on approved credit.
- Some credit applications may not qualify for the low interest offer but may still qualify for a standard credit offer.
- Customers may apply for more than one Small Business **Intro2021 Term Loan Offer**.
- A set-up fee of 1% of the loan amount is required on all approved and funded loans.
- All loan payments for this offer will be set up as fixed principal plus accrued interest.

5. 6-month Payment Deferral option

- Customers who qualify for this Offer will have the option to choose a 6-month payment deferral period.
- Interest will continue to accrue during the deferral period. Once the deferral period ends, payments will be allocated first to accrued interest and applicable fees.
- If the deferral option is chosen, the repayment schedule is calculated in accordance to the type of Small Business Loan:
 - The amortization period for unsecured term loans are equal to loan term to a maximum 5-year term.
 - The amortization period for secured term loans (including commercial real estate-secured terms loans) is equal to the amortization schedule shown in the Small Business Credit Agreement, and maybe up to 20 years.

6. Other Terms and Conditions

- For details on HSBC Small Business Account fees and charges please refer to [HSBC Small Business Guide to Fees and Service Charges](#) available at any HSBC Bank Canada branch or online at www.hsbc.ca/smallbusiness.

7. Taxes

There may be tax implications associated with the Offers and also any repayment of the Offers. HSBC does not provide tax advice. If you require tax advice in connection with the Offers or other use of HSBC products or services, please contact your personal tax advisor.

8. Exclusions

Small businesses that include an HSBC employee as an individual beneficial owner are not eligible for the Offers.

9. Amendments

These terms and conditions may be amended, extended or cancelled at the sole discretion of HSBC at any time without prior notice.

10. Right to Terminate

HSBC reserves the right to change any and all terms and conditions at any time without prior notice and to refuse or terminate any individual's participation in this Offer.