

HSBC LAUNCHES £10 BILLION FUND TO SUPPORT UK SMEs

*****£10bn fund is HSBC's largest ever package for SMEs across the UK*****

*****HSBC supports SMEs by making banking cheaper and simpler*****

*****HSBC approves nine out of 10 small business lending applications*****

HSBC has today launched a £10 billion lending fund to support small and medium-sized enterprises (SMEs) in the UK, as part of a broader commitment to make banking cheaper and simpler for customers.

The £10bn fund is the largest package of support to be announced by HSBC for UK SMEs – and has been structured to ensure it's truly UK-wide so that ambitious SMEs in England, Wales, Scotland and Northern Ireland are able to access the funds they need to grow their businesses.

HSBC's 2016 SME Fund and broader package of support includes*:

- A **£10bn UK-wide fund for SMEs**, allocated regionally across the UK
- A **free banking offer** of up to 18 months for start-ups and 12 months for switchers
- The introduction of year-long **fixed-price £5.50 monthly account tariff**, to commence at the end of a customer's initial free banking period
- Changes that will make banking cheaper for our customers: a **reduction in the Personal Guarantee Fee from £80 to £10** for any lending facility above £10,000
- The launch of the **Business Lending Eligibility Checker (BLEC)** – an online tool offering potential new customers a credit decision in principle for loans of up to £30,000 in under two minutes
- A free **text alert service for informal overdrafts**, which will help customers avoid paying informal overdraft fees and interest.

HSBC's Head of UK Commercial Banking, Ian Stuart, said: "SMEs are the lifeblood of the UK economy and at HSBC we are committed to providing the finance and support they need to realise their business goals. The launch of the £10bn fund signals our aspiration to lend more to UK SMEs of all sizes, whether they are a start-up or established business, focused either on the domestic market or looking to trade internationally.

"Right across the UK there is a wide range of innovative new and established SMEs, proving that location is no barrier to a great business idea. This fund underpins our support by putting SMEs in a stronger position to be making investments that will stimulate local economies and create more jobs."

Small Business Minister, Anna Soubry has encouraged small businesses to capitalise on the services being offered by lenders to support their growth.

"We have a record number of small businesses driving our growing economy and while the picture is improving, access to finance remains an issue for many of them. It's absolutely right that banks such as HSBC continue to develop their support for smaller businesses. I also want to see more of these businesses taking advantage of what's on offer, both from banks and alternative lenders, to help them grow, invest and create jobs for people."

The £10bn has been increased to meet strong demand from UK SMEs and follows the success of the £8bn fund HSBC launched in 2015.

HSBC supporting UK SMEs

- **Supporting UK Businesses:** HSBC supports over 1 million businesses in the UK
- **Lending approval rate:** Most established and credit worthy SMEs that apply are getting finance - we continue to approve over 89% of lending applications and our credit appetite has remained consistent
- **Account Openings:** 7,484: the average number of SMEs who opened accounts with HSBC monthly in 2015. 89,804: the total number of SMEs who opened an account with HSBC in 2015
- **SME Lending:** We are serious about lending more to British business – in 2015 gross new lending for SME loans was up 34 per cent YOY
- **SME Fund:** HSBC has launched a £10bn lending fund, allocated regionally across the UK
- **Applications:** HSBC has made it easier to access finance with businesses able to use the Business Lending Eligibility Checker for an in-principle decision before proceeding to HSBC LinkScreen to complete a loan application exclusively online. The LinkScreen tool has cut lending application times in half, with 94 per cent of customers very satisfied since it launched

Ends

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HSBC Commercial Banking

For 150 years we have been where the growth is, connecting customers to opportunities. Today, HSBC Commercial Banking serves businesses ranging from small enterprises

focused primarily on their domestic markets through to corporates operating globally. Whether it is working capital, term loans, trade finance or payments and cash management solutions, we provide the tools and expertise that businesses need to thrive. As the cornerstone of the HSBC Group, we give businesses access to a geographic network covering more than 90% of global trade and capital flows. For more information see <http://www.hsbc.com/about-hsbc/structure-and-network/commercial-banking>