

2 April 2020

HSBC UK SUPPORTS TREASURY ANNOUNCEMENT ON CORONAVIRUS BUSINESS INTERRUPTION LOAN SCHEME

Responding to the Government's announcement of amendments to the Coronavirus Business Interruption Loan Scheme and the introduction of the Coronavirus Large Business Interruption Loan Scheme (CLBILS), **Amanda Murphy, Head of Commercial Banking, HSBC UK said:**

"We welcome the Chancellor's announcement this evening, setting out changes to the Coronavirus Business Interruption Loan Scheme (CBILS) and announcing further support for larger businesses. We have been working closely with the Government and the British Business Bank to ensure that the "squeezed middle" also benefit from government-backed schemes. Full details of the CLBILS will be available on our website once finalised.

"HSBC UK is committed to supporting UK businesses through these challenging times, and will continue to launch new measures to alleviate some of the pressures that our customers are facing including preferential rates for those within the ventilator business to help combat the threat of COVID-19. We believe the initiatives announced today, combined with our own support will provide reassurance to businesses over the coming weeks and months.

"We apologise that it has taken our customers longer than usual to contact us and want to reassure them that we are doing all that we can in these difficult times to get our service levels back to where they were before COVID-19 hit the UK."

HSBC UK CBILS Update

- To ensure that our customers benefit from the updated CBILS measures, we will refinance any lending that we have offered since 23 March 2020 upon request.
- No personal guarantees required in connection with loans of less than or equal to £250,000. For lending greater than £250,000, we will review security requirements on an individual basis. If a personal guarantee is deemed appropriate, it will be taken for maximum of 10%*¹ of the loan amount.
- Simplified and transparent interest rate, irrespective of the loan amount we will charge:
 - 3.49% over Bank of England Base Rate – loans up to 3 years (inclusive),
 - 3.99% over Bank of England Base Rate – loans over 3 years, and up to 6 years.
- No loan arrangement fee or loan prepayment fee, should the company wish to repay early.
- We've put in place additional credit approvers and trained 2,000 staff to help turnaround times.
- Over the past two weeks, we have rolled out new technology to enable hundreds of call centre staff to work from home so that we can continue to serve our customers.
- We are working towards reducing the minimum sum for sole traders and partnerships to £10,000.

HSBC UK is working closely with the Government and UK Finance to identify emerging issues and make sure customers and businesses have the advice and support they need. For tips and advice for businesses around planning for any possible disruption, visit www.business.hsbc.com/novel-coronavirus.

The new measures build upon the package of support that HSBC UK has already announced for business customers.

-Ends-

Note to editors

*1 If you default on your loan, we will look to realise all other available collateral provided to support your loan before we make a demand on any personal guarantee. The maximum we would then seek to recover under any personal guarantee will be limited to 20% of the amount of your loan that remains outstanding after the proceeds of all other available collateral have been applied.

The previously announced support package includes:

General

- £5bn to help businesses that need support
- Offering companies involved in the supply and manufacture of ventilators preferential pricing, extended repayment terms on loans and fast track approval times.
- Waiving the £100 fee for our Small Business Loan to relieve pressures faced by businesses
- Offering repayment holidays to free up cash within businesses
- Reviewing overdrafts or trade loans to allow stock to be held for longer
- Relationship managers proactively contacting customers to see what help their businesses need
- Launching a helpline to support any customer queries (08000 121 614, open 9am – 5pm Monday to Friday).

Trade support:

- £3bn to importers and exporters that need additional support*
- pre-approved 60-day extensions on trade loans for customers with a sound trade loan/financing record
- a one-hour turnaround on the issuance of Shipping Guarantees, enabling customers to transfer or receive goods from their counterparty faster
- a dedicated helpline that connects directly with trade finance specialists (0800 783 1300, open 9am – 5pm Monday to Friday), in addition to the support being offered by relationship managers

Media enquiries to:

Katie Cohen +44 (0) 77 472 46445 katie.cohen@hsbc.com

Twitter: [@HSBC_UK](https://twitter.com/HSBC_UK)/[@HSBCUKBusiness](https://twitter.com/HSBCUKBusiness)

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HSBC UK

HSBC UK serves around 14.5 million customers across the UK, supported by 32,000 colleagues. HSBC UK offers a complete range of retail banking and wealth management to personal and private banking customers, as well as commercial banking for small to medium businesses and large corporates.

HSBC Holdings plc

HSBC Holdings plc, the parent company of the HSBC Group, is headquartered in London. HSBC serves customers worldwide from offices in 64 countries and territories in our geographical regions: Europe, Asia, North America, Latin America, and Middle East and North Africa. With assets of US\$2,715bn at 31 December 2019, HSBC is one of the world's largest banking and financial services organisations.