

HSBC COMMITS £300 MILLION TO SUPPORT UK AGRICULTURE

*****£300m fund available to agricultural businesses across the UK*****

HSBC is committing a £300 million lending fund to support agricultural businesses in the UK, as part of its wider support package to help British businesses realise their growth ambitions.

Neil Wilson, Head of Agriculture at HSBC said: “We have enormous expertise in the agriculture sector and as a key focus for us, we want to be able to support customers, both old and new, even more. The Agriculture Fund demonstrates our commitment to doing this, and we hope we will lend even more than £300m to help ambitious British agriculture and farming businesses achieve their goals”.

Agricultural businesses that are benefitting from HSBC’s SME support package, include:

- **Hedley**
 - Young couple Peter and Vicki Hedley set up on their own in the Scottish Borders in 2013, having initially rented their upland LFA farm until they were given an opportunity to buy it as the short term tenancy was coming to an end, despite previous assurances it would be extended
 - HSBC agreed to provide long term loan funding to allow them to buy the farm and the business has since gone from strength to strength, with the couple subsequently taking on a 500 ewe contract farming agreement
 - The Partnership specialises in selling Cheviot mule ewe lambs at Longtown, with the fat lambs sold through an agent to the Sainsbury producer group while 160-180 cattle are all bought and sold through S Kirkup livestock. They have gradually increased numbers from profits earned.
 - In addition to sheep they also run a small but growing store cattle enterprise selling fattened stock via either St Boswells mart or through United Auctions at Stirling
 - They were shortlisted for a 'Sheep Farmer of the Year' award November 2015.

- **Lower Hope Fruit**
 - The Herefordshire-based business is expanding its production of cherries after opening a brand new packhouse, thanks to a £600,000 loan from HSBC
 - The loan has also enabled the business to invest in a new optical grader, which it predicts will help increase production from 15 tonnes to 25 tonnes of fruit per day.

- **Kingsbeck**
 - A range of funding from HSBC enabled the Lanarkshire-based 6,500-acre farm to invest in new equipment and infrastructure, which has helped it to double its turnover in just two years and significantly increase profitability within the business.
 - The cash injection has allowed the firm to increase the number of ewes from 2,100 to 3,200 and introduce 200 Jersey dairy cows to the farm
 - The finance was also used to build a robotic dairy extension to the existing cubicle shed as Kingsbeck embarks on its plans to grow the livestock arm of the business.

The Agriculture Fund is the latest initiative from HSBC, which forms part of its £10 billion SME Fund to help businesses across the UK grow and prosper, both in the UK and internationally.

HSBC continues to be open to lending, having approved 91% of small business lending applications in the last year.

HSBC's 2017 package of support for UK SMEs includes:

- A **£10bn UK-wide fund for SMEs**, allocated regionally across the UK – including a **dedicated £300m Agriculture Fund** to support UK agriculture businesses
- A **free banking offer** of up to 18 months for start-ups and 12 months for switchers
- A **fixed-price £5.50 monthly account tariff** to commence at the end of a customer's initial free banking period
- 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
- Access to **HSBC Connections Hub** to help our customers connect, and build relationships, with HSBC Business customers across the globe
- A **Personal Guarantee Fee from of just £10** for any lending facility above £10,000
- A free **text alert service for informal overdrafts**, which will help customers avoid paying informal overdraft fees and interest
- Services such as the **Parental Leave Support Package** help our customers to grow their business, knowing they can be prepared for changes in their business.

Terms and conditions apply

Ends

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Notes to Editors:

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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>