



Why am I receiving this letter?

Your Bounce Back Loan Repayments start in two months.

Do I need to do anything?

Please read the below information carefully. You can contact us if you have any questions or if your payment details need to be updated.

Dear Customer

11 April 2021

You'll soon need to start repayments on your Bounce Back Loan

The twelve-month repayment holiday on your Bounce Back Loan ends soon. Your first repayment is due on **10 June 2021** followed by monthly repayments on the amount you borrowed, plus interest. So now is a good time to start planning for your repayments.

When your repayments will start and how much you'll pay

We'll automatically collect your repayments using the payment details set up when you opened your loan on **10 May 2020**, or any updated payment instructions you've made us aware of in advance of the first repayment falling due.

If your payment details have since changed, please let us know. If you haven't already set up your regular repayment from your account, you now need to. You can do either by contacting us.

Your loan is for	£ 50,000.00
You now owe (this takes into account any repayments you've already made)	£ 50,000.00
Your first monthly repayment date	10 June 2021
Your first monthly repayment amount	£ 887.37

We calculate interest daily on the balance you owe, and you'll pay this monthly at the same time as your capital repayment.

You'll pay less interest if you pay back early

If you no longer need the loan, you can choose to pay it back early. You'll then pay less interest. There are no early repayment charges and you won't pay any interest if you pay the full amount before **10 May 2021**. You can also make a one-off repayment, as well as additional payments on a regular basis, and doing so will also help save you money on your interest payments.

If you have other borrowings, you may want to think about repaying these borrowings instead of making additional payments to your Bounce Back Loan.

Your other repayment options

We shared details of your **Pay as you Grow** options in our previous communication. **Pay as you Grow** options could give you more time and flexibility to pay back your loan. These options will be available for you to select from early May, ahead of your first repayment being due.

Using these options won't affect your credit score, though it may influence how we assess your creditworthiness in the future and your loan may cost you more overall. The options available to you are as follows:

1. If you expect to be in a better position to repay in the future:

- a. You could reduce your monthly repayments for six months by paying interest only.
 - ◆ On a loan of £ 50,000.00 , this would reduce monthly payments from £ 887.37 to £ 105.02 during the six-month period.
 - ◆ The total amount you owe will go up. This is because your interest costs increase as a larger amount of your loan is outstanding for longer¹.
 - ◆ The total amount repayable is the capital amount borrowed £ 50,000.00 , plus interest costs (excluding the Business Interruption Payment) which increase from £ 3,242.20 to £ 3,872.32 . After six months of interest-only payments, your monthly payments increase to £ 887.37 .
 - ◆ This option is available up to three times during the term of your Bounce Back Loan.

OR

- b. You could take a payment holiday for six months.
 - ◆ You'll make no capital repayments or interest payments during this time.
 - ◆ The total amount you owe will go up. This is because your interest costs increase as interest accrues during the payment holiday and a larger amount of your loan is outstanding for longer and/or you're repaying your loan over a longer period¹.
 - ◆ The total amount repayable is the capital amount borrowed £ 50,000.00 , plus interest costs (excluding the Business Interruption Payment) which increase from £ 3,242.20 to £ 3,916.00 . After six months of your payment holiday, your monthly payments increase to £ 898.60 .
 - ◆ This option is available once during the term of your Bounce Back Loan.

2. If you're only able to repay a smaller amount each month:

You could request an extension of your loan term from six-years to ten-years at the same 2.5% interest rate.

- ◆ Extending to 10 years would reduce monthly payments on a loan of £ 50,000.00 from £ 887.37 to £ 517.54 .
- ◆ You'll accrue more interest, so the total amount repayable on a £ 50,000.00 ² loan would increase to £ 55,894.32 , unless you repay early.

Please note: If you're considering this option, you should think carefully about your ability to repay over a longer timeframe, taking into account such things as if you intend to cease trading or retire within the revised term of your Bounce Back Loan.

¹ This illustration assumes that you'll also extend your loan period for a further 6 months at the same time as reducing your monthly repayments to pay interest only. This means that your loan period would be 6 years and 6 months.

² This illustration reflects the total capital amount borrowed and does not take into account any early repayments made prior to the date of this letter.

You can use options 1 and 2 together if you need to, but only to a maximum term of ten years. Using these options together may require you to repay more over the lifetime of the loan, when compared to using one or none of these options. Both options 1a and 1b will be available throughout the course of your loan term.

These options will be available for you to select from early May, ahead of your first repayment being due.

You'll be able to select one of the **Pay as you Grow** options on Business Internet Banking if you're registered. If you aren't registered for Business Internet Banking and hold a HSBC Business Current Account, you can register now by visiting: business.hsbc.uk/bib.

If you don't hold an HSBC Business Current Account, you'll still need to register for Business Internet Banking to select one of the **Pay as you Grow** options. If we haven't contacted you already about this, we'll be in touch shortly to let you know how to register.

Key features of Business Internet Banking:

- ◆ Ability to select preferred **Pay as you Grow** option.
- ◆ Transfer money between your HSBC accounts.
- ◆ Create, view, amend or cancel standing orders.

To read more about Pay as you Grow or Bounce Back Loans, or to find out more about making your repayments, please visit our website at: business.hsbc.uk/bbls-info.

Reminder of Bounce Back Loan Terms and Conditions

When you applied for your Bounce Back Loan, you declared you understood that:

- ◆ You're fully liable for all repayments and if you're unable to meet these obligations, this could negatively affect your credit score.
- ◆ The 100% government guarantee is provided to cover any losses the lender makes and does not cover any losses you may suffer if you're unable to meet your payment obligations.
- ◆ We would not carry out any affordability checks on your application.

We're here to help

We'll contact you again next month to remind you of your options, which will be available for you to select from early May.

We're committed to supporting our customers when they need it the most. If you're experiencing any difficulties which may impact your ability to manage your finances or you need additional help, it's important you speak with us. For information on the support available, please visit: business.hsbc.uk/life-events.

You can also contact the following not-for-profit organisations for free, confidential, and impartial guidance. For details of where to get such advice in your area, please use the below options:

- ◆ Money and Pensions Service: moneyadviceservice.org.uk or **0800 138 7777**
- ◆ Citizens Advice: citizensadvice.org.uk
- ◆ National Debtline: nationaldebtline.org.uk or **0808 808 4000**
- ◆ Advice NI: adviceni.net or **0800 028 1881**
- ◆ Advice UK: adviceuk.org.uk or **0300 777 0107**
- ◆ Business Debtline: bdl.org.uk or **0800 197 6026**
- ◆ StepChange Debt Charity: stepchange.org.uk or **0800 138 1111** (service not available to Limited Liability Partnerships or Limited Companies)
- ◆ Money Advice Service: moneyadviceservice.org.uk or **0800 138 7777**

If you have any questions or if your payment details need to be updated, there are a number of other ways you can get in touch:

- ♦ visit **business.hsbc.uk** where our **Need Help?** assistant is available 24 hours a day, 7 days a week, and may be able to answer your query.
- ♦ our **Live Chat*** agents are also online for our Business Internet Banking customers.
- ♦ call us on **03457 60 60 60*** - due to the ongoing impact of the COVID-19 pandemic and the demand for Government schemes, you may find it takes us longer than usual to answer your call.
- ♦ for other accessible ways to get in contact with us, please visit: **business.hsbc.uk/accessibility**.

Yours sincerely

Your Commercial Banking Team

* We're open Monday to Friday, 8am to 6pm (subject to change over certain periods). Our up-to-date opening hours can be found at: **business.hsbc.uk/contact-us**. To help us improve our service, and in the interest of security, we may monitor and record your call/chat.