

6 December 2019

## **HSBC WAIVES HANDLING FEE FOR 90 PER CENT GUARANTEE PRODUCT UNDER GOVERNMENT SME FINANCING GUARANTEE SCHEME**

HSBC welcomes the HKMC Insurance Limited's announcement today to launch a 90 per cent guarantee product under the SME Financing Guarantee Scheme ("SFGS"), providing further support to small businesses, especially those with relatively less operating experience.

The new SFGS product will be made available to HSBC customers in December 2019. Eligible borrowers will be entitled to a handling fee waiver\* for the entire loan tenor if they apply on or before 31 March 2020.

HSBC also provides full subsidy of the first-year guarantee fee\*\* and 50 per cent subsidy of the second-year fee to applications of the new scheme under SFGS.

Terence Chiu, Head of Commercial Banking, Hong Kong, HSBC, said, "HSBC stands with our customers and is committed to supporting businesses of all sizes through different economic cycles. Small and medium enterprises ("SMEs") constitute over 98 per cent of companies in Hong Kong. They are particularly vulnerable to economic shifts. We, as the leading bank, have a role to play in helping this important segment thrive."

In April 2019, HSBC launched a simple banking solution, HSBC Sprint Account, targeting at small businesses in Hong Kong. Customers can enjoy a monthly service fee waiver for the first 12 months of account opening.

HSBC was the first bank to announce relief programmes aimed at supporting SMEs in August 2019. The measures include a six-month interest rebate on loans under two Government SME loan schemes, extension on guarantee fee subsidy for new application of SFGS until June 2022, and 50 per cent reduction on PayMe for Business transaction fee. On 4 September, HSBC further announced that it offered principal moratorium on loans under two Government SME loan schemes for up to six months which is renewable, subject to a maximum of 12 months in total.

*\* HSBC charges a handling fee of 1 per cent per annum on the approved loan amount for Business Instalment Loans under the 90 per cent guarantee SFGS scheme.*

*\*\* The guarantee fee subsidy is capped at HKD50,000 for each borrower. The offer will be available until 30 June 2022.*

*ends/more*

**Note to editors:****The Hongkong and Shanghai Banking Corporation Limited**

The Hongkong and Shanghai Banking Corporation Limited is the founding member of the HSBC Group, which serves our customers through four global businesses: Retail Banking and Wealth Management, Commercial Banking, Global Banking and Markets, and Global Private Banking. HSBC serves customers worldwide from offices in 65 countries and territories in our geographical regions: Europe, Asia, North America, Latin America, and Middle East and North Africa. With assets of US\$2,728bn at 30 September 2019, HSBC is one of the world's largest banking and financial services organisations.

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