

# Introducing the 31 Day Notice Account

## What is the 31Day Notice Account?

The 31 Day Notice Account (31DNA) is a business account from HSBC Bank Canada. It allows your company to earn a high yield on a lump sum amount while offering you the flexibility to access your funds by giving 31 days' notice. It can be held in either CAD or USD.

The 31DNA has two key components<sup>1</sup>:

- ◆ Notice Account - the account where deposits are held until withdrawal instructions are received by HSBC. Deposits in the Notice Account earn interest at a pre-agreed rate (reference rate + spread).
- ◆ Term Account - the account where funds withdrawn from the Notice Account are transferred to and held until maturity of the 31 days' notice period. Deposits in the Term Account earn interest at a pre-agreed rate (reference rate + spread), which is lower than the Notice Account interest rate.

## Benefits for your business:

- ◆ A higher yield relative to similar term investment products.
- ◆ Credit interest on the balance of the Notice Account can be compounded or paid to the originating business account as it becomes due. Interest is calculated daily and paid monthly.
- ◆ Same-day processing of deposits and withdrawal<sup>2</sup> instructions (partial or full) to support the changing needs of your business<sup>3</sup>.
- ◆ Interoperability with other HSBC cash management products, delivering an integrated solution for your business.
- ◆ Additional deposits can be made at any time<sup>3</sup>.

## Is 31DNA right for your business?

- ◆ Suitable for businesses with an annual turnover exceeding CAD \$15M.
- ◆ Required minimum deposit of CAD/USD \$1M.



<sup>1</sup> Please see the 31 Day Notice Account Agreement for full terms and conditions.

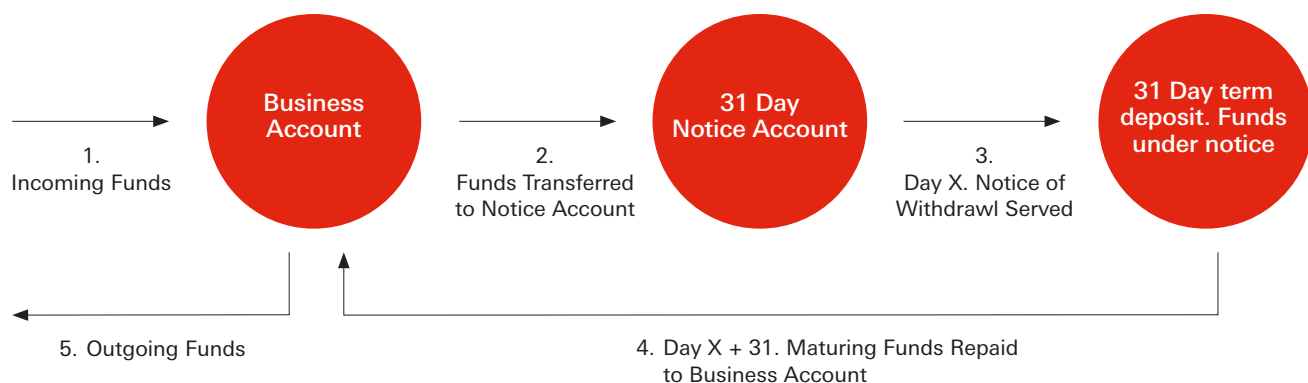
<sup>2</sup> Withdrawals are subject to a 31 day notice period. Withdrawn funds will be placed in a Term Account for the 31 day period, with a lower interest rate than that of the Notice Account portion of the 31DNA. Please see the 31 Day Notice Account Agreement for full terms and conditions.

<sup>3</sup> Same day processing of deposit or withdrawal instructions is subject to a 2PM EST cut-off time. Instructions received after 2PM EST will be processed the next business day.

## How the 31DNA works

- ◆ The credit interest rates for both Notice Account and Term Account are agreed upon when the 31DNA is set up and is linked to a reference rate published on HSBC's website.
- ◆ Deposits and withdrawals related to the 31DNA must be to or from a business account held with HSBC, under the name of the same legal company.
- ◆ Deposits and withdrawals must be in the same currency as your business account.
- ◆ 31 days' notice must be given for any withdrawal of funds from the 31DNA. The notice of withdrawal can be served at any time in writing on the Bank's Schedule<sup>1</sup>. During the 31-day notice period, the withdrawn funds will be held in the Term Account.
- ◆ Full or partial withdrawals from the 31DNA are supported<sup>1</sup>, provided a minimum account balance of CAD/USD \$1M is maintained.

### Example of how the 31DNA works<sup>2</sup>:



1. Incoming funds placed in the business account.
2. \$10M placed in the 31DNA earning interest at the pre-agreed rate for the Notice Account (reference rate plus 0.25%)<sup>2</sup>.
3. Withdrawal notice served on \$4M after X days. The \$4M is placed in the Term Account at the pre-agreed rate for the Term Account (reference rate plus 0.05%)<sup>2</sup>. \$6M remains in the Notice Account earning interest at the agreed rate (reference rate plus 0.25%).
4. On day X + 31, the deposit in the Term Account matures. \$4M plus interest is credited to the business account.
5. \$4M plus applicable interest is then available for your liquidity needs.

### Additional information:

- ◆ If the maturity date of the Term Account deposit falls on a non-business day, the balance transfer will happen on the next business day.
- ◆ Funds must be free from any security or encumbrance.

— Ready to start? —

Contact your Global Liquidity & Cash Management Sales Manager to discuss your requirements.

<sup>1</sup> Same day processing of deposit or withdrawal instructions is subject to a 2PM EST cut-off time. Instructions received after 2PM EST will be processed the next business day.

<sup>2</sup> All numbers and figures are for illustrative purposes only. Please consult with your HSBC representative for current terms and rates and to determine if this product is available to you.