



# BUSINESS CERTIFICATE OF DEPOSIT

## TERMS & CHARGES DISCLOSURE

CURRENT RATE INFORMATION may be obtained by contacting the Bank.

<b>(X) INDICATES TERM SELECTED</b>	<b>TERM</b>	<b>MINIMUM BALANCE TO OPEN ACCOUNT AND OBTAIN APY</b>
<input type="checkbox"/>	7 to 27 Days	\$1,000
<input type="checkbox"/>	1 Month	\$1,000
<input type="checkbox"/>	2 Month	\$1,000
<input type="checkbox"/>	3 Month	\$1,000
<input type="checkbox"/>	4 Month	\$1,000
<input type="checkbox"/>	5 Month	\$1,000
<input type="checkbox"/>	6 Month	\$1,000
<input type="checkbox"/>	7 Month	\$1,000
<input type="checkbox"/>	8 Month	\$1,000
<input type="checkbox"/>	9 Month	\$1,000
<input type="checkbox"/>	10 Month	\$1,000
<input type="checkbox"/>	11 Month	\$1,000
<input type="checkbox"/>	12 Month	\$1,000
<input type="checkbox"/>	13 Month	\$1,000
<input type="checkbox"/>	15 Month	\$1,000
<input type="checkbox"/>	18 Month	\$1,000
<input type="checkbox"/>	24 Month	\$1,000
<input type="checkbox"/>	36 Month	\$1,000
<input type="checkbox"/>	48 Month	\$1,000
<input type="checkbox"/>	60 Month	\$1,000
<input type="checkbox"/>	72 Month	\$1,000
<input type="checkbox"/>	84 Month	\$1,000
<input type="checkbox"/>	96 Month	\$1,000
<input type="checkbox"/>	108 Month	\$1,000
<input type="checkbox"/>	120 Month	\$1,000

The interest rates and Annual Percentage Yields (APYs) may change at any time at the Bank's discretion without prior notice, before any Certificate of Deposit (CD) is opened. CDs cannot be opened before the application process is finalized and funded.

CDs are opened on Business Days only. If the application process is finalized on a Saturday, Sunday or Bank Holiday or on a Business Day at a time when the processing of the deposit cannot be completed that same day, the account will be opened on the following Business Day. If this occurs, the CD account will receive the current interest rate and APY in effect on the date opened.

### **A CD ACCOUNT WITH AUTOMATIC RENEWAL SELECTED FOR THE SAME TERM WILL RENEW AS THE SAME TERM**

The CD ACCOUNT RECEIPT or ACCOUNT WELCOME LETTER will disclose the maturity date, interest rate, APY, compounding period and crediting period relating to the CD account at the time of account opening.

**ACCRUED INTEREST** – For cash deposits, interest begins to accrue on the Business Day the Bank receives the cash deposit. For noncash items (e.g. checks), interest begins to accrue on the Business Day the Bank receives credit for the noncash items.

**BALANCE COMPUTATION** – The Bank uses the “Daily Balance” method to calculate interest on the account. This method applies a daily periodic rate to the principal in the CD account each day.

**ANNUAL PERCENTAGE YIELD** is based on principal and interest left on deposit for a full 365-day year with interest compounded at the same interest rate. Withdrawal of interest on a periodic basis will result in a lower Annual Percentage Yield than stated.

**FREQUENCY OF RATE CHANGE** The interest rate, as disclosed on the CD Account Receipt or Account Welcome Letter, will be paid until the maturity date.

**COMPOUNDING AND CREDITING** – The CD Account Receipt or Account Welcome Letter will indicate, at the time of account opening, what rate/APY is applicable to the CD account. Interest compounding depends upon the CD product options available at the time of account opening. Depending on the term and other features of the CD account, interest may be credited and paid monthly, quarterly, semi-annually, annually or at the end of the CD Term. If periodic interest payments are available, the Customer may choose to have the interest credited to another qualified HSBC commercial deposit account. Even if periodic interest payments are not available, the Customer may withdraw any earned and credited interest from the CD account on or before the maturity date with no early withdrawal penalty.

**GRACE PERIOD** is the period of time following the maturity of an automatically renewing CD (or term) account during which the Customer may perform a one-time deposit or withdrawal of funds without being assessed an early withdrawal penalty. The grace period will terminate on the day the Customer provides an instruction to change the term or perform a transaction. **Note:** There is no grace period for the CD Account if the Customer selected to receive full payout at the time the CD matures.

For Certificates of Deposit with a renewal term of 28 days or greater the grace period is ten (10) calendar days including maturity date.

For Certificates of Deposit with a renewal term of 7 to 27 days the grace period is five (5) calendar days including maturity date.

**EARLY WITHDRAWAL PENALTY** – If any principal is withdrawn before the maturity date, the penalty shown below may be imposed:

<u>TERM</u>	<u>EARLY WITHDRAWAL PENALTY</u>
Terms up to 369 days	30 Days Simple Interest
Terms from 370 to 733 days	90 Days Simple Interest
Terms of 734 days or more	180 Days Simple Interest

The penalty may reduce principal if there is insufficient interest available. There is no penalty for a withdrawal made from a CD account during the grace period.

**MATURITY** – The Bank will send the Customer a notice before the maturity date for any term of 28 days or more.

**RENEWALS** – If the CD account is renewed, the balance on the maturity date, less any withdrawal or plus any deposit, will be reinvested as of the first day of the renewal term. Unless otherwise indicated in this disclosure, the CD account will be automatically renewed for the same term at the interest rate and APY in effect at maturity, unless the Customer tells us otherwise by the maturity date or within the grace period. If the CD account is to be automatically renewed and the CD account term is greater than one month, the Bank will send a renewal notice at the end of the grace period disclosing the renewal information. If the CD account is not renewed, it will cease to earn interest on the maturity date.

**ACCOUNT RECEIPT OR ACCOUNT WELCOME LETTER** – The Bank will issue a CD Account Receipt or electronic (e-mail) Account Welcome Letter when the account is opened. The Bank will not send a new CD Account Receipt or Account Welcome Letter after each renewal, but if the CD account term is more than 28 days, and the CD account is automatically renewed, the Bank will send the Customer a renewal notice showing the new rate and terms. **THE CD ACCOUNT IS NON-NEGOTIABLE AND IS TRANSFERABLE ONLY ON THE BANK'S BOOKS, AND THE CD ACCOUNT RECEIPT OR ACCOUNT WELCOME LETTER IS NOT REDEEMABLE.**

**STATEMENTS** – are provided by the Bank at least quarterly and may be provided more frequently depending on the type of transactions and/or any agreement made at the time of the CD account opening.

This document forms part of the terms and conditions governing the Customer's commercial deposit account(s) with the Bank. In case of any inconsistency, between this document and such terms and conditions, this document will control.