

Regional Growth Fund - Assisted Asset Purchase Scheme

A fund supporting projects and programmes that lever private sector investment creating economic growth and sustainable employment.

HSBC is participating in the Government's Regional Growth Fund (RGF), a £2.4billion fund which will operate across England from 2011 to 2015.

As a result, HSBC will receive £25million from the fund to support businesses that

- have a turnover of less than €50million; and
- are recruiting new employees or are safeguarding existing jobs; and
- are purchasing new fixed assets such as machinery and vehicles.

Supporting private sector investment

The RGF supports projects and programmes that lever private sector investment creating economic growth and sustainable employment. It aims particularly to help those areas and communities currently dependent on the public sector to make the transition to sustainable private sector-led growth and prosperity.

HSBC scheme to help businesses acquire assets

We have created the 'Assisted Asset Purchase Scheme' which enables qualifying businesses to obtain funding towards the acquisition of assets where they would not ordinarily be eligible due to the lack of sufficient stake.

This could be the right solution for you if

- you are an existing HSBC customer; and
- you are creating additional employment, or you will retain jobs that could have otherwise been lost within 12 months; and
- you wish to purchase an asset but lack a sufficient deposit.

How the Regional Growth Fund works

- RGF monies take the form of a grant.
- The level of available support (grant) is based upon the size of your business, the location that the asset will be employed, level of asset investment and the number of Full Time Equivalent (FTE) jobs being created or retained.
- As the borrower, you commit to creating or retaining a number of FTE jobs based upon the amount of RGF grant received. One job must be created or retained for every £25,000 of grant received, up to a maximum of £500,000. Examples of this are summarised as follows:

Grant Amount No. of Additional/Retained Employees

≤ £25,000	1 or part thereof
≤ £50,000	2 or part thereof
≤ £75,000	3 or part thereof
≤ £100,000	4 or part thereof

Example: a business is granted £50,000, which is equivalent to 10% of the eligible costs (i.e. a fixed asset costs £500,000 exc VAT), then 2 FTE employees must be recruited or retained.

- Confirmation of job creation or retention, by an independent accountant (at your cost), will take place 24 months after drawdown or earlier if the borrowing is repaid prior to this date.
- The asset purchase will be funded using a suitable HSBC Equipment Finance product and the rate of interest can be fixed or variable. A negotiable arrangement fee will be chargeable.
- You choose the supplier of the asset and negotiate as if you were a cash buyer, with all the associated financial advantages without buying the asset outright.