



# Hybrid Checking Account

## Terms & Charges Disclosure

METHOD USED TO CALCULATE INTEREST	COMPOUNDING PERIOD	INTEREST RATE/ANNUAL PERCENTAGE YIELD (APY)	INTEREST RATE/ANNUAL EARNINGS CREDIT RATE	INTEREST IS CREDITED
Daily Ledger balance	Monthly			Monthly

**EARNINGS CREDIT AND FEES (ECR)** – The Bank calculates a monthly credit by applying a market based rate to the average positive available balance, less a reserve factor (if applicable). The result of this calculation represents the deposit earnings credit amount that is used to offset the service fees for the services the Customer used when such settlement offsetting election is in effect as described below. When in effect and when the fees exceed the Customer's deposit earnings credit, the Bank will charge the difference to the Hybrid Checking Account. When the deposit earnings credit exceeds fees, the difference will be credited as interest to the Hybrid Checking Account.

The Bank will apply ECR rate up to an agreed threshold balance. Balances above the threshold will earn credit interest. If the settlement offsetting election is not in effect, the earnings credit is settled by crediting as interest.

**ACCOUNT THRESHOLD BALANCE** – The Customer can change the threshold to reach the desired fee and credit interest compensation (settlement offsetting election). The Customer shall notify the Bank to request the threshold change.

**EARNINGS CREDIT SETTLEMENT OFFSETTING ELECTION**– By opening this hybrid account the Customer also elects for monthly earnings credits to be used to offset the service fees for the services the Customer has used unless and until the Customer notifies the Bank in writing that it is revoking this election to offset interest against fees. The Bank will apply the revocation upon notice.

### ANALYSIS OF ACCOUNT RELATIONSHIP -

If the Customer has more than one Hybrid Checking Account, the Bank will group all such accounts together to determine the deposit earnings credit and service fees. A single control account will be used to manage the relationship.

### NEGATIVE BALANCE PENALTY -

On days when the available balance is negative, a negative balance penalty will be applied to the account.

**INTEREST CREDIT** – The interest paid is credited monthly. The Bank calculates a monthly interest credit by applying a market rate based on the average balance in the account above the balance receiving earnings credits.

**BALANCE COMPUTATION** – The "Daily Ledger Balance" method applies a daily periodic rate to the principal in the account each day.

**INTEREST RATE CHANGES** – Interest rate and APY may change. The Bank may change the interest rate, solely at its discretion, at any time.

**ANNUAL PERCENTAGE YIELD** – The Annual Percentage Yield (APY) is based on principal and interest left on deposit using a 365-day year with interest compounded daily at the same interest rate. Withdrawal of interest from the Hybrid Checking Account will result in a lower Annual Percentage Yield than stated.

**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. If the account is closed before interest is credited, the Bank will pay the accrued interest.

**STATEMENTS ARE MAILED OR MADE AVAILABLE PERIODICALLY** – Statements for Hybrid Checking Account are made available monthly.

**ACCOUNT CLOSURE** – The day the Hybrid Checking Account is closed; the Bank will pay the accrued month to date interest to the account. ECR accrued up to the account closure will be used to offset service fees. Any amount remaining, surplus ECR, will not be paid.

**RECORDCHECK** – If the Customer chooses this service, the Bank will keep a record of the cancelled checks instead of providing image copies of the front of cancelled checks with the statement. If the Customer needs a copy of a cancelled check, the Bank will mail it to the Customer. A reconstruction fee may apply if a total reconstruction (copies of all checks and/or statements) is requested for one or more statements.

**SERVICE FEE SCHEDULE** subject to change without notice

Maintenance Fee . . . . .	\$35	Balance Verification Letter . . . . .	\$25 for original letter provided verifying the deposit account(s) with the Bank; may be notarized.
Coin		Additional Copies.....	\$5 each
Rolled Coin Furnished . . . . .	\$.11 roll	Transactions/Debits	
Unrolled Coin Furnished/Deposited. . . . .	\$5.25 bag	Insufficient Funds (NSF) Checking . . . . .	\$35 each for each withdrawal, check, electronic fund transfer, or other item the Bank pays or returns that overdraws the account.
Currency		Unavailable Funds (UNA)....	\$35 each for each withdrawal, check, electronic fund transfer, or other item the Bank pays or returns that is drawn against unavailable funds.
Currency Deposited Handling Fee		Book Transfer STP. . . . .	\$4 each
Per thousand .....	\$2.50	Book Transfer Repair. . . . .	\$10 each
Currency Withdrawal Handling Fee		Incoming Wire – STP.....	\$15 each
Per thousand .....	\$2.50	Outgoing Wire - STP.....	\$20 each
Deposits		Incoming / Outgoing Wire Repair . . . . .	\$23 each
Checks Deposited		Checks Paid . . . . .	\$25 each
Unencoded . . . . .	\$.30 each	Automated Clearing House (ACH).....	\$.22 each
Encoded.....	\$.30 each	Same Day ACH Surcharge . . . . .	\$1 each
Encoded Reject . . . . .	\$.35 each	Real Time Payments via the RTP System – Receive. . . . .	\$.40 each
Electronic Deposits Processed. . . . .	\$.95 each	Real Time Payments via the RTP System – Send ...	\$1.75 each
Teller Deposit Processed.....	\$2.00 each	Stop Payment –HSBCnet.....	\$22 each
mRDC* Maintenance . . . . .	No Charge	Stop Payment Order .....	\$45 each
mRDC Per Deposit .....	\$.35 each	Check Print and Mail Per Item.....	\$2 each
mRDC Per Check .....	\$.12 each	Global Wallet Access Charge. . . . .	\$30 per month
Deposit Items Returned		Global Wallet Receive Local Fee. . . . .	\$5 each
Standard.....	\$15 item	Global Wallet Pay Local Fee . . . . .	\$5 each
Resubmits .....	\$15 item	Global Wallet Pay Intl Fee.....	\$5 each
Canadian Check Processed . . . . .	\$5 each	Legal Papers.....	\$100 each for each court order, restraining notice, levy or other legal paper that requires the Bank to put a hold on the account or to pay out money from the account to someone else.
Statements			
Duplicate Statement . . . . .	\$15 each		
Statement Forwarding Fee .....	\$25 each		
Additional Statement .....	\$15 each		
Interested Party Statement . . . . .	\$5 each for each statement sent to a third party at the Customer's request.		

\* mRDC – Mobile Remote Deposit Capture

The Bank may amend the service fees and include charges for additional services provided or expenses incurred on the Customer's behalf. The Bank may assess a Deposit Administration Fee. Ask your HSBC bank representative for specific charges.

See **EFT FACILITY CHARGES** disclosure for service fees applicable to functions performed at an HSBC ATM or other Electronic Facility.

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.