Hewlett-Packard International Bank
Lending to Small & Medium Enterprises Information
Section 1: Overview

Hewlett Packard International Bank (hereafter “HPIB” or “we” or “us”) is regulated by the Central Bank of Ireland.

The Central Bank (Supervision and Enforcement) Act 2013 (Section 48) (Lending to Small and Medium-Sized Enterprises) Regulations 2015 (“the Regulations”) apply to all business lending by regulated entities to micro, small and medium enterprises (“SME’s”) based in Ireland.

The objectives of the Regulations are to:

- facilitate access to credit for sustainable and productive business propositions;
- promote fairness and transparency in the treatment of SME’s by regulated entities;
- ensure that when dealing with customers in financial difficulties the aim is to assist customers to meet their obligations, or otherwise deal with the situation in an orderly and appropriate manner.

This booklet sets out the processes HPIB has adopted in facilitating access to credit for SMEs and when providing the following credit products to SME business customers operating within Ireland:

- loans;
- leasing;
- hire purchase agreements.

Definitions

The Regulations define:

‘micro, small and medium-sized enterprise’ as an enterprise which employs fewer than 250 persons and which has an annual turnover not exceeding €50 million and an annual balance sheet total not exceeding €43 million.

‘micro and small enterprise’ as an enterprise which employs fewer than 50 persons and which has an annual turnover and annual balance sheet total which does not exceed €10 million.

‘medium-sized enterprise’ as a micro, small and medium-sized enterprise that is not a micro and small enterprise.

‘Financial Difficulties’: A customer is classified as in financial difficulties where the facility is in arrears for three consecutive months.

‘Complaint’ means an expression of grievance or dissatisfaction, either verbally or in writing, in connection with the:

- provision of credit or an alternative arrangement; or
- refusal of a regulated entity to provide credit or an alternative arrangement to a borrower.

General Principles

HPIB will ensure that in all its dealings with customers it:

- Acts honestly, fairly and professionally in the best interests of its customers;
- Acts with due skill, care and diligence;
- Does not act recklessly, negligently or mislead a customer deliberately;
- Has the resources, policies and procedures to comply with the Regulations;
- Makes full disclosure of all relevant information in a way that seeks to inform the customer;
- Seeks to avoid conflicts of interests;
- Does not exert undue influence or pressure on a customer;
- Complies with the letter and spirit of the Regulations.
Section 2: Credit Facilities

Applications for Credit

HPIB considers each application for credit facilities on its own merits.

Records of all credit applications are maintained by HPIB.

- The following documentation is required in order to review the credit application:
  o Latest audited/certified accounts as appropriate;
  o Income & expenditure statement/trading profit & loss account and balance sheet;
  o Up to date management accounts and cash flow statements to reflect the current trading period;
  o Up to date aged list of debtors/creditors;
  o Financial and cash flow projections and underlying assumptions;
  o Tax clearance certificate where appropriate;
  o Up to date assets/liability profile of the business and owners/promoters;
  o If required, details of the customer’s security position.

In addition, HPIB may seek submission of a business plan in support of a credit application. Where this is required HPIB will provide the borrower with information on the content and format for that business plan.

A borrower may request a meeting with HPIB to discuss an application for credit.

Credit applications will be acknowledged within 5 working days of receipt of all information requested. We are committed to reverting with a credit decision within 15 working days of receipt of all information requested.

Where we cannot make a decision within 15 working days, because we need further information for you, we will write to you to advise you of the information we require and the timeframe within which it is needed.

Where a new application for credit is approved HPIB will provide the customer with confirmation of facilities granted and the applicable terms and conditions including fees, charges and (where applicable) interest rates and conditions that apply in event of default. In addition HPIB will advise the customer of the next steps to facilitate drawdown.

Security

In some circumstances HPIB will request collateral from an SME customer as part of the credit requirement to approve a deal. HPIB ensures that unreasonable collateral/personal guarantee requirements are not imposed on customers.

Prior to signing a personal guarantee the customer is advised to seek independent legal advice. If the customer does not wish to obtain this advice they must evidence this on the personal guarantee. Notwithstanding this, HPIB will explain clearly the possible implications of providing such collateral and the implications for the guarantor of giving a personal guarantee.

Where HPIB seeks security in support of an application by a borrower for credit, it will provide the borrower/guarantor with the following information:

a) Why the security is required and the potential consequences of providing such security.

b) Where security on a credit facility has been realised, the bank will immediately inform the borrower/guarantor of the following:
1. The amount obtained for the security.

2. The balance of any residual debt or overpayment after the proceeds in respect of the realized security have been applied and information about how a deficit is to be repaid, including details about the interest rate to be applied.

3. If there is a surplus, information on how any surplus is to be paid to the borrower or guarantor.

4. Costs for the realisation of the security where these costs are ultimately borne by the borrower.

Any security held by HPIB will be returned to the borrower / guarantor upon the maturity of the lease/loan.

**Declining/Withdrawing Credit**

Where an application for credit is declined, HPIB must explain clearly to the borrower the reason(s) why the application was declined.

A refused application for credit will not result in a negative impact on the borrower’s credit rating. HPIB makes each decision to withdraw or amend credit facilities on its merits.

Where HPIB decides to withdraw or amend credit facilities it will notify the customer, promptly, of the proposed withdrawal or amendment. Where this occurs, HPIB will advise the borrower of the reason(s) for the withdrawal or amendment.

Should a customer be unsatisfied with the result of a credit review, the customer should appeal through HPIB’s internal SME Credit appeals procedure – please refer to Section 4 below.

A borrower also has the right to complain under HPIB’s complaint procedure – please refer to Section 5 below.

It is important to note that HPIB will proceed to withdraw credit where there is a reasonable suspicion of fraud, money laundering, terrorist connections and/or misrepresentation.

**Option of a Review Meeting**

All business borrowers have the option of either an annual review meeting or an adhoc review when entering into an Alternative Repayment Arrangement in relation to their credit facility and security. To request a review, please contact us – refer to Section 7 below.

**Section 3: Financial Difficulties**

**General**

It is important that borrowers engage with HPIB to address financial difficulties. When difficulties first arise HPIB will advise customers in writing about the status of their account and the applicability of the Regulations together with details on the availability of the information booklet which can be obtained on HPIB’s website or by post.

HPIB has implemented policies and procedures for dealing with customers in financial difficulties. These policies and procedures:

- Set out the process for dealing with customers in financial difficulties and the implementation of this process;
- Set out the type of information that may be required from customers and the types of alternative repayment measures that may be offered;
- Set out the area or section within HPIB responsible for dealing with customers in financial difficulty;
- Are aimed at assisting the customer and allow for a flexible approach with each case to be handled on a case by case basis;
- Give the customer reasonable time, having regard to the circumstances of the case, to resolve the financial difficulties;
- Endeavour to agree an approach that will assist the customer in resolving the financial difficulties.

Information for customers in financial difficulties

HPIB’s information booklet for SME borrowers in financial difficulty has been made available on its website and can be found at:


Section 4: Appeals Procedure

We are fully committed to providing financing solutions and service offerings in a fair and professional manner to our customers, partners and business representatives.

The appeals process covers appeals relating to the following circumstances:

- You feel you have been unfairly refused a written request for credit;
- You believe you have been unfairly offered a smaller loan than requested existing credit facilities have been reduced or removed;
- HPIB has attached terms and conditions to the credit facility such that the credit facility cannot be accepted;
- You are in financial difficulty and HPIB has:
  o Not offered you an alternative repayment arrangement;
  o Declined your formal request for an alternative repayment arrangement;
  o Offered you an alternative repayment arrangement, but have attached special terms or conditions that you feel are unacceptable and therefore you are not willing to accept it;
  o Classified you as non-cooperating.

HPIB’s appeals procedure can be found at:

If you have exhausted the internal appeals process with HPIB, you may be eligible to avail of the appeals process provided by the Credit Review Office.

The Credit Review Office has been established to provide an independent, impartial credit appeals process for small and medium sized businesses, including sole traders and farmers who have had credit facilities refused, reduced or withdrawn by a bank.

Further information about the role of the Credit Review Office and the eligibility criteria for review can be found on their website at:
www.creditreview.ie

Section 5: Handling Complaints

We want to provide you with best in class customer service. We welcome any suggestions, which will help us respond to your needs and improve your experience with us. However, we recognise that things can go wrong sometimes, and if you have any reason to complain please:

1. Let us know the exact nature of the complaint
2. Provide any supporting information such as company name and contract number or other specific information
3. Include your contact details – name, email, telephone number.

We will respond to you as quickly as possible. We aim to solve your complaint within 5 business days.
If the issue requires further investigation we will send you a written acknowledgment of your complaint within 5 business days and give you the name of the person dealing with the issue.

Email  FinancialServicesResolution@hpe.com

Postal address
EMEA Customer Delivery Leader
Complaints
Hewlett-Packard International Bank
Liffey Park Technology Campus
Barnhall, Leixlip
Co. Kildare, W23 Y972
Ireland

Tel: +353 1 4118902

We aim to solve your complaint within 5 business days. If the issue requires further investigation we will send you a written acknowledgment of your complaint within 5 business days and give you the name of the person dealing with the issue.

If for some reason we haven’t resolved your complaint within 20 business days we will send you a written update. In exceptional circumstances, where the matter is not resolved within 40 business days we will write to inform you and let you know when you can expect a full reply. We will also (where applicable) include contact details of the Financial Services and Pensions Ombudsman (“FSPO”).

We'll make every effort to agree a fair and reasonable resolution with you. However, if you are not satisfied with our final response regarding your complaint, you may refer your complaint to the FSPO for arbitration.

The FSPO is an independent adjudicator whose services are available free of charge to customers who have unresolved complaints with their service provider. The FSPO will only become involved after the matter has been processed through the Bank’s internal complaint procedures so it is important that you firstly give us the opportunity to resolve your problem.

The FSPO may be contacted at the following address: Financial Services and Pensions Ombudsman Lincoln House, Lincoln Place, Dublin D02 VH29, Ireland
Phone: +353 1 567 7000; Email: info@fspo.ie
https://www.fspo.ie/make-a-complaint/

The process for complaints handling can be found at:

Section 6: Link to Regulations

A copy of the Regulations can be found in the section:: Business lending to Small and Medium Enterprises

https://www.centralbank.ie/regulation/consumer-protection/consumer-protection-codes-regulations
Section 7: Contact Us

Contact Details:

Contact your local Financial Area Manager ("FAM") or Customer Delivery Manager ("CDM") or alternatively, you can contact us by email or by phone:

financialservicesresolution@hpe.com

+353 1 4118902 – request to speak to Customer Delivery Manager

Useful Contacts Table

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<thead>
<tr>
<th>Useful Contact</th>
<th>Details</th>
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<tbody>
<tr>
<td>Banking &amp; Payments Federation Ireland</td>
<td><a href="http://www.BPFI.ie">www.BPFI.ie</a></td>
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<td>Central Bank Website</td>
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<td>Link <a href="https://www.centralbank.ie">here</a> to the Central Bank of Ireland Regulations website</td>
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<tr>
<td>Credit Review Office Website</td>
<td><a href="http://www.creditreview.ie">www.creditreview.ie</a></td>
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<td>Irish Credit Bureau</td>
<td><a href="http://www.icb.ie">www.icb.ie</a></td>
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<td>HPIB Financial Services Resolution email</td>
<td><a href="mailto:financialservicesresolution@hpe.com">financialservicesresolution@hpe.com</a></td>
</tr>
<tr>
<td>HPIB Telephone Number</td>
<td>Customer Services Line +353 1 4118902</td>
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<tr>
<td>Insolvency Service of Ireland</td>
<td><a href="http://www.isi.gov.ie">www.isi.gov.ie</a></td>
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Hewlett Packard International Bank

Registered Office: Liffey Park, Barnhall, Leixlip, County Kildare, Ireland
Registered Number: 289479 Incorporated in the Republic of Ireland

Hewlett Packard International Bank is regulated by the Central Bank of Ireland.