

Banking Services for Small Business Owners

Owning and operating a small business has several benefits as well as unique challenges. Small business owners enjoy independence, flexibility, and tax advantages; however, they must also manage day-to-day operations, seek opportunities for growth, and stay on top of financial responsibilities. Suppliers, employees, and bills all need to be paid regularly and on time. Additionally, business owners must also ensure that their company has sufficient funds to cover unexpected expenses, such as equipment breakdown, or significantly larger or longer-term expenses, such as increased mortgage rates.

Whether you're in the early stage of your entrepreneurial endeavours or more established, your BMO Nesbitt Burns Investment Advisor can refer you to a BMO business banking representative who can help select the most appropriate business banking plan for your enterprise.

Build your business with the right plan

BMO Bank of Montreal ("BMO") values its small business clients, and offers multiple solutions to support your existing and evolving banking needs. This allows you to concentrate your time on the business issues that matter most. With several business banking plans and borrowing options available through BMO, you can feel secure knowing you have accessible tools to help your business succeed.

On June 1, 2017, BMO Bank of Montreal introduced its **eBusiness Plan** for small business clients who prefer to bank through self-serve electronic transactions. This plan features no monthly fee or minimum, and offers unlimited electronic transactions. On the opposite end of the spectrum, the **Business Builder 4** plan is designed for large businesses with high transaction volumes. For a \$120 monthly fee, you receive up to 160 monthly transactions, 90 items deposited, and \$12,000 in cash deposits. In between, BMO offers a variety of plans ideal for businesses with low-to-moderate transaction needs.

All business banking plans include free monthly eStatements with cheque images, unlimited Moneris® transactions¹, and two outgoing Interac e-Transfer®+ transactions². And for those who prefer to keep hardcopy records, a monthly paper statement is available for a \$3 monthly fee. Please note that all business plans are only available for Canadian dollar accounts. Please

see the Appendix to compare all the available BMO Business Banking Plans.

Flexible financing solutions

A concern for many business owners is access to capital. While you may have a strong handle on your cash flow, situations that demand quick access to funds can arise. If a supplier offers you a major cash discount, will you be able to take advantage of the deal while still fulfilling your financial obligations?

The following is a sampling of the lines of credit and business loans available at BMO. Depending on the amount needed, as well as other variables, a BMO line of credit may be right for your business. BMO's line of credit options include:

- the **BMO Small Business Line of Credit**, which gives you access to cash after submitting a one-time, no-fee application. You pay interest only on the amount you use;
- the **BMO Small Business Homeowner Line of Credit**, which uses your home as collateral and offers an interest-only payment option;
- **BMO Small Business Homeowner Readiline®**, which uses the equity in your home to bring down your cost to borrow, combining a mortgage and a line of credit;
- the **BMO Operating Line of Credit**, a viable option should you need to borrow \$50,000 or more. This line of credit also allows you to borrow in U.S. dollars, if needed; and
- for those with significant U.S. banking needs, the **U.S. Dollar Line of Credit from BMO Harris Bank³**, gives you access to U.S. funds directly from a U.S. bank. It's ideal for short-term borrowing and for covering business expenses in U.S. dollars.

Individuals who require a more substantial sum may find that a loan is a better financing option. BMO's business loan options include:

- the **BMO Small Business Installment Loan**, which provides access to financing for up to \$250,000⁴. It gives you control over interest rates, allowing you to protect your business cash flow;
- the **BMO Installment Loan Plan**, a fixed rate, flexible, longer-term loan, up to \$500,000⁴. It is best suited to those who need predictable payments, and there are a range of repayment and amortization term payment options available;
- the **BMO Fixed-Rate Term Loan**, an ideal solution if you're buying capital assets. It offers terms up to five years and amortization periods up to 15 years, allowing you to avoid interest rate fluctuations; and

- the **Variable-Rate Term Loan**, which helps you save money when interest rates go down. With this loan, you can switch to a fixed rate at any time, and benefit from flexible repayment options and the ability to choose your amortization period.

BMO is committed to helping Canadian business owners thrive, and regularly introduces new solutions and resources that can help entrepreneurs streamline their processes, reduce costs, and minimize paperwork. Visit bmo.com/business to explore additional offerings, including HR and payroll solutions.



For more information, ask your BMO Nesbitt Burns Investment Advisor to refer you to a BMO business banking representative.

Appendix



BMO Business Banking Plans

| | eBusiness Plan | Business Start | Business Builder 1 | Business Builder 2 | Business Builder 3 | Business Builder 4 |
|---|--|--|--|--|---|---|
| Description | No monthly fee plan for those who only deal in electronic transactions | A low-fee option with no minimum monthly balance requirement | A great value for those who use their account moderately | A comprehensive plan with advanced banking solutions | A flexible plan that waives the monthly fee if a \$35,000 balance is maintained | A robust plan for those with active banking needs |
| Monthly fee | \$0 | \$6 | \$20 | \$45 | \$80 | \$120 |
| Free monthly transactions | Unlimited (electronic) | 7 | 35 | 70 | 120 | 160 |
| Monthly statement | Free eStatements with cheque images | Free eStatements with cheque images | Free eStatements with cheque images | Free eStatements with cheque images | Free eStatements with cheque images | Free eStatements with cheque images |
| Moneris® transactions | Unlimited | Unlimited | Unlimited | Unlimited | Unlimited | Unlimited |
| Interac e-Transfer®† transactions | 2 | 2 | 2 | 2 | 2 | 2 |
| Maximum items deposited (e.g. cheque) without charge | 0 | 0 | 25 | 45 | 65 | 90 |
| Maximum cash deposited per month without charge | \$0 | \$0 | \$2,500 | \$4,000 | \$8,000 | \$12,000 |
| Minimum balance to waive plan fee | No minimum | N/A | N/A | N/A | \$35,000 | \$80,000 |

Footnotes:

* Electronic transactions exclude financial transactions completed by a BMO branch representative or with the assistance of a Customer Contact Centre associate.

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¹ Moneris payment processing fees still apply. Applies to all deposits posted by Moneris to your BMO business account in connection with your acceptance of Mastercard, Visa*, Interac, Discover* or Union Pay* branded cards and American Express* transactions that are settled by Moneris - including deposit of settlement funds, terminal rental fee, and any other fees. American Express credit card transactions that are not settled through Moneris are not included in unlimited Moneris transactions, and are subject to separate terms and conditions. Standard transaction fees apply. Refer to Moneris Solutions for complete details. All other debit or credit transactions posted to your BMO account related to any other brand of card processed using Moneris services, are not included and may be subject to transaction limits associated with your Plan and/or excess per-item transaction fees. (* Visa, Discover, American Express and Union Pay are trademarks of their respective owners.)

² Interac e-Transfer service may be restricted based on BMO Debit Card for Business privileges.

³ Harris Bank is a trade name used by BMO Harris Bank N.A. and its affiliates. BMO Harris Bank N.A. is a member of the FDIC. Products offered by Harris Bank are subject to their approval process.

⁴ Subject to meeting Bank of Montreal's usual credit granting criteria.



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