

RSP
Loans

Find your
RSP
solution





Whether your financial goals are maximizing wealth for a comfortable retirement or ensuring ample funds for your children's education needs, consider a **B2B Bank RSP Loan as part of the solution.**

No matter what life stage you're in, an RSP loan can assist you with your savings goals and ensure that you're using the benefits of RRSP tax-deferred investing and/or available government grants through RESPs.

What kind of saver are you?

Profile: **Kick-starter**

Need:

- Start saving for retirement
- Start saving for children's education

Attributes:

- Establishing savings
- Starting career
- Millennials
- Long term horizon

Profile: **Maximizer**

Need:

- Maximize contribution opportunities for savings growth
- Supplement retirement savings from pension, OAS, and GIS
- Maximize available RESP government grants

Attributes:

- Peak or stable income
- Established assets
- Excess cash flow
- Manageable debt

Profile: **Catch-up**

Need:

- Utilize unused contribution room to accelerate tax-deferred savings
- Catch-up on retirement savings and benefit from potential tax refund¹

Attributes:

- Limited assets
- Life-changing event
- Shortened time horizon
- Unused contribution room



To determine if an RSP loan is right for you, speak with your advisor. To learn more about B2B Bank RSP Loans, visit [b2bbank.com/talkrsp](https://www.b2bbank.com/talkrsp).

Case study: An RSP loan can amplify your savings

The RSP loan is a flexible tool that could help you meet your savings needs through the growth of lump-sum investments today that benefit from the time value of money.

Scenario #1:

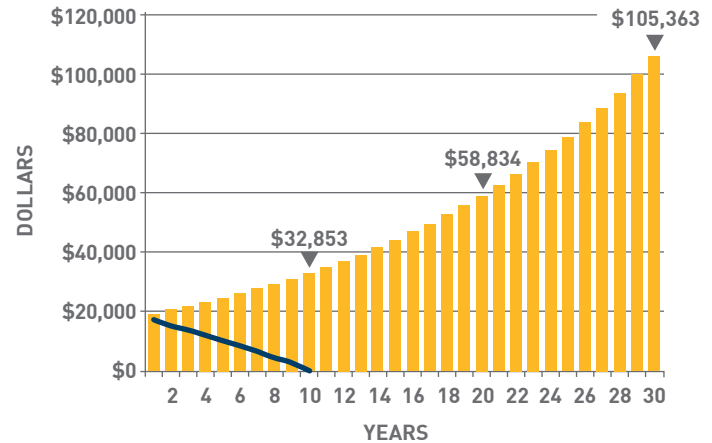
Standard RSP loan strategy

BACKGROUND

\$200/month loan amount
Current age: 41 (30 years until 71)

- 6% rate of return on investment
- Loan rate of 5.60%
- 10 year term
- Obtain a \$18,344.85 loan

In this case, your \$18,345 lump-sum from the RSP loan investment today could grow to \$32,853 ten years from now. And, if you keep that money invested for another 20 years, that initial \$18,345 investment could grow to \$105,363.



- \$ RSP MV (Market value of RRSP)
 - Principal
 - Refund
- ~\$24,000 is the loan principal + interest which must be repaid to the lender

Scenario #2:

RSP loan strategy with tax refund reinvested

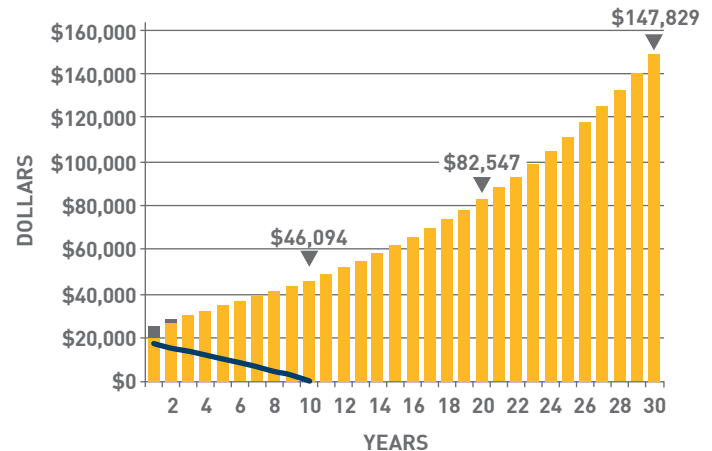
SCENARIO #1



REINVEST

- Invest tax refund in years 1 & 2
- Approx. year 1 = ~\$5,714
- Approx. year 2 = ~\$1,780

In this scenario, not only could you potentially benefit from the 6% annual rate of return on investments, but reinvesting your potential tax refund generated from your RRSP contribution over years 1 and 2 will help accelerate your savings growth. Notice, after 10 years, your savings have grown to \$46,094 instead of just \$32,853 without reinvesting your tax refunds. And after another 20 years, you could grow your savings an additional \$42,466 in comparison to Scenario #1 – all through a smart and disciplined RSP borrowing strategy.



The calculations shown are for illustrative purposes only. Actual rates and amounts may differ. The illustration is a hypothetical example and is not intended to project or predict actual results.



While RSP loans have the ability to magnify gains, they also have the potential to magnify market losses. Leveraging involves greater risk than purchasing investments using only your own cash resources because it has the potential to magnify investment losses. You are required to repay the loan, including interest, regardless of the investment return. An RSP loan may limit your access to credit due to the outstanding debt of the loan. Work with your advisor to understand both the benefits and risks of this strategy.

Our lending philosophy is simple.

We believe in investment lending and the power it has to help you achieve your financial goals. As a responsible lender, we acknowledge that investment lending is not for everyone.

About B2B Bank

We believe that all Canadians should have access to independent financial advice. So while we don't sell our banking services directly to you like other banks, we work with your advisor, so they can offer you the products and services you need to reach your financial goals.

Our products and services include:

- Investment, RSP and TFSA Loans
- Banking Services
- Mortgages
- Deposits
- Investment Accounts and Services

¹RRSP contributions cannot be deducted from income in all circumstances. Potential tax refunds are dependent on a number of factors, and making an RRSP contribution will not yield a tax refund in all circumstances. Consult a qualified tax professional for more information. ²B2B Bank is not responsible for any investment strategy or calculation in the "For your calculations" section. B2B Bank does not provide investment advice to individuals or advisors and does not endorse or promote any investment products. The dealer and advisor, not B2B Bank, are responsible for determining the suitability of investments for their clients and for informing them of the risks associated with borrowing to invest. B2B Bank acts solely in the capacity of lender and loan account administrator. Any loan approval from B2B Bank should not be construed as an endorsement of any investment choice, program or strategy. All loans are subject to credit approval and borrowed monies are due and payable regardless of the performance of the investments purchased. B2B Bank reserves the right to request additional information or documentation at its sole discretion. The B2B Bank Lending Program is available exclusively through licensed financial advisors. ©B2B BANK is a registered trademark of B2B Bank.