

## Fulfillment Ratio for participating products

To provide you an overview of the dividend declaration history of HSBC Life (International) Limited, Macau Branch (“the Company”), the Company intends to show the Fulfillment Ratio for each of the Company’s participating products to you in the previous two years prior to the reporting year 2022. These results are intended for reference purpose only and should not be taken as indicator of future dividend declaration and special bonus of participating products. The actual Fulfillment Ratios in future may be lower or higher than the historical Fulfillment Ratios as illustrated.

### What is the Fulfillment Ratio for annual dividends?

The Fulfillment Ratio for annual dividends shows the extent to which the actual accumulated annual dividends and interest (excluding special bonus, if applicable) meets, underperforms or outperforms the illustrated amount at the point of sale for all relevant in-force participating policies at the relevant policy year. In respect of each product and currency, Fulfillment Ratio for annual dividends for a policy year is calculated as the ratio of aggregate amount of any actual accumulated non-guaranteed annual dividends, any monthly income/annuity (non-guaranteed portion) and non-guaranteed interests (if any) earned on any accumulated dividends and/or its interest (if any) as well as accumulated guaranteed bonus and/or annuities (if applicable), against aggregate amount of accumulated non-guaranteed annual dividends and/or interest (if any), any monthly income/annuity (non-guaranteed portion) illustrated at point of sale across all relevant in-force policies in the reporting year.

### What is the Fulfillment Ratio for special bonuses?

The Fulfillment Ratio for special bonuses shows the extent to which the actual payout of special bonus meets, outperforms or underperforms the illustrated amount at the point of sale for all the relevant participating policies which were actually terminated in the reporting year. In respect of each product and currency, Fulfillment Ratio for special bonuses for a policy year is calculated as the ratio of aggregate amount of actual payout of special bonus against aggregate amount of special bonus illustrated at point of sale across all relevant policies which were actually terminated in the reporting year.

### How should I interpret the result of Fulfillment Ratio?

The Fulfillment Ratio will be 100% when the non-guaranteed benefits (i.e. accumulated dividends and interest or special bonus) declared matches with the illustrated non-guaranteed benefits amount at the point of sale. If it is above 100%, it means larger amount of non-guaranteed benefits was declared as compared with the illustrated amount and if it is below 100%, it means the opposite. However, it should be noted that the Fulfillment Ratio can only reflect the non-guaranteed benefits declaration result for a certain past period of the policies issued and it cannot represent any future declaration plan and strategy over a longer term for the remaining policy years. It is not suggested taking the Fulfillment Ratio result as an indicator of future non-guaranteed benefits declaration of the participating products.



Fulfillment Ratios of special bonus for reporting year 2022

Types	Name of participating products	Currency	Policy effective in 2021 (Policy year 1)	Policy effective in 2020 (Policy year 2)
Whole Life	HSBC Family Goal Insurance Plan	USD	N/A	Not yet launched
	HSBC Health Goal Insurance Plan	USD	N/A	Not yet launched
	HSBC Paramount Global Life Insurance Plan	USD	Not yet launched	Not yet launched
	HSBC Wealth Goal Insurance Plan II	USD	N/A	Not yet launched
Annuity	HSBC Flourish Income Annuity Plan	MOP	Not yet launched	Not yet launched
		HKD	Not yet launched	Not yet launched
		USD	Not yet launched	Not yet launched

Fulfillment Ratios of annual dividends for reporting year 2022

Types	Name of participating products	Currency	Policy effective in 2021 (Policy year 1)	Policy effective in 2020 (Policy year 2)
Annuity	HSBC Flourish Income Annuity Plan	MOP	Not yet launched	Not yet launched
		HKD	Not yet launched	Not yet launched
		USD	Not yet launched	Not yet launched

**Note:**

- Some of the above Fulfillment Ratios are shown as "N/A" because:
  - there are no relevant in-force policies in the respective policy year for some products;
  - the dividend amount / special bonus amount / illustrated amount at point of sale is zero and hence Fulfillment Ratio is undetermined; or
  - the special bonus amount illustrated at point of sales was non-zero, but there were no relevant policies actually terminated in the reporting year and therefore there is no reportable statistics.
- The products shown above are underwritten by the Company which is a branch incorporated in accordance with Macau laws, and is one of the HSBC Group's insurance underwriting subsidiaries. The Company is authorized and regulated by Autoridade Monetária de Macau to carry on long-term insurance business in the Macau SAR. You are subject to the credit risk of the Company. Your premiums paid will form part of the Company's assets. You do not have any rights or ownership over any of those assets. Your recourse is against the Company only. The above insurance products are long-term life insurance plans with a savings element. They are not equivalent or similar to any kind of bank deposit. The proceeds received upon policy surrender, whether partial or full, may be less than the total premiums paid.

