

Total Payout Ratio for participating products

To provide you an overview of the overall historical performance of participating products reflecting both the guaranteed and non-guaranteed benefits, HSBC Life (International) Limited, Macau Branch (“the Company”) intends to show the Total Payout 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 performance of the participating products. The actual payout ratios in future may be lower or higher than the historical payout ratios as illustrated.

What is the Total Payout Ratio?

The Total Payout Ratio is calculated as the ratio of the aggregate actual total cash value against the aggregate illustrated amounts at the point of sale for all the relevant in-force participating policies at that policy year. The total cash value reflects both the guaranteed and non-guaranteed benefits which include guaranteed cash value, accumulated endowment coupons and interests (if applicable), accumulated annuities and interests (if applicable), accumulated dividends and interests, special bonus (if applicable) to be paid upon surrender etc.

How should I interpret the result of Total Payout Ratio?

The Total Payout Ratio will be 100% when the actual total cash value matches with the illustrated amount at the point of sale. If it is above 100%, it means actual total cash value is larger as compared with the illustrated amount and if it is below 100%, it means the opposite. However, it should be noted that the Total Payout Ratio can only reflect the performance for a certain past period of the policies issued and it cannot represent any future dividend plan and strategy over a longer term for the remaining policy years. As such, it is not suggested taking the Total Payout Ratio result as an indicator of future performance of the participating products.

Total Payout Ratios 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



Note:

1. Some of the above Total Payout 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 Total Payout 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.

2. 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.

