

# Wealth Accumulation

## Whole Life Insurance

### Accumulating wealth with HSBC Wealth Goal Insurance Plan II



David Chow is a 40-year-old<sup>^</sup> professional. He is married with a young son. He is looking for an insurance plan that would help him to build up his savings so he can help his son with the down payment on his first home in the future.

He hopes to:



Grow his savings to achieve his long-term financial objectives



Give his family long-term financial protection

### How does HSBC Wealth Goal Insurance Plan II work for Mr Chow?



He decides to start saving early and applies for HSBC Wealth Goal Insurance Plan II ("the Plan") for himself, which is denominated in USD.



He is able to set aside USD36,000 per year and would like to pay premiums over 3 years.  
Annual Premium: USD36,000 x Premium Payment Term: 3 years  
= Projected Total Basic Plan Premium to be paid<sup>1</sup>: USD108,000



He wants to withdraw<sup>2</sup> cash to help finance his son's down payment on his first home in the future.



He changes the life insured of the policy<sup>3</sup> to his son in order to allow him to inherit the protection.

### Projected net cash value<sup>4</sup> of Mr Chow's Plan

The figures shown in the following examples are subject to rounding adjustment and are for illustrative purposes only.

After 20 Policy Years, Mr Chow has the option to exercise the **Policy Value Management Option**<sup>5,6</sup> to provide more certainty over his policy value.

Life Insured's Age <sup>7</sup>	Age 40	Age 43	Age 70	Age 81
	Mr Chow purchases the <b>HSBC Wealth Goal Insurance Plan II</b> with an annual premium of <b>USD36,000</b> . The premium payment term is 3 years.	Mr Chow has paid the full premium required for the Plan.	Mr Chow takes out <b>USD160,000</b> from the Plan to help finance his son's down payment on his first home. After he has taken out <b>USD160,000</b> , the remaining net cash value will continue to grow.	Mr Chow changes the life insured of the policy to his son to let him inherit the life protection under the policy.
<b>Projected net cash value (USD)*</b> (Guaranteed Cash Value + Special Bonus <sup>8</sup> )		<p>87,519</p>	<p>314,252<sup>†</sup></p>	<p>602,753<sup>†</sup></p>
<b>Projected total return*</b> (Projected net cash value as a multiple of Total Premiums Paid)		0.8 times	2.9 times <sup>†</sup>	5.6 times <sup>†</sup>

<sup>^</sup> Insurance Age means the age of the Life Insured or Policyholder where applicable at his or your next birthday.

\* The projected net cash value and returns, which exclude the withdrawal amount, shown above for different Life Insured's Ages are calculated using the current assumed investment returns and are for illustrative purposes only. The actual amount(s) payable may be higher and lower than those illustrated.

<sup>†</sup> The project net cash value and returns\* presented at Age<sup>7</sup> 70 and Age<sup>7</sup> 81 are calculated based on the assumption that USD160,000 has been taken out from the net cash value of the Plan.

# Retirement

## Whole Life Insurance

### Saving up for retirement with HSBC Wealth Goal Insurance Plan II



Peter Lee is a 38-year-old<sup>^</sup> entrepreneur in Greater Bay Area. He is looking for an insurance plan to help supplement his Non-mandatory Central Provident Fund and fund the purchase of his retirement home back in Canada.

He hopes to:



Travel the world with his wife



Build up his savings to cover the rising cost of living



Purchase a retirement home in Canada

### How does HSBC Wealth Goal Insurance Plan II work for Mr Lee?



He plans to retire at the age of 65 and he decides to apply for HSBC Wealth Goal Insurance Plan II ("the Plan") for himself, which is denominated in USD.



He is able to set aside USD40,000 a year and would like to pay premiums over 5 years.  
Annual Premium: USD40,000 x Premium Payment Term: 5 years  
= Projected Total Basic Plan Premium to be paid: USD200,000



When he retires at the age of 65, he decides to use his Non-mandatory Central Provident Fund to partially fund the purchase of his retirement home. He can also choose to withdraw funds regularly to support his retirement life in Canada.

### Projected net cash value<sup>4</sup> of Mr Lee's Plan:

The figures shown in the following examples are subject to rounding adjustment and are for illustrative purposes only.

After 20 Policy Years, Mr Lee has the option to exercise the **Policy Value Management Option** to provide more certainty<sup>9</sup> over his policy value.

Life Insured's Age <sup>7</sup>	Age 38	Age 43	Age 65	Age 70
	Mr Lee purchases the <b>HSBC Wealth Goal Insurance Plan II</b> with an annual premium of <b>USD40,000</b> . The premium payment term is 5 years.	Mr Lee has paid the full premium required for the Plan.	Mr Lee retires and travels the world with his wife.	Mr Lee doesn't need to surrender his Plan because he uses his Non-mandatory Central Provident Fund to partially fund the purchase of his retirement home. Alternatively, he can also choose to withdraw funds regularly from the policy to support his retirement life in Canada.
<b>Projected net cash value (USD)*</b> (Guaranteed Cash Value + Special Bonus)				
<b>Projected total return*</b> (Projected net cash value as a multiple of Total Premiums Paid)		<b>0.9 times</b>	<b>3.3 times</b>	<b>4.6 times</b>

<sup>^</sup> Insurance Age means the age of the Life Insured or Policyholder where applicable at his or your next birthday.

\* The projected net cash value and returns, which exclude the withdrawal amount (if any), shown above for different Life Insured's Ages<sup>7</sup> are calculated using the current assumed investment returns and are for illustrative purposes only. The actual amount(s) payable may be higher and lower than those illustrated.

# Post-Retirement

## Whole Life Insurance

### Accumulating wealth at retirement age with HSBC Wealth Goal Insurance Plan II



William Chan is 65 years old<sup>^</sup> and has just retired. He has already prepared a considerable retirement fund. However, considering the constant rise in living expenses and medical costs, he plans to set aside part of his assets to accumulate long-term return. He also plans to make his grandchildren the beneficiaries of his policy as a gift for future generations.

He hopes to:



Enjoy steady growth of his assets



Accumulate more wealth for his family

### How does HSBC Wealth Goal Insurance Plan II work for Mr Chan?



He decides to apply for HSBC Wealth Goal Insurance Plan II ("the Plan") for himself, which is denominated in USD



He is able to set aside USD100,000 a year and would like to pay premiums over 3 years.  
Annual Premium: USD100,000 x Premium Payment Term: 3 years  
= Projected Total Basic Plan Premium to be paid: USD300,000



He can grow the net cash value of his Plan and enjoy potential returns in his retirement. In the unfortunate event of his death, the policy will pay his family a Death Benefit either in a lump sum or by instalments, in accordance with his instructions.

### Projected net cash value<sup>4</sup> of Mr Chan's Plan:

The figures shown in the following examples are subject to rounding adjustment and are for illustrative purposes only.

Life Insured's Age <sup>7</sup>	Age 65	Age 68	Age 75	Age 85
	Mr Chan purchases <b>HSBC Wealth Goal Insurance Plan II</b> with an annual premium of <b>USD100,000</b> and a payment term of 3 years.	Mr Chan has paid the full premium for the plan. Total Premium Paid (TPP) is <b>USD300,000</b> .	The project net cash value of the plan continues to grow. Even in the unfortunate event of Mr. Chan's passing, the plan will leave his family a total projected Death Benefit of <b>USD432,701 (144% of TPP)</b> of which <b>USD302,500</b> is guaranteed.	Mr Chan keeps enjoying his retirement life with his family. The projected net cash value will give him a lot of peace of mind. After 20 Policy Years, Mr Chan has the option to exercise the <b>Policy Value Management Option</b> to secure part of his policy value. He can also choose to withdraw cash from the Policy Value Management Balance <sup>10</sup> if needed.
<b>Projected net cash value (USD)*</b> (Guaranteed Cash Value + Special Bonus)		<p>USD51,301 USD191,807 <b>243,107</b></p>	<p>USD127,201 USD226,940 <b>354,142</b></p>	<p>USD386,104 USD269,823 <b>655,927</b></p>
<b>Projected total return*</b> (Projected net cash value as a multiple of Total Premiums Paid)		<b>0.8 times</b>	<b>1.2 times</b>	<b>2.2 times</b>

<sup>^</sup> Insurance Age means the age of the Life Insured or Policyholder where applicable at his or your next birthday.

\* The projected net cash value and returns, which exclude the withdrawal amount (if any), shown above for different Life Insured's Ages<sup>7</sup> are calculated using the current assumed investment returns and are for illustrative purposes only. The actual amount(s) payable may be higher and lower than those illustrated.

**Assumptions for the illustrative example presented:**

- i. The Policy Value Management Option has not been exercised during the policy term.
- ii. All premiums have been paid in full when due during the premium payment period.
- iii. There is no policy loan while this Policy is in force.
- iv. Special Bonus scale remains unchanged as originally illustrated throughout the policy term.

**Notes:**

1. Total Basic Plan Premium Paid refers to the total amount of premium due for the Basic Plan (whether or not actually paid) as of the date of death of the Life Insured.
2. Cash can be taken out from the policy during the policy term by way of partial surrender as below: cash withdrawals made will be deducted from the Guaranteed Cash Value and any Special Bonus entitlement, by way of reducing the Policy Amount of the policy. With reduction of Policy Amount, the Total Premiums Paid under this policy will be adjusted and reduced proportionally and consequential adjustments will be made in the calculations of Guaranteed Cash Value, Special Bonus (if any) and Death Benefit. Regular withdrawal of the policy is subject to following two requirements: (i) a minimum amount of USD 250 per withdrawal; and (ii) a minimum Policy Amount requirement of USD 25,000 for the policy. No withdrawal will be allowed when the Policy Amount of the policy is below the minimum Policy Amount required, which is determined by the Company from time to time without prior notice to Policyholder. The actual amount and number of years available for regular withdrawal is dependent on the actual amount of non-guaranteed Special Bonus payable under the policy.
3. Each policyholder is entitled to the change of life insured of Policy for unlimited times after the first policy year or after the end of the premium payment period provided all premiums are fully paid when due, whichever is later. Change of life insured is subject to evidence of insurability and approval by the Company which is based on the underwriting conditions of the life insured. Any such request will be assessed on case-by-case basis and is at our discretion with consideration of multiple factors, including but not limited to the change in underlying claim risk, change in policy term, latest economic outlook, etc.
4. The net cash value is, at any time, the amount equal to the Guaranteed Cash Value plus Special Bonus (if any), less any Indebtedness<sup>11</sup>.
5. You may apply to exercise this Policy Value Management Option to allocate a portion of the Net Cash Value as of the date of such request is processed, to the Policy Value Management Balance provided that: i) This Policy has been in force for 20 Policy Years or more; ii) All premiums are paid up when due; and iii) There is no Indebtedness under the Policy.
6. The exercise of the Policy Value Management Option is subject to the minimum amount requirements on (i) the Net Cash Value to be allocated per transaction; and (ii) the Policy Amount after the exercise of this option. Such minimum amount requirements are determined by the Company from time to time without prior notice to Policyholder. Cancellation, termination or reversal will not be allowed after the Policy Value Management Option is exercised. In the event that you exercise the Policy Value Management Option, the Aggregate Cash Value (an amount equal to Net Cash Value plus Policy Value Management Balance, if any) under the Policy (which is used in the calculation of the surrender value and Death Benefit under the Policy) at a future point in time may be higher or lower than it would have been if you had not chosen to exercise the option.
7. The Policy Anniversary at which the Policyholder or the Life Insured is of the specified age based on age at next birthday.
8. The Special Bonus is a non-guaranteed payment made at the Company's discretion. The amount of any potential Special Bonus will be determined by the Company when it becomes payable. The Special Bonus (if any) shall be paid when you fully or partially surrender or terminate the Policy, when it matures or lapses or in the event of the death of the Life Insured. Upon exercising the Policy Value Management Option, a portion of the Guaranteed Cash Value and Special Bonus (if any) will be allocated to the Policy Value Management Balance to accumulate with interest. The Company will provide updates on the amount of the Special Bonus, if any, on the annual statement of each Policy Anniversary. Such amounts shown on the annual statement(s) may be higher or lower than those illustrated on the benefit illustration at the point of sale. The actual future amounts of Special Bonus may be higher or lower than the amounts illustrated in the Policy Benefit Illustration attached to the annual statement(s).
9. Policy Value Management Option could help to partially protect the Aggregate Cash Value of the Plan from the volatility of the underlying investment portfolio. That means, if the equity market falls after this option is exercised, it could result in a decrease in the Special Bonus (if any) of the Plan and the portion of the proceeds being transferred to the Policy Value Management Balance will be protected against the fall in the equity market and thereby reduce the risk exposures under this Plan. However, if the equity market rises after this option is exercised, it could result in an increase in the Special Bonus (if any) of the Plan and the Aggregate Cash Value under this Plan would be lower than if those had not chosen to exercise the option.
10. Policy Value Management Balance means the amount of the accumulation of the proceeds from exercising the Policy Value Management Option which is allocated to the Policy to accumulate at such interest rate(s) that are determined at the Company's discretion from time to time, and less any previously withdrawn amounts.
11. Indebtedness is the sum of all outstanding Policy Loans or Automatic Premium Loans advanced in accordance with the Policy plus the accrued interest on such loans as well as any outstanding premiums or payments.

**Past, current, projected and/or potential benefits and/or returns (eg bonuses, interests) presented are not guaranteed and are for illustrative purposes only. The actual future amount(s) of benefits and/or returns may be higher or lower than the currently quoted benefits and/or returns. The figures as shown in the illustrative example are subject to rounding adjustment and are for illustrative purposes only. Please refer to the figures as shown in your insurance proposal for details.**

**The information shown above is intended as a general summary and is for illustrative purposes only. You should read this material in conjunction with the respective product brochure and illustration. Please also refer to the Policy Provisions for the detailed terms and conditions.**

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In respect of an eligible dispute (as defined in the admissibility scope in the Mediation Scheme for Financial Consumption Disputes) arising between HSBC Life (International) Limited ("HSBC Life") and you out of the selling process or processing of the related transaction, HSBC Life is required to enter into a Financial Consumption Dispute Mediation process with you however, any dispute over the contractual terms of the above insurance product should be resolved between the Company and you directly.