

Policy Crediting Interest Rates (for universal life insurance products)

What are universal life insurance products?

Universal life insurance products are long-term insurance plans offering a high level of protection with competitive features and flexibility for policyholders' multi-generational planning needs and other insurance needs. For details of the product features and key risks of universal life insurance products, please refer to the relevant product materials and policy provisions.

The benefits provided by universal life insurance products are impacted by the Crediting Interest Rates as well as applicable charges. The Crediting Interest Rate is a floating rate determined by HSBC Life (International) Limited ("the Company", "we" or "us"), subject to a guaranteed minimum floor as set out in the Policy Provisions.

Crediting Interest Rate Philosophy

The applicable Crediting Interest Rates vary depending on the policy currency and product series. We review such rates regularly from time to time. We will inform you of any subsequent change of the Crediting Interest Rates for your policy.

When determining the Crediting Interest Rate, which applies to each universal life insurance policy, we consider the following factors, including but not limited to:

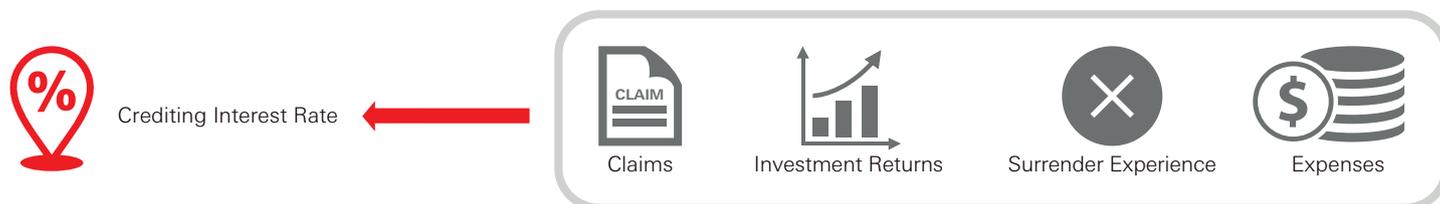
Investment returns: The investment returns on the assets supporting the universal life policies include interest earnings as well as losses or gains realised upon the disposal of assets or asset impairments. The investment returns on universal life underlying portfolios are not guaranteed.

The expectation of the long-term future investment returns: If the investment returns over the long-term are better than expected, the Crediting Interest Rate would increase, if the investment returns are worse than expected, the Crediting Interest Rate would decrease.

The claims: The cost of providing the death benefit and other insured benefits under universal life insurance policies.

The surrender experience: Total and partial surrenders, and their corresponding impact on investments.

The expenses: The actual amount of expenses incurred and apportioned to the group of policies, e.g. our underwriting and general overhead costs.



In order to ensure fairness to all policyholders when defining Crediting Interest Rate, and that any conflicting interests of policyholders with other policyholders and/or shareholders have been properly addressed, a dedicated committee formed from a group of professionals will provide independent advice on the management of the universal life business.

Investment philosophy for universal life underlying portfolios

We maintain a prudent approach to investing for the universal life underlying portfolios, with the primary goal being the delivery of long-term value to all policyholders.

Each portfolio is invested in fixed income assets (predominately corporate bonds but also government bonds and alternative credit) under pre-determined diversification and rating objectives. The current long term investment strategy is to invest in diversified long term fixed income assets primarily with investment grade credit quality (BBB- or above). Fixed income assets of other credit quality (including unrated fixed income assets) would also be considered if they fit our risk appetite profile. However, the Jade Universal Life underlying portfolios are conservatively positioned to limit the exposure to fixed income assets of other credit quality. Assets are held by us with long term prospects in order to match our long term liabilities. Subject to our investment policy, derivatives may be utilised to manage our investment risk exposure, for matching between assets and liabilities and for efficient portfolio management.



Historical Crediting Interest Rates of universal life insurance products

The following tables show the historical Crediting Interest Rates for each of the universal life insurance products that were issued with new policies commencing from 2010 and have policies that remain in force as of the reporting year. Policies of any universal life insurance products which are issued before 2010 are not included in the calculation and disclosure of the historical Crediting Interest Rates shown below. **These results are last updated in March 2024 and intended for your reference only.** They are not guaranteed and should not be taken as indicator of future Crediting Interest Rates of our universal life insurance products. The actual future Crediting Interest Rates may be lower or higher than the historical Crediting Interest Rates as shown.

Jade Ultra Global Generations Universal Life

| Product Series | No-Lapse Guarantee (NLG) Option | Currency | Crediting Interest Rates for reporting year 2023 | | | | | | | | | | | |
|-------------------------|---|----------------------------|--|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| | | | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | | |
| Currently available | For policies issued on or after 27 February 2023 | Not applicable | USD | N/A | 4.55% |
| | | | AUD | N/A | 3.80% |
| | | | CNY | N/A | 2.65% |
| | | | GBP | N/A | 3.40% |
| | Applicable, NLG to age 100 | USD | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | 3.00% | |
| Currently not available | For policies with insurance proposal print date before 8 April 2018 | Not applicable | USD | 3.90% | 3.90% | 3.81% | 3.60% | 3.65% | 3.65% | 3.58% | 3.35% | 3.35% | 3.35% | |
| | | | AUD | 4.00% | 3.73% | 3.22% | 2.90% | 2.90% | 2.86% | 2.39% | 2.00% | 2.00% | 2.00% | |
| | | | CNY | 3.30% | 3.30% | 3.30% | 3.30% | 3.30% | 3.30% | 3.23% | 3.00% | 3.00% | 3.00% | |
| | | | GBP | 4.00% | 4.00% | 3.62% | 3.30% | 3.23% | 2.95% | 2.95% | 2.95% | 2.95% | 2.95% | |
| | | Applicable, NLG to age 80 | USD | 3.75% | 3.75% | 3.66% | 3.40% | 3.40% | 3.40% | 3.33% | 3.10% | 3.10% | 3.10% | |
| | | Applicable, NLG to age 90 | USD | 3.70% | 3.70% | 3.61% | 3.35% | 3.35% | 3.35% | 3.28% | 3.05% | 3.05% | 3.05% | |
| | | Applicable, NLG to age 100 | USD | 3.65% | 3.65% | 3.56% | 3.30% | 3.30% | 3.30% | 3.23% | 3.00% | 3.00% | 3.00% | |
| | | Available, NLG Lifetime | USD | 3.60% | 3.60% | 3.51% | 3.25% | 3.25% | 3.25% | 3.19% | 3.00% | 3.00% | 3.00% | |
| | For policies with insurance proposal print date on or after 8 April 2018 and issued before 27 February 2023 | Not applicable | USD | N/A | N/A | N/A | N/A | 3.85% | 3.85% | 3.78% | 3.55% | 3.55% | 3.55% | |
| | | | AUD | N/A | N/A | N/A | N/A | 2.90% | 2.86% | 2.39% | 2.00% | 2.00% | 2.00% | |
| | | | CNY | N/A | N/A | N/A | N/A | 3.30% | 3.30% | 3.23% | 3.00% | 3.00% | 3.00% | |
| | | Applicable, NLG to age 100 | USD | N/A | N/A | N/A | N/A | 3.30% | 3.30% | 3.23% | 3.00% | 3.00% | 3.00% | |

Jade Global Generations Universal Life

| Product Series | | No-Lapse Guarantee (NLG) Option | Currency | Crediting Interest Rates for reporting year 2023 | | | | | | | | | | | |
|-------------------------|--|---------------------------------|----------|--|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| | | | | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | | |
| Currently available | For policies issued on or after 27 February 2023 | Not applicable | USD | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | 4.35% | |
| | | | AUD | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | 3.80% |
| | | | CNY | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | 2.65% |
| | | | GBP | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | 3.40% |
| | | Applicable, NLG to age 100 | USD | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | 3.00% |
| Currently not available | For policies issued before 27 February 2023 | Not applicable | USD | 3.90% | 3.90% | 3.81% | 3.60% | 3.65% | 3.65% | 3.58% | 3.35% | 3.35% | 3.35% | 3.35% | |
| | | | AUD | 4.00% | 3.73% | 3.22% | 2.90% | 2.90% | 2.86% | 2.39% | 2.00% | 2.00% | 2.00% | 2.00% | |
| | | | CNY | 3.30% | 3.30% | 3.30% | 3.30% | 3.30% | 3.30% | 3.23% | 3.00% | 3.00% | 3.00% | 3.00% | |
| | | | GBP | 4.00% | 4.00% | 3.62% | 3.30% | 3.23% | 2.95% | 2.95% | 2.95% | 2.95% | 2.95% | 2.95% | |
| | | Applicable, NLG to age 80 | USD | 3.75% | 3.75% | 3.66% | 3.40% | 3.40% | 3.40% | 3.33% | 3.10% | 3.10% | 3.10% | 3.10% | |
| | | Applicable, NLG to age 90 | USD | 3.70% | 3.70% | 3.61% | 3.35% | 3.35% | 3.35% | 3.28% | 3.05% | 3.05% | 3.05% | 3.05% | |
| | | Applicable, NLG to age 100 | USD | 3.65% | 3.65% | 3.56% | 3.30% | 3.30% | 3.30% | 3.23% | 3.00% | 3.00% | 3.00% | 3.00% | |
| | | Applicable, NLG Lifetime | USD | 3.60% | 3.60% | 3.51% | 3.25% | 3.25% | 3.25% | 3.19% | 3.00% | 3.00% | 3.00% | 3.00% | |

Jade Global Select Universal Life

| Product Series | No-Lapse Guarantee (NLG) Option | Currency | Crediting Interest Rates for reporting year 2023 | | | | | | | | | |
|-------------------------|---------------------------------|----------|--|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| | | | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
| Currently not available | Not applicable | USD | 4.40% | 4.40% | 4.40% | 4.40% | 4.44% | 4.60% | 4.60% | 4.60% | 4.60% | 4.60% |
| | | AUD | 5.20% | 4.61% | 3.82% | 3.50% | 3.22% | 3.17% | 2.79% | 2.40% | 2.40% | 2.40% |
| | | GBP | 3.60% | 3.60% | 3.31% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% |
| | Applicable, NLG to age 80 | USD | 4.15% | 4.15% | 4.15% | 4.15% | 4.19% | 4.35% | 4.35% | 4.35% | 4.35% | 4.35% |
| | Applicable, NLG to age 90 | USD | 4.10% | 4.10% | 4.10% | 4.10% | 4.14% | 4.30% | 4.30% | 4.30% | 4.30% | 4.30% |
| | Applicable, NLG to age 100 | USD | 4.05% | 4.05% | 4.05% | 4.05% | 4.09% | 4.25% | 4.25% | 4.25% | 4.25% | 4.25% |
| | Applicable, NLG Lifetime | USD | 4.00% | 4.00% | 4.00% | 4.00% | 4.04% | 4.20% | 4.20% | 4.20% | 4.20% | 4.20% |

Jade Global Universal Life

| Product Series | No-Lapse Guarantee (NLG) Option | Currency | Crediting Interest Rates for reporting year 2023 | | | | | | | | | |
|-------------------------|---------------------------------|----------|--|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| | | | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
| Currently not available | Not applicable | USD | 4.90% | 4.90% | 4.90% | 4.90% | 4.90% | 4.90% | 4.90% | 4.90% | 4.90% | 4.90% |
| | | AUD | 5.20% | 4.61% | 3.82% | 3.50% | 3.22% | 3.13% | 2.39% | 2.00% | 2.00% | 2.00% |
| | | GBP | 3.60% | 3.60% | 3.31% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% |
| | Applicable, NLG Lifetime | USD | 4.70% | 4.70% | 4.70% | 4.70% | 4.70% | 4.70% | 4.70% | 4.70% | 4.70% | 4.70% |

Goal Access Universal Life Plan (Protection)

| Product Series | No-Lapse Guarantee (NLG) Option | Currency | Crediting Interest Rates for reporting year 2023 | | | | | | | | | |
|---------------------|---------------------------------|----------|--|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| | | | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
| Currently available | Not applicable | USD | N/A | 3.30% | 3.30% | 3.30% | 3.30% | 3.30% | 3.23% | 3.00% | 3.00% | 3.00% |

Goal Access Universal Life Plan (Education)

| Product Series | No-Lapse Guarantee (NLG) Option | Currency | Crediting Interest Rates for reporting year 2023 | | | | | | | | | |
|---------------------|---------------------------------|----------|--|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| | | | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
| Currently available | Not applicable | USD | N/A | 3.30% | 3.30% | 3.30% | 3.30% | 3.30% | 3.23% | 3.00% | 3.00% | 3.00% |

Remarks

- i) For the purposes of this document, the term "Crediting Interest Rate" shall refer to the "General Crediting Interest Rate" as explicitly detailed in the product brochures and the provisions of the respective insurance products offered by the Company.
- ii) Some of the above results are shown as "N/A" because the corresponding product option and/or policy currencies were not yet available at the relevant time.
- iii) For a given year and product option/policy currency, the historical Crediting Interest Rate is equal to the time-weighted average of the Crediting Interest Rates applied to all policies of the corresponding product option/policy currency over that year, irrespective of the respective policy issue dates. For example, in 2016, the Crediting Interest Rate applied to all USD policies of Jade Global Generations product without No-Lapse Guarantee option has been changed from 3.90% to 3.55% on 3 Oct 2016. That means, the rate of 3.90% applied over 276 days from 1 Jan 2016 to 2 Oct 2016 and the rate of 3.55% applied over the remaining 90 days from 3 Oct 2016 to 31 Dec 2016. The time-weighted average of the Crediting Interest Rates applied to all USD policies of Jade Global Generations product without No-Lapse Guarantee option was 3.81% in 2016 which is calculated as follows: $3.81\% = (3.90\% * 276 \text{ days} + 3.55\% * 90 \text{ days}) / 366 \text{ days}$, where 366 is the total number of days in 2016.
- iv) The time-weighted average Crediting Interest Rates for a particular year as shown above will not change in the future.
- v) The above universal life insurance products are underwritten by the Company, a HSBC Group insurance underwriting subsidiary. The Company is incorporated in Bermuda with limited liability and is authorised and regulated by the Insurance Authority to carry on long term insurance business in the Hong Kong 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. Universal life insurance products are long term life insurance protection. 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.