

Purpose

This document provides you with the key information about this investment product. It is not marketing material. The information is required by law to help you understand the nature, risks, costs, potential gains and losses of this product and to help you compare it with other products.

Product

| | | | |
|-------------------------|---|----------------------|--|
| Name of Product: | With-Profits – Savings Plan | Manufacturer: | HSBC Life Assurance (Malta) Ltd. |
| Website: | https://www.hsbc.com.mt/ | Telephone: | Premier: 2148 9100 / Advance: 2148 9101 / Retail: 2380 2380 |
| Published Date: | 31/03/2024 | | |

HSBC Life Assurance Malta Ltd. ("HSBC Life") is a subsidiary of HSBC Bank Malta p.l.c. This Packaged Retail Insurance Investment Product ("PRIIP") is authorised in Malta. The Malta Financial Services Authority is responsible for supervising HSBC Life Assurance (Malta) Ltd. in relation to this Key Information Document (KID).

You are about to purchase a product that is not simple and may be difficult to understand.

What is this product?

Type

The With-Profits - Savings Plan (the "Product") is a regular premium life insurance based with-profits investment plan.

Objective

This Product allows you to participate in the profits generated by the with-profits fund which invests in a wide range of financial instruments such as local and international equities, local property, Malta Government stock, other local and international bonds, cash and other suitable instruments which are managed in-house. The policyholder therefore shares in the profits and the losses of the with-profits fund. The aim of the fund is to ensure sustainable long term growth which maximizes returns whilst maintaining a level of capital protection, as long as the Product is kept to maturity. A bonus is paid from the investment returns earned in the with-profits fund. HSBC Life Assurance Malta Ltd. ("HSBC Life") declares the with profits bonus rate annually in advance. Once the bonus has been added it cannot be taken away, provided the Product is held to maturity. The total annual bonus rate is reviewed at the end of each year and depending on investment returns during the year, an additional bonus may be paid.

Intended retail investor

This Product is intended for the retail investor aiming for a capital protected investment with a medium to long term holding period.

Insurance benefits and costs

On death of the life assured, the beneficiary will be entitled to the sum assured of €2,330 or the current value of the Product whichever is the highest. Additional insurance benefits can be purchased and their pricing is independent from the investment premium. These benefits include: Term Assurance, Accidental Death, Permanent Total and Partial Disability, Critical Illness and Waiver of Premium. For additional details on these benefits refer to the Key Features Document. The premium can be paid annually, half-yearly, quarterly or monthly however lump sums are accepted throughout the policy lifetime.

Terms of PRIIPs

- (a) Maturity date: the Product duration is set at product's inception and can be between 5 to 45 years.
- (b) HSBC Life cannot terminate the Product unilaterally, however termination is possible should you submit false declarations or in the event of non-disclosure of material circumstances.
- (c) The Product can cover up to two lives assured (joint life) and will pay on the first death; after which the policy will be terminated;
- (d) The recommended holding period is based on the cost structure and the investment profile of the product.

What are the risks and what could I get in return?

Risk indicator

Lower risk

| | | | | | | |
|---|---|---|---|---|---|---|
| 1 | 2 | 3 | 4 | 5 | 6 | 7 |
|---|---|---|---|---|---|---|

 Higher risk



The risk indicator assumes that you keep the product for 10 years.

The actual risk can vary significantly if you cash in at an early stage and you may get back less.

You may have to pay significant extra costs to cash in early.

The summary risk indicator is a guide to the level of risk of this product compared to other products. It shows how likely it is that the product will lose money because of movements in the markets or because HSBC Life Assurance (Malta) Ltd. is not able to pay you.

We have classified this product as 2 out of 7, which is a low risk class. This rates the potential losses from future performance at a low level, and poor market conditions are very unlikely to impact our capacity to pay you.

You are entitled to receive back at least 100% of your capital. Any amount over this, and any additional return, depends on future market performance and is uncertain.

However, this protection against future market performance will not apply if you cash-in before 10 years.

If HSBC Life Assurance (Malta) Ltd. is not able to pay you what is owed, you could lose your entire investment.

However, you may benefit from a consumer protection scheme (see the section "what happens if we are unable to pay out"). The indicator shown above does not consider this protection

Performance scenarios

The figures shown include all the costs of the product itself. The figures do not take into account your personal tax situation, which may also affect how much you get back.

What you will get from this product depends on future market performance. Market developments in the future are uncertain and cannot be accurately predicted.

The scenarios shown are illustrations based on results from the past and on certain assumptions. Markets could develop very differently in the future.

| Recommended holding period: 10 years | | If you exit after 1 year | If you exit after 5 years | If you exit after 10 years |
|--|--|--------------------------|---------------------------|----------------------------|
| Insurance premium: € 1,000 | | | | |
| Scenario | | | | |
| Minimum | There is no minimum guaranteed return. You could lose some or all of your investment. | | | |
| Stress | What you might get back after costs | € 0 | € 3,470 | € 9,730 |
| | Average return each year | -100.0 % | -11.9 % | -0.5 % |
| Unfavourable | What you might get back after costs | € 0 | € 4,020 | € 9,730 |
| | Average return each year | -100.0 % | -7.2 % | -0.5 % |
| Moderate | What you might get back after costs | € 0 | € 4,360 | € 11,060 |
| | Average return each year | -100.0 % | -4.5 % | 1.8 % |
| Favourable | What you might get back after costs | € 0 | € 4,580 | € 12,190 |
| | Average return each year | -100.0 % | -2.9 % | 3.6 % |
| Death scenario | | | | |
| Insured event | What your beneficiaries might get back after costs | € 2,330 | € 4,960 | € 11,060 |
| Insurance premium taken over time | | € 0 | € 0 | € 0 |

The stress scenario shows what you might get back in extreme market circumstances.

The unfavourable scenario occurred for an investment between August 2021 and March 2024.

The moderate scenario occurred for an investment between May 2010 and May 2020.

The favourable scenario occurred for an investment between March 2009 and March 2019.

In view that the With Profits products are closed for new business and only topups are allowed on existing policies, note that performance scenario figures are only applicable at policy inception.

What happens if HSBC Life Assurance (Malta) Ltd. is unable to pay out?

A protection and compensation scheme is available to cover protected commitments arising from insurance policies. Such compensation shall be limited to the lesser of 75% of the value of the policy remaining unpaid at the time of insolvency, or € 23,293.75 whichever is the less, as prescribed in the Protection and Compensation Fund Regulation of 2004 as may be amended from time to time.

What are the costs?

The person advising on or selling you this product may charge you other costs. If so, this person will provide you with information about these costs and how they affect your investment.

Cost over time

The table show the amounts that are taken from your investment to cover different types of costs. These amounts depend on how much you invest, how long you hold the product and how well the product does. The amounts shown here are illustrations based on an example investment amount and different possible investment periods.

We have assumed:

- In the first year you would get back the amount that you invested (0% annual return).
- € 1,000 is invested per year

| | If you exit after 1 year | If you exit after 5 years | If you exit after 10 years |
|-------------------------------|--------------------------|---------------------------|----------------------------|
| Total costs | € 1,000 | € 735 | € 505 |
| Annual cost impact (*) | 100.0 % | 5.2 % | 0.8 % |

(*) This illustrates how costs reduce your return each year over the holding period. For example it shows that if you exit at the recommended holding period your average return per year is projected to be 2.6 % before costs and 1.8 % after costs.

Composition of costs

| | | Annual cost impact if you exit after 10 years |
|--|--|---|
| One-off costs upon entry or exit | | |
| Entry costs | 1.0 % of the amount you pay in when entering this investment. These costs are already included in the premiums you pay. This is the most you will be charged. The person selling you the product will inform you of the actual charge. | 0.4 % |
| Exit costs | Exit costs are stated as "N/A" in the next column as they do not apply if you keep the product until the recommended holding period. | N/A |
| Ongoing costs taken each year | | |
| Management fees and other administrative or operating costs | This is an estimate based on actual costs over the last year. | 0.4 % |
| Transaction costs | 0.0 % of the value of your investment per year. This is an estimate of the costs incurred when we buy and sell the underlying investments for the product. The actual amount will vary depending on how much we buy and sell. | 0.0 % |
| Incidental costs taken under specific conditions | | |
| Performances fees and carried interest | There is no performance fee for this product. | 0.0 % |

How long should I hold it and can I take money out early?

Recommended holding period (RHP): 10 years

If you cash in the Product before the Product's policy maturity, you will incur surrender charges. Policy surrender charges will not apply after the thirteenth year of the Product policy term if the Product's policy duration is longer than fourteen years.

An additional bonus that may, at HSBC Life's absolute discretion, be payable on maturity of the Policy or on death of the Life Insured if either of these occur at least 10 years or more from the Commencement Date. No terminal bonus is payable by HSBC Life on surrendered policies.

How can I complain?

If You ever need further information, have concerns or wish to raise a complaint, You may do so in person, in writing or by phone as follows:

- at Our address: HSBC Life Assurance (Malta) Ltd, 80, Mill Street, Qormi. QRM 3101. Malta;
- at any HSBC Bank Malta p.l.c. branch;
- by sending a secure message through HSBC Bank Malta p.l.c. Online Banking;
- by sending an email on infomalta@hsbc.com;
- by calling HSBC Bank Malta p.l.c. Contact Centre on 2380 2380.

We will provide you with a definitive reply as soon as the relevant facts of the complaint have been investigated. In all cases we will provide periodical updates where a resolution is not available within 14 working days. If your complaint is not dealt with to your satisfaction, you can contact the Office of the Arbiter for Financial Services, N/S in Regional Road, Msida MSD1920, Malta or by visiting www.financialarbiter.org.mt. Complaints with the Arbiter for Financial Services' Office should always be made in writing. More information on complaints handling can be found on the website www.hsbc.com.mt/contact/feedback-and-complaints/.

Other relevant information

For further product specific details, refer to the product Brochure, Key Features Document and Policy Terms & Conditions and Policy Schedule. An annual statement will be issued as part of the post-contractual stage. When additional premiums are made, kindly refer to the latest Key Information Document on the website.

All the details in this document refer to the policy's investment premium only.

The actual performance of your investment may be different to the performance shown in the scenarios and you should not base your investment decision on the expectation that any of these scenarios will occur.

With Profits returns are based on historic data and the proposed investment strategy may change or be updated from time to time.