

Press Release

3 March 2015

### **BOCG Life Launches “IncomeRich Annuity Insurance Plan”**

BOCG Group Life Assurance Company Limited (“BOCG Life”) announced the launch of “IncomeRich Annuity Insurance Plan” (“the Plan”) tailored for senior citizens. No medical examination is required and the issue of policy is guaranteed. Policy owner can enjoy 3-year or 8-year coverage period with a 2-year premium payment term. While the policy is in force, the Plan offers death benefit as well as guaranteed annuity payments<sup>1</sup> at each policy anniversary until maturity.

Mr Terry Lo, Chief Executive of BOCG Life, said, “The Plan caters to the needs of retirees for stable, flexible and yet regular income. It greatly helps customers plan their financial arrangement for retirement, as they could surrender and get back the surrender value<sup>2</sup> while the surrender value plus the received guaranteed annuity payments is guaranteed to be no less than the total premiums paid at any point of time, or choose to accumulate the guaranteed annuity payments in the policy to generate interests<sup>3</sup>.”

“IncomeRich Annuity Insurance Plan” is a life insurance plan. Besides the option of a lump sum death benefit, the policy owner can choose in advance to nominate the beneficiary to receive the remaining guaranteed annuity payments upon the death of the insured<sup>4</sup> and until policy maturity. This helps senior citizens in their estate planning, with continuity in the financial protection to their family members and the inheritance of wealth.

Persons aged 65-75, regardless of gender, could apply for the Plan and enjoy unified premium rates. Choices of policy currency include RMB, HKD and USD. Minimum sum insured is RMB200,000, HKD200,000 and USD25,000 respectively, and there is no upper limit of sum insured<sup>5</sup>. Death benefit<sup>6</sup> is 101% of the net premiums paid<sup>7</sup> or the guaranteed cash value at the date of the insured’s death (whichever is higher), plus accumulated guaranteed annuity payments together with accumulated interests (if any). The Plan also offers a one-off second medical opinion service for free<sup>8</sup> for customers to consult medical experts for treatment advice.

The Plan is subject to the formal policy documents and provisions issued by BOCG Life. RMB and USD policies are subject to exchange rate risk. For more information, customers can visit any branches of Bank of China (Hong Kong) Limited (“BOCHK”), Nanyang Commercial Bank Limited (“NCB”) or Chiyu Banking Corporation Limited (“Chiyu”), or call the following hotlines: (852) 3988 2388 (BOCHK), (852) 2622 2633 (NBC) or (852) 2843 2773 (Chiyu).

Notes:

1. To be eligible for receiving the guaranteed annuity payments at every policy anniversary, the policy owner

- should pay the premiums in full when due. If the annual premium payable for the 2<sup>nd</sup> policy year remains unpaid before the end of the grace period, the policy will terminate immediately. Policy owner will then receive the total premium paid less any guaranteed annuity payments withdrawn (if applicable).
2. Surrender value means the sum of guaranteed cash value plus any accumulated guaranteed annuity payments together with any interest accrued thereon and the remaining balance of the prepaid premiums (if any).
  3. The annual interest rate for accumulation of guaranteed annuity payments is not guaranteed and may be changed from time to time.
  4. Only applicable to the death of insured after the first policy anniversary with one beneficiary. Beneficiary cannot change the choice to lump sum death benefit or to receive the remaining guaranteed annuity payments.
  5. 3-year coverage period Plan is only available in RMB. Application with sum insured reaching RMB10,000,000/ HKD10,000,000/ USD1,250,000 or above is subject to underwriting decision by BOCG Life.
  6. The upper limit would be the 100% of the net premiums paid or guaranteed cash value at the date of the insured's death (whichever is higher), plus RMB80,000/ HKD80,000/ USD10,000. Death benefit is not applicable to the survivorship option.
  7. Net premiums paid means total premiums paid less all guaranteed annuity payments distributed (calculation of net premiums paid does not include any interest accrued on them) by the policy owner up to the date of the insured's death. Extra premiums due to substandard rating, rider premiums or any remaining balance of the prepaid premiums (if applicable) shall be excluded.
  8. If the insured is diagnosed by a Physician with cancer, heart attack or stroke, which is not resulting from, or related to, or caused or contributed directly or indirectly, wholly or partly, by any pre-existing medical condition, the insured will be entitled to a one-off second medical opinion service for free to consult specified American medical experts for treatment advice.

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### About BOC Group Life Assurance Company Limited

Commenced in 1998, BOC Group Life Assurance Company Limited ("BOCG Life") has grown to be one of the top insurance companies in Hong Kong, with a commitment to offer comprehensive services in wealth management, retirement planning, life and medical insurance protection to customers. BOCG Life's shareholding is 51% owned by BOC Hong Kong (Holdings) Limited and 49% owned by Bank of China Group Insurance Company Limited. In addition to its professional teams of telemarketing, brokerage and wealth management, BOCG Life distributes its acclaimed products in Hong Kong via the experienced financial planning managers of more than 260 branches of the BOCHK Group (comprising Bank of China (Hong Kong), Nanyang Commercial Bank and Chiyu Banking Corporation). BOCG Life strives to provide its customers with tailored insurance and financial planning services that meet their unique protection needs and financial goals. Moreover, BOCG Life has a representative office in Beijing to facilitate Bank of China's expansion of insurance business in the Mainland of China.

BOCG Life has been affirmed a financial strength rating of "A" and an issuer credit rating of "a" by A.M. Best, an international rating agency. The Company has been rated "A2" by Moody's Investors Service in recognition of its solid financial strength.