

Adequate reserve for your children today decides how far they can go on their life long journey.

As they grow up, children will experience a variety of different relationships and circumstances, from toddler stage to entering kindergarten, attending primary school, secondary school, and university – parents want to face all of such experiences together with their children. As parents, you will surely reserve the best for your children no matter which stage they are in. Currently do we have sufficient reserve?

Nowadays, local students are facing fierce competition to fight for an undergraduate degree in Hong Kong. Besides, parents would like to widen children’s horizons. Therefore, studying overseas has become another choice for parents and their children. An all-rounded financial planning to support the high tuition fees of studying overseas becomes indispensable. Let’s see the figures below:

<u>Country</u>	<u>Estimated tuition fees (undergraduate degree), expenses for accommodation and meals per year (HKD)</u>
United Kingdom	181,584 to 461,972*
United States	274,577 to 352,207*
Australia	196,779 to 339,891*
Canada	81,368 to 244,104*

*Assuming the exchange rate is 1GBP:9.537HKD; 1USD:7.763HKD; 1AUD:5.963HKD; 1CAD:5.812HKD

Source of the above data:

Education Bureau, Life Planning website:

https://careerguidance.edb.hkedcity.net/edb/opencms/lifeplanning/further-studies/non-local/non-local-further-studies/?__locale=zh_HK

Non-local Further Studies 2016 – United Kingdom, Non-local Further Studies 2016 – Canada

(The figures shown above are for reference only, and are subject to inflation, market and exchange rate fluctuation and other related factors.)

Even assuming that children have completed their studies, the salary of a fresh graduate may not catch up with inflation. They have to work much harder to own a property and get married. Financial support thus has the same importance as mental

support that parents can provide for their children while they fight for their careers.

The approximate prices of a 430 to 750 ft² private residential property in Hong Kong (HKD):

Hong Kong Island	Kowloon	New Territories
5.8 million to 10.20 million	4.9 million to 8.6 million	3.9 million to 6.9 million

Source of the above data:

Rating and Valuation Department website, Property Market Statistics (The average selling price of class B private domestic data as of October 2016):

http://www.rvd.gov.hk/en/property_market_statistics/index.html

(The figures shown above are for reference only, and are subject to inflation, market fluctuation and other related factors.)

How to help children to make their dreams come true?

Opportunities arise for those who are well prepared. The earlier you set comprehensive financial goals in conjunction with all-rounded financial planning, the faster you will reach your goal than anybody else. A series of life insurance plans offered by BOC Group Life Assurance Company Limited (“BOC Life”) could assist parents to plan for their children and realise their dream.

The following cases are not real and for illustrative purpose only. The actual cash values of the policy will be subject to change according to the circumstances of each individual case.

Case 1:

Daughter Hailey, 2 years old

Father noticed that Hong Kong students compete intensely on their education path. Almost all of the students attend tutorial classes and join extracurricular activities after school to upgrade themselves. Therefore, after the Financial Needs Analysis, father decided to take up a life insurance plan for Hailey as a financial backup for her educational and living expenses, and help her to achieve more goals when she grows up.

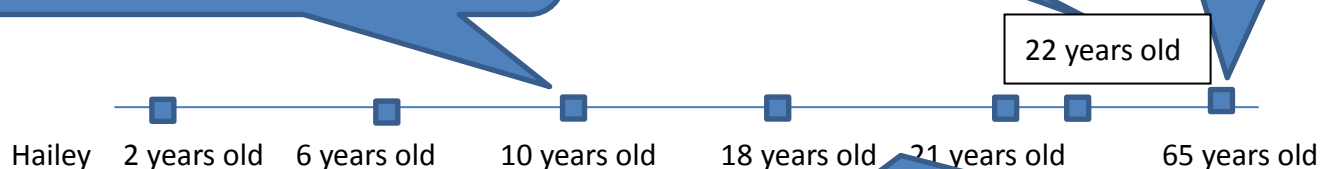
We take BOC Life IncomeShine Whole Life Coupon Plan as an example. This plan is a life insurance plan. Father may use the Guaranteed Cash Coupons³ of this life insurance plan to subsidise Hailey’s study and living. The projected total cash value of the policy can even assist as a powerful shield to support Hailey to achieve her goals when she grows up.

Assume Sum Insured US\$62,032¹(approximately equivalent to HK\$481,554¹), pay approximately equivalent to HK\$200,000^{1, 2} premium per year for 8 years², approximately equivalent to HK\$1.6million¹ of total premium paid. Guaranteed Cash Coupons equivalent to 6% of the Sum Insured (approximately equivalent to HK\$29,000¹) will be payable on every policy anniversary starting from the 2nd policy anniversary until the age of 100³ of the Insured.

- When Hailey graduates at 22 years old, the projected total cash value will be approximately equivalent to HK\$1.7 million^{1,4}, and according to Hailey's needs, the policy could either be surrendered to withdraw the total cash value or kept as a protection.

- The projected total cash value will be approximately equivalent to HK\$13 million^{1, 4} when Hailey reaches 65 years old if she chose to keep the policy.

- Complete approximately equivalent to HK\$1.6 million¹ premium payment in total.



- Starting from Hailey's 6 years old, withdrawing accumulated Guaranteed Cash Coupons³ together with accumulated Annual Dividends⁴ and interest accrued thereon^{3, 4} approximately equivalent to HK\$23,000¹ at the beginning of each policy year for 6 years until Hailey reaches 12 years old. Withdraw approximately equivalent to HK\$130,000¹ in total to subsidise Hailey's extracurricular activities expenses.

- Withdraw accumulated Guaranteed Cash Coupons³ together with accumulated Annual Dividends⁴ and interest accrued thereon^{3, 4} again approximately equivalent to HK\$160,000¹ at the beginning of each policy year during Hailey's 4 years of university study. Withdraw approximately equivalent to HK\$640,000¹ in total for Hailey's tuition fees and living expenses in local or overseas university, another option for Hailey's education.

*The suitability of product and the sum insured amount are based on the result of the Financial Needs Analysis as well as the financial affordability of the customer.

Case 2:

Son Kelvin, 8 months old

The prices of residential property in Hong Kong keep remaining at high level. Mother is worried that Kelvin cannot afford to have his own property when he grows up. After the completion of the Financial Needs Analysis, mother decided to establish a life insurance plan to fund Kelvin's down payment for purchasing property in the future.

We take BOC Life SmartUp Whole Life Insurance Plan as an example. This plan is a life insurance plan.

Assume Sum insured US\$193,000¹ (approximately equivalent to HK\$1,500,000¹). Pay approximately equivalent to HK\$150,000^{1, 5} premium per year for 10 years⁵. Approximately equivalent to HK\$1.5million¹ of total premium paid.

- Complete approximately equivalent to HK\$1.5 million¹ total premium payment.

- When Kelvin reaches his age of 65, the accumulated values (including non-guaranteed interest) under the new arrangement is estimated to be accumulated to approximately equivalent to HK\$10 million^{1, 6}.

Kelvin 8 months old 10 years old 30 years old 65 years old

- Mother can surrender the policy to withdraw the projected total cash value⁷ approximately equivalent to HK\$4 million^{1, 6, 7} to fund Kelvin's down payment for purchasing property and getting married when he is 30 years old. She may opt to have a new arrangement⁶ with BOC Life at the same time, leaving the projected surrender value of approximately equivalent to HK\$2.5 million^{1, 7} with BOC Life for interest accumulation⁶ until Kelvin reaches the age of 100 as lasting as his mother's love to him.

*The suitability of product and the sum insured amount are based on the result of

the Financial Needs Analysis as well as the financial affordability of the customer.

The above examples are for illustrative purposes only. For the details of other life insurance plans, please contact the branch staff of Bank of China (Hong Kong) Limited (“BOCHK”) to understand your financial and protection needs and have your financial plan today:

Tel.: 3988 2388 Website: www.bochk.com

Notes: The Policy Owner is subject to the credit risk of BOC Life. If the Policy Owner discontinues and / or surrenders the above mentioned insurance plan(s) in the early policy years, the amount of the benefit he / she will get back may be considerably less than the amount of the premium he / she has paid. Past, current, projected and / or potential benefits and / or returns (e.g. bonuses, dividends, interests) presented herein are not guaranteed and are for illustrative purposes only. The actual future amounts of benefits and / or returns may be lower than or higher than the currently quoted benefits and / or returns.

Investment Strategy, Philosophy in Deciding Dividends and Fulfilment Ratio of Dividends:

Under normal circumstances, the major markets invested by BOC Life include, but not limited to, North America, Europe and Asia markets. The assets supporting the policies under the Plans mainly consist of the following:

	Mix	
	IncomeShine Whole Life Coupon Plan	SmartUp Whole Life Insurance Plan
Fixed income instrument or interest-bearing securities (including but not limited to government and corporate bonds, etc.)	60%-80%	30%-50%
Growth asset (including but not limited to equity investment, mutual funds, properties investment, etc.)	20%-40%	50%-70%

With the aim of achieving our long term investment target, BOC Life, at our sole discretion, reserves the right to adjust the aforementioned asset allocation when there are material changes in market outlook and condition, or engage in other financial arrangements including but not limited to reinsurance arrangement. BOC

Life aims at investing in assets denominated in policy's currency. If the currency of which the assets are denominated is not the same as policy currency, BOC Life may use derivatives to manage the impact of currency risk.

For the latest Investment Strategy, please refer to BOC Life website www.boclif.com.hk.

Philosophy in Deciding Dividends:

Participating insurance plans provide policy owners an opportunity to receive a share of profits attributable to the participating life insurance business of BOC Life by means of dividends, with the potential prospect of long-term rates of return. To accomplish the purpose, we invest in a wide range of asset portfolios that are prudently chosen by BOC Life to balance the risk. In general, the asset portfolios mainly consist of fixed income securities and equity investments.

The actual amount of dividends is determined by the stipulated surplus sharing approach in BOC Life's policy, which is based on the past experience of BOC Life and the long-term expectation of the participating life insurance business in the future. Dividends amount mainly depends on the overall performance of the participating life insurance business of BOC Life, taking into account factors including investment returns, claim experience, persistency and operating expense. The actual amount of dividends payable is recommended by our Appointed Actuary according to the aforementioned company's policy and approved by the Board of Directors of BOC Life.

Annual dividends paid can be left with BOC Life and accumulate with interest. The interest rate (Dividends Accumulation Rate) is determined based on market conditions and expected investment return of BOC Life.

In light of the above factors, dividends and Dividend Accumulation Rate are not guaranteed and may be higher or lower than the values illustrated in the benefit illustration provided at point of sale.

You may browse the following website, www.boclif.com.hk/ps, to understand BOC Life's philosophy in deciding dividends as well as dividend history for reference purposes. Please note that past performance of dividend is not an indicator for its future performance.

Risk Disclosure of RMB and USD Insurance:

RMB and USD policies are subject to exchange rate risk. The exchange rate between RMB and HKD or USD and HKD may rise as well as fall. Therefore, if calculated in HKD, premiums, fees and charges (where applicable), account value / surrender value and other benefits payable under RMB or USD policy will vary with the exchange rate.

The exchange rate between RMB and HKD or USD and HKD will be the market-based prevailing exchange rate determined by BOC Life from time to time, which may not be the same as the spot rate of banks. The fluctuation in exchange rate may result in losses if a customer chooses to pay premiums in HKD, or requests the insurer to pay the account value / surrender value or other benefits payable in HKD, for RMB or USD policy. **RMB Conversion Limitation Risk** - RMB Insurance are subject to exchange rate fluctuations which may provide both opportunities and risks. The fluctuation in the exchange rate of RMB may result in losses in the event that the customer converts RMB into HKD or other foreign currencies. (Only applicable to Individual Customers) RMB is currently not fully freely convertible. Individual customers can be offered CNH rate to conduct conversion of RMB through bank accounts and may occasionally not be able to do so fully or immediately, for which it is subject to the RMB position of the banks and their commercial decisions at that moment. Customers should consider and understand the possible impact on their liquidity of RMB funds in advance. (Only applicable to Corporate Customers) RMB is currently not fully freely convertible. Corporate customers that intend to conduct conversion of RMB through banks may occasionally not be able to do so fully or immediately, for which it is subject to the RMB position of the banks and their commercial decisions at that moment. Customers should consider and understand the possible impact on their liquidity of RMB funds in advance.

Other Key Risks:

1. The Policy Owner should pay premium on time during the premium payment term. It may result in lapse or termination of the policy if the required amount (such as premium) is not made before expiry of the grace period (if applicable) as prescribed by BOC Life. Nevertheless, it is subject to the automatic premium loan (if applicable) (BOC Life will advance the premium due from the non-forfeiture value as an automatic premium loan) and non-forfeiture provisions (if applicable). If the policy is terminated or lapsed due to non-payment of premium, the surrender value received by the Policy Owner may be less than the total premiums paid and the Policy Owner will lose the insurance protection provided by the policy.
2. BOC Life may terminate the policy before the maturity date if any one of the following events occurs:
 - (i) the death of the Insured; or
 - (ii) BOC Life approves the Policy Owner's written request for surrender; or
 - (iii) the policy lapses after the end of the grace period; or

- (iv) the non-forfeiture value is less than zero (if applicable); or
 - (v) the aggregate amount paid or payable by BOC Life has reached the maximum benefit amount of all coverage of the policy(if applicable).
3. The actual rate of inflation may be higher than expected, therefore the amount you receive may be less in real terms.

Remarks:

1. IncomeShine Whole Life Coupon Plan and SmartUp Whole Life Insurance Plan offer different policy currencies for selection. Please refer to the product leaflet and the proposal for details. The policy currency of the above examples is being assumed as USD. The values shown above are calculated in USD to HKD with the exchange rate of 1:7.763. If the premium payments are paid in currencies other than the policy currency(ies), the exchange rate would be subject to the prevailing exchange rate as determined by BOC Life at the time of premium payment. Likewise, the benefit amount payable is also subject to the prevailing exchange rate as determined by BOC Life at the time of benefits payment if it is calculated and payable in currencies other than the policy currency(ies). The prevailing exchange rate may vary significantly at any time and may affect the premium or benefit amount payable in currencies other than the policy currency(ies). For details, please refer to "Risk Disclosure of RMB and USD Insurance". The policy will be terminated if the Policy Owner cannot pay the premium payable before the end of the grace period (31 days from the due date from payment of each premium after the first premium payment or it is subject to change by BOC Life from time to time) during the premium payment period. Nevertheless, it is subject to the automatic premium loan (BOC Life will advance the premium due from the non-forfeiture value as an automatic premium loan) and non-forfeiture provisions. For details of the provisions, please refer to the product leaflet and policy provisions issued by BOC Life. If the policy is terminated or surrendered before policy maturity, the total cash value received by the Policy Owner may be less than the premiums paid. The values illustrated above maybe different from the actual values. Please refer to the product leaflet and illustration summaries of the proposal for details. The above examples are for reference only. They shall not be construed as an offer to sell or a solicitation of an offer or recommendation to purchase or sale of provision of any products or services provided by BOC Life.

Remarks for IncomeShine Whole Life Coupon Plan:

2. IncomeShine Whole Life Coupon Plan offers premium payment period of 5 years, 8 years, 12 years or 20 years for your selection. Policy Owner can pay premium annually, semi-annually, quarterly, or monthly.
3. Guaranteed Cash Coupons (equivalent to 6% of the Sum Insured) will be payable to the Policy Owner on every policy anniversary starting from the 2nd policy anniversary until the age of 100 of the Insured during his / her lifetime while the policy is in force. To be eligible for receiving Guaranteed Cash Coupons, the Policy Owner must pay the premiums due for all relevant policy years in full on time. The Policy Owner may withdraw any portion or all of the accumulated Guaranteed Cash Coupons (if any) and / or interest accrued thereon (if any), or leave it with the policy for interest accumulation while the policy is in force. The annual interest rate for the accumulation of Guaranteed Cash Coupons is not guaranteed and may be changed from time to time. Such amount withdrawn will no longer be counted as part of the total cash value and the total Death Benefit of the policy. The total cash value and the total Death Benefit of the policy will be reduced accordingly. For details, please refer to product leaflet, policy documents and provisions issued by BOC Life.
4. The example of IncomeShine Whole Life Coupon Plan is for reference only. The projected total cash value is based on the current annual accumulation interest rate of USD policy of 4.25%. The above examples assume that during the benefit term all premiums are paid in full when due, every proposed partial withdrawal is made at the beginning of the relevant policy year and no policy loans are taken out. The figures of the example are not guaranteed and cannot be interpreted as a projection for future values. For the content of the protection under the plan, the actual policy contractual terms shall prevail. For details, please refer to the product leaflet, proposal, policy documents and provisions issued by BOC Life. IncomeShine Whole Life Coupon Plan is a participating policy. Nevertheless, Annual Dividend (if any) and the annual interest rate for dividend accumulation, and Terminal Dividend (if any) are not guaranteed and may be changed from time to time. Annual Dividend and Terminal Dividend are not guaranteed and may be zero. Past performance is not indicative of future performance. The actual amount received may be higher or lower than the estimated amount. BOC Life reserves the right to change them from time to time. Policy Owner may choose to withdraw Annual Dividend (if any) and / or interest accumulated (if any) while the policy is in force. The Annual Dividend (if any) and / or interest (if any) withdrawn will no longer be accumulated as part of the total cash value and

the total Death Benefit of the policy. Meanwhile, the total cash value and the total Death Benefit of the policy will be reduced accordingly. Terminal Dividend (if any) may be payable upon the death of the Insured or surrender of the policy, all of which happen on or after the 7th policy anniversary (for premium payment period of 5 years) / 10th policy anniversary (for premium payment period of 8 years, 12 years or 20 years); or upon policy maturity. The total cash value includes Guaranteed Cash Value, accumulated Guaranteed Cash Coupons and interest accrued thereon (if any), accumulated Annual Dividends and interest accrued thereon (if any), and Terminal Dividend (if any). For details, please refer to the product leaflet and illustration summaries of the proposal, or contact the branch staff of BOCHK.

Remarks for SmartUp Whole Life Insurance Plan:

5. SmartUp Whole Life Insurance Plan offers premium payment period of 5 years or 10 years for your selection. Policy Owner can pay premium annually, semi-annually, quarterly, or monthly.
6. Starting from the 20th Policy Anniversary, Policy Owner may choose to withdraw the full amount of total cash value from the policy. Policy Owner may either cash it out in a lump sum or opt to enter into a new arrangement with BOC Life, leaving the entire or part of the total cash value with BOC Life for interest accumulation until the Insured reaches the age of 100. In the event of death of the Insured during the period in which the above-mentioned new arrangement is in effect, BOC Life will provide death benefit equivalent to the accumulated value plus RMB5,000 / USD750.

Upon encashment of total cash value, the policy and corresponding protection including life protection will be terminated, and the total cash value received may be lower than the amount of premium paid. Once the policy is terminated, customer may opt to enter into a new arrangement with BOC Life, having part or all of the surrender value of this Policy left with BOC Life for interest accumulation. Such arrangement (including but not limited to the death benefit of the new arrangement) can only be exercised subject to the conditions imposed by BOC Life and upon approval by BOC Life in writing, and shall be subject to the formal policy documents and provisions issued by BOC Life. In addition, the interest rate for the accumulated account of such new arrangement is not guaranteed. BOC Life reserves the right to amend at any time at its sole discretion. The estimated accumulation amount of accumulated values under the new arrangement shown in the above examples is based on annual interest rate of 4.25%. The figures of the

example are not guaranteed and cannot be interpreted as a projection for future values. For details, please contact the branch staff of BOCHK.

7. The example of SmartUp Whole Life Insurance Plan is for reference only. The projected total cash value is based on the current accumulation interest rate of USD policy of 4.25%. The above example assumes that (i) all premiums are paid in full when due; (ii) no Annual Dividend (if any) are withdrawn; (iii) no policy loans are taken throughout the term of the policy. The figures of the example are not guaranteed and should not be interpreted as a projection for future values. For the content of the protection under the plan, the actual policy contractual terms shall prevail. For details, please refer to the product leaflet, proposal, policy documents and provisions issued by BOC Life. SmartUp Whole Life Insurance Plan is a participating policy. Nevertheless, Annual Dividend (if any) and the annual interest rate for dividend accumulation (the annual interest rate for dividend accumulation is not applicable to Terminal Dividend (if any)), and Terminal Dividend (if any) are not guaranteed and may be changed from time to time. Past performance is not indicative of future performance. The actual amount received may be higher or lower than the estimated amount. BOC Life reserves the right to change them from time to time. If the Policy Owner chooses to withdraw the Annual Dividend (if any) and / or interest accumulated (if any), the Annual Dividend (if any) and / or interest (if any) withdrawn will no longer be accumulated as part of the total cash value and the total Death Benefit of the policy. The total cash value, the surrender value and the total Death Benefit of the policy will be reduced accordingly. Annual Dividend accruing on the 1st Policy Anniversary (if any) shall be credited after the 2nd Policy Year's premium has been paid in full. Terminal Dividend (if any) may be payable from the 3rd Policy Anniversary upon the death of the Insured (if applicable) or surrender of the policy; or upon policy maturity. While the policy is in force and provided that the policy has accrued Guaranteed Cash Value, the Policy Owner may request a surrender of the policy to BOC Life for its surrender value. Such surrender value is equal to Guaranteed Cash Value; plus accumulated Annual Dividends and interest accrued thereon (if any); plus Terminal Dividend (if any); less Indebtedness (if any). For details, please refer to the product leaflet, illustration summaries of the proposal and contact the branch staff of BOCHK.

Important Notes:

- IncomeShine Whole Life Coupon Plan and SmartUp Whole Life Insurance Plan are

underwritten by BOC Life. BOCHK is the major insurance agent bank appointed by BOC Life.

- BOC Life is authorised and regulated by Insurance Authority to carry on long term business in the Hong Kong Special Administrative Region of the People's Republic of China.
- BOC Life reserves the right to decide at its sole discretion to accept or decline any application for IncomeShine Whole Life Coupon Plan and / or SmartUp Whole Life Insurance Plan according to the information provided by the proposed Insured and the applicant at the time of application.
- IncomeShine Whole Life Coupon Plan and SmartUp Whole Life Insurance Plan are subject to the formal policy documents and provisions issued by BOC Life. Please refer to the relevant policy documents and provisions for details of the insured items and coverage, provisions and exclusions.
- BOCHK is the appointed agent of BOC Life for distribution of life insurance products. The life insurance product is a product of BOC Life but not BOCHK.
- In respect of an eligible dispute (as defined in the Terms of Reference for the Financial Dispute Resolution Centre in relation to the Financial Dispute Resolution Scheme) arising between BOCHK and the customer out of the selling process or processing of the related transaction, BOCHK is required to enter into a Financial Dispute Resolution Scheme process with the customer; however any dispute over the contractual terms of the insurance product should be resolved between directly BOC Life and the customer.

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