Press Release

The Hong Kong Mortgage Corporation Limited

Home Owner Mortgage Enhancement ("HOME") Programme

The Hong Kong Mortgage Corporation Limited ("HKMC") announced today (3 July) that the following banks have signed a Letter of Intent to join the Home Owner Mortgage Enhancement ("HOME") Programme:

American Express Bank
Asia Commercial Bank
Bank of China (Hong Kong)
Bank of Communications
The Bank of East Asia
Chekiang First Bank
Citibank
CITIC Ka Wah Bank
Dah Sing Bank
Dao Heng Bank
DBS Kwong On Bank
Fortis Bank Asia HK
GE Capital (Hong Kong) Limited
Hang Seng Bank
The Hongkong & Shanghai Banking Corporation
The Hongkong Chinese Bank
Industrial and Commercial Bank of China (Asia)
International Bank of Asia
Liu Chong Hing Bank
Nanyang Commercial Bank
ORIX Asia Limited
Overseas Trust Bank
Shanghai Commercial Bank
Standard Chartered Bank
Wing Hang Bank
Wing Lung Bank

The HOME Programme is a new mortgage insurance programme that aims to reduce the financial burden of homeowners in negative equity and to provide an effective tool for banks to reduce the credit risk of mortgage loans with current LTV ratio above 100%. The Programme provides insurance to cover a bank's credit exposure above 90% and up to 140% of the current value of the property at the time of refinancing.

Preparation for the launch of the Programme is at an advanced stage. The HKMC is conducting a series of briefing and training sessions for the banks to help them familiarize with the eligibility criteria and the related application and claim settlement procedures. The legal documents are being finalized for signing with the banks and the reinsurers prior to the formal launch of the HOME Programme in mid-July 2002.

Mr. Peter Pang, Chief Executive Officer of the HKMC said, "we are delighted with the encouraging response of the banks in joining the HOME Programme. The signing of the Letters of Intent will pave the way for banks to launch promotional campaigns for their HOME products."

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3 July 2002