**Press Release**

# HKMC Annual Report 2009

The Hong Kong Mortgage Corporation Limited (HKMC) today (Friday) published its *Annual Report for 2009*. The *Report* reviews the business performance, corporate governance and initiatives on corporate social responsibility of the HKMC in 2009.

The *Report* highlights the following achievements of the HKMC in 2009:

(a) Purchase of a total of HK$8.8 billion of assets;

(b) Drawdown of mortgage insurance coverage for newly originated mortgage loans reaching a record high of HK$36 billion in total, achieving a usage rate (in terms of drawdown loan amount against total market mortgage drawdown) of 18%;

(c) Issuance of HK$22.7 billion of debt securities in a cost-effective manner, maintaining the Corporation's position as the most active corporate issuer in the Hong Kong dollar debt market for nine consecutive years;

(d) Safeguarding excellent asset quality, with a delinquency ratio (above 90-day ratio) of 0.003% for the mortgage insurance portfolio; a combined delinquency ratio (above 90-day ratio and rescheduled loan ratio) of 0.12% for the Hong Kong residential mortgage portfolio (same as industry average of 0.12%), and 0.07% across all asset classes as at 31 December 2009; and

(e) Maintaining long-term foreign and local currency debt ratings of AA+ and Aa2 by Standard & Poor's and Moody's Investors Service, Inc. respectively.

The Corporation achieved profit after tax of HK$1,006 million in 2009, with the return on shareholder's equity at 16.2% and cost-to-income ratio at 12.4%. The HKMC's capital-to-assets ratio remained strong at 9.5%, well above the guideline of a minimum of 5% stipulated by the Financial Secretary. Having considered the exceptional financial performance of the Corporation in 2009, the Corporation declared a final dividend of HK$500 million or HK$0.25 per share, representing 49.7% of the profit after tax.

The HKMC's *Annual Report 2009* is available free of charge on the HKMC website (www.hkmc.com.hk).

The Hong Kong Mortgage Corporation Limited
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