Press Release

HKMC Annual Report 2012

The Hong Kong Mortgage Corporation Limited (HKMC) today (Friday) published its *Annual Report for 2012*. The *Report* reviews the business performance, corporate governance, and initiatives on corporate social responsibility of the HKMC in 2012.

The *Report* highlights the key performances of the HKMC in 2012, including:

(a) purchase of a total of HK$865 million loan assets;

(b) drawdown of mortgage loans of HK$22 billion in total under the Mortgage Insurance Programme (MIP), achieving a usage rate (in terms of the total drawdown amount under the MIP against total market mortgage drawdown) of 11.5%;

(c) launch of the Microfinance Scheme on 29 June 2012 to assist people who wish to start their own businesses, become self-employed, or achieve self-enhancement through training, upgrading of skills or obtaining professional certification;

(d) introduction of the Special Concessionary Measures under the SME Financing Guarantee Scheme on 31 May 2012 as part of the package of support measures announced by the Financial Secretary in the 2012-2013 Budget for SMEs to tide over the uncertain global economic environment and the possible financing difficulties as a result of credit crunch;

(e) introduction of three enhancements to the Reverse Mortgage Programme, bringing greater flexibility and benefits to the borrowers;

(f) issuance of debt securities of HK$19.1 billion in a cost-effective manner, maintaining the position as the most active corporate issuer in the Hong Kong dollar debt market; and

(g) maintaining long-term foreign and local currency credit ratings of AAA by Standard & Poor's and Aa1 by Moody's respectively.

Furthermore, the HKMC achieved a profit after tax of HK$1,125 million in 2012, with a return on shareholders' equity of 12.4% and cost-to-income ratio of 15.4%. The HKMC's capital adequacy ratio was 20.2%, well above the minimum requirement of 8% stipulated by the Financial Secretary. Having regard to the solid financial performance of the HKMC in 2012, the HKMC declared a final dividend of HK$750 million, representing 66.7% of the profit after tax.

The *Report* is now available free of charge on the HKMC website (www.hkmc.com.hk).

The Hong Kong Mortgage Corporation Limited
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