Press Release

The Hong Kong Mortgage Corporation Limited
Annual Results Highlights for 2025

The Hong Kong Mortgage Corporation Limited (HKMC) today (Tuesday) announced the highlights of its annual results for 2025.

Business Highlights

In 2025, the HKMC and its subsidiaries continued to fulfil their core missions and social objectives, contributing to the steady growth of Hong Kong's economy amid an increasingly complex and evolving environment. The missions of the HKMC are to promote: the stability of the banking sector, wider home ownership, the development of the local debt market, and the development of the retirement planning market.

Asset Purchase and Securitisation

- Acquired HK$6.9 billion of loan assets (2024: HK$3.9 billion)

- Purchased HK$158 million of loans (2024: HK$52 million) under the Dedicated 100% Loan Guarantee Schemes (DLGS)

- Completed the third issuance of infrastructure loan-backed securities. The issuance consists of multiple classes of US dollar-denominated secured notes backed by the cash flows from a diversified portfolio of project and infrastructure loans across different geographies and sectors, with a total size of approximately US$450.5 million

- Outstanding balance of loan portfolio was HK$78.6 billion as at 31 December 2025 (31 December 2024: HK$95.5 billion)

Debt Issuance

- Issued corporate debts totalling HK$70.5 billion (2024: HK$103.5 billion), continued to be the most active issuer in the domestic Hong Kong dollar (HKD) corporate bond market

- Successfully completed the issuance of multi-currency benchmark bonds across four tranches totalling HK$25.3 billion, marking the HKMC's largest-ever public issuance. Notably, the 30-year HKD social bond tranche is the largest-ever 30-year HKD bond issued in Hong Kong. It is also the first social bond issuance in Asia Pacific with proceeds being used to support the HKMC's Reverse Mortgage Programme that provides essential financing for the elderly in Hong Kong

- Outstanding balance of debt securities issued was HK$155.2 billion as of 31 December 2025 (31 December 2024: HK$148.3 billion)

- Credit ratings of AA+ from S&P Global Ratings and Aa3 from Moody's, same as those of the HKSAR Government

Mortgage Insurance Programme (MIP)

- New MIP loans drawn down amounted to HK$35.2 billion (2024: HK$47.9 billion), of which 60% were secured on properties in the secondary market

- It had facilitated home purchase for about 242,000 families in total since its launch in 1999, with an aggregate loan drawdown of HK$905.0 billion

SME Financing Guarantee Scheme

- For the 80% Guarantee Product, more than 29,300 applications were approved with a total loan amount of approximately HK$125.7 billion since its launch in 2012. For the 90% Guarantee Product, over 18,600 applications were approved with a total loan amount of approximately HK$32.7 billion since its launch in 2019. The application period for the 80% Guarantee Product has been extended for two years until end-March 2028, while the one for the 90% Guarantee Product has expired at end-March 2026

- In respect of the Special 100% Loan Guarantee, more than 67,100 applications were approved with a total loan amount of approximately HK$143.9 billion since its launch in 2020. An equivalent amount of loan assets was purchased by the HKMC. The application period has expired at end-March 2024

- Since the inception of each Guarantee Product, the 80% and 90% Guarantee Products had benefitted around 25,100 local small and medium-sized enterprises (SMEs) and more than 409,000 related employees. The Special 100% Loan Guarantee had benefitted more than 40,000 local SMEs and around 400,000 related employees

Dedicated 100% Loan Guarantee Schemes

- Under the DLGS for Travel Sector and the DLGS for Cross-boundary Passenger Transport Trade, 227 applications were approved with a total loan amount of approximately HK$0.22 billion since the launch of the DLGS in 2023. Their application periods expired in October 2024

- In respect of the DLGS for Battery Electric Taxis, more than 630 applications were approved with a total loan amount of approximately HK$0.21 billion since its launch in 2023

Annuity Business

- The annuity business has taken a total of over 16,530 policies (2024: 10,835 policies), with total premiums of approximately HK$9 billion (2024: HK$4.4 billion)

- Since its launch in 2018, it had helped about 34,000 senior citizens to convert their savings into lifelong stable income

Reverse Mortgage Programme

- 937 applications were approved (2024: 1,033 applications), with an average property value of HK$4.1 million and an average monthly payout of HK$9,400

- Since its launch in 2011, 8,861 applications were approved

Financial Highlights

The audited consolidated loss after tax of the HKMC for 2025 was HK$109 million (2024: consolidated loss after tax of HK$418 million). The improved results were primarily driven by increased income from placements with the Exchange Fund which was bolstered by rising annuity premiums and capital injections made to HKMC Annuity Limited (HKMCA)[1] in 2025 and HKMC Insurance Limited (HKMCI)[2] in late 2024, coupled with a recovery in the local property market benefitting the reverse mortgage business, the increase in net interest income and the revaluation gains of US dollar-denominated exposures in cash and debt investments. Such gains were partially offset by the higher accounting loss in the annuity business resulting from a surge in new policies written and the negative accounting impact of lower discount rates on insurance liabilities revaluation.

In line with its mandate to promote the development of the retirement planning market in Hong Kong, the HKMC is dedicated to advancing the annuity and reverse mortgage businesses which are subject to the increasing sensitivity and volatility of mark-to-market accounting effect. To better reflect its core financial performance, after excluding (i) the accounting results of the HKMCA; (ii) the impact of property price changes on the long-term reverse mortgage business; and (iii) the consolidation adjustments in respect of loan portfolios with insurance cover provided by the HKMCI, the adjusted profit after tax of the HKMC for 2025 was HK$1,497 million (2024: HK$787 million). Accordingly, the return on equity and cost-to-income ratio stood at 5.2% and 19.3% respectively (2024: 4.8% and 27.6% respectively).

At the end of 2025, the embedded value of the annuity business was about HK$24.4 billion on the basis of the Insurance Ordinance, which comprised HK$21.5 billion of total equity and HK$2.9 billion of present value of future profits. This indicates a solid financial position of the HKMCA to develop the annuity business in the long term.

[1] A wholly-owned subsidiary of the HKMC that carries on long term insurance business
[2] A wholly-owned subsidiary of the HKMC that carries on general insurance business

In accordance with the Guidelines on Capital Adequacy Ratio (CAR), the calculation of capital ratio follows the basis of consolidation for financial reporting with the exclusion of regulated subsidiaries which are subject to separate requirements on the maintenance of adequate capital (i.e. the HKMCA and the HKMCI, both being regulated by the Insurance Authority (IA)). Excluding the investment cost of such unconsolidated regulated subsidiaries, the HKMC's CAR remained solid at 18.1% as at 31 December 2025 (31 December 2024: 19.9%), well above the minimum requirement of 8% stipulated by the Financial Secretary.

The solvency ratios of the HKMCA and the HKMCI as at 31 December 2025, calculated in accordance with the Insurance (Valuation and Capital) Rules under the Risk-based Capital regime, were about 2 times and 3.9 times respectively (31 December 2024: 1.7 times and 4 times respectively), each well above the minimum regulatory requirements stipulated by the IA.

Amid uncertain market conditions, the HKMC adopted a prudent prefunding strategy and proactively communicated with local and international investment communities for debt issuance to support its loan purchases and fulfil its refinancing needs.

As at 31 December 2025, the HKMC's shareholder's equity, cash and short-term funds and investment securities were at HK$51.2 billion, HK$64.5 billion and HK$30.1 billion respectively (31 December 2024: HK$38.9 billion, HK$52.6 billion and HK$18.8 billion respectively). With strong financing capability, solid capital and liquidity positions, the HKMC's core operations remain resilient and stand ready to cope with any financial turbulence ahead in performing its strategic policy roles and attaining its social objectives.

The 2025 Annual Report of the HKMC containing detailed information of the financial results will be published on the HKMC's website in due course.

The Hong Kong Mortgage Corporation Limited

21 April 2026