Press Release

The Hong Kong Mortgage Corporation Limited

1998 Annual Report Published

The 1998 Annual Report of the Hong Kong Mortgage Corporation (HKMC) is published today (11 May).

"The Hong Kong Mortgage Corporation went through a challenging but productive year in 1998. We successfully launched our core business of acquiring mortgages and funding the purchases through the issuance of debt securities, amidst the difficult operating environment created by the Asian financial turmoil," said Mr. Donald Tsang, Chairman of the Board of Directors of the HKMC in the Report. "Notwithstanding the start-up costs in the first full year of operation, the HKMC achieved a low cost-to-income ratio of 33.9% and an after tax profit of HK$106 mn," he added.

According to the report, the Corporation had purchased HK$11.4 billion of mortgages in 1998, exceeding the target of HK$10 billion set for the year. On the funding side, the HKMC successfully launched the Hong Kong dollar Note Issuance Programme and the Hong Kong dollar Debt Issuance Programme in 1998, which provide a comprehensive coverage of the investor base of the Hong Kong dollar debt market. A total of HK$5.2 billion debt securities under the two programmes were issued, making the HKMC one of the top corporate issuers of Hong Kong dollar fixed rate notes in 1998.

In his conclusion to the Chairman's Statement, Mr. Tsang said, "The HKMC will continue to work closely with the banks, the capital market participants and the insurance industry to further develop the secondary mortgage market in Hong Kong."

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11 May 1999