Press Release

The Hong Kong Mortgage Corporation Limited

Mortgage Insurance Programme

The Hong Kong Mortgage Corporation Limited (HKMC) signed the Master Mortgage Insurance Policy with 8 more Approved Sellers today (29 April 1999):

Bank of America (Asia)
Chase Manhattan Bank
Hongkong Chinese Bank
Hua Chiao Commercial Bank
International Bank of Asia
Kwangtung Provincial Bank
Sin Hua Bank
Union Bank of Hong Kong

Together with the 29 Approved Sellers that have already signed the Master Mortgage Insurance Policy, 37 Approved Sellers (see Annex A) have joined the Mortgage Insurance Programme offered by the HKMC. Under the Programme, the HKMC provides mortgage insurance to the Approved Sellers for an amount up to 15% of the value of the property to enable home buyers to secure mortgage loans up to 85% LTV ratio. The HKMC hedges the exposure of the mortgage insurance by taking out reinsurance with the Approved Reinsurers.

"We are delighted with the encouraging response of home buyers to the Mortgage Insurance Programme. In less than a month from its inception, the HKMC has received 187 applications from the Approved Sellers with an aggregate loan amount of HK$406 million. Among which, 133 loans totalling HK$291 million have been approved in principle by the HKMC. With the increase in the number of participating banks and as more banks become ready to offer the product to home buyers, we expect the number of applications will further increase in the near term. We are also pleased to see that secondary property accounts for the bulk of the applications received so far. This indicates that the Programme has served to improve liquidity of the secondary property market as we have envisaged," said Mr. Peter Pang, Chief Executive Officer.

Annex B provides some statistics on the mortgage insurance applications received by the HKMC since 1 April.

The Hong Kong Mortgage Corporation Limited

29 April 1999

Annex A

MORTGAGE INSURANCE PROGRAMME

List of Participating Approved Sellers

1. ABN AMRO Bank
2. American Express Bank
3. Asia Commercial Bank
4. Bank of America (Asia)
5. Bank of China
6. Bank of East Asia
7. Chase Manhattan Bank
8. Chekiang First Bank
9. Chiyu Banking Corporation
10. Citibank
11. Citic Ka Wah Bank
12. Dah Sing Bank
13. Dao Heng Bank
14. First Pacific Bank
15. Generale Belgian Bank
16. Hang Seng Bank
17. Hang Seng Credit Limited
18. Hang Seng Finance Limited
19. Hongkong Chinese Bank
20. Hongkong & Shanghai Banking Corp.
21. Hua Chiao Commercial Bank
22. International Bank of Asia
23. Kincheng Banking Corporation
24. Kwangtung Provincial Bank
25. Kwong On Bank
26. Liu Chong Hing Bank
27. Nanyang Commercial Bank
28. ORIX Asia Limited
29. Overseas Trust Bank
30. Shanghai Commercial Bank
31. Sin Hua Bank
32. Standard Chartered Bank
33. Union Bank of Hong Kong
34. United Chinese Bank
35. Wing Hang Bank
36. Wing Lung Bank
37. Yien Yieh Commercial Bank

Annex B

Mortgage Insurance Programme

(As of 28 April 1999)

1. Number of Participating Banks	37	
2. Applications Received		
• Number	187	
• Total amount of mortgage loans	HK$406 mn	
• Average size of mortgage loan	HK$2.17 mn	
• Total insured amount	HK$73 mn	
• LTV ratio		
o 80% or below	19%	
o above 80% and up to 85%	81%	
3. Applications Approved in Principle by the HKMC		
• Number	133	
• Total amount of mortgage loans	HK$291 mn	
• Total insured amount	HK$52 mn	
4. Types of Property		
• Primary	11%	
• Secondary	89%	
5. Choice of Premium Payment Method		
• Single Payment	89%	
Financed		*70%*
Non-financed		*30%*
• Annual Payment	11%	