Press Release

The Hong Kong Mortgage Corporation Limited

HKMC Annual Report 1999 Published

The Hong Kong Mortgage Corporation Limited (HKMC) today (4 May) published its Annual Report for 1999.

"1999 was a challenging year for the banking industry in Hong Kong. I am pleased to report that the HKMC navigated well through the adverse market conditions. The Corporation achieved a significant growth in profits and managed to broaden its business. It had introduced a series of innovative products that not only enhanced its earnings, but also benefited banks and homebuyers," said Mr. Donald Tsang, Chairman of the Board of Directors of the HKMC in the report. "I am particularly pleased with the HKMC's contribution towards home ownership. The expansion of the fixed rate mortgage programme and the launch of our Mortgage Insurance Programme have made significant strides towards simplifying and accelerating the home purchasing process," he added.

According to the Annual Report, the Corporation's profit after tax in 1999 was HK$271.2 million, a 154.9% increase over 1998. It produced a return on equity of 12.1% and a return on assets of 2.5%. Its capital-to-assets ratio of 10.1% is well above the minimum requirement of 5%. The Corporation also issued a record HK$6.3 billion of debt securities to fund the purchases of mortgages.

In his conclusion to the Chairman's Statement, Mr. Tsang said, "Looking ahead to the year 2000, I am confident that the HKMC will continue to play a pioneering role in developing the residential mortgage and capital markets in Hong Kong."

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4 May 2000