



HONG KONG MONETARY AUTHORITY  
香港金融管理局

## **Briefing to the Legislative Council Panel on Financial Affairs**

**3 February 2025**

### **Discussion Topics**



Updates on

- Financial and Economic Environment
- Currency Stability
- Banking Stability
- Financial Infrastructure
- Hong Kong as an International Financial Centre
- Investment Environment and Performance of the Exchange Fund
- The Hong Kong Mortgage Corporation Limited



# Financial and Economic Environment

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## Global economic growth forecasts

### Real GDP Growth

(% year-on-year)

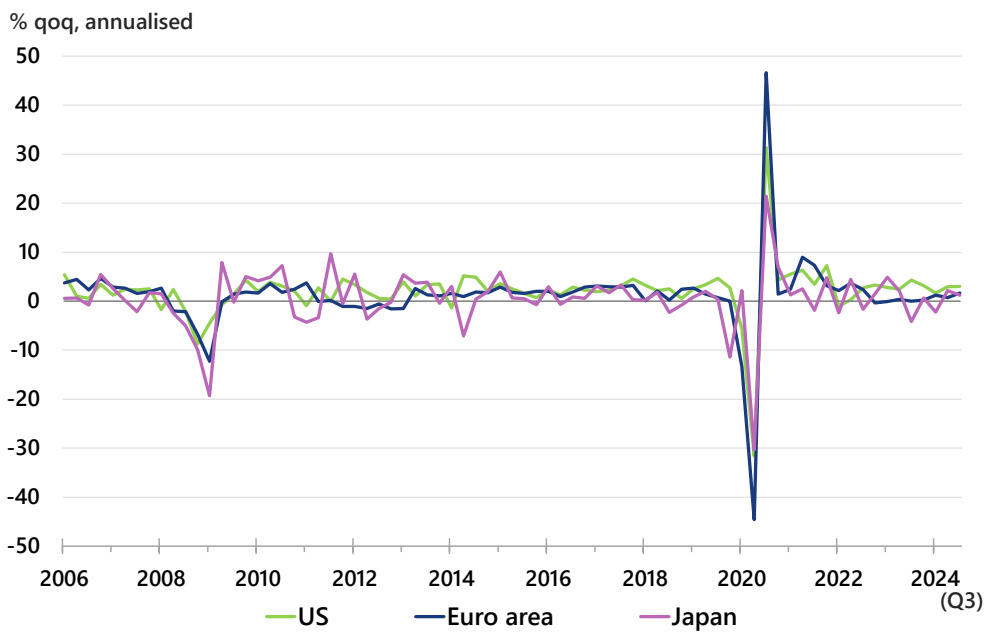
	2023	2024 Forecasts	2025 Forecasts
US	2.9	2.8	2.2
Euro area	0.4	0.7	1.0
Japan	1.5	-0.1	1.2
Asia (ex-Japan)	5.0	4.8	4.4
Mainland China	5.2	4.9	4.4
Hong Kong	3.3	2.5 <sup>(*)</sup>	N.A.

(\*) Latest forecast by the HKSAR Government on 15 November 2024.

Sources: January 2025 Consensus Forecasts and the Office of the Government Economist, HKSAR

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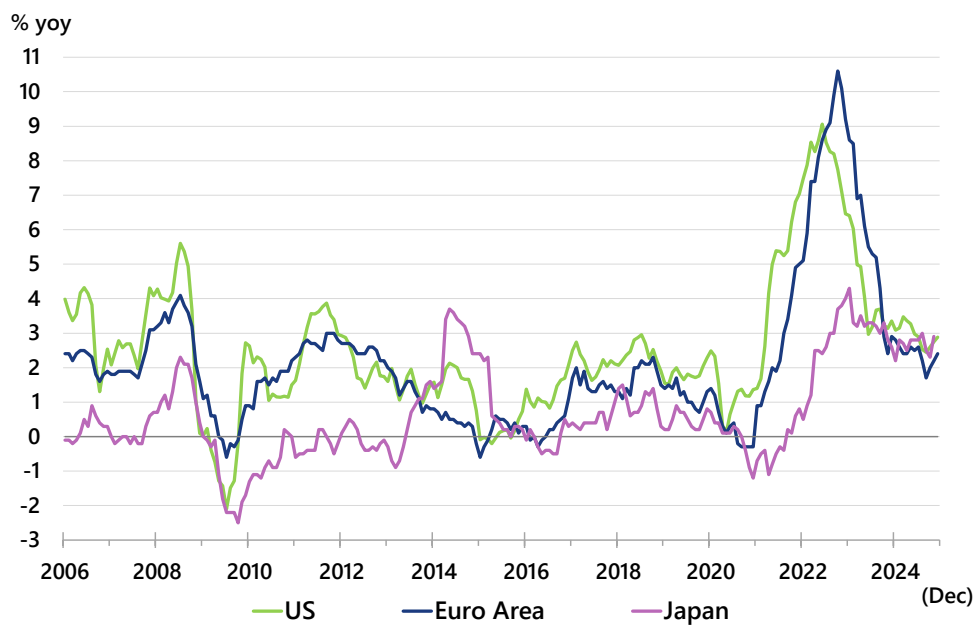
## Real GDP growth in major economies



Source: CEIC

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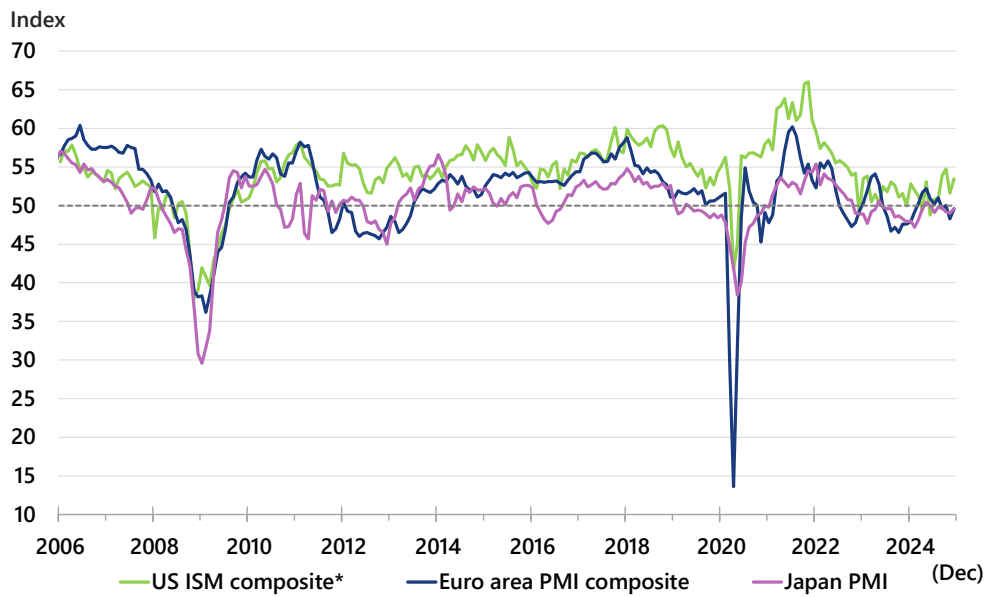
## Headline inflation in major economies



Source: CEIC

6

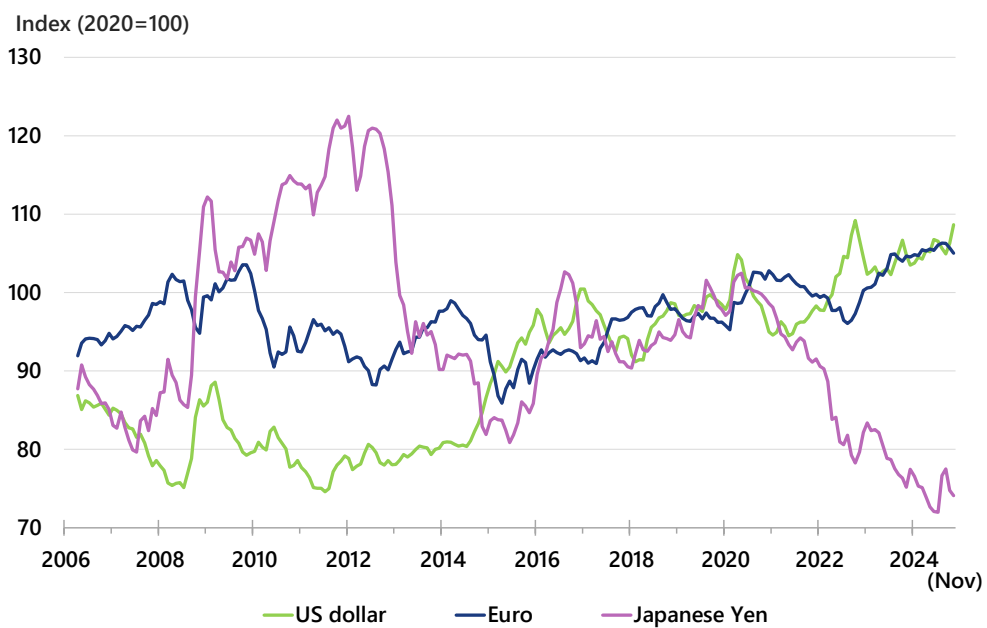
## Purchasing Managers' Index in major economies



\* Weighted average of the ISM Manufacturing and Services PMIs  
Source: CEIC

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## Nominal effective exchange rate index of major currencies



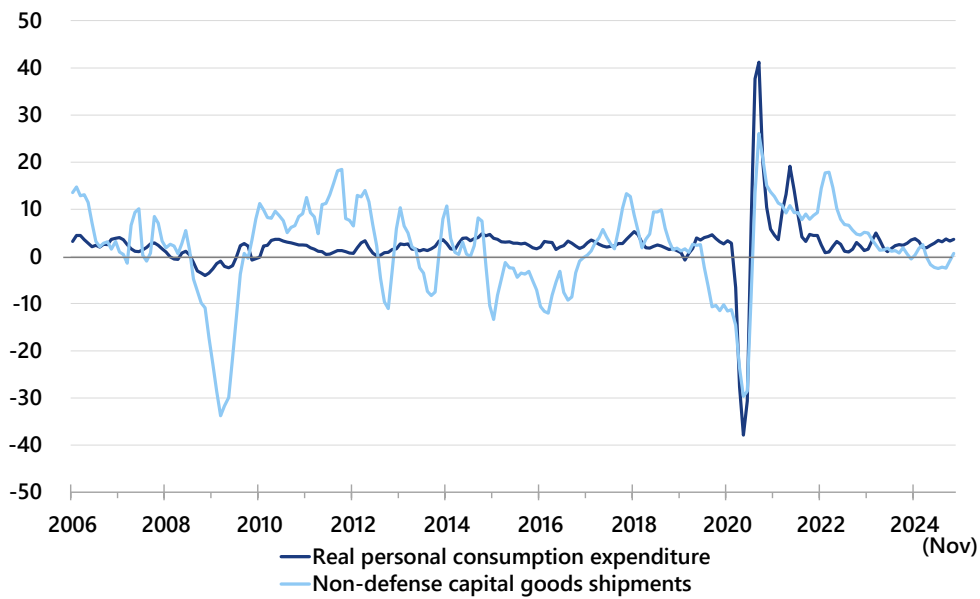
Source: CEIC

8

## US: Consumption growth and business investment activity



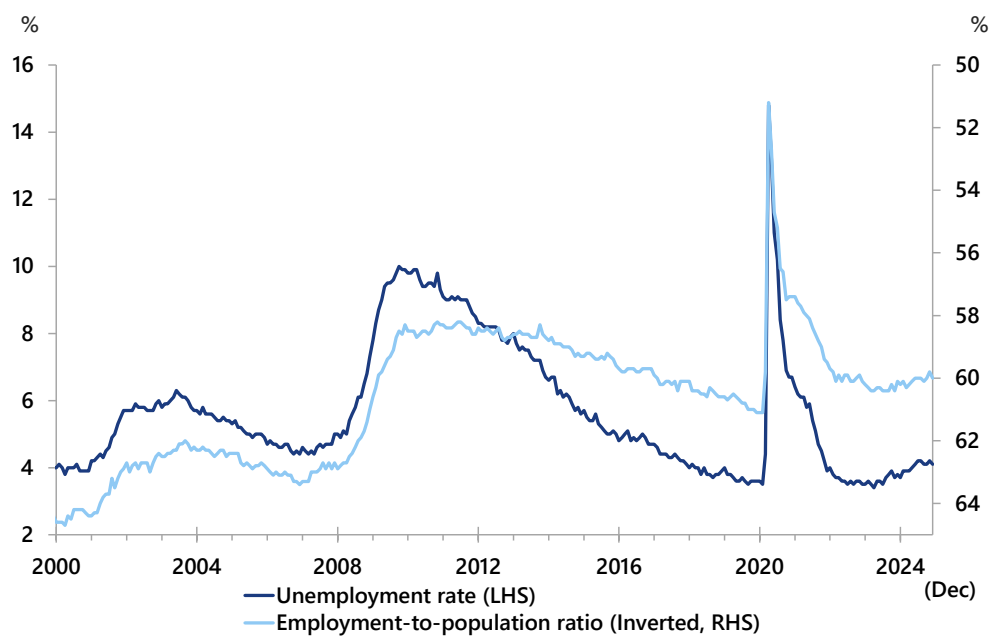
% 3m-on-3m, annualised



Source: CEIC

9

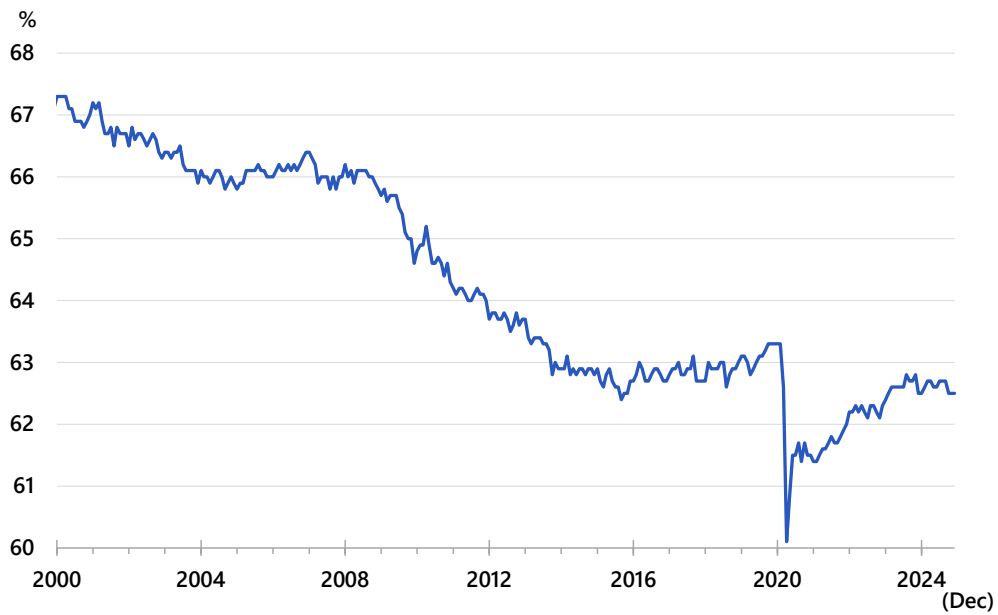
## US: Labour market situation



Source: CEIC

10

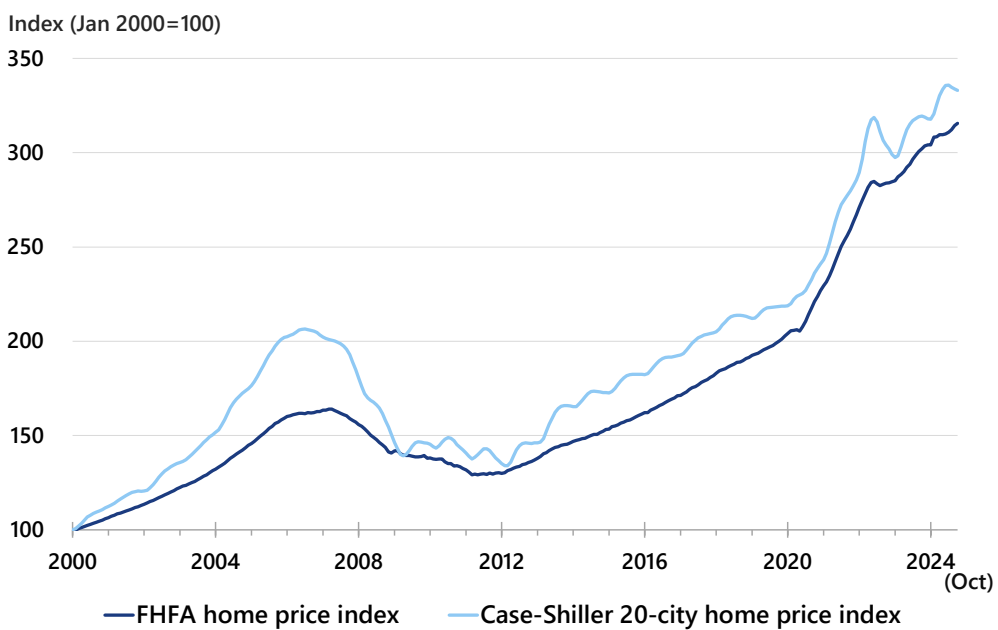
## US: Labour force participation rate



Source: CEIC

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## US: Home prices



Sources: CEIC and S&P

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## US: Home sales

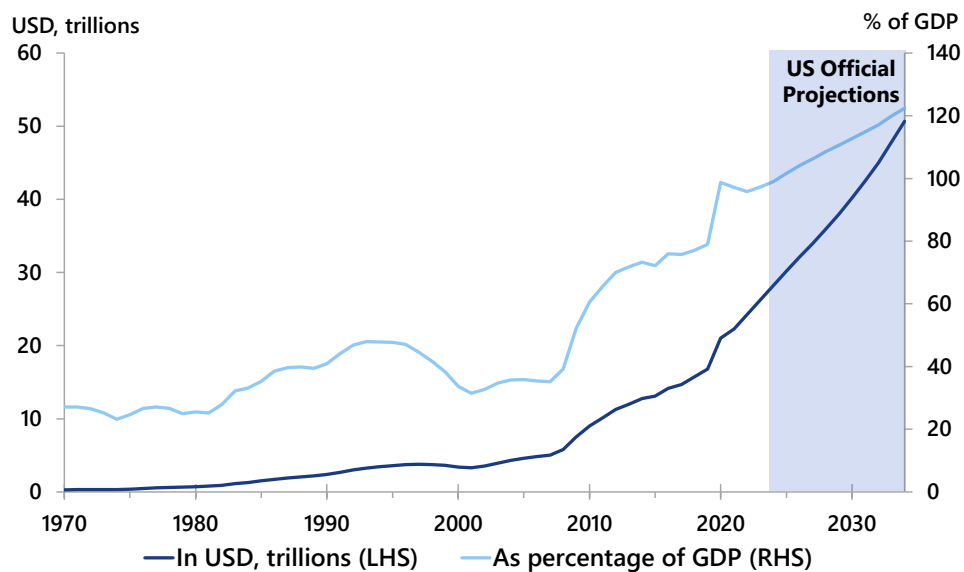


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## US: Federal government debt



### US federal debt held by the public

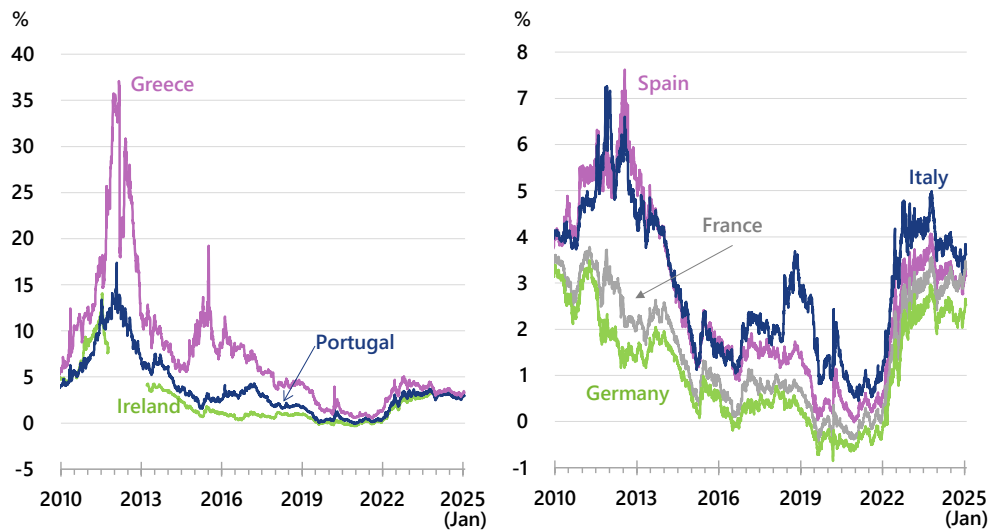


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## Euro area: Sovereign bond yields



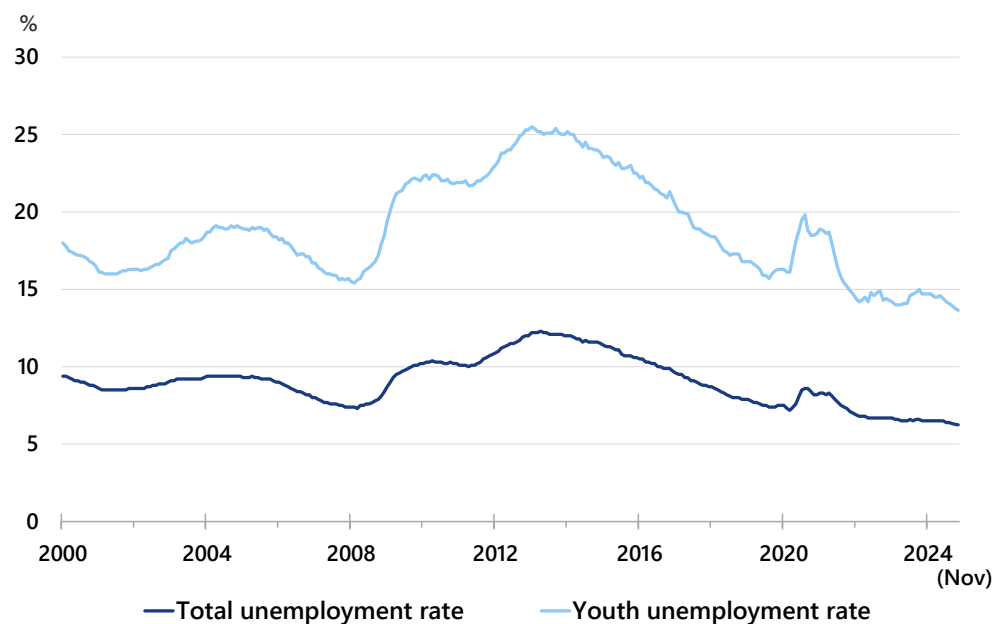
### 10-year sovereign bond yield



Note: 10-year Irish sovereign bond yield data is not available between 12 October 2011 and 14 March 2013.  
Source: Bloomberg

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## Euro area: Unemployment rate

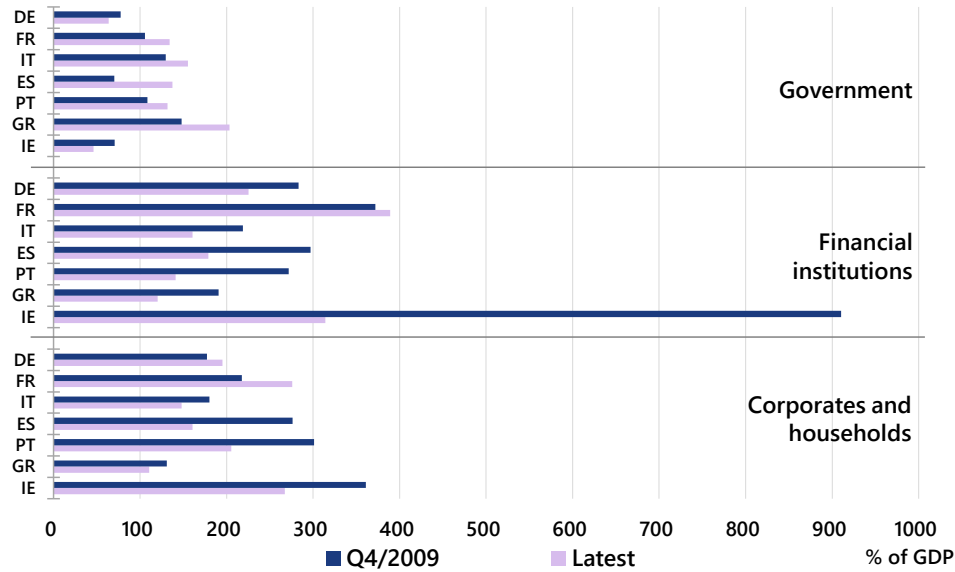


Source: CEIC

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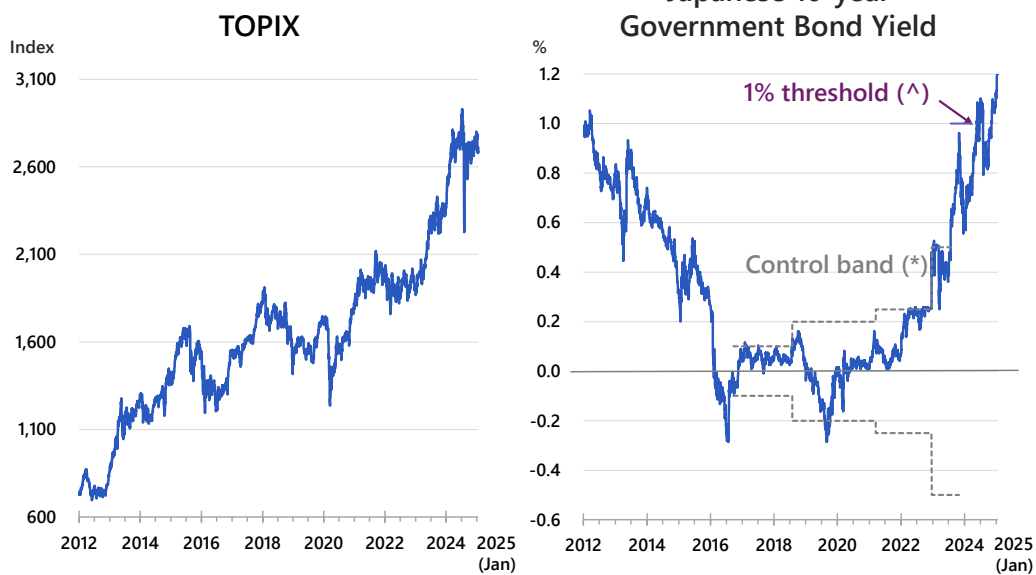
## Euro area: Overall indebtedness



Note: DE – Germany, FR – France, IT – Italy, ES – Spain, PT – Portugal, GR – Greece, IE – Ireland  
The latest figures are up to Q3/2024.  
Source: European Central Bank

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## Japan: Financial markets



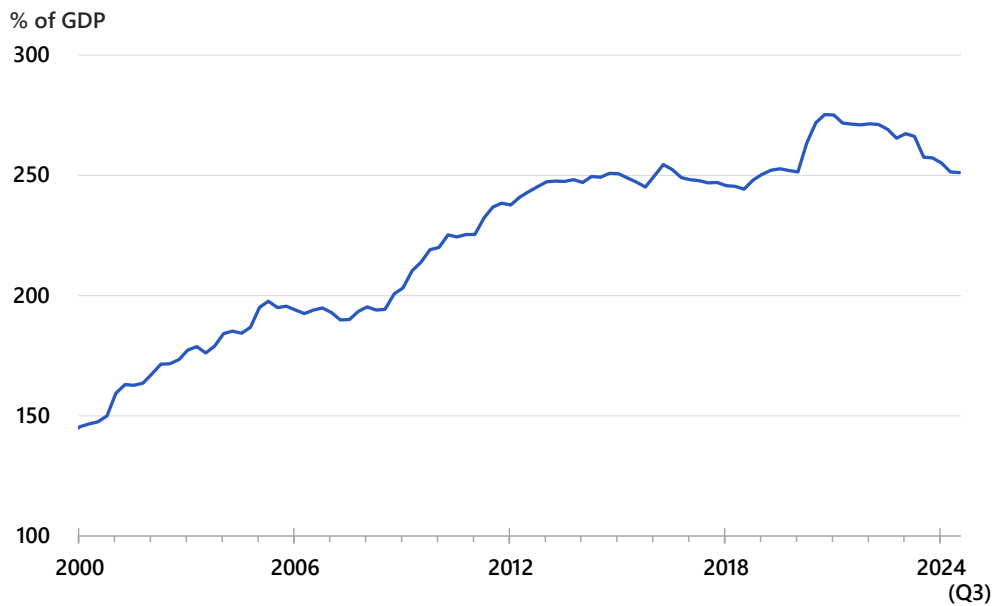
(\*) The control band for Japanese 10-year government bond yield was -0.5% to 0.5% until 28 July 2023

(^) As a cap between end-July and end-October 2023; as a reference upper bound between November 2023 and 18 March 2024; abandoned on 19 March 2024

Source: Bloomberg

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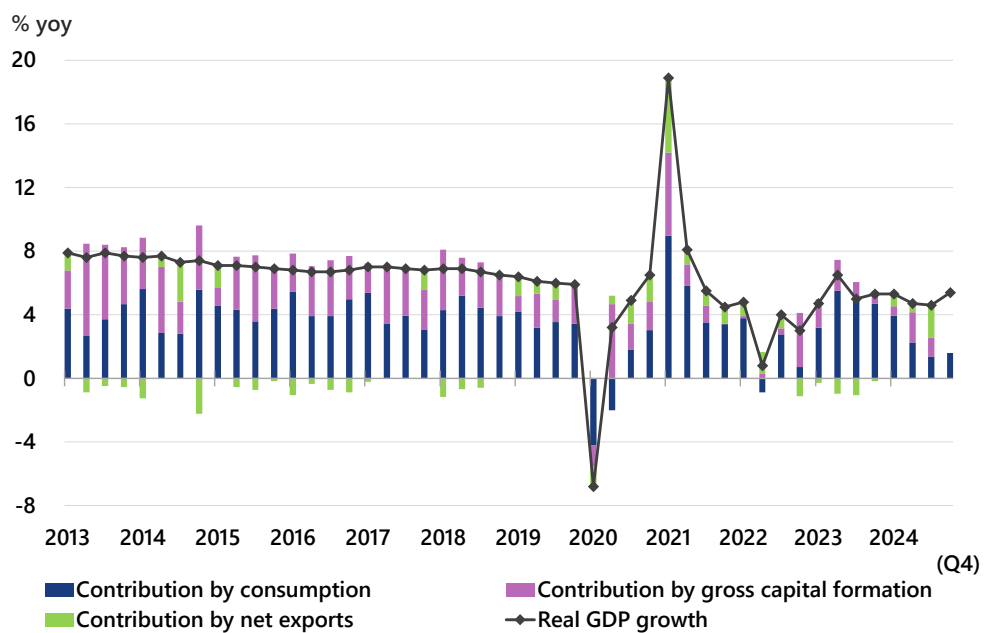
## Japan: Public debt



Sources: Bank of Japan and CEIC

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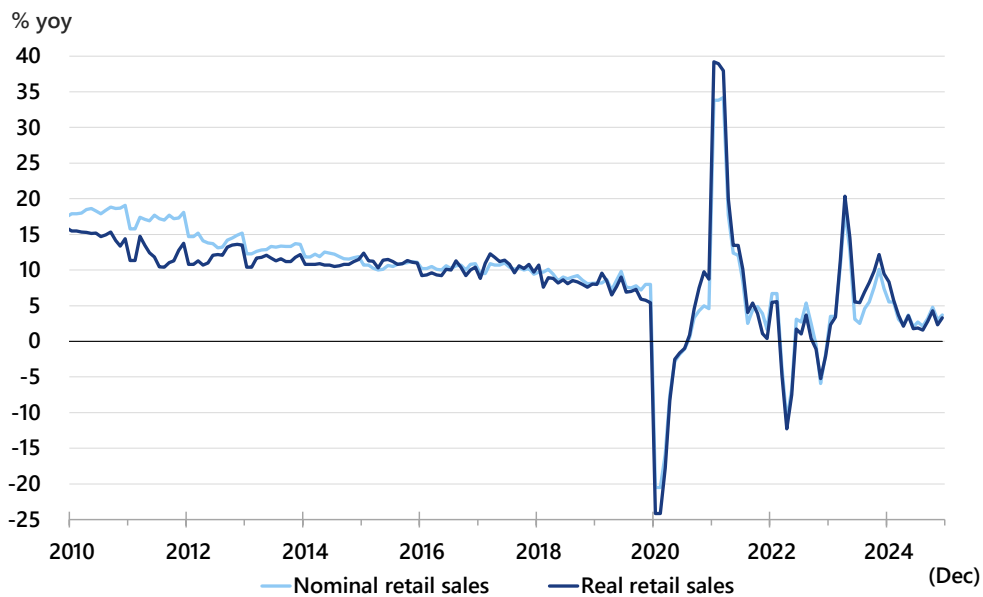
## Mainland China: Real GDP growth



Source: CEIC

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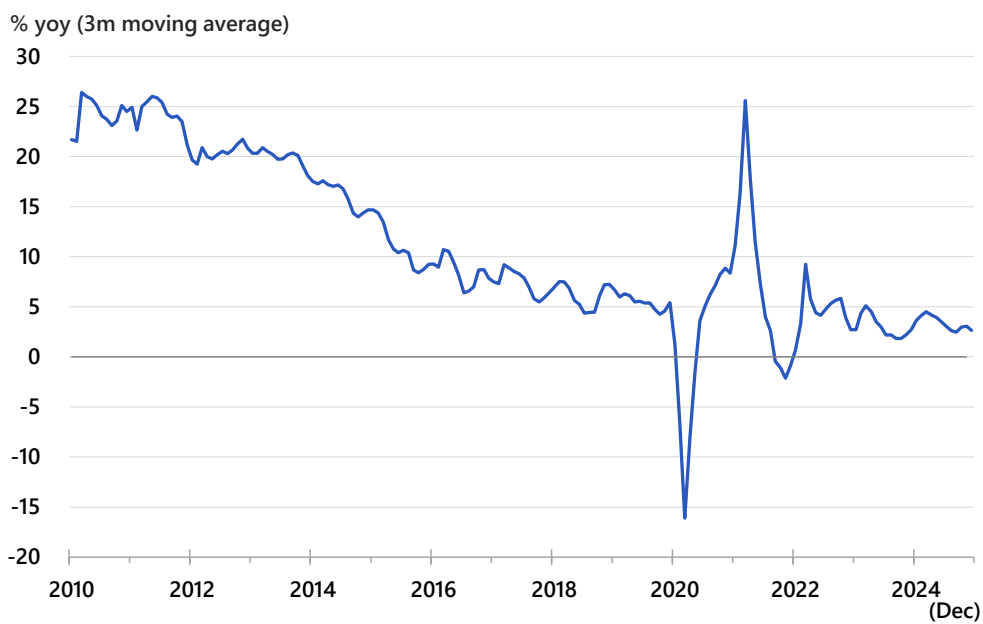
## Mainland China: Retail sales



Note: January and February figures are the average annual growth rate for the first two months of the year.  
Sources: WIND and HKMA staff estimates

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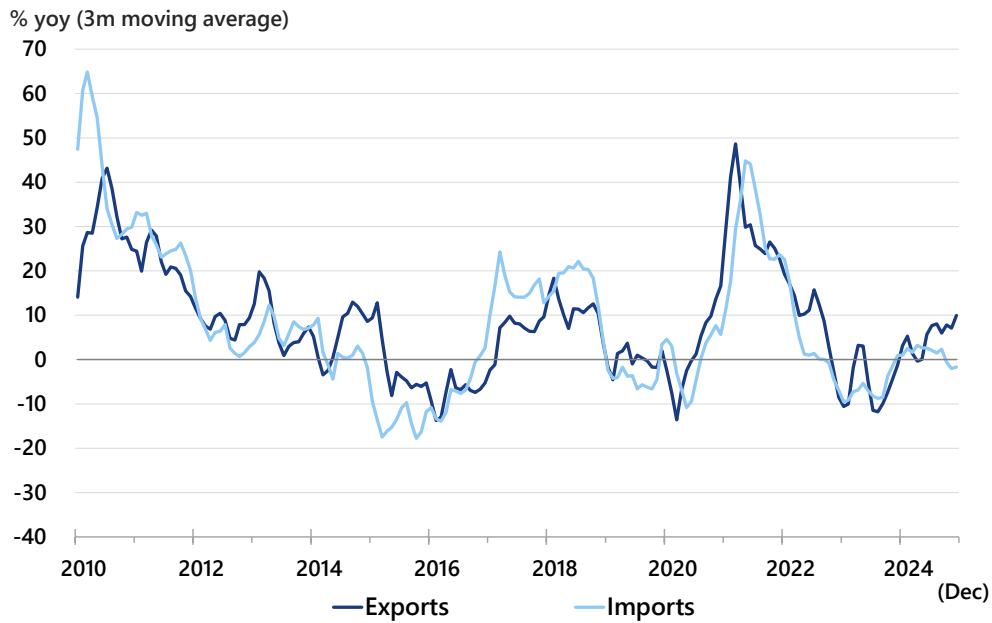
## Mainland China: Fixed asset investment



Sources: CEIC and HKMA staff estimates

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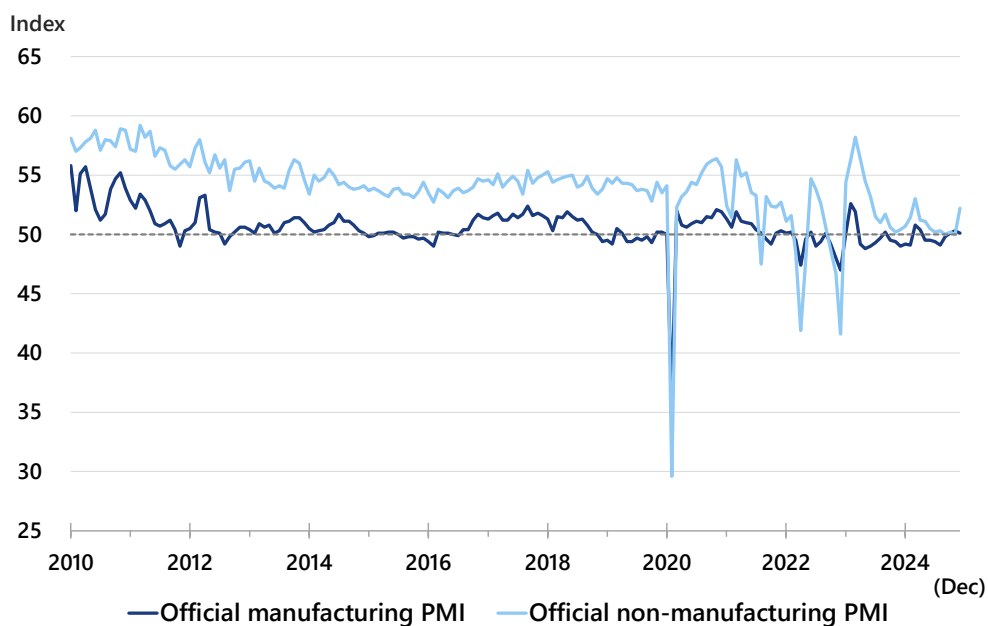
## Mainland China: Import and export growth



Sources: CEIC and HKMA staff estimates

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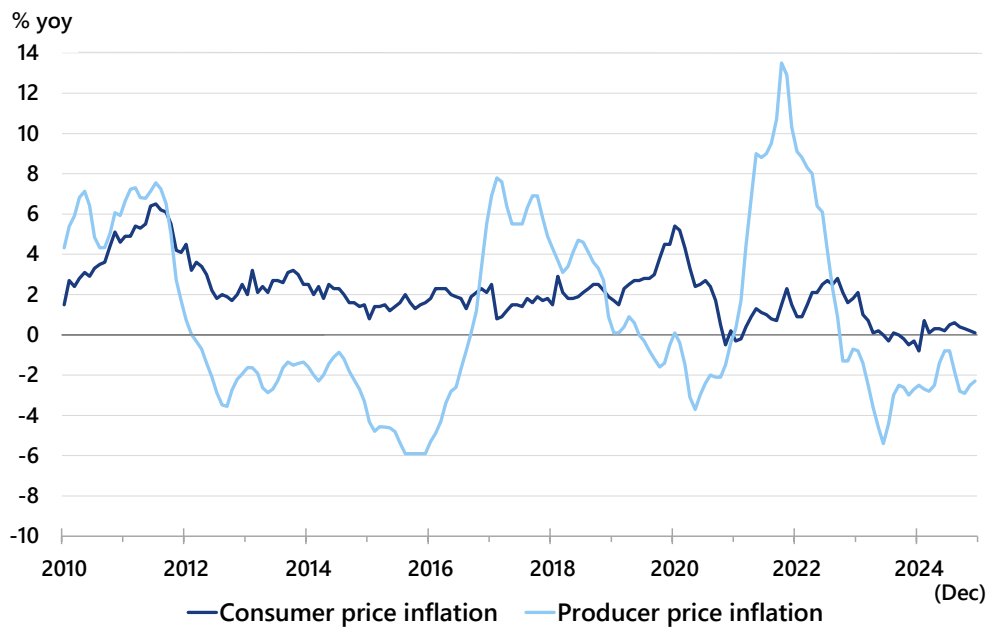
## Mainland China: Purchasing Managers' Index



Source: CEIC

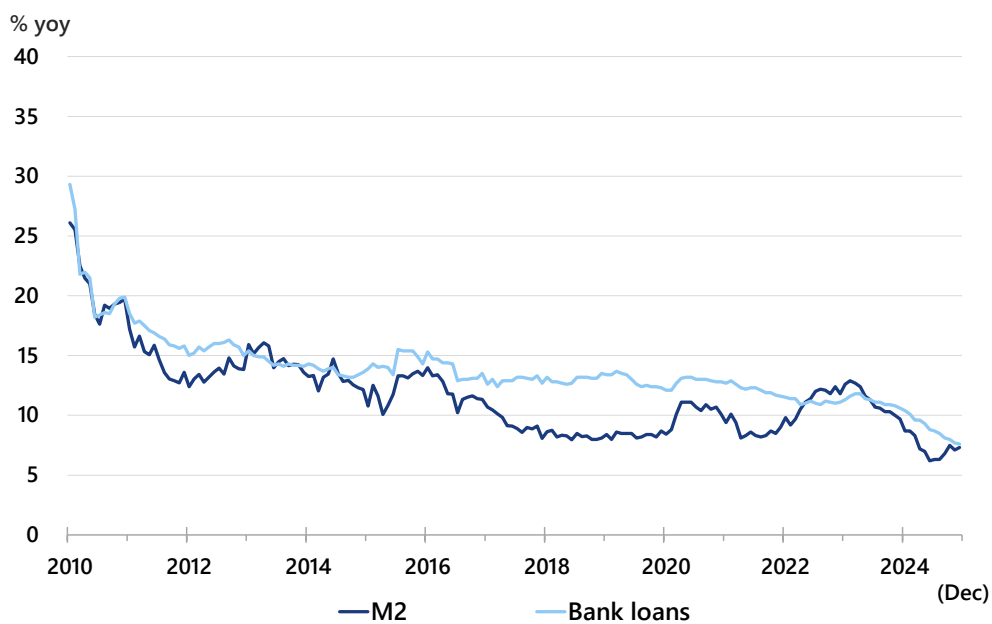
24

## Mainland China: Inflation



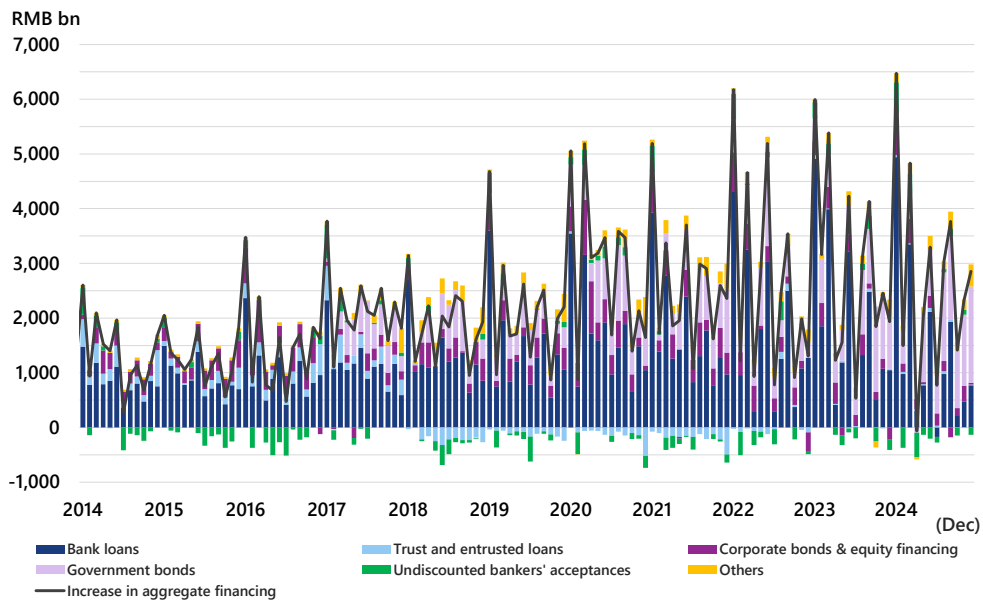
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## Mainland China: Money and loan growth



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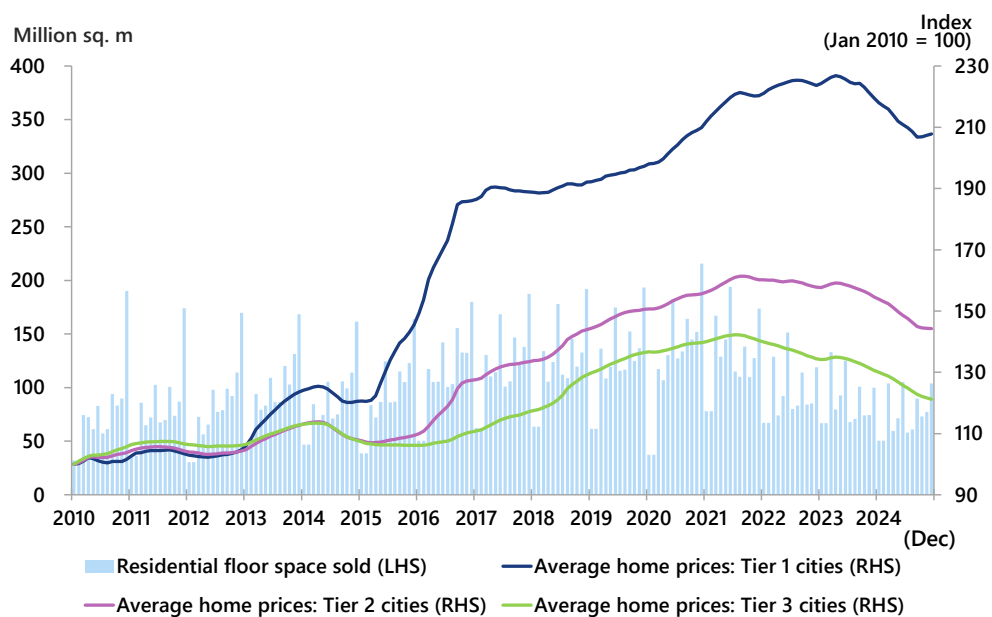
## Mainland China: Aggregate financing flow



Note: "Others" primarily include loans written off and asset-backed securities of depository financial institutions.  
Sources: CEIC and HKMA staff estimates

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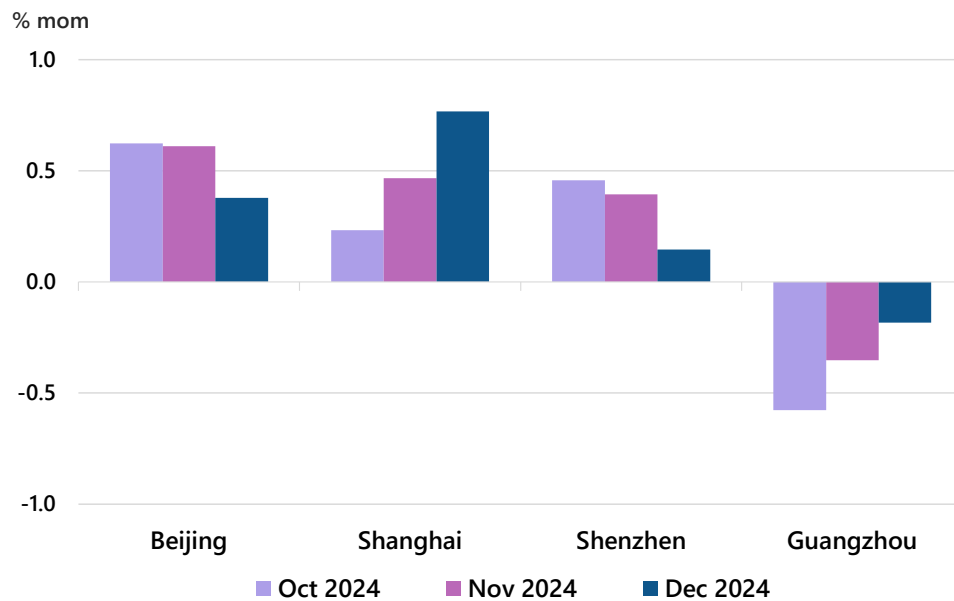
## Mainland China: Property price and transaction volume



Sources: CEIC and HKMA staff estimates

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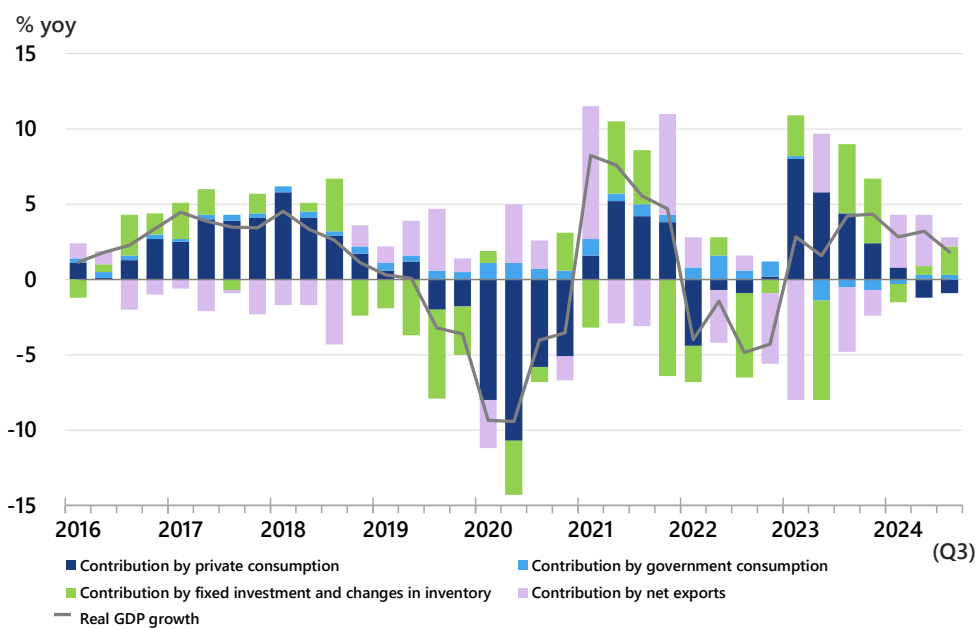
## Mainland China: Housing price changes in major cities



Sources: CEIC, WIND and HKMA staff estimates

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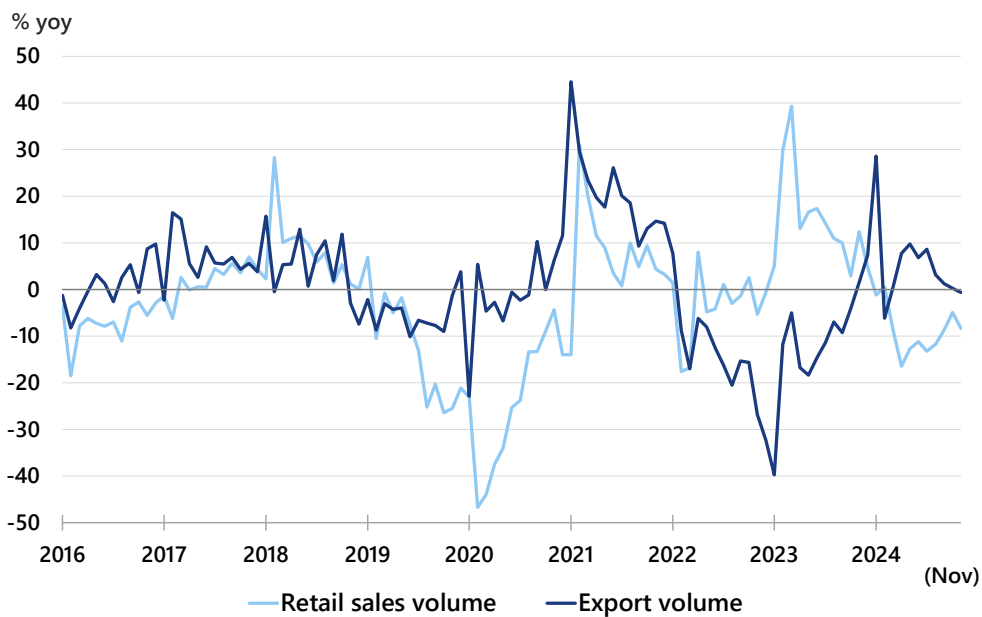
## Hong Kong: Real GDP growth



Source: Census and Statistics Department (C&SD)

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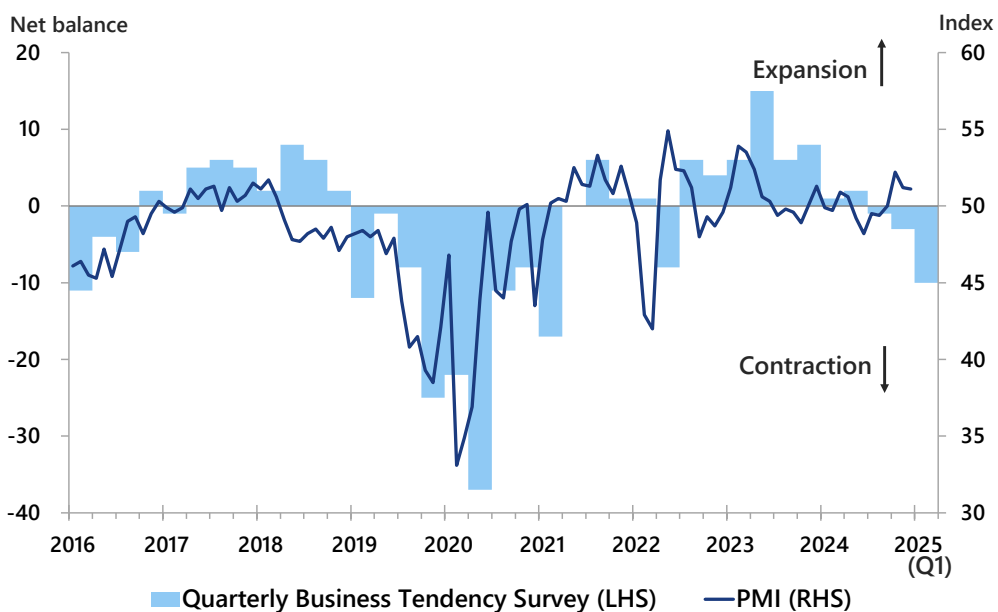
## Hong Kong: Economic activity



Source: C&SD

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## Hong Kong: Business outlook

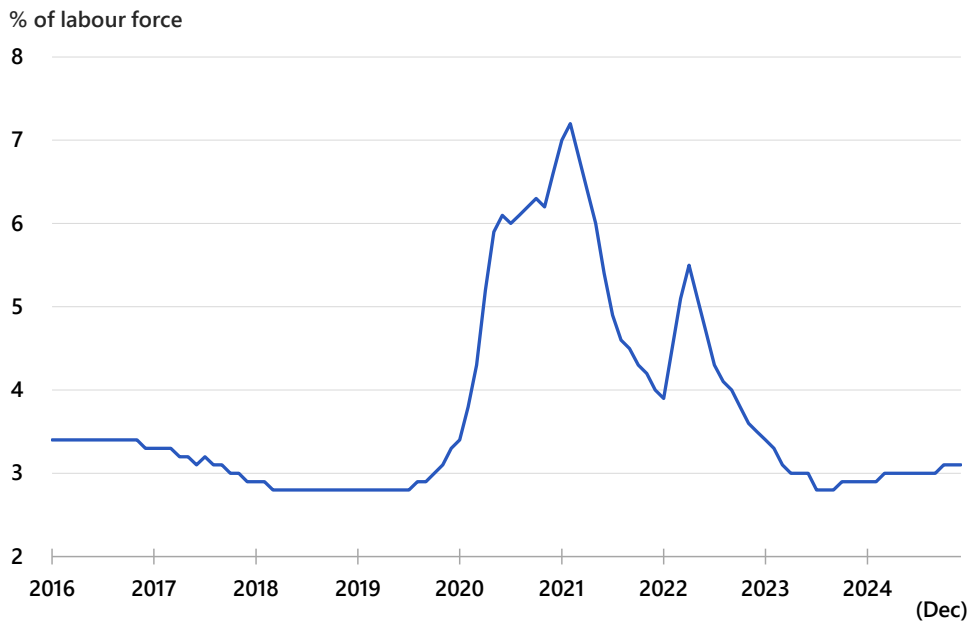


Sources: C&SD and S&P Global

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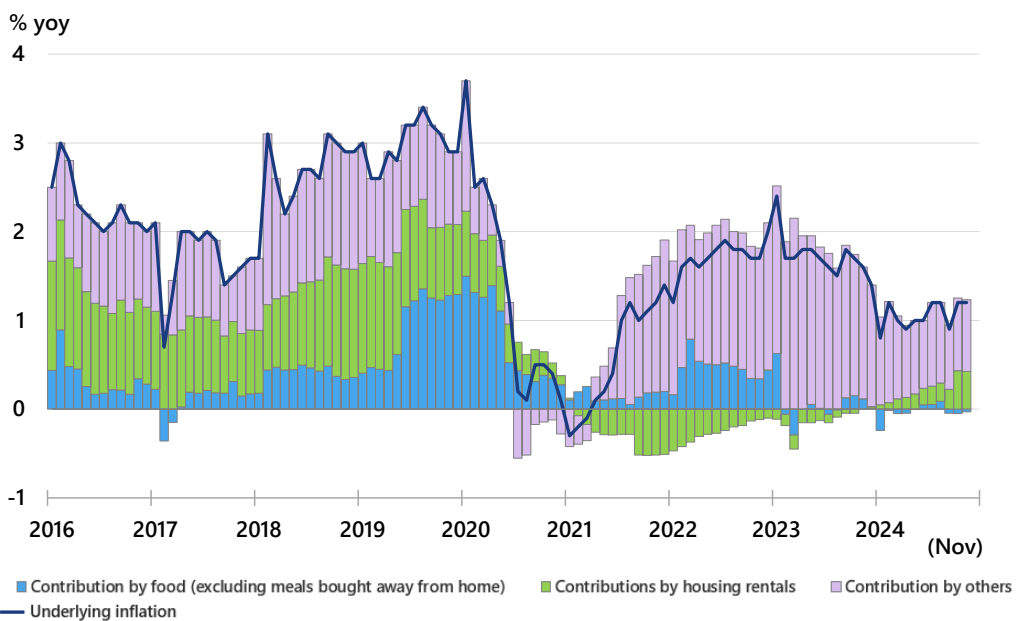
## Hong Kong: Unemployment rate



Source: C&SD

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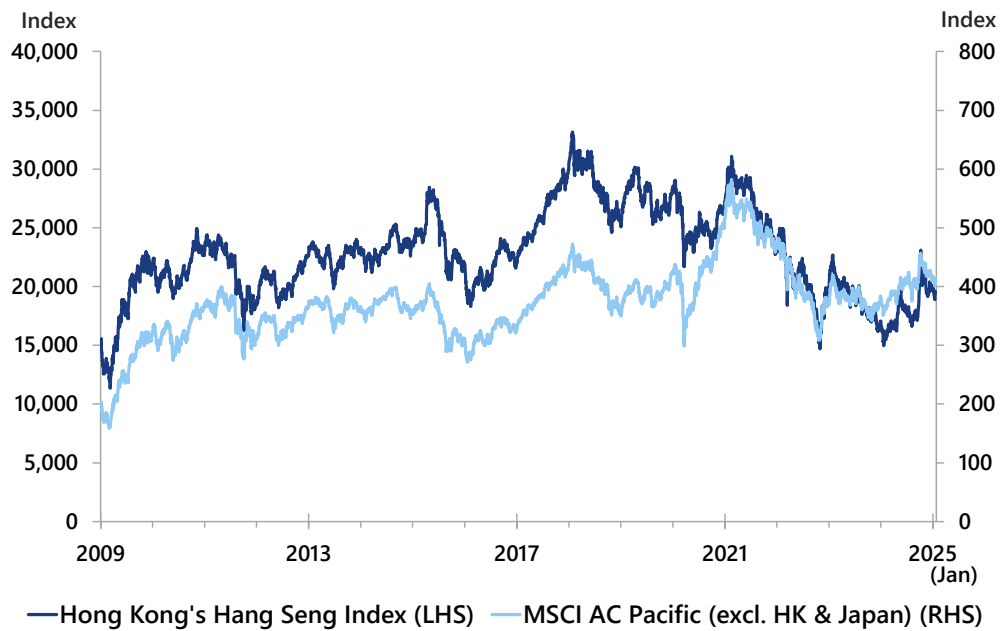
## Hong Kong: Inflation



Sources: C&SD and HKMA staff estimates

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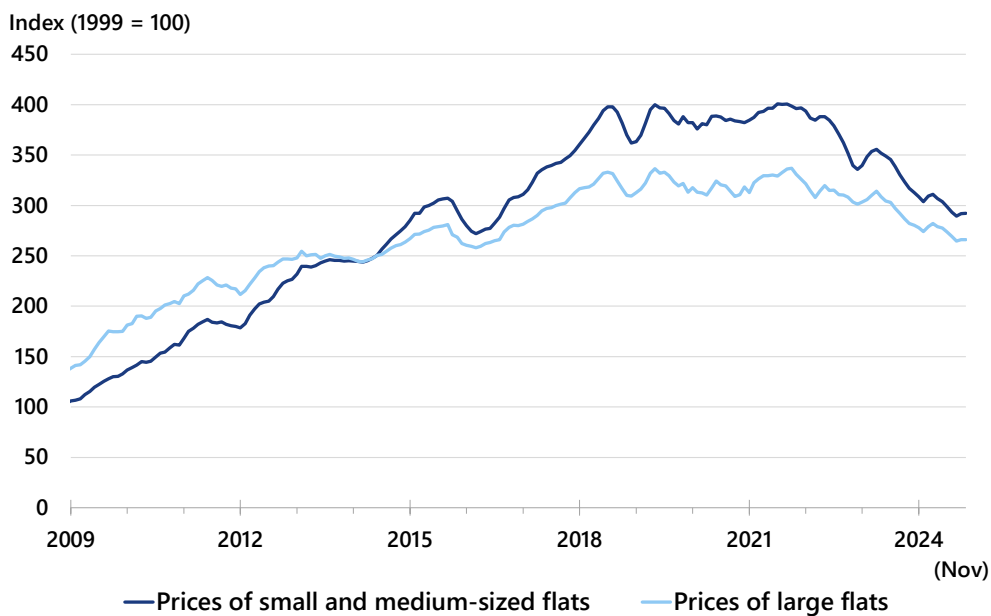
## Hong Kong: Equity market



Source: Bloomberg

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## Hong Kong: Residential property prices



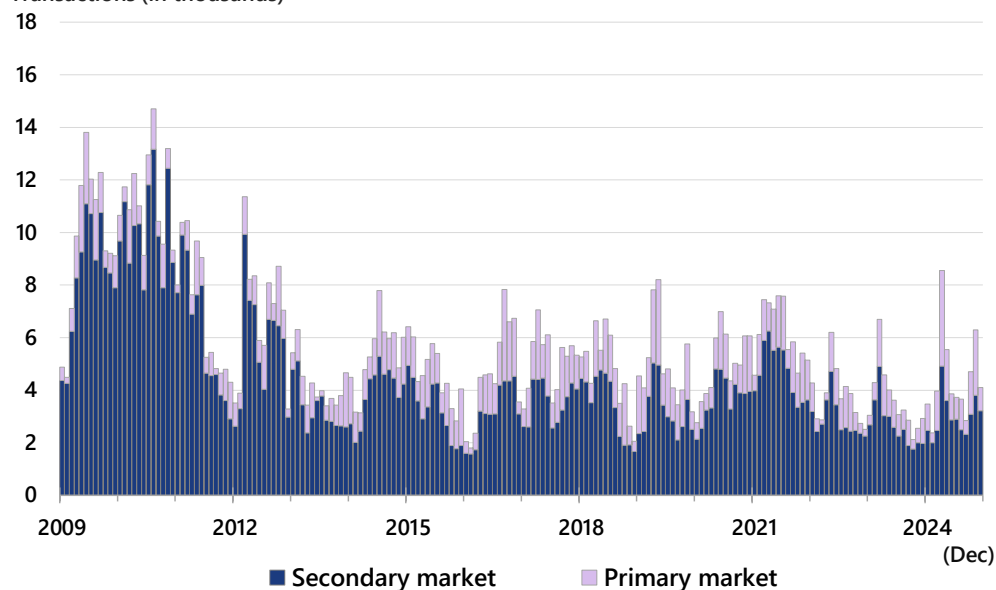
Source: Rating and Valuation Department (R&VD)

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## Hong Kong: Transaction volume in the primary and secondary residential property markets



Transactions (in thousands)



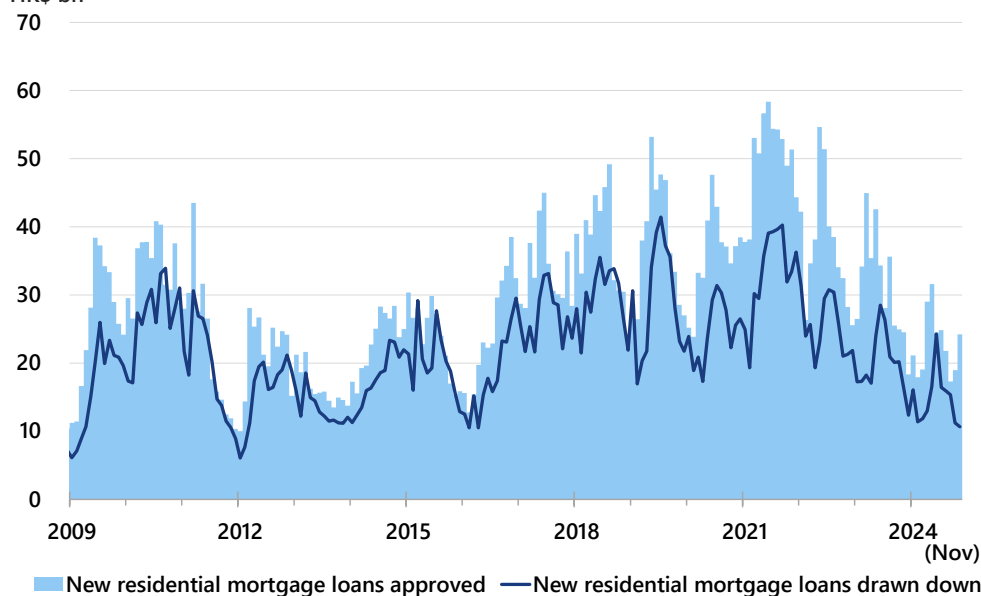
Source: Land Registry

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## Hong Kong: New residential mortgage loans



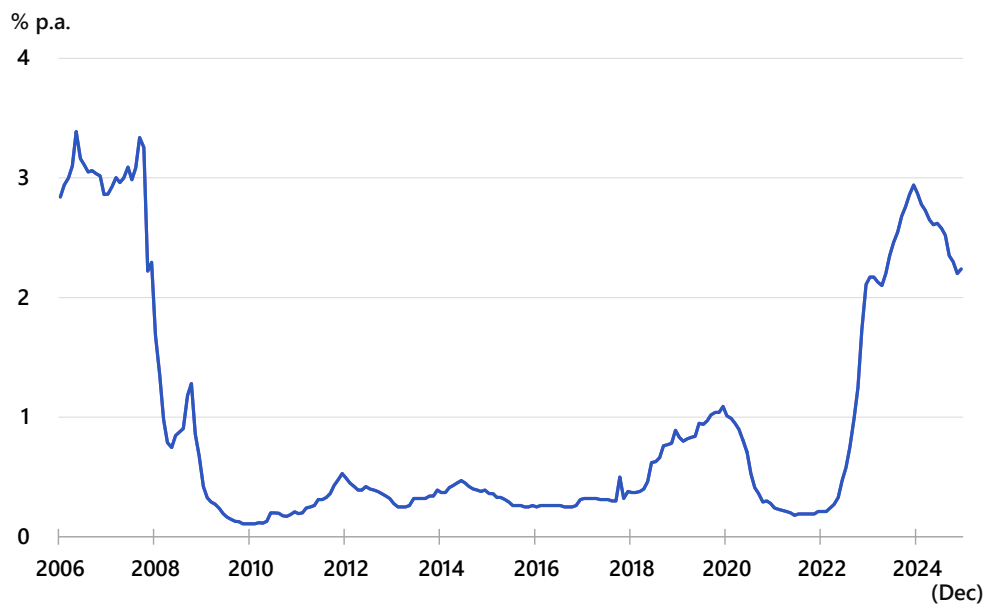
HK\$ bn



Source: HKMA

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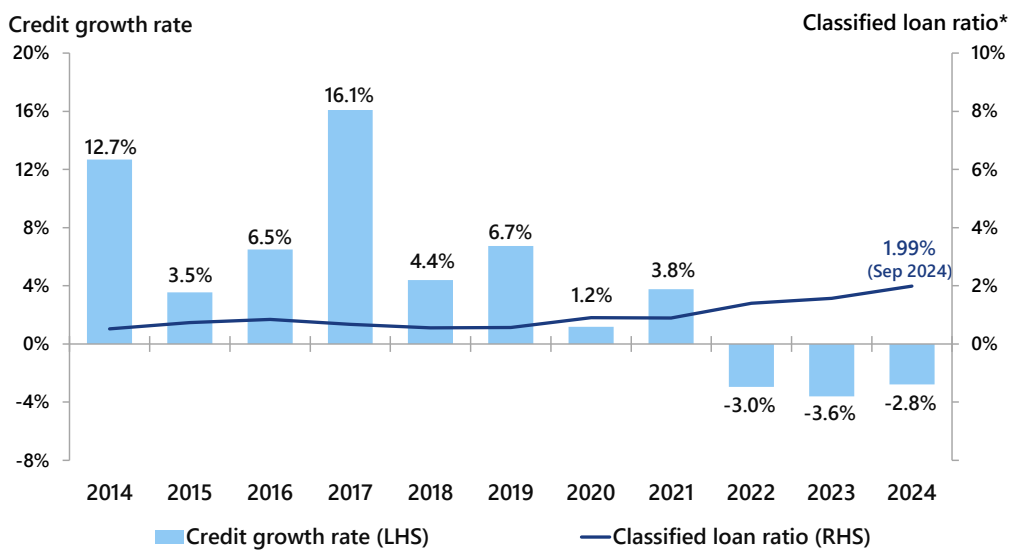
## Hong Kong: Composite interest rate



Source: HKMA

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## Hong Kong: Loan growth and asset quality



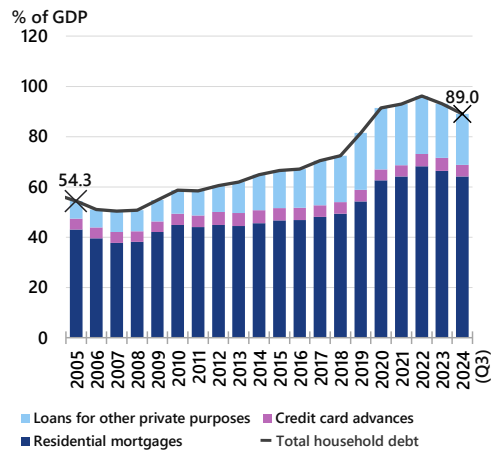
\* Classified loan ratio of all authorized institutions  
Source: HKMA

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## Hong Kong: Household debt

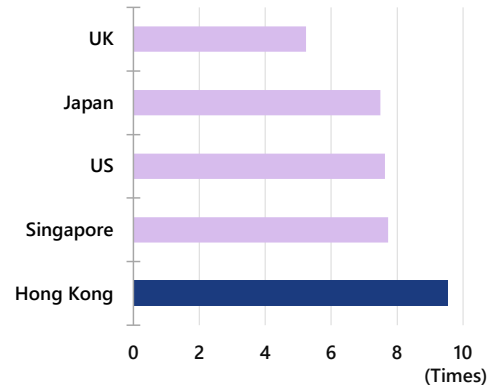


Gross household debt



Note: The majority of the household debts are residential mortgage loans, which are governed by the macroprudential policy framework, as well as collateralised loans to wealth management customers against financial assets.  
Source: HKMA

Household net worth-to-liabilities ratio

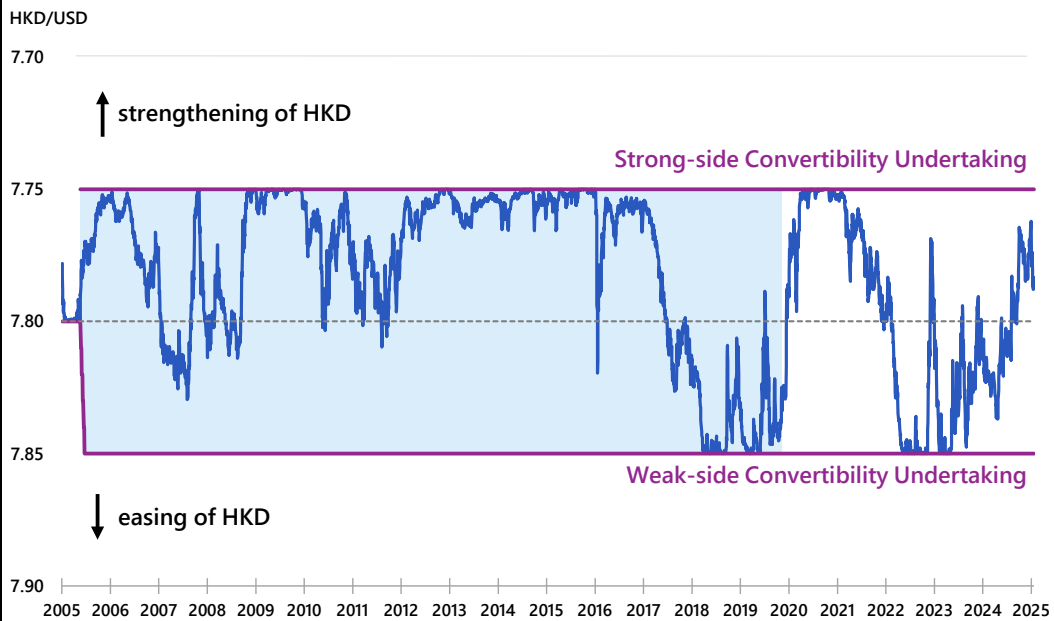


Notes: (1) Household net worth (or net household assets) is the difference between gross household assets and gross household liabilities. (2) Taking Hong Kong as an example, the above number means that Hong Kong household net worth is around 10 times its gross household liabilities. (3) Figures for Hong Kong, Singapore, the UK and the US refer to end-2023, while figure for Japan refers to end-2022.  
Sources: HKMA staff estimates and statistical agencies or central banks of selected economies

## Currency Stability

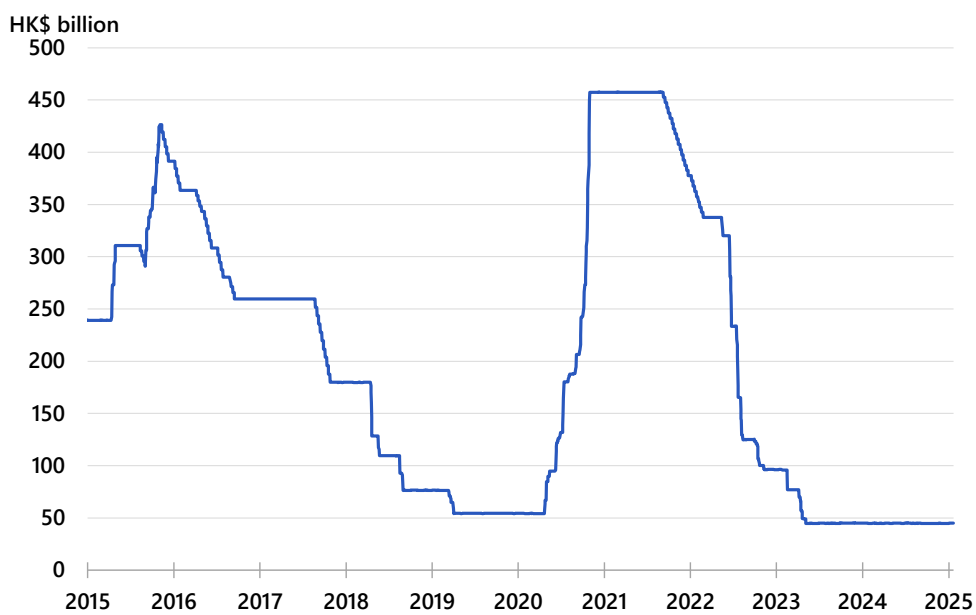


## Hong Kong dollar spot exchange rate



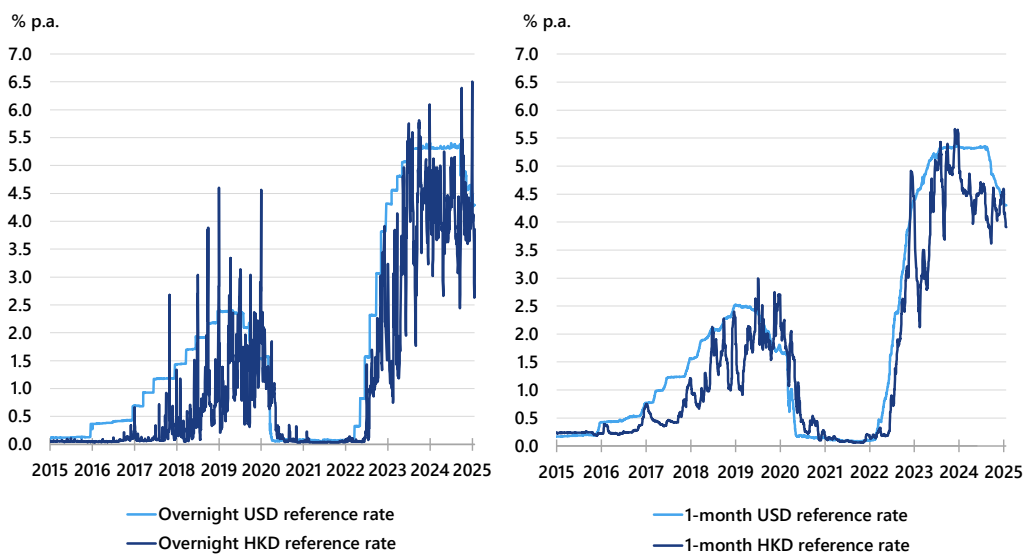
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## Aggregate Balance



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## Interest rates



Note: HKD reference rate refers to HKD HIBOR fixing. Before 1 July 2023, USD reference rate refers to USD LIBOR fixing. Since 1 July 2023, USD reference rate refers to SOFR and 1-month CME Term SOFR.

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## 12-month Hong Kong dollar forward points



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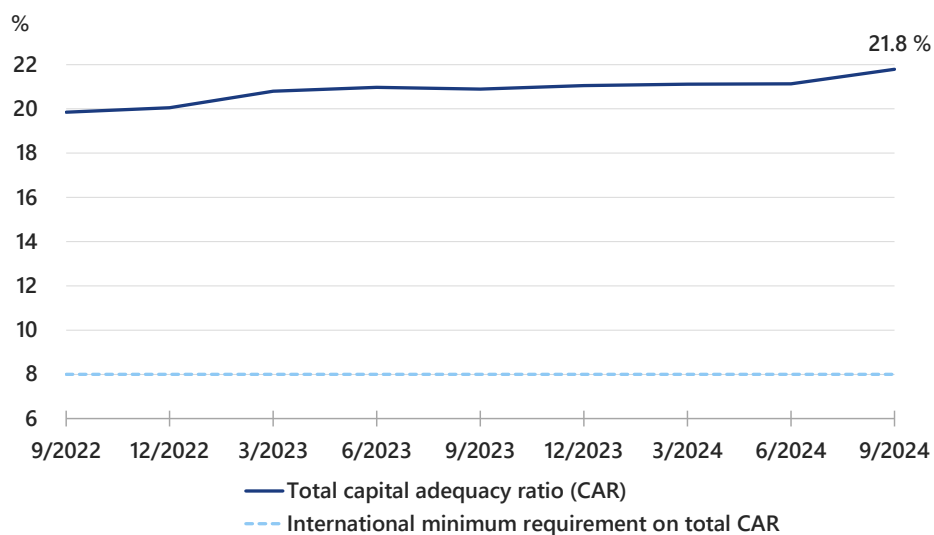
# Banking Stability



## Banking sector performance



Locally incorporated authorized institutions (AIs)  
continue to be well capitalised



Source: HKMA

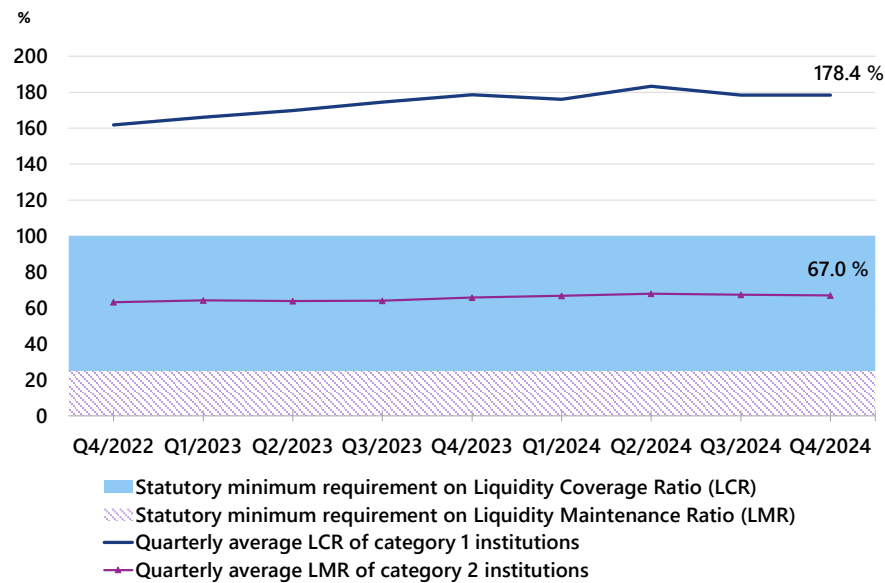
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- The banking sector continues to be well capitalised. The consolidated total CAR of locally incorporated AIs stood at 21.8% at end-September 2024, well above the international minimum requirement of 8%.

## Banking sector performance



### Liquidity position remains strong



Source: HKMA

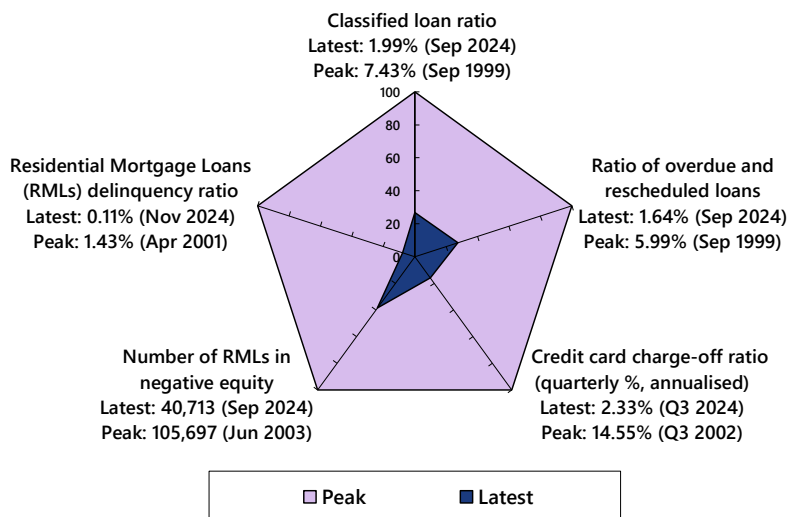
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- In the fourth quarter of 2024, the quarterly average LCR of category 1 institutions was 178.4%, well above the statutory minimum requirement of 100%. For category 2 institutions, their quarterly average LMR was 67.0 % during the same period, also well above the statutory minimum requirement of 25%.
- The Hong Kong banking sector continues to maintain strong capital position, ample liquidity and prudent operations, providing the best protection for depositors.

## Banking sector performance



### Asset quality remained manageable



Source: HKMA

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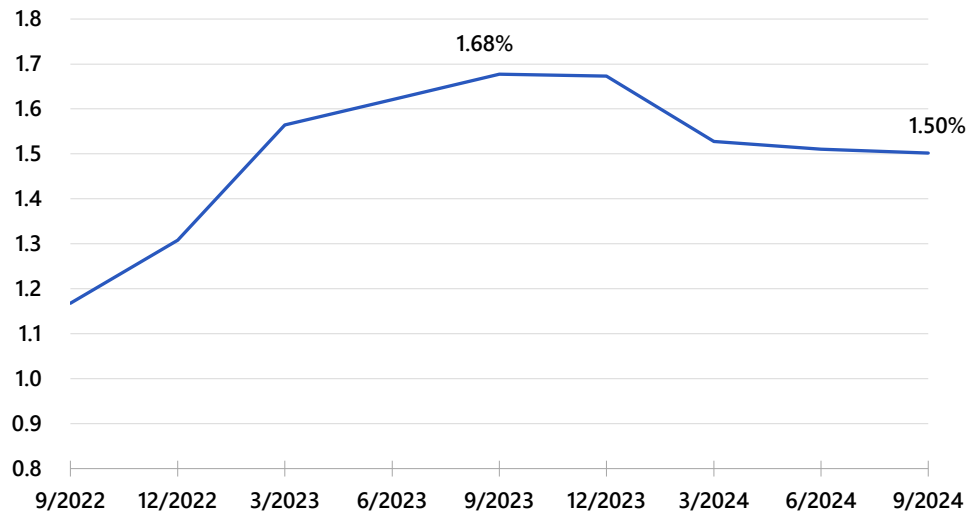
- The classified loan ratio of the banking sector increased gradually to 1.99% at end-September 2024 from 1.89% at end-June 2024. The overall asset quality remained manageable.

## Banking sector performance



### Net interest margin (NIM) narrowed

% (year-to-date annualised)



Source: HKMA

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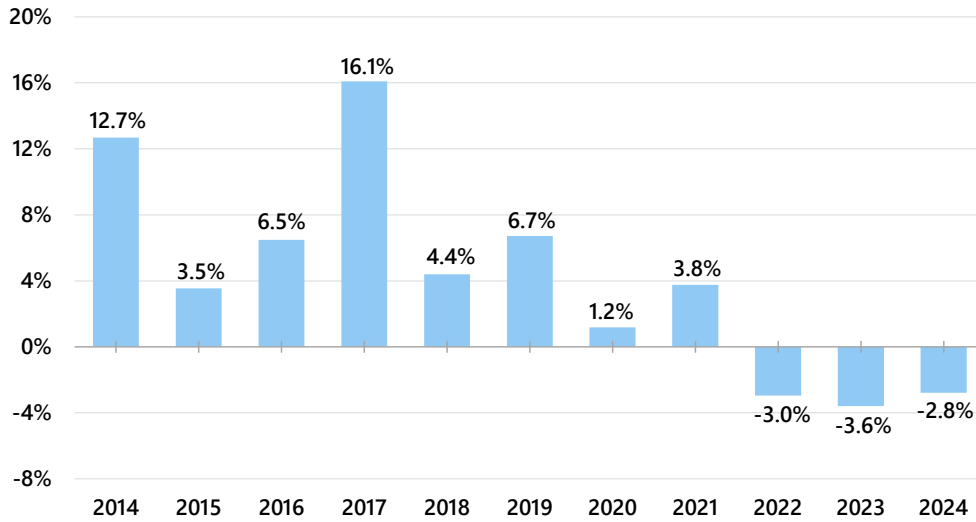
- The NIM of retail banks' Hong Kong businesses narrowed to 1.5% in first three quarters of 2024 compared with 1.68% in the same period last year.

## Banking sector performance



### Loan demand remained subdued

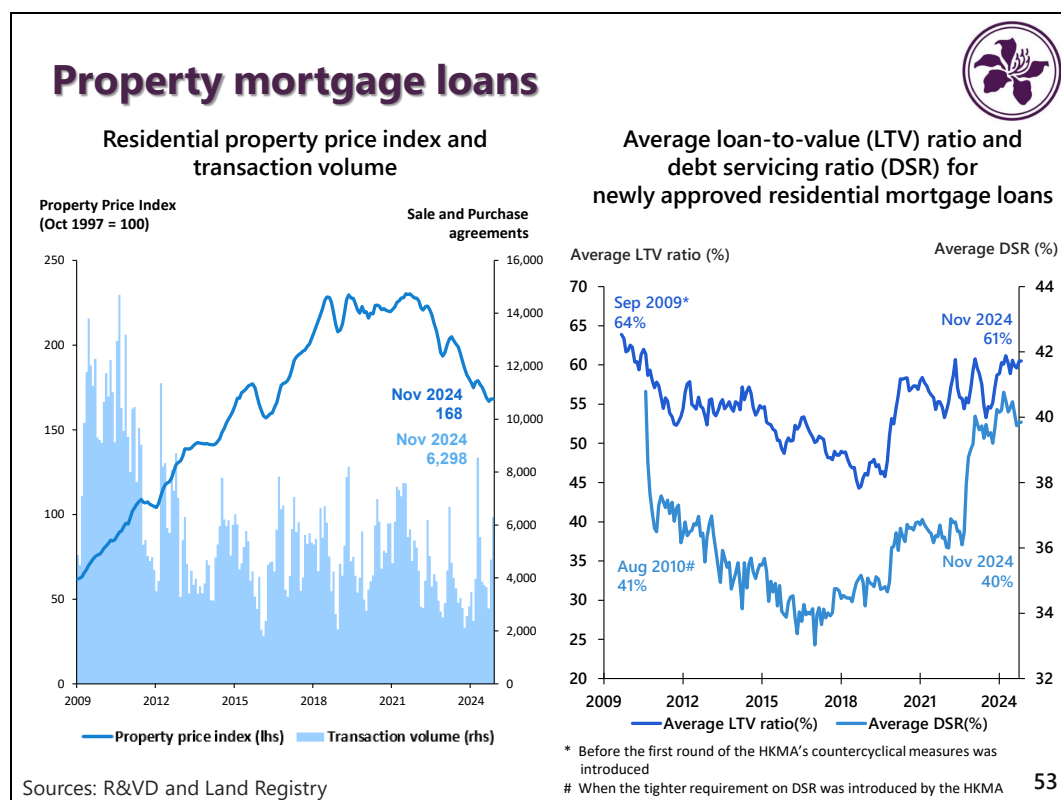
Credit growth rate



Source: HKMA

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- Total loans decreased by 2.8% in 2024, mainly reflecting subdued loan demand amid high borrowing costs.



### Latest statistics on residential mortgage loans (RMLs)

	Monthly average in 2022	Monthly average in 2023	Jun 2024	Jul 2024	Aug 2024	Sep 2024	Oct 2024	Nov 2024
Number of sale and purchase agreements	3,754	3,584	3,856	3,723	3,654	2,848	4,697	6,298
Number of new RML applications	9,524	8,032	6,690	6,740	5,919	4,977	7,289	7,995
Number of new RMLs approved	7,413	6,396	5,221	5,491	4,794	3,771	4,130	5,209

### Latest statistics on residential property prices

Property price index		Period	Property price index
Rating and Valuation Department (10/1997=100)	Latest position	11/2024	168.2
	Recent peak	9/2021	230.2
	Peak in 1997	10/1997	100.0
Centaline (6/7/1997=100)	Latest position	12/1/2025	138.6
	Recent peak	8/8/2021	191.3
	Peak in 1997	19/10/1997	103.5

## Property mortgage loans



- Introduced a one-off special mortgage scheme on 4 December 2024 to provide flexibility for banks to assist homebuyers who bought uncompleted residential properties during 2021 to 2023 using stage payment plans :
  - Maximum loan-to-value (LTV) ratio of 80% and debt servicing ratio (DSR) limit of 60%

## Legislative Proposals



### International Standards Implementation

- **Prudential treatment of cryptoasset exposures**

- Currently seeking industry's comments on proposed rule amendments for the local implementation of the corresponding standard from the Basel Committee
- Updates will be made to Banking (Capital) Rules, as well as Banking (Disclosure) Rules, Banking (Exposure Limits) Rules, etc.
- Target implementation date: 1 January 2026

- **Proposed Enhancements to Banking Ordinance**

- Initiated consultations on the remaining proposed enhancements to the Banking Ordinance in Q4 2024

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- Preparatory work for legislative amendments to implement the **prudential treatment of banks' crypto-asset exposures** ("prudential treatment") is progressing:
  - The new Basel standard has been developed to provide a global baseline framework for banks' cryptoasset exposures that promotes responsible innovation while preserving financial stability.
  - Currently, the HKMA is seeking the industry's comments on the initial proposals for amending the rules for the local implementation of the prudential treatment.
  - The HKMA plans to undertake a statutory consultation on the draft rules around March 2025, 2025, with a target implementation date of 1 January 2026.
- **Proposed enhancements to Banking Ordinance**
  - Following a recent review of the Banking Ordinance conducted by the HKMA, consultations in relation to simplification of the three-tier banking system and information sharing among banks for preventing and detecting financial crime were concluded in August 2024 and September 2024, respectively. Consultations were initiated in the fourth quarter of 2024 on the remaining proposals, including extension of the Monetary Authority's inspection and enforcement powers, regulation and supervision of holding companies of locally incorporated banks, engagement of skilled persons for assisting the Monetary Authority in the performance of his functions under the Banking Ordinance and a number of technical amendments.



## **Anti-money laundering and counter-financing of terrorism (AML/CFT)**



- Provided guidance on the control measures banks should take to prevent, detect and disrupt authorised payment scams
- Strengthen publicity efforts in enhancing public awareness of anti-deception through collaboration with the Police and the banking industry

## Resolution regime



- Launched a public consultation on proposed amendment to the Financial Institutions (Resolution) Ordinance (Cap. 628) (FIRO), as part of the consultation paper on the enhancements to the Banking Ordinance (Cap. 155)
- Issued updated standard loss-absorbing capacity (LAC) disclosure template and Code of Practice chapter
- Continued to enhance resolvability of systemic / large banks in Hong Kong through bilateral resolution planning programmes

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- On 5 December 2024, the HKMA launched a public consultation on proposed enhancements to the Banking Ordinance, including proposed amendment to the FIRO. It is proposed to amend one of the existing conditions for initiating resolution under the FIRO in order to enhance the flexibility of resolution authorities in handling various crisis scenarios and better align with the equivalent condition in other major financial jurisdictions. The proposed amendment would add an express reference to the “public interest” as an alternative condition to the existing condition 3 in section 25(4) of the FIRO, for triggering the resolution of a “within scope financial institution” (WSFI). The alternative condition (along with the other two conditions respectively in section 25(2) and (3) of the FIRO), if satisfied, can trigger the resolution of a WSFI.
- Following consultation with the two industry associations, on 24 October 2024 the HKMA issued a revised standard disclosure template on the main features LAC instruments, in order to align with the revised standard capital disclosure templates following the Basel III final reform package and to provide more clarity. In addition, an updated Code of Practice chapter on LAC requirements (LAC-1) was issued on the same day to incorporate considerations regarding the indicative asset threshold for LAC implementation.
- Under the bilateral resolution planning programmes, the HKMA continued to progress the annual resolution planning priorities set out with individual systemically important or large banks to enhance resilience and resolvability of these banks. These priorities are mainly in the areas of: (i) LAC; (ii) operational continuity in resolution; (iii) early termination risk in resolution; (iv) liquidity and funding in resolution; (v) continuity of access in resolution to financial market infrastructure; and (vi) core resolution information submission.

## Green and sustainable banking



- Commenced second phase development of the Hong Kong Taxonomy for Sustainable Finance. The second phase will introduce transition activities, add new green activities, and incorporate a new environmental objective
- Supported development of the Roadmap on Sustainability Disclosure in Hong Kong. Continue to enhance disclosure based on international frameworks and standards
- Issued good practices on transition planning and launched industry consultation on transition planning guidelines in December 2024. To finalise guidelines after considering industry feedback

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- The HKMA published the Hong Kong Taxonomy for Sustainable Finance in May 2024. Market response has been positive with a few use cases by banks. The HKMA has commenced the second phase development of the Taxonomy. The second phase will introduce transition activities, add new green activities, and incorporate a new environmental objective, namely climate change adaptation. The HKMA plans to publish the second phase prototype for public consultation in the first half of 2025. The HKMA will consult with a broad range of stakeholders, with a view to launching a taxonomy that can further facilitate the flow of green and sustainable finance.
- In December 2024, the HKSAR Government launched a roadmap on sustainability disclosure in Hong Kong which sets out Hong Kong's approach to require publicly accountable entities (PAEs) to adopt the ISSB Standards. It provides a well-defined pathway for large PAEs to fully adopt the ISSB Standards no later than 2028. The HKMA will consult the market on our implementation approach for the banking sector in 2025.
- The Basel Committee on Banking Supervision is reviewing its proposed Pillar 3 disclosure framework for climate-related financial risks. The HKMA will leverage on such Pillar 3 framework to enhance banks' disclosures about risks associated with climate issues.
- The HKMA issued some good practices that we observed from an earlier survey on banks' transition planning, as well as launched an industry consultation on a set of draft transition planning guidelines in December 2024.

## **Talent development in banking sector**



### **Attract and nurture young talent**

- Organised “Future Banking Bridging Programme” to provide professional training, career guidance and job shadowing for more than 300 university students
- Partnered with Private Wealth Management (PWM) Association to organise a Recruitment Day attended by around 600 university students for the “Apprenticeship Programme for PWM” which equips university students with practical skills and work experience for a PWM career

## Financial inclusion



- Launched additional dataset of physical banking facilities of retail banks
- Introduced education initiative to provide assistance to vulnerable groups

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- The HKMA launched an additional spatial dataset of physical banking facilities via Open Application Programming Interface for public use in December 2024. The new dataset encompasses information of five types of self-service machines of 20 retail banks. Together with the two datasets of physical branches and Automated Teller Machines (ATMs) launched in 2023, there are currently a total of three datasets of physical banking facilities published on the HKMA's website to enable apps developers, technology service providers and the public at large to make use of the open information for any potential applications development.
- As part of the efforts to foster financial inclusion, the HKMA has commenced work on a consumer education initiative in collaboration with the Consumer Council, which includes the development of interactive role-play simulation programmes to enhance the awareness of vulnerable groups on the proper use of banking services as well as to empower their capability in avoiding scams through the simulation programmes.

## Banking consumer protection



- “Credit Data Smart” completed parallel run
- Launched “Money Safe” (MS) to strengthen customer empowerment in anti-fraud-and-scam protection
- Implementation of cooling-off period for unsecured consumer credit products
- Promoted the use of Mobile Point-of-Sale (POS) Terminals
- Enhanced consumer protection in relation to payment card direct debit authorisation (DDA)
- Post-implementation review of the Mandatory Reference Checking (MRC) Scheme

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- The industry completed the parallel run arrangement and the full migration to Credit Data Smart on 24 November 2024. Operation has been smooth so far.
- The HKMA issued guidance on 3 December 2024 on introduction of MS to provide an extra layer of security to customers’ bank deposits, so as to further empower customers to better protect themselves. MS enabled customers to segregate a portion of their deposits maintained at banks and protect them from funds outflows. Customers may release the funds under MS protection after the banks have undertaken a stringent anti-fraud-and-scam focused verification process. Banks will launch MS for retail banking individual customers in phases, with full implementation by end-2025.
- The HKMA issued a circular on 8 November 2024 on the provision of cooling-off period to individual customers of unsecured consumer credit products. The cooling-off period arrangement aims to provide individual customers with a reasonable time period to carefully re-consider their financial obligations and assess their repayment capacity after entering into a credit agreement in order to minimise the impact of impulsive and excessive borrowing.
- The HKMA issued guidance on 15 November 2024 to mobilise merchant acquiring banks, through sharing of good market practices, to further encourage the use of POS terminals by payment card merchants which allows customers to complete payment card transactions more securely and conveniently.

- The HKMA issued guidance on 5 November 2024 to banks operating payment card issuing and/or merchant acquiring businesses in respect of payment card DDA to enhance consumer protection at times of suspension or closure of merchants through (i) rendering appropriate assistance to cardholders and handling their requests in a timely and pragmatic manner; and (ii) suspending/ceasing payment card DDA payment collection for a merchant in the event of suspension or closure of business of the merchant.
- Following the successful launch of the MRC Scheme in May 2023, the HKMA kick-started an industry consultation in December 2024 to gather feedback on the implementation of Phase 1 of the MRC Scheme. The HKMA will undertake a post-implementation review in 2025, which will form a basis for further refinements of the MRC Scheme in Phase 2.

## Banking investor protection



- Issued guidance on streamlining of audio-recording requirements for sale of investment and insurance products
- Consulted industry on updated guidance on selling of accumulators and decumulators

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- In light of technological advancement and to enhance customer experience while according protection to customers, the HKMA issued a circular on 20 December 2024 after consulting the industry to (i) streamline the requirement on audio-recording for investment transactions conducted through video-conference; and (ii) provide guidance in deploying alternative measures to the audio-recording requirements for sale of investment and insurance products.
- With a view to improving access by banks to the HKMA's regulatory requirements and facilitating industry's compliance, the HKMA consulted the industry in December 2024 on a set of consolidated and updated guidance on selling of accumulators and decumulators.



## Public education and social media



- Launched the TV video series “跨境理財新機遇” to promote the opportunities and flexibility of the Cross-boundary Wealth Management Connect Scheme
- Further promoted the HKMA-created “\$mart Money Management 321” financial board game by organising activities for primary school students, secondary school teachers and parents, and arranging workshops in community centres during festive season
- Launched social media campaigns to promote the HKMA's major events: featuring highlight videos to present Hong Kong FinTech Week and the 2024 Global Financial Leaders' Investment Summit, and live-streaming of the Summit to enable the public to participate in this mega event online
- Published a series of social media posts highlighting “Sustainable Finance Action Agenda”, introducing the HKMA's blueprint for its work in promoting green and sustainable finance



## **Enhancements to the Deposit Protection Scheme (DPS) in Hong Kong**



- Following the implementation of the first phase of the enhancement measures of the DPS on 1 October 2024, the second phase of the enhancement measures came into effect on 1 January 2025
- The second phase enhancement measures included providing enhanced coverage to affected depositors upon a bank merger or acquisition, and requiring banks to display the DPS membership sign on their electronic banking platforms
- The Hong Kong Deposit Protection Board will continue to step up promotional efforts to raise public awareness of the enhanced DPS

## Deposit Protection Scheme (DPS)



- Promoting public awareness and understanding of the DPS:
  - Launched a **series of advertising promotional activities** which widely covers major media platforms, including TV, radio, outdoor, online, and social media, etc. to publicise the enhanced deposit protection limit of HK\$800,000 among the public
  - Rolled out “**The DPS Promotional Wagon**” PR campaign to enhance public awareness of the DPS, while further raise the public attention on the enhanced deposit protection limit





# **Financial Infrastructure**

## Financial infrastructure: overview



### Payment systems

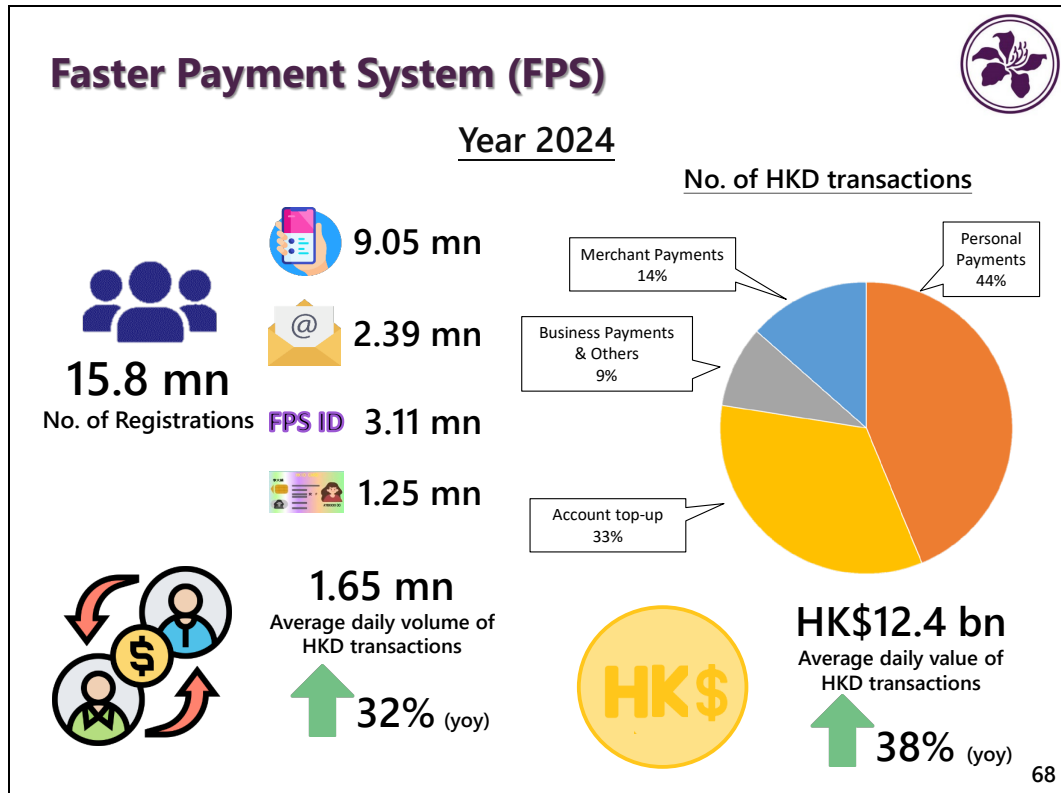
- Average daily turnover of the four Real Time Gross Settlement (RTGS) Systems in 2024 was HK\$1.16 trillion, RMB3.1 trillion, US\$93.1 billion (record highs for HKD, RMB and USD Systems) and €0.7 billion, respectively
- Faster Payment System:
  - At the end of 2024, the number of registrations reached 15.8 million, up by 16% year on year (yoy). The average number of HKD real-time transactions per day reached 1.65 million (+32% yoy), with an average daily transaction value of HK\$12.4 billion (+38% yoy) in 2024

### Central Moneymarkets Unit (CMU)

- Providing settlement and custodian services for debt securities; by end-December 2024, total outstanding debt securities safe kept by CMU reached about HK\$4.7 trillion equivalent, of which HK\$3.4 trillion equivalent were lodged with CMU
- Supporting Bond Connect (2024 full year)
  - For Northbound Trading: settlement volume reached RMB10.3 trillion
  - For Southbound Trading: settlement volume reached RMB664.1 billion

### Hong Kong Trade Repository

- Collecting over-the-counter (OTC) derivatives transactions information and providing them to regulatory authorities; by end-December 2024, the number of outstanding transactions reached 4.69 million



- The usage of FPS has expanded gradually to merchant payments and top-up transactions from primarily P2P transactions initially.

## Development of Central Moneymarkets Unit (CMU)



- To help Hong Kong grasp the opportunities from the continued opening up of the Mainland financial markets, the CMU has launched and planned for enhancements on various fronts, with an objective of becoming a major international central securities depository (CSD) in Asia in longer run:
  - New platform with strengthened system capability and functionality, especially on collateral management, is being developed
  - Actively explore linkage connectivity with regional/overseas CSDs to foster growth of cross-boarder investment. Established a direct linkage with Macao Central Securities Depository and Clearing Limited (MCSD) and signed a Memorandum of Understanding (MoU) with SIX respectively during the year
  - Expand product and service spectrum to cope with market demand
  - Increasing efforts on marketing promotion and outreach activities to promote CMU services and attract bond issuance
  - Set up CMU OmniClear Limited which came into operation in 2025 to pursue commercialisation of CMU

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- As a critical financial infrastructure operated by the HKMA, the CMU is a CSD providing safe, efficient and convenient clearing, settlement and custodian services for debt securities, which in turn supports the bond market development in Hong Kong.
- To seize the opportunities from Bond Connect, the HKMA has reviewed the strategic position of the CMU and will gradually develop the CMU into a major international CSD in Asia. To realise such goal, the CMU will further commercialise its business and operations to develop value-added services in two main areas:
  - **System Enhancement**
    - A CMU New Platform is being developed. The first phase of the new platform was launched successfully in July 2024. The second phase of development is underway with target implementation in 2027. The objective is to enable 24-hour operation to better serve investors in different time zones and to offer enhanced liquidity and collateral management function to better support services including renminbi cross-border clearing and the continued development of Bond Connect.
  - **CSD Linkages**
    - The HKMA and the Monetary Authority of Macao (AMCM) jointly announced on 19 September 2024 the establishment of a direct linkage between the CMU and the CSD operated by MCSD, a wholly-owned subsidiary of the AMCM. Under the direct linkage arrangement, investors in Hong Kong, through their accounts at the CMU, will be able to clear, settle and hold bonds lodged with the CSD in Macao; while investors in Macao, through their accounts in the CSD in Macao, will also be able to clear, settle and hold bonds lodged with the CMU.

- On 18 October 2024, CMU and SIX signed an MoU for co-operation in securities depository and settlement. The two parties will collaborate in a joint international securities settlement and safekeeping, develop a closer working relationship, and maintain channels for the exchange of information.

- **Products and Services**

- Collateralised lending service was introduced to provide free intra-day liquidity for primary issuance (launched in April 2022). Since its launch, the service has supported bond issuances exceeding a total value of RMB100 billion and EUR4 billion.
- Enhance Bond Connect operations in ongoing basis, in order to attract more international investors to invest in Mainland bond markets through the CMU, and to strengthen the support for Mainland investors to hold offshore bonds through CMU to achieve global asset allocation.



## Latest fintech initiatives



### Hong Kong FinTech Week 2024

- The event attracted a record high of over 37,000 attendees from over 100 economies

### Central Bank Digital Currency (CBDC)

- Project mBridge: Reached the Minimum Viable Product (MVP) stage in June 2024
- Project Ensemble: Launched the Project Ensemble Sandbox in August 2024; connected with the relevant system of the Banque de France (BdF) and completed experiments in September 2024; commenced two new collaborations with the Central Bank of Brazil and the Central Bank of Thailand in October 2024
- Project e-HKD+: Commenced Phase 2 of the e-HKD Pilot Programme in September 2024

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### Hong Kong FinTech Week 2024

- The event was held from 28 October to 1 November 2024. It featured over 800 distinguished speakers, more than 700 sponsors and exhibitors and over 30 Mainland and international delegations.

### Project mBridge

- As the project enters MVP stage, various aspects of the platform will continue to be enhanced, and the participation of both the public and private sectors will be further widened.
- Given its high compatibility, the mBridge MVP platform could serve as a testbed for add-on technology solutions, new use cases and interoperability with other platforms.
- On top of the four founding central banking institution members, the Saudi Central Bank has agreed to join as a full participant of the mBridge MVP platform in June 2024.

### Project Ensemble

- The new CBDC project seeks to explore innovative financial market infrastructure that will facilitate seamless interbank settlement of tokenised money through wholesale CBDC.
- The Architecture Community was established in May 2024, which aims to develop a set of industry standards to support interoperability among CBDC, tokenised money and tokenised assets, and make recommendations on specific topics.

- The HKMA has completed the building and setup of the Project Ensemble Sandbox, which is designed to facilitate interbank settlement using experimental tokenised money, focusing on transactions involving tokenised assets. The initial round of use case experimentation will focus on four main themes: green and sustainable finance, trade and supply chain finance, fixed income and investment funds, and liquidity management.
- The HKMA and the BdF announced their collaboration relating to CBDC in June 2024. The two central banking institutions entered into a Memorandum of Understanding, which signified a step forward in bilateral co-operation to foster innovation in CBDC and tokenisation market. They will delve into the study of interoperability between their CBDC infrastructures with the main focus on real-time cross-border and cross-currency payments. The cross-border experiment aims to explore how to optimise settlement efficiency of cross-border transactions, and facilitate interoperability between financial market infrastructures in different jurisdictions.
- In September 2024, the HKMA completed cross-border payment-versus-payment (PvP) experiments with BdF, connecting Ensemble Sandbox with BdF's DL3S. Both parties are now actively exploring further collaboration areas, including delivery-versus-payment (DvP) tokenisation use cases.
- The HKMA is working with the Central Bank of Brazil and the Central Bank of Thailand on the technical integration of the Ensemble Sandbox and their CBDC infrastructures, including setting up the necessary PvP mechanisms to conduct DvP experiments in different areas, such as carbon credits and trade finance.

### **Project e-HKD+**

- The HKMA has embarked on Project e-HKD since June 2021 to study the prospect of issuing an e-HKD for the use of individuals and corporates, covering both technical, legal and policy considerations. Under the e-HKD Pilot Programme, the HKMA works closely with the industry to explore different innovative use cases.
- The HKMA commenced Phase 2 of the e-HKD Pilot Programme in September 2024 to explore innovative use cases with the industry across three main themes, namely settlement of tokenised assets, programmability and offline payments. The project has been renamed as Project e-HKD+, as the project expands its coverage from e-HKD only to also include tokenised deposits.
- As part of Project e-HKD+, the HKMA has established the e-HKD Industry Forum. This Forum serves as a collaborative venue for participants to discuss common issues regarding the project.

## Latest fintech initiatives



### Commercial Data Interchange (CDI)

- Since its official launch, CDI has facilitated more than 42,000 loan applications and reviews, with an estimated credit approval amount exceeding HK\$35.4 billion as of end-December 2024
- Working to connect with the Land Registry, leveraging the linkage between CDI and Consented Data Exchange Gateway
- Kick-starting a proof-of-concept to upgrade the Commercial Credit Reference Agency 2.0, providing analytics insights for a more efficient SME lending journey
- Exploring pilots on cross-boundary credit referencing with Mainland credit reference platforms
- Partnering with the Airport Authority Hong Kong to share air cargo logistics data on the Hong Kong International Airport Cargo Data Platform via CDI

## **Stored value facilities (SVFs) and retail payment systems (RPSs)**



- SVF usage continued to grow in Q3 2024:
  - Average daily transaction number: 21.93 million (+3.3% year on year (yoy))
  - Average daily transaction value: HK\$2,052 million (+11.8% yoy)

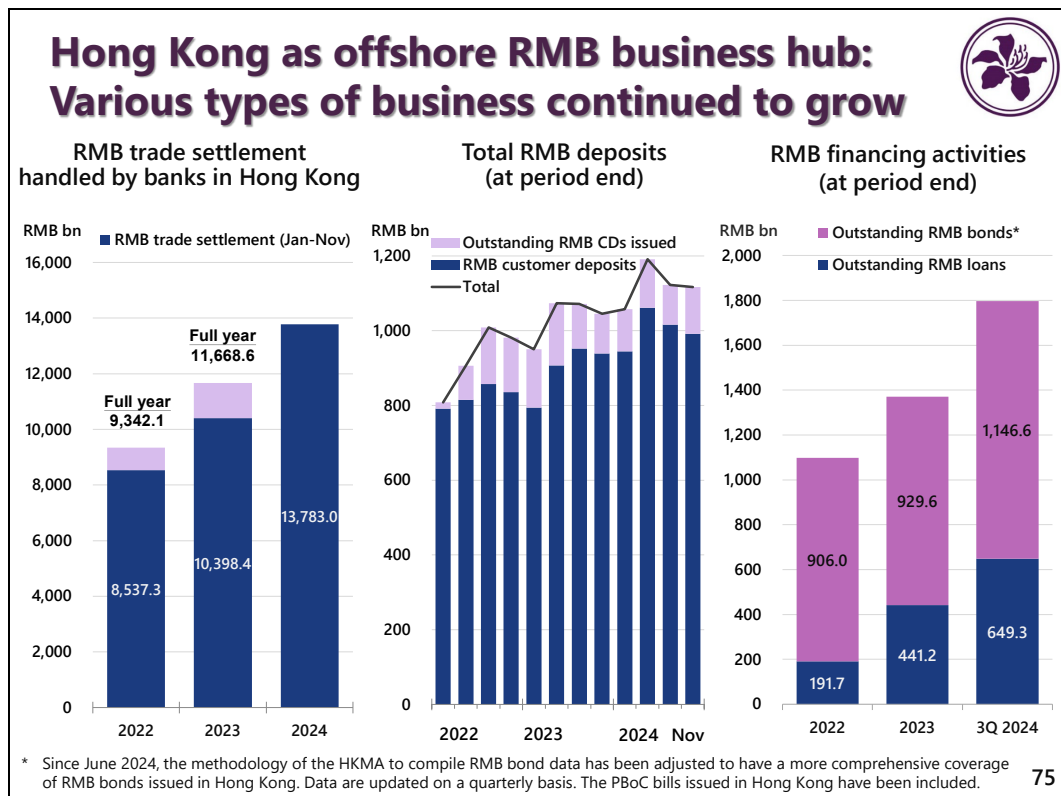
## **Regulatory development of the over-the-counter (OTC) derivatives market**



- Following the publication of the consultation conclusion paper on enhancements to the Hong Kong OTC derivatives reporting regime, the HKMA and SFC published the updated supplementary instructions for the enhanced reporting requirements in December 2024. The proposed enhancements will be gazetted in Q1 2025 for implementation on 29 September 2025
- As of end-December 2024, the Hong Kong Trade Repository logged a total of 4.69 million outstanding OTC derivatives trades, covering five asset classes under mandatory reporting requirements, i.e. foreign exchange, interest rate, equity, credit, and commodity derivatives



# **Hong Kong as an International Financial Centre**



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- As at end-November 2024, RMB customer deposits and outstanding RMB certificates of deposit (CDs) amounted to RMB991.8 billion and RMB125.3 billion respectively, totalling RMB1,117.1 billion.

## **New Measures to Deepen Financial Co-operation between Hong Kong and the Mainland**



- On 13 January, 2025, the HKMA and the PBoC announced six new policy measures to deepen the financial market connectivity between Hong Kong and the Mainland, and consolidate Hong Kong's status as the global offshore RMB business hub, including:
  - Introducing the HKMA RMB Trade Financing Liquidity Facility
  - Further enhancing and expanding Southbound Bond Connect
  - Developing offshore RMB repurchase business using Northbound Bond Connect bonds as collateral
  - Including Northbound Bond Connect bonds as eligible margin collateral at OTC Clearing Hong Kong Limited
  - Pursuing cross-boundary payment facilitation
  - Contributing to GBA financial facilitation



## Connectivity with the Mainland financial market



- Northbound Trading under Bond Connect grew steadily. In 2024, average daily turnover amounted to RMB 41.7 billion (4% year-on-year growth). Starting from 13 January, 2025, offshore investors could use RMB bonds issued onshore by the Ministry of Finance and Mainland policy banks and held under Northbound Bond Connect as margin collateral for Northbound Swap Connect transactions
- Since the enhancement measures of the Cross-boundary Wealth Management Connect Scheme (WMC) went into effect on 26 February 2024, the implementation has been smooth with positive market response. By end-December 2024, around 136,000 Greater Bay Area individual investors have opened cross-boundary WMC accounts and Southbound investment has grown steadily. The first batch of 14 eligible Hong Kong Licensed Corporations commenced business on 4 December 2024. The HKMA is working with relevant authorities and the industry to step up educational efforts on investors, as well as continuing to explore further enhancements on WMC

## Developing the asset and wealth management industry



- Hong Kong's private equity industry has remained robust, with over US\$228 billion of total capital under management as at end-December 2024\*, representing a 4% year-on-year increase. Take-up of the limited partnership fund regime continued to increase – 1,057 funds had been established as at end-December 2024
- To enhance Hong Kong's status as an international asset and wealth management hub, the HKMA is working with other Government agencies and financial regulators on various initiatives, including reviewing the existing tax concession measures applicable to funds, single family offices and carried interest

## Developing the bond market (1)



- Hong Kong is a major bond issuance centre in Asia. According to the International Capital Market Association, close to US\$90 billion of Asian international bonds were arranged in Hong Kong in 2023, capturing around a quarter of the regional market

## Developing the bond market (2)



- The HKMA assisted the Government to issue two batches of innovative tokenised green bonds in 2023 and February 2024, which marked the first tokenised government green bond and first multi-currency digital bond in the world respectively. These issuances have proven Hong Kong's flexible and conducive environment for innovative issuance formats, and achieved wider market participation and scalability
- To promote the broader adoption of tokenisation technology in capital markets, the HKMA launched (i) the Digital Bond Grant Scheme in November 2024, which offers a maximum grant of HK\$2.5 million to each eligible digital bond issuance in Hong Kong; and (ii) EvergreenHub, a one-stop knowledge repository, where the industry can reference the HKMA's experience and relevant materials on digital bond transactions

## Developing the bond market (3)



- The HKMA is supporting the Government in the implementation of the 2024-25 bond issuance plan under the Infrastructure Bond Programme and Government Sustainable Bond Programme:
  - In July 2024, issued around HK\$25 billion worth of institutional green bonds, including the inaugural 20- and 30-year RMB green bonds which were the longest tenor RMB bonds issued by the Government so far, providing new benchmarks to the market
  - In October and December 2024, issued the latest batch of Silver Bond and Retail Infrastructure Bond respectively under the Infrastructure Bond Programme, to provide citizens with investment options with steady returns
  - In October 2024, launched HKD and RMB institutional bond tenders, paving way for the regular issuance of Government bonds to promote the formation of the HKD and RMB yield curves

## Promoting green and sustainable finance (1)



- Total green and sustainable debt instruments issued in Hong Kong exceeded US\$50 billion in 2023\*, of which the volume of green and sustainable bonds arranged in Hong Kong amounted to around US\$30 billion, capturing more than one-third of the Asian market
- The HKMA continues to administer and promote the Green and Sustainable Finance Grant Scheme to attract more green and sustainable financing activities to Hong Kong. Since May 2024, the scheme has been extended by three years, with an expanded scope to cover transition bonds and loans. The scheme has been well received by the market; as of end-2024, it has provided financial support for around 500 green and sustainable debt instruments issued in Hong Kong with a total underlying issuance volume of over US\$140 billion

\* Source: HKMA staff estimates based on statistics from ICMA and LoanConnector

## Promoting green and sustainable finance (2)



- The HKMA works together with other members of the Green and Sustainable Finance Cross-Agency Steering Group (CASG) to make sustainable finance more accessible and inclusive :
  - Supporting the HKSAR Government in launching the Roadmap on Sustainability Disclosure in Hong Kong in December 2024, for full adoption of the International Financial Reporting Standards Sustainability Disclosure Standards (ISSB Standards)
  - Enhancing *Questionnaire on Climate and Environmental Risk for Non-listed Companies* and the e-portal based on industry feedback to make available easy-to-use sustainability disclosure tools to companies in Hong Kong
  - Facilitating the development of transition finance by providing more guidance, including taxonomy and sector-specific principles

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- The CASG aims to co-ordinate the management of climate and environmental risks to the financial sector, accelerate the growth of green and sustainable finance in Hong Kong and support the Government's climate strategies. Members include the Accounting and Financial Reporting Council, the Financial Services and the Treasury Bureau, the Environment and Ecology Bureau, Hong Kong Exchanges and Clearing Limited, Insurance Authority, and the Mandatory Provident Fund Schemes Authority.
- The International Sustainability Standards Board (ISSB) published the ISSB Standards in 2023, providing the global baseline for corporate disclosure of climate and sustainability-related information. In December 2024, the HKSAR Government launched a roadmap on sustainability disclosure in Hong Kong, setting out Hong Kong's approach to require publicly accountable entities (PAEs) to adopt the ISSB Standards, with a well-defined pathway for large PAEs to fully adopt the ISSB Standards no later than 2028.
- Co-developed and launched by CASG in consultation with CDP, the Questionnaire on Climate and Environmental Risk for Non-listed Companies is tailor-made for non-listed companies in Hong Kong to facilitate their sustainability disclosure. CDP is a global non-profit organisation that runs the world's environmental disclosure system.

## Promoting green and sustainable finance (3)



- Stepping up capacity building and knowledge exchange through regional and international collaboration
  - 2025 Hong Kong Green Week will take place in the week of 8-12 September 2025. Preparations are underway
  - As part of the strategic partnership on sustainable finance, the HKMA and the Dubai Financial Services Authority are conducting a joint research on sustainable bond market, with a view to launching the report at the second edition of Joint Climate Finance Conference to be held in Dubai this autumn



## Outreach and hosting of international meetings



- The HKMA is actively pursuing collaboration initiatives with central banks in the Middle East. The HKMA hosted bilateral meetings with the two central banks of the UAE and Saudi Arabia in Hong Kong in December 2024. The HKMA also visited Qatar in October 2024 to enhance collaboration between the financial services sectors of the two jurisdictions
- Following visits to Thailand and Malaysia, the HKMA plans to visit other ASEAN countries in 2025, with a view to exploring new market opportunities for the development of Hong Kong as an international financial centre
- The third Global Financial Leaders' Investment Summit successfully took place in November 2024, and will be held annually as a flagship financial event in the Asia Pacific region
- The Financial Stability Board's Plenary meeting was hosted in December 2024 in Hong Kong, bringing together over 50 leaders and senior officials from national financial authorities and 12 international standard-setting bodies
- The seventh HK-Switzerland Financial Dialogue was successfully held in December 2024 to foster collaboration in financial services between Hong Kong and Switzerland

## Crypto-assets and stablecoins



- In December 2024, the Financial Services and the Treasury Bureau and the HKMA introduced the Stablecoins Bill into the LegCo. We will render full support to the LegCo in scrutinising the Bill, with a view to implementing the regulatory regime as soon as possible, and promoting the sustainable and responsible development of the digital assets sector in Hong Kong
- The HKMA continues to maintain dialogue with participants of the stablecoin issuer sandbox. Through conducting limited-scope testing with participants, the HKMA can better understand their business models and communicate supervisory expectations. The public can refer to the HKMA website for the latest list of sandbox participants and stay vigilant to potential scams purporting to be related to the sandbox

## **Government Bond Programme**



### **Retail bonds – outstanding as at end-December 2024**

- Two Silver Bonds, totalling HK\$96.7 billion

### **Institutional bonds – outstanding as at end-December 2024**

- 13 institutional bonds, totalling HK\$81.5 billion
- One Islamic bond, totalling US\$1 billion

## Hong Kong Academy of Finance (AoF)



- **Financial leadership development:** High-level seminars were held, including the "Conversations with Global Investors" seminar on 20 November 2024 and the "Priorities and Challenges in Maintaining Global Financial Stability" seminar on 4 December 2024, covering topical global economic and financial issues. The AoF also collaborated with different industry associations to reach out to a wider range of stakeholders
- **Financial Leaders Programme:** The 2024 cohort of 21 participants graduated from the Programme in December 2024
- **Research and knowledge exchange activities:** The Hong Kong Institute for Monetary and Financial Research (HKIMR) released 12 research papers on monetary and financial research topics. The HKIMR also organised a conference on "Europe, Asia and the Changing Global Economy" on 14-15 January 2025 and seminars/webinars in collaboration with different industry associations to reach out to a wider range of stakeholders



# Investment Environment and Performance of the Exchange Fund

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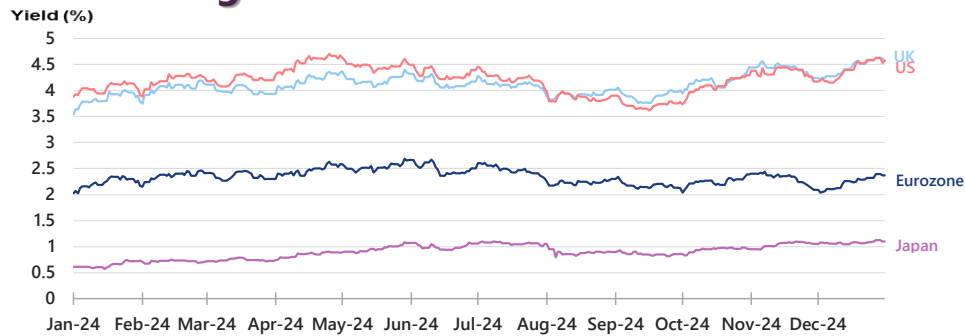


## Investment environment in 2024

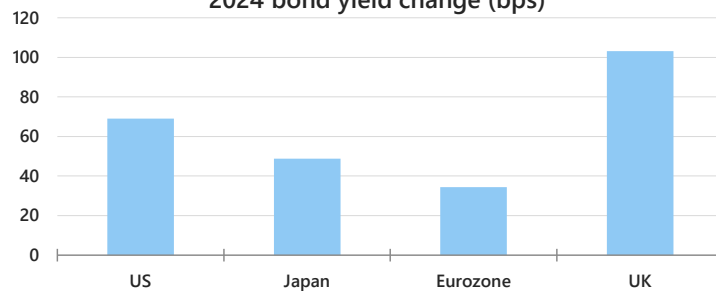
- Global financial markets performed broadly well during the year. Major economies recorded stable growth; inflation eased closer to policy targets. Major central banks lowered policy rates, positive to the investment environment
- **Interest rates:** While major central banks ascertained a general direction of lowering rates, the pace and magnitude of rate cuts changed a few times during the year. Entering Q4, US Treasury yields rose sharply as markets focused on upcoming fiscal policy, weighing on bond prices
- **Equity markets:** Major equity markets rose notably. US equities recorded strong gains in Q1-3 on the back of positive economic and inflationary fundamentals and a booming artificial intelligence industry. Q4 saw increased volatility as investors turned more cautious amidst concerns over rising inflation and bond yields. In the Mainland and Hong Kong, investor confidence improved following a series of policy measures announced by the Central Government in Q3, but softened in Q4 amidst uncertainties in real economic growth
- **Exchange rates:** US dollar strengthened against other major currencies as a result of the interest rate movements and strong performance of the US economy

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## Major 10-year sovereign bond yields remained high



2024 bond yield change (bps)

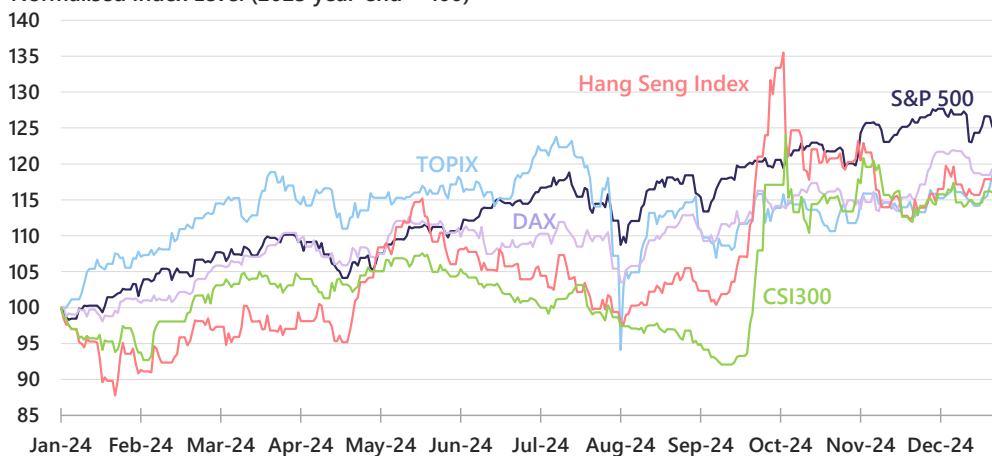


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## Major equity markets generally trended up with volatility at times



Normalised Index Level (2023 year-end = 100)

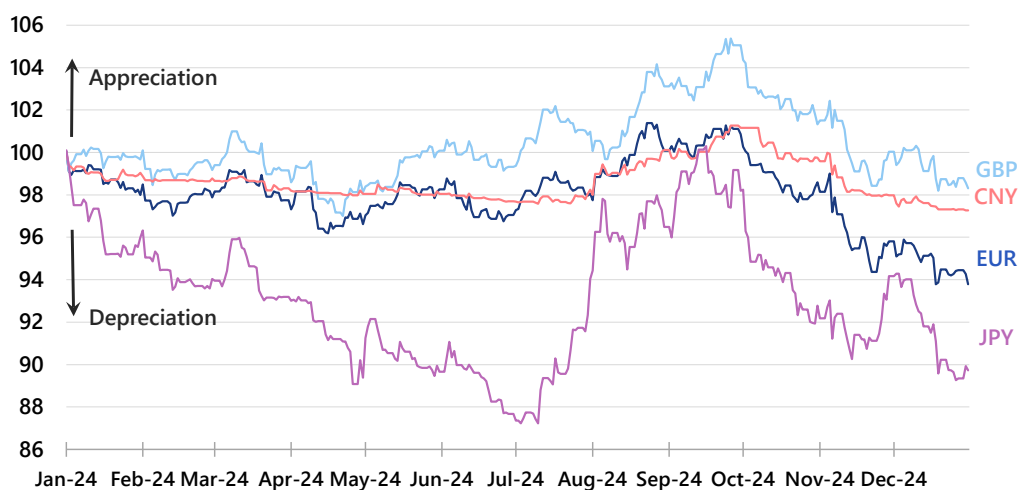


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## USD strengthened against major currencies



Normalised FX Level Against USD (2023 year-end=100)



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## Investment Income



	2024					2023	2022
	(unaudited)						
(HK\$ billion)	Full year	Q4	Q3	Q2	Q1	Full year	Full year
<b>Bonds</b>	<b>135.6</b>	<b>11.3</b>	<b>66.4</b>	<b>32.8</b>	<b>25.1</b>	<b>144.7</b>	<b>(53.2)</b>
<b>Hong Kong equities*</b>	<b>21.8</b>	<b>(6.7)</b>	<b>21.9</b>	<b>8.9</b>	<b>(2.3)</b>	<b>(15.5)</b>	<b>(19.5)</b>
<b>Other equities</b>	<b>68.7</b>	<b>2.7</b>	<b>18.2</b>	<b>11.5</b>	<b>36.3</b>	<b>73.6</b>	<b>(61.0)</b>
<b>Foreign exchange<sup>#</sup></b>	<b>(35.6)</b>	<b>(27.4)</b>	<b>8.1</b>	<b>(11.5)</b>	<b>(4.8)</b>	<b>(0.5)</b>	<b>(40.0)</b>
<b>Other investments<sup>@</sup></b>	<b>28.5</b>	<b>-</b>	<b>14.4</b>	<b>6.1</b>	<b>8.0</b>	<b>23.7</b>	<b>(31.7)</b>
<b>Investment income/(loss)</b>	<b>219.0</b>	<b>(20.1)</b>	<b>129.0</b>	<b>47.8</b>	<b>62.3</b>	<b>226.0</b>	<b>(205.4)</b>

\* Excluding valuation changes of the Strategic Portfolio.

<sup>#</sup> This is primarily the effect of translating foreign currency assets into Hong Kong dollar after deducting the portion for currency hedging.

<sup>@</sup> Including valuation changes of private equity and real estate investments held under the Long-Term Growth Portfolio. This figure reflects the valuations at the end of September 2024. Valuation changes of these investments from October to December are not yet available.

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## Income and Expenditure



	2024					2023	2022
	(unaudited)						
(HK\$ billion)	Full year	Q4	Q3	Q2	Q1	Full year	Full year
<b>Investment income/(loss)</b>	<b>219.0</b>	<b>(20.1)</b>	<b>129.0</b>	<b>47.8</b>	<b>62.3</b>	<b>226.0</b>	<b>(205.4)</b>
Other income	0.2	0.1	-	0.1	-	0.2	0.2
Interest and other expenses	<u>(63.0)</u>	<u>(15.3)</u>	<u>(16.4)</u>	<u>(15.8)</u>	<u>(15.5)</u>	<u>(54.5)</u>	<u>(18.8)</u>
Net income/(loss)	156.2	(35.3)	112.6	32.1	46.8	171.7	(224.0)
Fee (payment to)/reversed from Fiscal Reserves							
– Operating and Capital Reserves*	(13.2)	(3.2)	(3.0)	(3.1)	(3.9)	(17.5)	(35.0)
– Future Fund	- #	- #	- #	- #	- #	(18.0)	9.0
Fee payment to HKSAR Government funds and statutory bodies*	(15.7)	(3.5)	(3.8)	(4.1)	(4.3)	(16.5)	(22.1)

\* The rate of fee payment is 3.7% for 2024, 3.7% for 2023 and 5.6% for 2022.

# The 2024 fee payment to the Future Fund will be disclosed when the composite rate for 2024 is available. (The composite rate was 4.8% for 2023 and -3.0% for 2022.)

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## Exchange Fund Abridged Balance Sheet



(HK\$ billion)	At 31 Dec 2024 (unaudited)	At 31 Dec 2023	Change
<b>ASSETS</b>			
Deposits	331.5	345.6	(14.1)
Debt securities	2,824.5	2,798.6	25.9
Hong Kong equities*	132.9	125.0	7.9
Other equities	440.6	485.3	(44.7)
Other assets#	<u>352.9</u>	<u>262.0</u>	<u>90.9</u>
<b>Total assets</b>	<b>4,082.4</b>	<b>4,016.5</b>	<b>65.9</b>
	=====	=====	=====
<b>LIABILITIES AND EQUITY</b>			
Certificates of Indebtedness	598.9	593.2	5.7
Government-issued currency notes and coins in circulation	13.0	12.9	0.1
Balance of the banking system	44.8	45.0	(0.2)
Exchange Fund Bills and Notes issued	1,383.7	1,244.5	139.2
Placements by banks and other financial institutions	72.1	99.1	(27.0)
Placements by Fiscal Reserves®	669.7	695.4	(25.7)
Placements by HKSAR Government funds and statutory bodies	391.1	468.7	(77.6)
Placements by subsidiaries	45.7	31.2	14.5
Other liabilities	<u>130.9</u>	<u>179.5</u>	<u>(48.6)</u>
<b>Total liabilities</b>	<b>3,349.9</b>	<b>3,369.5</b>	<b>(19.6)</b>
Accumulated surplus	731.6	646.1	85.5
Revaluation reserve	<u>0.9</u>	<u>0.9</u>	<u>-</u>
<b>Total equity</b>	<b>732.5</b>	<b>647.0</b>	<b>85.5</b>
<b>Total liabilities and equity</b>	<b>4,082.4</b>	<b>4,016.5</b>	<b>65.9</b>
	=====	=====	=====

\* Including shares of the Hong Kong Exchanges and Clearing Limited in the Strategic Portfolio.

# Including fund injection to Exchange Fund's investment holding subsidiaries at a carrying amount of HK\$202.7 billion at 31 December 2024 (HK\$203.9 billion at 31 December 2023).

® Including placements by the Future Fund of HK\$245.8 billion at 31 December 2024 (HK\$299.4 billion at 31 December 2023).

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## Historical Investment Income

(HK\$ billion)

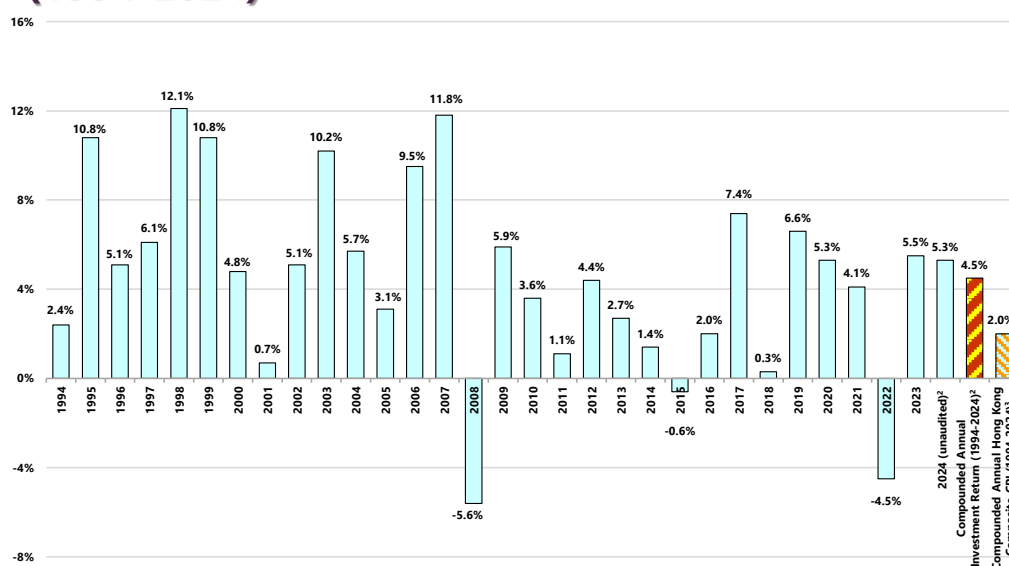
Year	Full Year	Q4	Q3	Q2	Q1
2005	37.8	7.3	19.0	13.6	(2.1)
2006	103.8	36.0	37.1	12.5	18.2
2007*	142.2	33.4	61.8	26.3	20.7
2008*	(75.0)	8.3	(48.3)	(20.4)	(14.6)
2009**	107.7	10.6	71.9	58.7	(33.5)
2010**	79.4	5.9	74.5	(12.1)	11.1
2011**	27.1	22.1	(41.4)	21.6	24.8
2012**	111.6	30.3	42.4	(5.6)	44.5
2013**	81.2	30.7	54.7	(23.3)	19.1
2014**	44.7	6.1	(17.8)	43.3	13.1
2015**	(15.8)	21.0	(63.8)	18.7	8.3
2016**	68.1	(23.3)	47.1	18.9	25.4
2017**	264.0	66.0	61.8	71.3	64.9
2018**	10.9	(33.6)	9.5	0.0	35.0
2019**	262.2	60.3	23.5	45.0	133.4
2020**	235.8	145.0	81.2	121.6	(112.0)
2021**	191.9	48.2	4.0	88.4	51.3
2022**	(205.4)	73.4	(113.4)	(116.6)	(48.8)
2023**	226.0	120.1	(10.5)	8.4	108.0
2024** (unaudited)	219.0	(20.1)	129.0	47.8	62.3

\* Excluding valuation changes of the Strategic Portfolio.

# Including valuation changes of private equity and real estate investments held under the LTGP.

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## Investment Return of The Exchange Fund (1994-2024)<sup>1</sup>



<sup>1</sup> Investment return calculation excludes the holdings in the Strategic Portfolio.

<sup>2</sup> The return includes the performance of LTGP up to the end of September 2024. The audited full year return will be disclosed in the 2024 annual report.

<sup>3</sup> Composite CPI is calculated based on the 2019/2020-based series.

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# **The Hong Kong Mortgage Corporation Limited**

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## **Mortgage Insurance Programme (MIP)**

- In 2024, around 20,600 applications under the MIP were approved, of which 3,224 were under the new coverage after the MIP revisions in July and September 2023. Over 90% of approved applications were from first-time homebuyers. In 2025, as of 15 January, around 620 applications were approved, of which 128 were under the new coverage after the two MIP revisions in 2023
- From 8 August 2024, HKMC Insurance Limited may approve on a case-by-case basis eligible homeowners' applications for renting out their self-occupied properties, so as to help them meet their special needs arising from changes in personal or family circumstances. As of 15 January 2025, 825 applications were approved

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## SME Financing Guarantee Scheme (SFGS)



- The enhancements to the SFGS as set out in *The Chief Executive's 2024 Policy Address* took effect on 18 November 2024. The measures allow borrowing enterprises under the SFGS to apply for principal moratorium for up to 12 months, for both existing and new loans. The application period will last for 12 months, till 17 November 2025. In addition, the maximum loan guarantee periods of the 80% and 90% Guarantee Products are extended by three years, to ten years and eight years respectively. Partial principal repayment options are offered to new loans under the two guarantee products
- As of 15 January 2025, around 42,500 applications were approved under the 80% and 90% Guarantee Products, amounting to about HK\$145.4 billion. The application period for these products has been extended to the end of March 2026
- The application period for the Special 100% Loan Guarantee expired in end-March 2024. Over 67,100 applications were approved, amounting to about HK\$143.7 billion

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## Dedicated 100% Loan Guarantee Schemes



- The schemes for the cross-boundary passenger transport trade and the travel sector were launched on 29 April 2023 to support their business resumption. The application period ended on 28 October 2024. 227 applications amounting to about HK\$0.22 billion were approved under the two schemes
- The scheme for battery electric taxis was launched on 4 September 2023 to encourage taxi owners to replace their existing taxis with battery electric taxis. As of 15 January 2025, 131 applications were approved, amounting to about HK\$45.35 million

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## Reverse Mortgage Programme



As of 15 January 2025, 8,040 applications had been received:

- Average age of borrowers: 68 years old
- Average monthly payout: HK\$16,500
- Payment terms: 10-year (21.2%); 15-year (14.1%); 20-year (11.7%); life (53.1%)
- Average property value: HK\$5.7 million
- Average property age: 32 years

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## HKMC Annuity Limited



Provisional business results:

	Since launch	2023	2024
<b>No. of policies</b>	30,569	2,205	10,835
<b>Total premium amount</b> (HK\$ billion)	18.4	1.6	4.4
<b>Average premium amount</b> (HK\$)	600,000	730,000	530,000*

\* Adjusted for the split policy impact of the payout enhancement campaign

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