



HONG KONG MONETARY AUTHORITY

香港金融管理局

Hong Kong Banking Sector

2025 Year-end Review and
Priorities for 2026

12 February 2026



Agenda

1

Work Review of 2025

2

Work Priorities for 2026

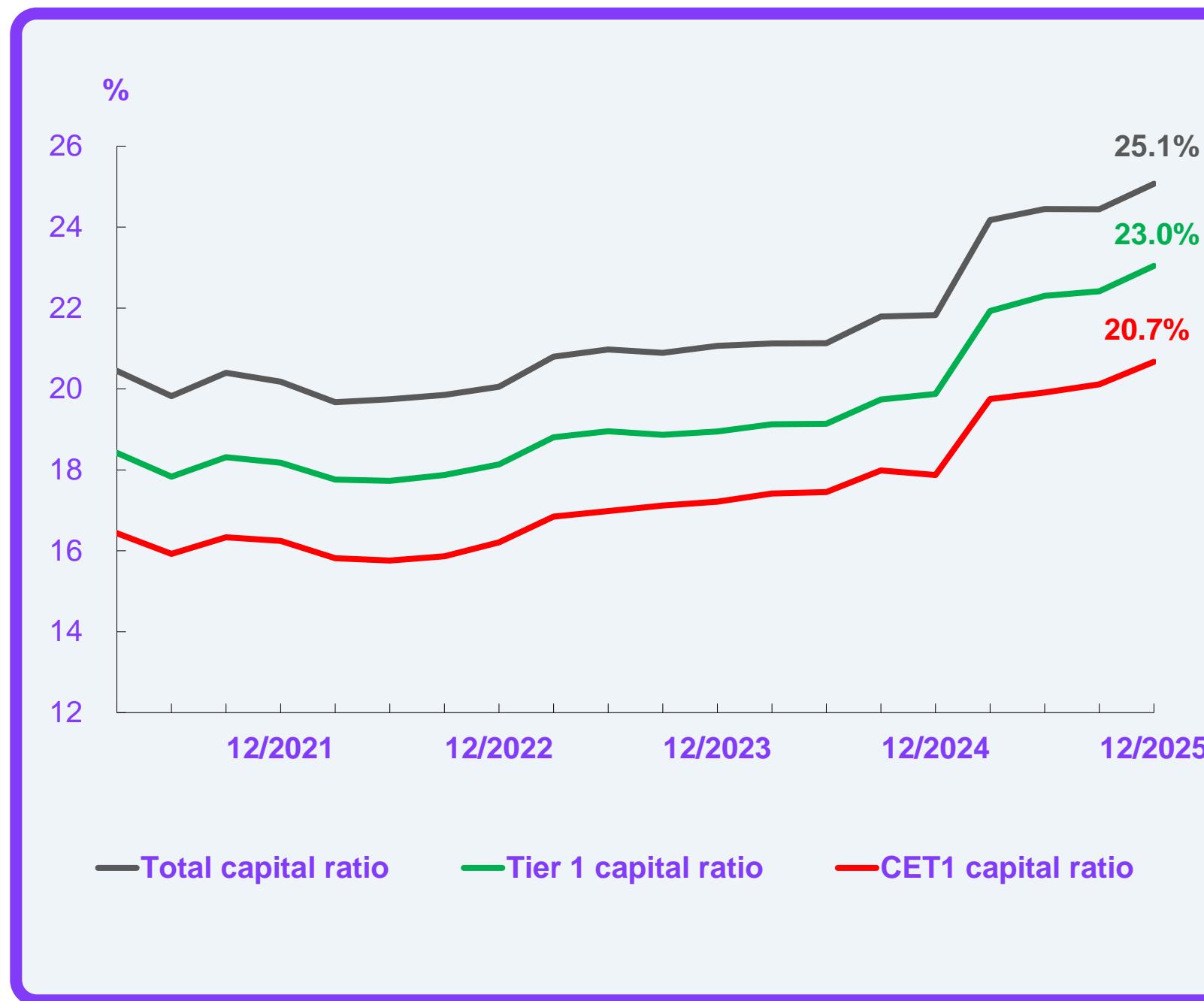
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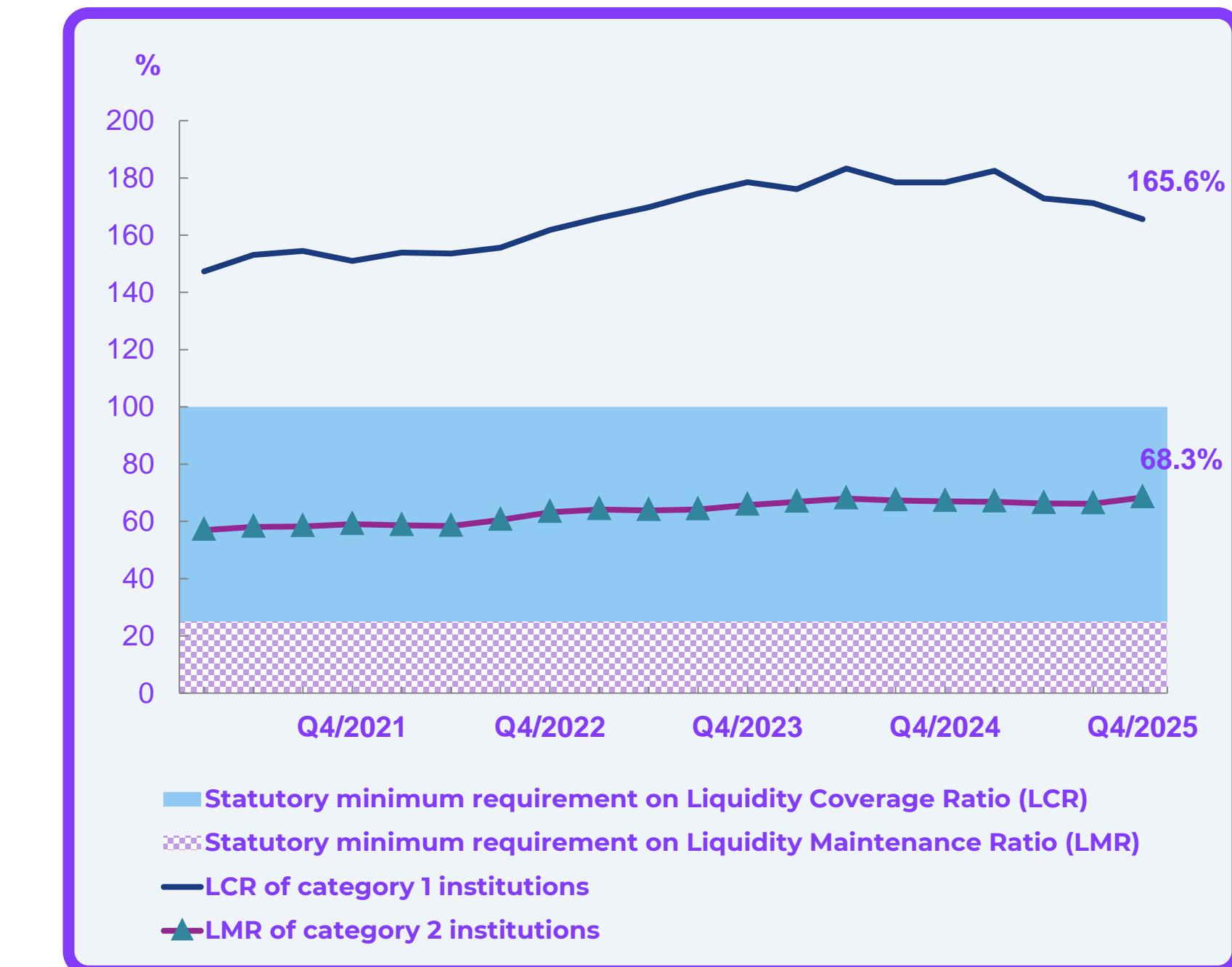
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Strong and Resilient Banking System

Capital Adequacy Ratio (CAR)

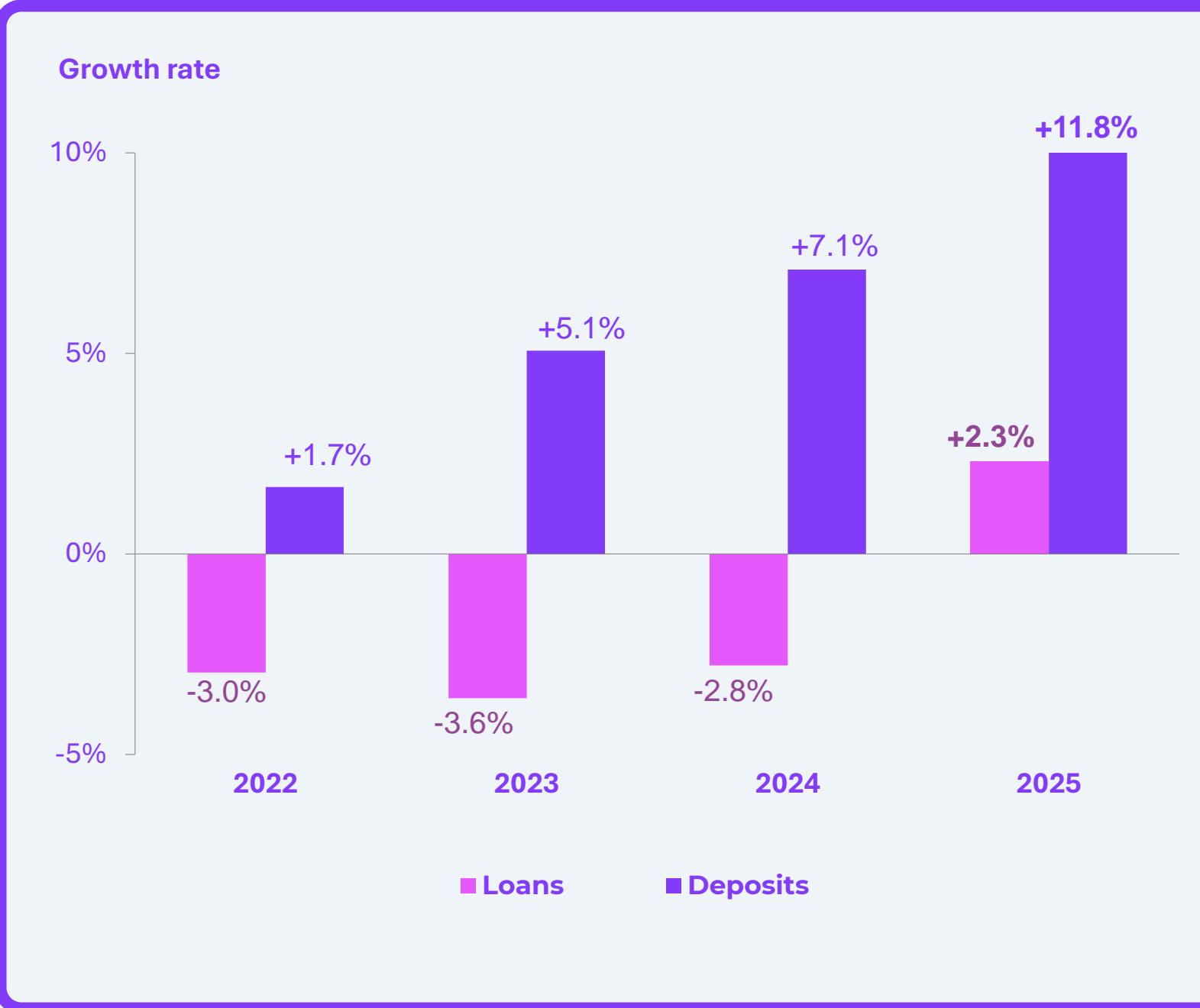


Liquidity Ratios

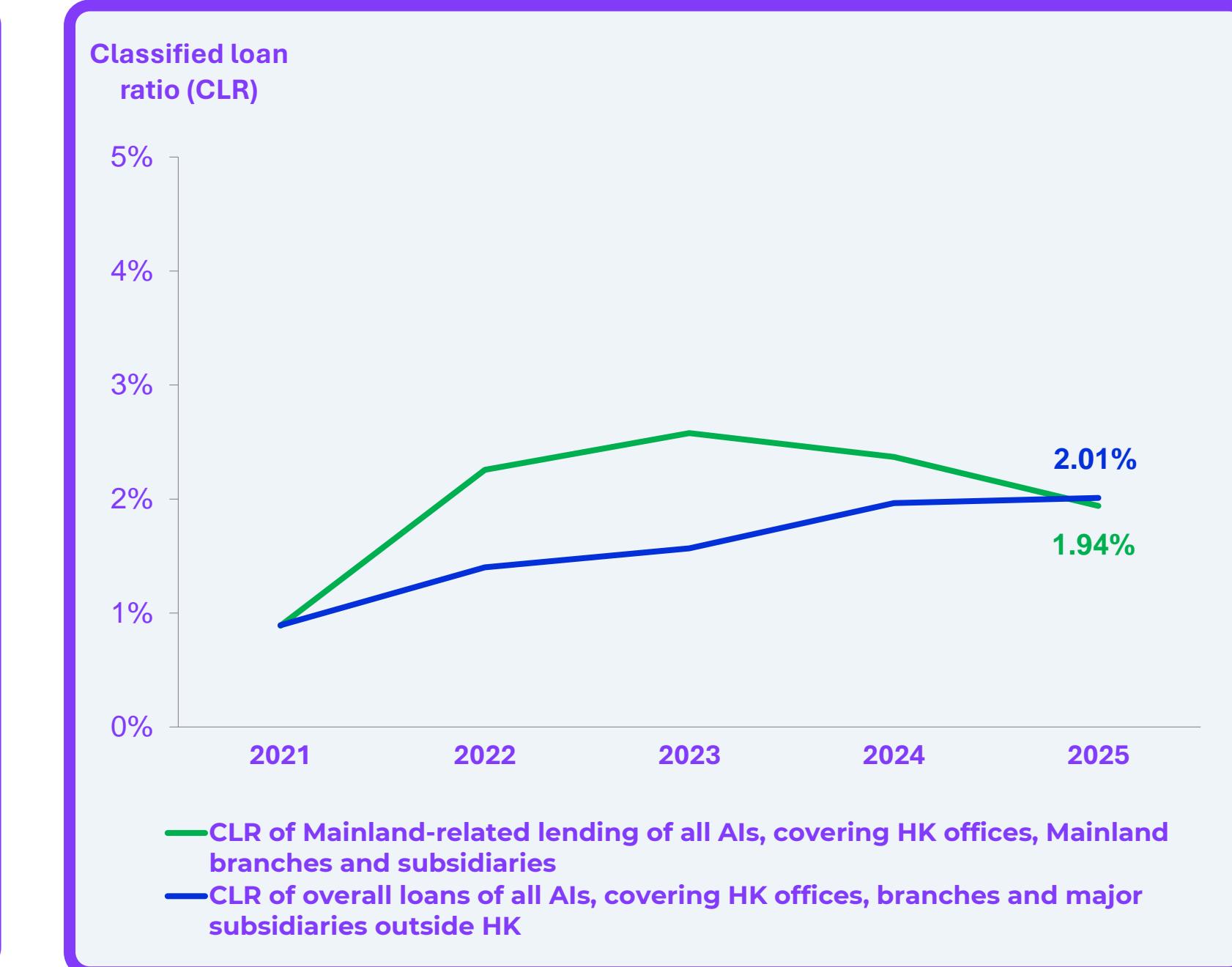


Credit Risk Remained Manageable

Loans and Deposits



Credit Quality



Key Supervisory Accomplishments in 2025

Banking Stability



Credit Landscape



Operational and Technology Risks



Consumer Protection



Financial Inclusion



Fraud Prevention and Detection



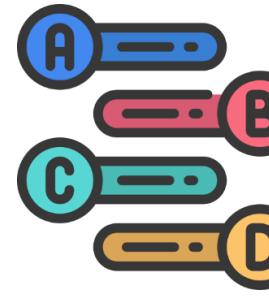
Various Anti-Scam Initiatives and Campaigns



Money Safe



Anti-Scam Consumer Protection Charter 3.0



E-Banking Security ABCD

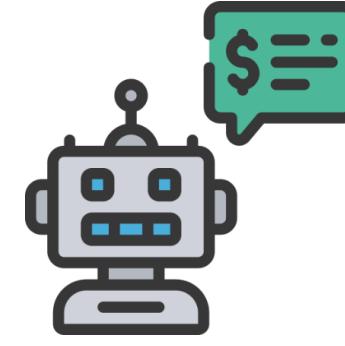


Enhanced Information Sharing

Supporting Innovation



Fintech Promotion and Development



Infrastructure



Credit Landscape



Asset Quality

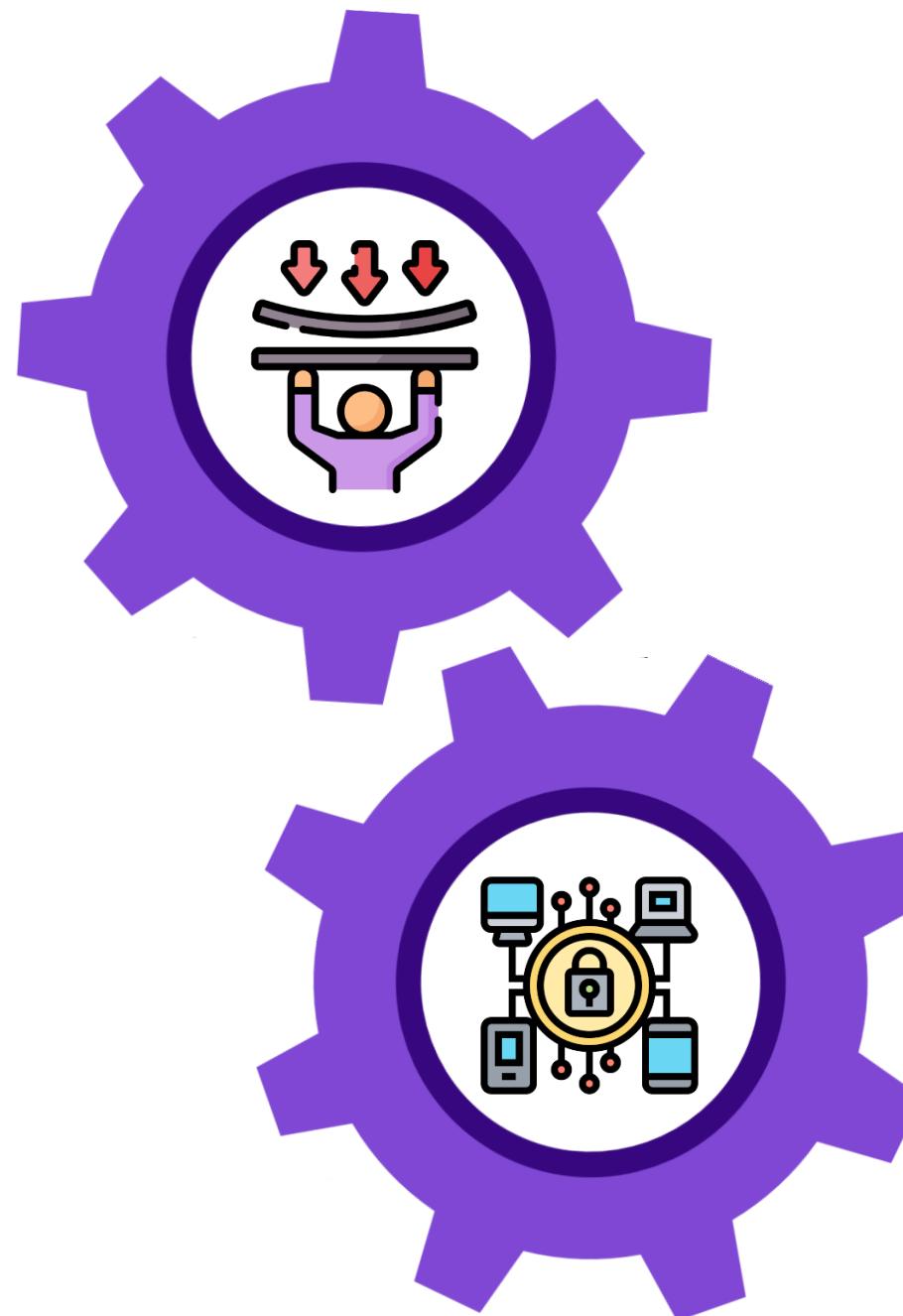
Credit risk remains manageable despite challenging credit landscape



SME Lending

Support for SMEs' access to bank financing, upgrade & transformation

Operational and Technology Risks



Operational Resilience

- All banks on track to be operationally resilient by end-May 2026
- Momentum sustained through targeted and timely supervisory guidance and engagement at industry and bilateral levels

Cyber and Third-Party Risks

- Uplifted individual bank's cybersecurity through C-RAF 2.0 and Secure Tertiary Data Backup implementation
- Enhanced guidance on cloud adoption
- Good progress in developing HK's first cross-sectoral Cyber Map on business and technology connections
- Laid groundwork for implementing the Protection of Critical Infrastructures (Computer Systems) Ordinance in 2026

Consumer Protection

- Digital assets
- Cross-boundary Wealth Management Connect
- Enhanced protection to investors
- Enhanced protection to insurance policyholders



- Interbank Debt Relief Plan
- Payment Arrangements for Property Transactions
- Tackling risks of hidden charges in property transactions
- Facilitation of probate grants

- Access to physical banking facilities
- Guideline on Elderly-friendly Banking Services
- Second Edition of Practical Guideline on Barrier-free Banking Services
- Consumer education for vulnerable groups
- Bank account opening & maintenance

- Credit Data Smart
- Cross-boundary Credit Referencing

- Mandatory Reference Checking Scheme Phase 2

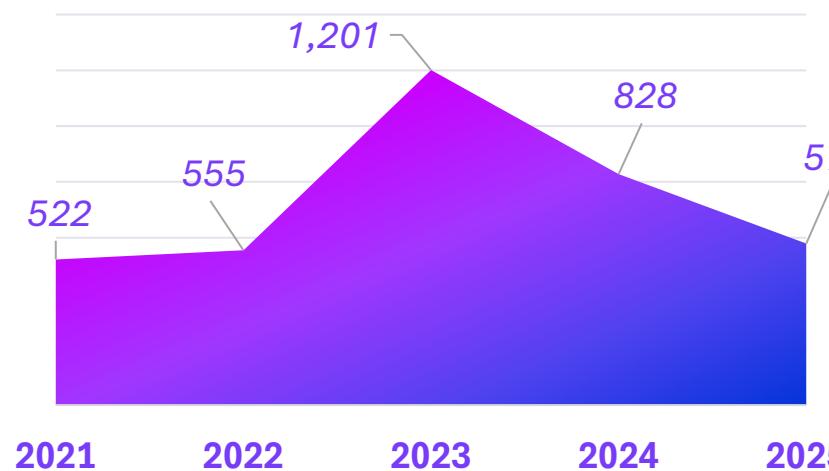
Fraud Prevention & Detection

Deception Cases in Hong Kong



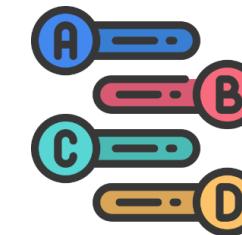
Source: Hong Kong Police Force

Fraud-Related Banking Complaints



Source: HKMA

Enhanced Ecosystem Response and Information Sharing



"E-Banking Security ABCD" family



Full launch of "Money Safe" by retail banks



Sharing of good practices to protect customers & detect mule accounts



Enhanced information sharing



Sharing latest scam techniques through instant messaging application

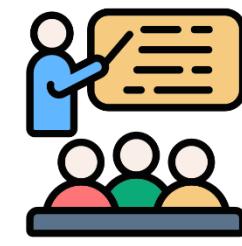
Raised Public Awareness



Smart Seniors Anti-Scam Ambassador Programme



"Three Anti-Scam Tactics" Promotional Campaign



Outreach & Counter-fraud Education

Strengthened Monitoring and Surveillance



Surveillance of suspected breaches of Banking Ordinance



Tightened name matching requirements for real-time fund transfers



Industry Consultation on Proposed Approach for Handling Customer Claims for Losses From Authorised Payment Scams (APS)



Thematic review of dynamic APS monitoring systems

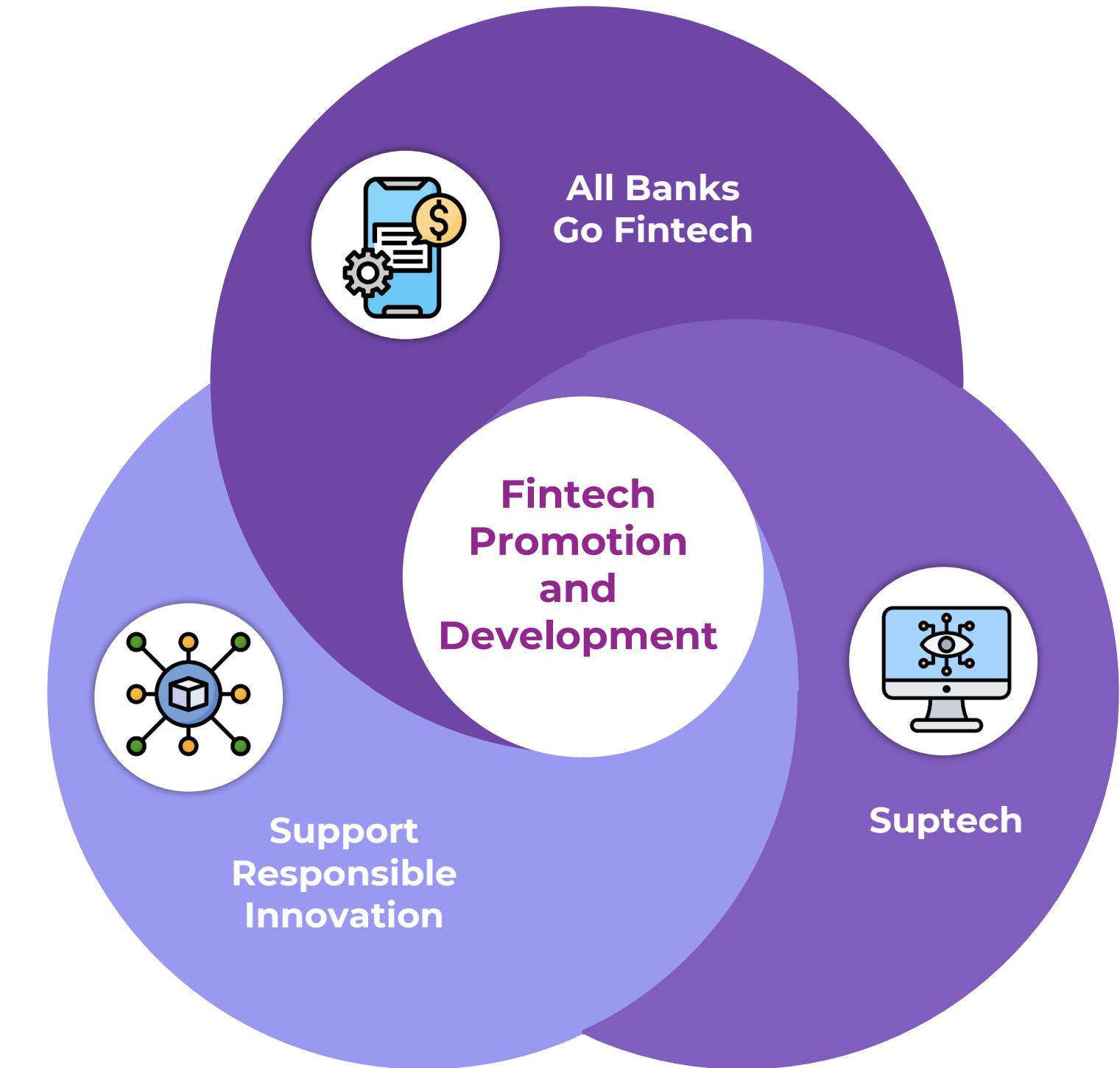


Expanded use of Scameter data for early detection of suspicious accounts



Enhanced effectiveness of 24/7 stop payment mechanism

Fintech Promotion & Development



AML & Financial Crime Risk



Enhanced speed & scope of ecosystem information sharing

- **Enacted legislation and delivered supporting guidance** to provide legal gateways and protection for bank-to-bank information sharing
- Implemented **Enhanced FINEST** in close collaboration with Police



Adopted a more direct & proactive approach to AML supervision

- Supported banks using **artificial intelligence** to enhance suspicious activity monitoring
- **Improved risk-based supervision** by revamping analysis of multiple and emerging risks and doubling the number of on-site examinations



Risk-based guidance benchmarked against international standards

- Uplifted capabilities to **mitigate high-end money laundering** through guidance and recommendations based on thematic review
- Provided guidance to enhance risk-based approach to AML/ CFT controls for **Politically Exposed Persons (PEPs)**

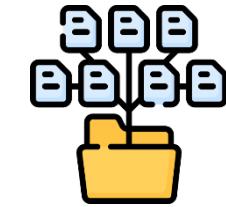
Banking Policies Development

Prudential Framework for Cryptoassets



- New prudential framework for cryptoassets took effect from 1 January 2026

Green & Sustainable Banking



- **Taxonomy**
 - Published Phase 2A Hong Kong Taxonomy for Sustainable Finance
- **Transition planning**
 - Launched a second round of industry consultation on draft guidelines
- **Sustainability disclosure**
 - Advanced industry engagement to understand existing disclosures, identify sound practices and assess key challenges

Supporting Individuals Affected by the Tai Po Fire Incident



Worked Closely with Key Stakeholders to Provide Assistance to Affected Individuals



Introduced 11 Measures of Immediate Relief & Ongoing Support



Combating Emerging Scams



Ensuring Timely, Empathic and Flexible Support

Work Priorities for 2026



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1



Credit Risk &
Credit Flow

2



Operational &
Technology Risks

3



Fintech 2030

4



Investor Protection

5



Anti-Fraud

Credit Risk and Credit Flow



Remain Vigilant to Evolving Credit Landscape

- Close monitoring of asset quality
- Proactive scrutiny of potential risks
- Pragmatic approach to corporate difficulties



Support Real Economy Including SMEs

- Foster accessible SME lending
- Support business transformation
- Facilitate intellectual property financing

Operational and Technology Risks



Operational Resilience

- Support banks through the “last mile” of “1+3 years” journey
- Post-May 2026, shift to sustaining “business-as-usual”



Cyber Resilience

- Strengthen cyber resilience maturity across risk management lifecycle
- Cyber Mapping



Third-Party Risk

- Implement new international standards on third-party risk management
- Deepen supervisory engagement on cloud adoption, leveraging new Practice Guide on Cloud Adoption

Fintech 2030

Data and Payment

- Holistic Risk Data Strategy

Resilience

- Fintech Cybersecurity Baseline
- Real-time Cyber-threat Index
- Quantum Preparedness Index



Artificial Intelligence

- GenA.I. Sandbox++
- Finance-specific models
- Responsible A.I. Toolkit

Tokenisation

- Supervisory Incubator for DLT

Investor Protection

Bank Culture

- Strengthen customer-centric culture among frontline staff
- Introduce cross-sector reference checking



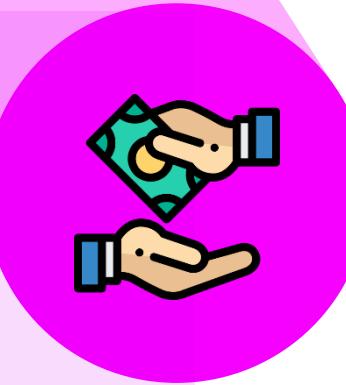
Investment Services

- Support sustainable & responsible development of digital asset sector
- Focus on high-yield and complex products



Insurance Selling

- Focus on higher-risk insurance products
- Review on banks' insurance referral businesses



Anti-Fraud

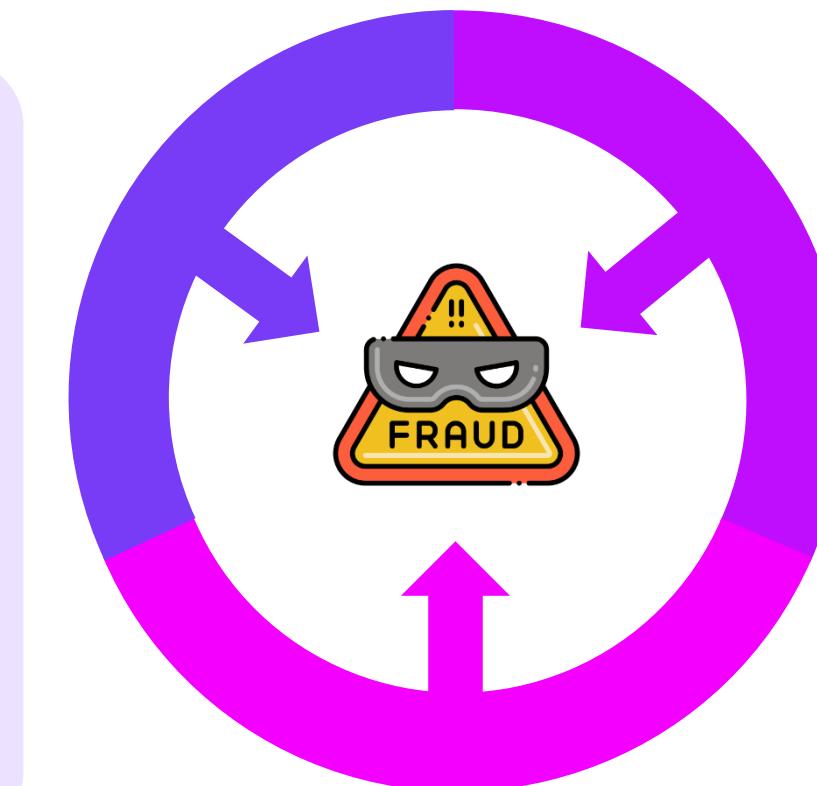


Proactively Counter Emerging Fraud Tactics

Enhance customer identity authentication via iAM Smart & other means

Enhance surveillance of banking scams

Expand coverage and functionality of Scameter and Suspicious Account Alert



Collaboration & Innovation

Collaboration and information sharing within anti-fraud ecosystem

Research on behavioural science techniques for anti-scam education

Piloting the analysis of multi-institutional data for early detection and disruption of fraud



Education & Promotion

Promote use of Money Safe

Promote use of bank customer empowerment tools by “training the trainers”

New “E-Banking Security ABCD” online game/quiz

Anti-Scam Campaign in 2026

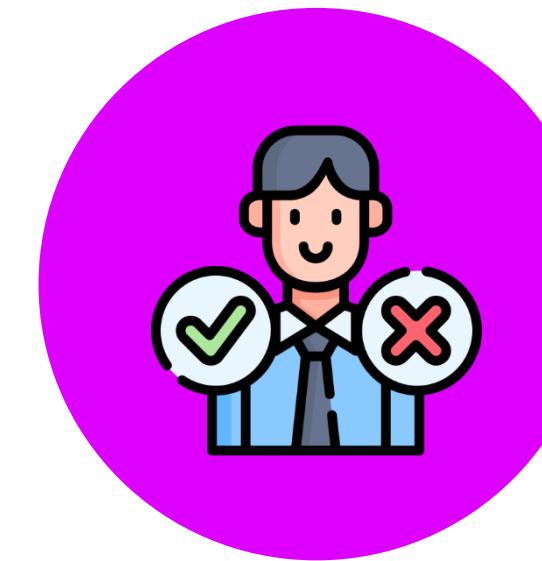


Other Work Priorities for 2026



Prudential Supervision

- Upgrade supervisory framework, incl. legislative amendments to modernise enforcement regime
- Strengthen banks' risk management of asset mix change
- Enhance banks' capability in handling liquidity stress amidst digitalisation



Conduct Supervision

- Consumer protection in use of GenA.I.
- Cross-border payments
- Credit referencing infrastructure
- Financial inclusion



AML & Financial Crime Risk

- Effective, adaptive & future-focused AML supervision approach:
 - Understand and disrupt
 - Enhance and protect
 - Collaborate and share



Green & Sustainable Banking

- Taxonomy
- Sustainability disclosures
- Transition planning
- Climate risk management