

# Highlights of 2025



## Economic and Financial Environment

Hong Kong's economic growth accelerated in 2025, driven by strong export expansion and a recovery in domestic demand. The labour market softened, however, as certain sectors continued to experience challenges arising from economic restructuring. With domestic and external price pressures subdued, inflation remained contained. The local stock market underwent a robust rally in 2025, while the housing market stabilised amid eased financial conditions. In 2026, the economy is expected to grow at a moderate pace, with goods exports maintaining their upward momentum amid the ongoing artificial intelligence investment boom, and domestic demand strengthening due to improved private sector sentiment. However, the outlook is subject to uncertainties surrounding the evolving geopolitical tensions, the sustainability of the artificial intelligence investment boom, persistent uncertainty in global trade policies, and the US policy rate path.

The Hong Kong banking sector has continued to demonstrate its resilience despite challenges in the credit risk landscape, supported by strong capital and liquidity buffers. Overall credit risk and asset quality remain manageable.



## Monetary Stability

Amid uncertainties surrounding global trade, market volatilities and local fund flow dynamics, the Hong Kong dollar exchange rate saw significant movements within the Convertibility Zone, with the strong-side Convertibility Undertaking triggered four times in early May and the weak-side Convertibility Undertaking triggered 12 times from late June to mid-August. Nevertheless, the Hong Kong dollar exchange and money markets continue to operate in a smooth and orderly manner. This once again demonstrates the strength and resilience of the Linked Exchange Rate System.



## Banking Stability

The HKMA continues to work with the banking industry to provide support to local small and medium-sized enterprises, while safeguarding banking stability through risk-based supervision. We provide timely guidance to help banks achieve operational resilience and strengthen their cyber resilience. We also intensify our efforts to promote the responsible adoption of generative artificial intelligence within the industry, while further enhancing our supervisory processes with the aid of advanced technology. Meanwhile, good progress is made in implementing international capital adequacy and disclosure standards locally.

Amid rising financial crime challenges, the HKMA strengthens the banking sector's gatekeeping role in Hong Kong's anti-money laundering (AML) and counter-financing of terrorism regime through a number of initiatives. To combat fraud more effectively, we expand the use of Scameter data and implement legislative changes to allow banks to share information with each other for the detection and prevention of crime. We launch a new programme to help banks accelerate the adoption of artificial intelligence in their transaction monitoring systems. To address areas of elevated money laundering and terrorist financing risk, we issue internationally-benchmarked AML guidance for stablecoin issuers, produce smart tips on the handling of politically exposed persons, and issue guidance for combatting high-end money laundering involving complex and transnational criminal activities.

The HKMA undertakes several initiatives in the year to enhance consumer banking protection. On fraud prevention and detection, we officially launch Money Safe, the Anti-Scam Consumer Protection Charter 3.0, and the Smart Seniors Anti-Scam Ambassador Programme. We also strengthen the requirement for banks to conduct name-matching with customers for real-time fund transfers of a specified amount or above, and consult the industry on a proposal for handling customer claims against losses arising from authorized payment scams. Other notable consumer banking protection initiatives include enhancing the Interbank Debt Relief Plan, overseeing the full implementation of the Credit Data Smart framework, and providing additional guidance to banks on digital asset-related activities. In addition, we enhance the Cross-boundary Wealth Management Connect Pilot Scheme and regularise cross-boundary credit referencing to support business activities between the Chinese Mainland and Hong Kong.

The HKMA further enhances the credibility and operational effectiveness of Hong Kong's resolution regime. We develop valuation policy proposals for timely crisis decision-making, and conduct testing exercises to strengthen the liquidity capabilities of banks in resolution. We also drive banks' development of resolution continuity arrangements, enhance the HKMA's own preparedness in executing resolutions, and lead several cross-border resolution co-operation initiatives.

## Highlights of 2025



### International Financial Centre

The HKMA works closely with its Mainland and local counterparts to strengthen financial market connectivity between Hong Kong and the Chinese Mainland, while reinforcing the city's status as the leading global offshore renminbi hub. Key initiatives during the year include the launch of cross-boundary bond repurchase and offshore renminbi bond repurchase businesses; the inclusion of Northbound Bond Connect bonds as eligible margin collateral for derivatives transactions at OTC Clearing Hong Kong Limited; the expansion of the investor scope of Southbound Bond Connect; and refinements to Northbound Swap Connect and Wealth Management Connect. We also further enhance offshore renminbi liquidity by introducing the RMB Trade Financing Liquidity Facility, which was subsequently upgraded to the RMB Business Facility.

We have made good progress in reinforcing the competitiveness of Hong Kong's financial ecosystem, especially in areas such as fixed income and currency (FIC), asset and wealth management, and supply chain financing. To position Hong Kong as a global FIC hub, we launch the Roadmap for the Development of FIC Markets together with the Securities and Futures Commission. We also assist the Government in issuing the third tokenised bond – the largest digital bond issuance – as a key effort to promote innovation.

We continue to strengthen Hong Kong's connections with the rest of the world through engagement with the public and private sectors. We step up market outreach to overseas and Mainland stakeholders, including hosting the fourth Global Financial Leaders' Investment Summit and other events, and strengthen our financial ties with the Middle East and ASEAN markets through targeted engagements and collaborative initiatives. As an active member of various international and regional central banking and regulatory forums, the HKMA contributes to global financial stability and financial market developments.

By bringing "Fintech 2025" to fruition, we establish a robust foundation across multiple fintech domains, including data, payment and tokenisation infrastructures. Building on these efforts, we launch Project Cargo<sup>x</sup>, which aims to streamline trade finance processes through the use of data; Payment Connect, which enables real-time cross-boundary remittances for Hong Kong and Mainland residents; and Ensemble<sup>TX</sup>, the pilot phase of Project Ensemble designed to facilitate real-value transactions involving tokenised deposits and digital assets. We also unveil "Fintech 2030", laying out our vision and strategy for driving Hong Kong's fintech development over the next five years.

By facilitating the enactment and implementation of the Stablecoins Ordinance, we help establish a licensing regime for stablecoin issuers in Hong Kong, thereby enhancing the city's regulatory framework for digital assets.



### Reserves Management

Global financial markets experienced significant volatility in the first half of 2025 due to factors such as trade conflicts and geopolitical tensions. The investment environment improved notably in the second half of the year, bolstered by smaller-than-expected impact from trade conflicts, swift advancement of artificial intelligence technology, and policy rate cuts by major central banks. Overall, the global financial markets showed strong resilience in 2025. The Exchange Fund closed the year with an investment income of HK\$337.4 billion, representing an investment return of 8.0%.

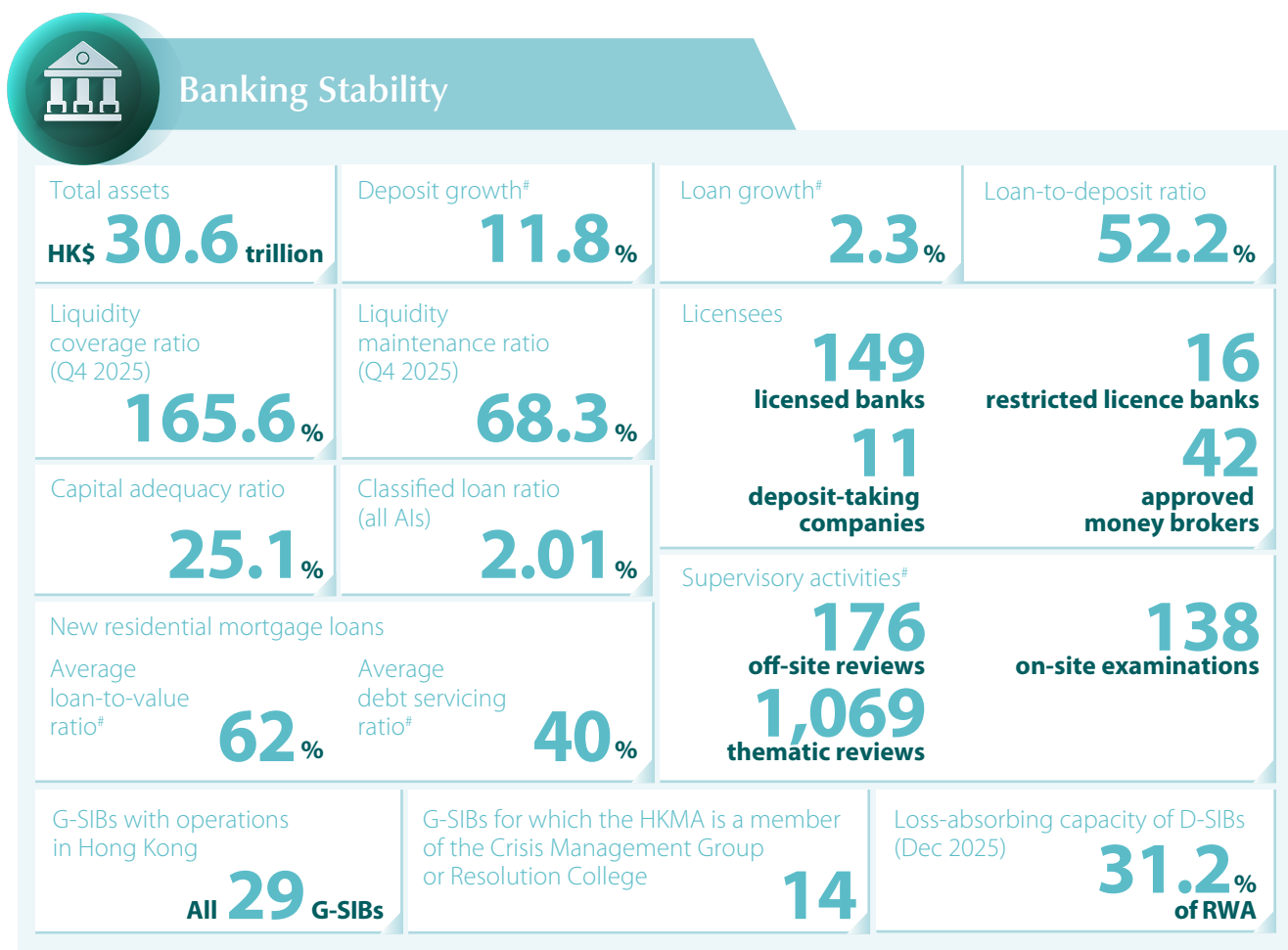
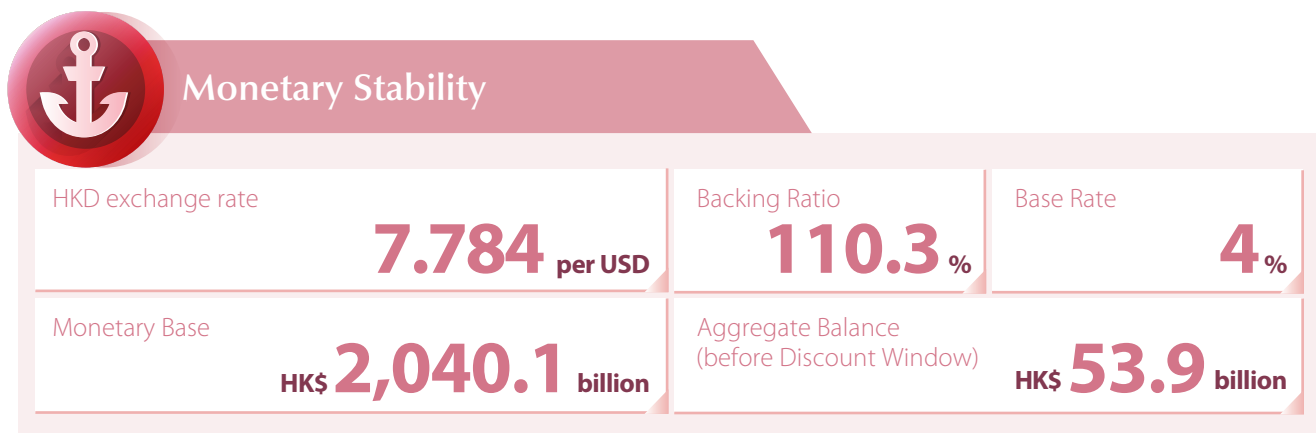


### Corporate Functions

The HKMA actively promotes public understanding of its policies and operations to reinforce trust and confidence in the financial system. At the same time, the HKMA strives to cultivate an agile and professional workforce, maintain rigorous financial discipline, upgrade its digital capabilities, and ensure proper governance at the corporate level.

# Highlights of 2025

## Key Figures for 2025



## Notes:

Unless specified, figures are at the end of 2025.

<sup>#</sup> Figures for the year of 2025 as a whole.

Sources: Swift, Bank for International Settlements and HKMA

Als: Authorized institutions  
 CDs: Certificates of Deposit  
 CMU: Central Moneymarkets Unit  
 CPI: Consumer Price Index  
 D-SIBs: Domestic systemically important banks  
 EF: Exchange Fund

FPS: Faster Payment System  
 G-SIBs: Global systemically important banks  
 HKD: Hong Kong dollar  
 LTGP: Long-Term Growth Portfolio  
 RMB: Renminbi  
 RTGS: Real Time Gross Settlement

RWA: Risk-weighted amount  
 SVF: Stored value facility  
 Swift: Society for Worldwide Interbank Financial Telecommunication  
 USD: US dollar

## Highlights of 2025



### International Financial Centre

<p>RMB deposits (including outstanding CDs)</p> <p><b>1</b> largest offshore RMB liquidity pool</p> <p><b>RMB 1,096.8 billion</b></p>	<p>Outstanding RMB loans</p> <p><b>RMB 935.0 billion (+29%)</b></p>	<p>Offshore RMB bond issuance<sup>#</sup></p> <p><b>RMB 1,100.9 billion</b></p>
<p>Hong Kong's share of offshore RMB Swift payments globally<sup>#</sup></p> <p><b>1</b> in the world</p> <p><b>&gt; 70%</b></p>	<p>RMB RTGS average daily turnover<sup>#</sup></p> <p><b>RMB 2.5 trillion</b></p>	<p>Average daily turnover under Northbound Bond Connect<sup>#</sup></p> <p><b>RMB 39.0 billion</b></p>
<p>Asian international bond issuance<sup>#</sup></p> <p><b>1</b> largest arranging hub</p> <p><b>US\$ 133.3 billion equivalent</b></p>	<p>HKD RTGS average daily turnover<sup>#</sup></p> <p><b>HK\$ 1.4 trillion (+25%)</b></p>	<p>CMU assets under custody</p> <p><b>HK\$ 5.2 trillion equivalent (+9%)</b></p>
<p>Asian international green and sustainable bond issuance<sup>#</sup></p> <p><b>1</b> largest arranging hub</p> <p><b>US\$ 37.7 billion equivalent</b></p>	<p>FPS registrations</p> <p><b>18.9 million (+20%)</b></p>	<p>Average daily real-time HKD transactions of FPS<sup>#</sup></p> <p><b>2.04 million (+24%)</b></p>
<p>Limited partnership funds</p> <p><b>1,446 (+37%)</b></p>	<p>SVF accounts</p> <p><b>86.4 million (+8%)</b></p>	<p>Value of SVF transactions<sup>#,1</sup></p> <p><b>HK\$ 1,115.5 billion (+19%)</b></p>



### Reserves Management

<p>EF investment income<sup>#</sup></p> <p><b>HK\$ 337.4 billion</b></p>	<p>EF investment return<sup>#</sup></p> <p><b>8.0%</b></p>	<p>EF compounded annual investment return (since 1994)</p> <p><b>4.6%</b></p> <p>(&gt;2% increase in HK composite CPI over the same period)</p>
<p>EF assets</p> <p><b>HK\$ 4,161.2 billion</b></p>	<p>Market value of LTGP investments</p> <p><b>HK\$ 578.4 billion</b></p>	<p>LTGP annualised internal rate of return (since 2009)</p> <p><b>10.9%</b></p>

<sup>1</sup> Starting from the first quarter of 2025, the HKMA began to publish "withdrawal" transaction data to provide more information regarding SVF transactions. Transaction data for 2024 have been adjusted accordingly to facilitate comparison.