

[HKMA Half-Yearly Monetary and Financial Stability Report \(September 2019 Issue\)](#)

The following is issued on behalf of the Hong Kong Monetary Authority:

The Hong Kong Monetary Authority (HKMA) today (September 27) published the September 2019 issue of its Half-Yearly Monetary and Financial Stability Report (Half-Yearly Report).

The Half-Yearly Report highlights that Hong Kong's economy is facing headwinds brought about by slower global growth momentum, the lingering US-China trade tensions and the recent social events. Notwithstanding this, the Hong Kong dollar and interest rate markets continued to operate orderly and the banking sector remained resilient. The Half-Yearly Report suggests that banks should stay vigilant to the credit risk associated with their corporate and household exposures caused by a potential deterioration in the economic environment.

The household debt-to-GDP ratio rose further to 75.5 per cent in the second quarter of 2019 from 72.0 per cent in the fourth quarter of 2018. The increase in household debt mainly reflected growth in residential mortgage loans (increased by 5 per cent from end-2018) and loans for other private purposes (increased by 15 per cent during the same period). The latter consisted primarily of loans to private banking and wealth management customers. These loans were secured by financial assets (such as stocks, mutual funds and bonds). The noticeable growth in these loans was a result of an improvement in the sentiment in the global financial markets, leading to increased financial asset prices and investment appetite in the first half of 2019.

The Half-Yearly Report can be viewed on and downloaded from the [HKMA website](#). A separate, printed version of the Half-Yearly Report (English version only) may be ordered or purchased at the HKMA Information Centre on 55th Floor, Two International Finance Centre at HK\$60 a copy.