

Legislative Council Panel on Financial Affairs

Follow-up actions arising from the meeting on 6 May 2019

**Agenda Item VI — Update on the measures to tackle money
lending-related malpractices**

In response to the request of the Legislative Council Panel on Financial Affairs at the meeting on 6 May 2019, we would like to provide the following information for Members' reference.

2. To ensure proper risk management by banks, the Hong Kong Monetary Authority ("HKMA") has collected information regarding property-related lending by finance companies which have obtained financing from banks (many of these finance companies are money lenders). According to the information collected from banks, the amount of loans with property pledged as collateral provided by these finance companies represented less than 1% of the total outstanding residential mortgage loans of the banking sector in Hong Kong. In addition, the total amount of loans provided by banks in Hong Kong to finance companies accounted for less than 1% of total loans in the banking sector. With reference to these statistics, the operation of money lenders should not have significant implications for the stability of banking and financial systems. The Government will continue to closely monitor the situation.

**Financial Services and the Treasury Bureau
May 2019**