Survey on Credit Card Lending **Annex**

	Q1 26	Q2 26	Q3 26
Total number of accounts at period-end ('000)	16,997	17,056	17,222
Quarterly change (%)	-0.1	+0.3	+1.0
Yearly change (%)	-0.8	-0.1	+1.0
Total receivables at period-end (HK$ Mn)	157,995	154,609	156,651
Quarterly change (%)	-3.8	-2.1	+1.3
Yearly change (%)	+3.4	+3.8	+3.7
Average total receivables (HK$ Mn)[1] **(a)**	161,095	156,302	155,630
Delinquent amount > 90 days (HK$ Mn)	612	560	514
Delinquency ratio (%)	0.39	0.36	0.33
Receivables rescheduled (HK$ Mn)[2]	195	196	208
Rescheduled receivables transferred (HK$ Mn)[2]	173	181	189
Rescheduled receivables at period-end (HK$ Mn)	94	93	95
Rescheduled ratio (%)	0.06	0.06	0.06
Combined delinquent and rescheduled ratio (%)[3]	0.45	0.42	0.39
Charge-off amount (HK$ Mn)[2] **(b)**	905	957	915
Charge-off ratios[4]			
- *quarterly %* ***(c = b / a)***	0.56	0.61	0.59
- *quarterly %, annualised*	2.25	2.45	2.35
- *year-to-date %, annualised*	2.25	2.34	2.31
Rollover amount (HK$ Mn)	27,422	27,692	27,174
Rollover ratio (%)	17.4	17.9	17.3

Notes:

1. Average during the period (calculated as [opening stock + closing stock]/2)
2. Flow during the period
3. May not be equal to the sum of delinquency ratio and rescheduled ratio due to rounding
4. Calculated as charge-off amount as a percentage of average receivables during the period

Notes to the Press Release of the Credit Card Lending Survey

1. This survey covers authorized institutions (AIs) and some subsidiaries of AIs that are engaged in credit card business. It does not cover card issuers that are not AI-related.

2. ***Credit card receivables*** in the survey refer to credit card receivables from individual credit cardholders.

3. The ***delinquency ratio*** is measured by the total amount of credit card receivables overdue for more than 90 days and remaining unpaid at the last day of the reporting month as a percentage of total credit card receivables. Credit card receivables are classified as overdue when a payment is past due on the last day of the reporting month (see also Note 7 below). The delinquency ratio provides an early indication of the quality of the credit card portfolio.

4. ***Charge-off amount*** refers to the total amount of credit card receivables written off the loan book (including principal, interest and fees incurred of the charge-off accounts) during a period (irrespective of when a charge is made to the profit and loss account, which may be earlier if it is the institution's policy to create provisions at an earlier time than the amount is written off). Charge-off policies vary from institution to institution. Normally, an account will be written off when the receivable has been overdue for more than 180 days or when the ultimate repayment of the receivable is unlikely (e.g. the cardholder is bankrupt or cannot be located).

   The ***quarterly*** annualised ratio foreshadows the extent of charge-offs that would be experienced if the current quarter's charge-off ratio were to be sustained for the next three quarters. The ***year-to-date*** ratio tracks the actual charge-offs to date and is annualised for purposes of comparison.

5. The delinquency and the charge-off ratios are complementary to each other. The former takes into account those credit card receivables that at the reporting date had been overdue for more than 90 days but had not yet been written off. It is therefore an indicator of future charge-offs. The latter captures those receivables that were written off during the specified period because they were seriously overdue (e.g. for more than 180 days) plus those written off earlier than 180 days because they were considered irrecoverable (e.g. because the borrower has gone into bankruptcy).

6. The ***rescheduled ratio*** is measured by the amount of rescheduled receivables retained in the card portfolio which are not captured as delinquent at period-end as a percentage of total receivables. This ratio provides supplementary information on the quality of the credit card receivables. The ***rescheduled receivables at period-end*** is the amount of rescheduled receivables retained in the card portfolio which are not captured as delinquent at period-end.

7. ***Rollover amount****,* representing "borrowing", is the amount within total receivables in respect of which the cardholder has not fully repaid the statement balance but has at least made the minimum amount of payment required by the AI. It does not include amounts that are overdue. An account is overdue when the minimum payment is not made upon the due date.

8. ***Rollover ratio*** refers to the percentage of total rollover amounts to total credit card receivables. While total receivables relate to the month-end position, total rollover amounts are based on balances recorded at the statement date.