

Residential mortgage loans in negative equity
March quarter 2005

Annex

Key Extrapolated Results ¹ of the Survey of Residential Mortgage Loans in Negative Equity

| (End of period figures) | Mar-05 | Dec-04 | Sep-04 | Jun-04 | Mar-04 |
|---|---------------|---------------|---------------|---------------|---------------|
| Total outstanding number | 14,040 | 19,215 | 25,375 | 28,264 | 40,020 |
| As % of total mortgage borrowers | 3% | 4% | 5% | 6% | 8% |
| Total outstanding value (HK\$ billion) | 24 | 33 | 43 | 48 | 66 |
| As % of total outstanding value | 5% | 6% | 8% | 9% | 12% |
| Value of unsecured portion (HK\$ billion) | 4 | 5 | 7 | 8 | 13 |
| Loan-to-value ratio | 117% | 119% | 121% | 121% | 125% |
| Weighted average interest rate | BLR-0.76% | BLR-0.71% | BLR-0.74% | BLR-0.65% | BLR-0.74% |

Note:

1. Based on 24 surveyed authorized institutions (AIs) accounting for about 98% of the industry total. The reduction in number of surveyed AIs from 25 at end-June 2004 to 24 is due to bank consolidation and so does not affect the coverage.