

**Residential Mortgage Survey
Results of Survey for July 2006**

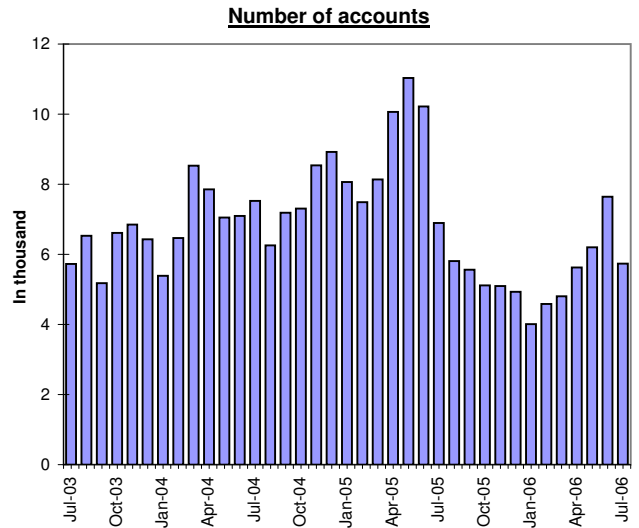
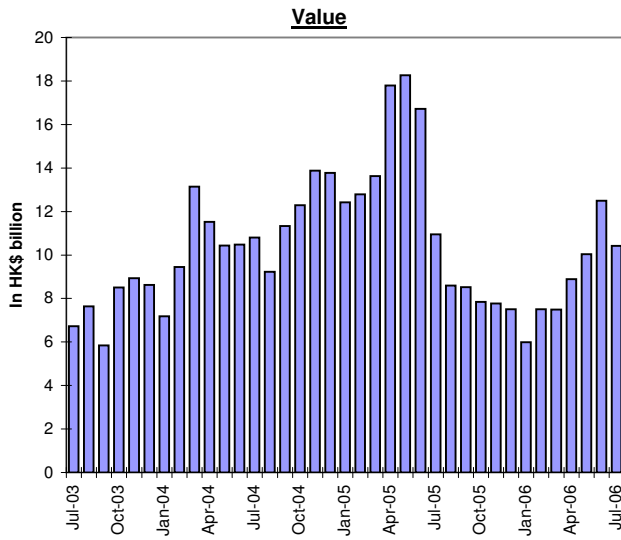
	(Value in HK\$ million)	
	July 2006	June 2006
23 authorized institutions		
1. <u>New loans drawn down during month</u>		
a. Value	10,419	12,495
M-o-M % change	-16.6%	24.5%
b. Number	5,739	7,644
2. <u>New loans approved during month</u>		
a. Value	9,711	12,853
M-o-M % change	-24.5%	-6.4%
b. Number	5,754	7,387
c. Average size	1.69	1.74
d. Loan-to-value ratio (%)	58.8	60.1
e. Contractual life (months)	235	247
f. Loans associated with co-financing schemes		
- Value	336	687
- Number	210	359
g. Type of property transaction		
- Value		
- Primary market	1,833	3,218
- Secondary market	6,003	7,055
- Refinancing	1,875	2,580
- Number		
- Primary market	712	1,231
- Secondary market	3,753	4,514
- Refinancing	1,289	1,642
h. New loans approved during month but not yet drawn		
- Value	6,252	8,072
- Number	3,699	4,423
i. Number of applications (cases)	8,899	10,298
3. <u>Outstanding loans</u>		
a. Value	527,577	527,292
M-o-M % change	0.1%	0.3%
Y-o-Y % change	-2.7%	-3.0%
b. Loans associated with co-financing schemes		
Government-funded schemes:		
- Value	40,218	40,647
- Number	55,723	56,202
Schemes offered by the private sector:		
- Value	26,716	27,332
- Number	16,997	17,340
c. Delinquency ratio (%)		
- More than 3 months	0.20	0.20
- More than 6 months	0.09	0.09
d. Rescheduled loan ratio (%)	0.30	0.31
4. <u>Loans written off</u>		
a. Value of loans written off during month	12	94
b. Loans written off over the past 12 months		
- Value	541	568
- As % of the average outstanding loans	0.1	0.1
5. <u>Interest margin on new loans approved during month</u>		
a. More than 2.5% below BLR	67.4%	70.4%
b. More than 2.25% and up to 2.5% below BLR	7.5%	8.2%
c. More than 2% and up to 2.25% below BLR	2.1%	2.1%
d. More than 1.75% and up to 2% below BLR	1.2%	1.2%
e. More than 1.5% and up to 1.75% below BLR	0.6%	0.6%
f. More than 1.25% and up to 1.5% below BLR	0.8%	0.4%
g. More than 1% and up to 1.25% below BLR	0.3%	0.2%
h. More than 0.75% and up to 1% below BLR	0.4%	0.3%
i. More than 0.5% and up to 0.75% below BLR	0.1%	0.1%
j. More than 0.25% and up to 0.5% below BLR	0.1%	0.1%
k. More than 0% and up to 0.25% below BLR	0.0%	0.0%
l. At BLR	0.1%	0.2%
m. Above BLR	0.2%	0.3%
n. Fixed rate	0.3%	0.2%
o. Others	18.9%	15.7%
6. <u>Loans for purchasing properties in Mainland China</u>		
a. Value of new loans drawn down during month	701	639
b. Value of outstanding loans	15,480	14,820

Abbreviation:

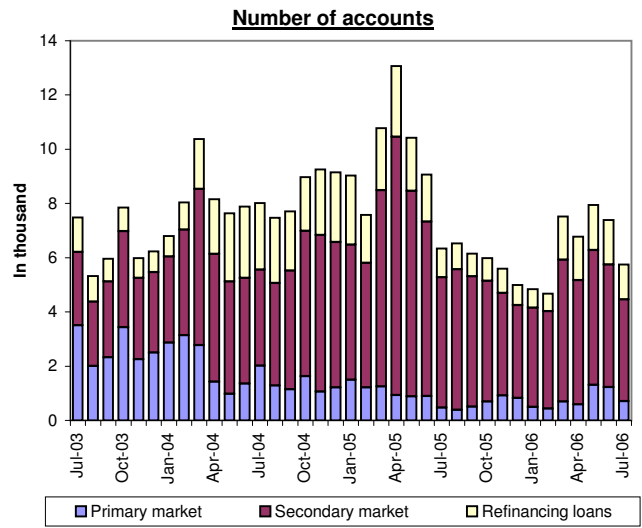
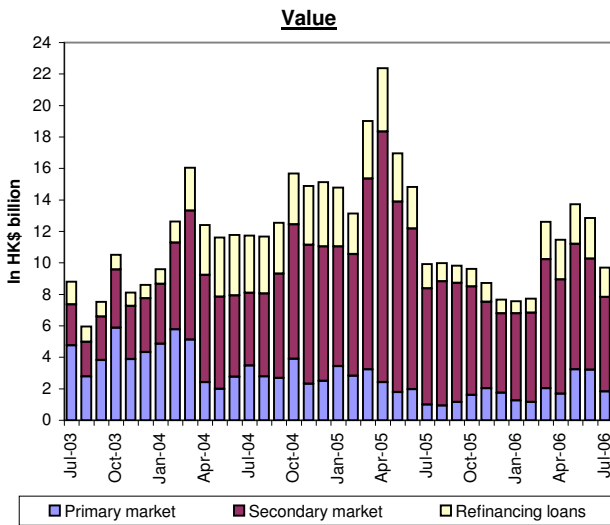
BLR refers to the best lending rate.

Residential Mortgage Loans in Hong Kong (23 authorized institutions)

New Loans Drawn Down During Month



New Loans Approved During Month



Residential Mortgage Survey

Notes to Annex

1. The Residential Mortgage Survey is a continuous monthly survey covering 23 authorized institutions in the banking industry.
2. **Residential mortgage loans** (RMLs) in this survey are loans (including refinancing loans) to private individuals for the purchase of residential properties, including uncompleted units, but other than those properties under the Home Ownership Scheme, the Private Sector Participation Scheme and the Tenants Purchase Scheme.
3. **Gross new loans made** are new mortgage loans drawn down during the surveyed month.
4. **New loans approved** are mortgage loans approved during the surveyed month. The loans can either be drawn down in the same month or in the following months. Loans that are approved but not yet drawn, which have implications for the amount of gross new loans made in the following months, are shown under the item "New loans approved during month but not yet drawn".
5. **Delinquency ratio** is measured by a ratio of total amount of overdue loans to total outstanding loans.
6. **Rescheduled loan ratio** is measured by a ratio of total amount of rescheduled loans to total outstanding loans.
7. **Co-financing schemes** refer to those schemes that involve provision of top-up finance by property developer(s) or other co-financier(s) in addition to mortgage loans advanced by authorized institutions. For loans associated with co-financing schemes, only the portion of loans advanced by reporting institutions is included in this survey.
8. **Average loan-to-value ratio and average contractual life** for new loans approved during the surveyed month are average figures weighted by the amount of new loans approved during the surveyed month by individual reporting institutions.
9. **Loans written off** over the past 12 months as a percentage of the average outstanding loans is calculated as: total value of loans written off during the past 12-month period as a percentage of the average outstanding loan value over the 12-month period [i.e. (opening + closing) ÷ 2].