

Residential mortgage loans in negative equity
December quarter 2007

Annex

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

| (End of period figures) | Dec-07 | Sep-07 | Jun-07 | Mar-07 | Dec-06 |
|--------------------------------------------------------|---------------|---------------|---------------|---------------|---------------|
| Total outstanding number | 1,861 | 3,482 | 4,676 | 6,679 | 8,444 |
| As % of total mortgage borrowers ² | 0.4% | 0.7% | 1% | 1% | 2% |
| Total outstanding value (HK\$ billion) ³ | 3.0 | 5.8 | 8 | 11 | 14 |
| As % of total outstanding value ² | 0.5% | 1.1% | 1% | 2% | 3% |
| Value of unsecured portion (HK\$ billion) ³ | 0.4 | 0.8 | 1 | 1 | 2 |
| Loan-to-value ratio | 117% | 116% | 115% | 114% | 113% |
| Weighted average interest rate | BLR-1.00% | BLR-0.96% | BLR-1.02% | BLR-1.07% | BLR-1.17% |

Note:

1. Based on 23 surveyed authorized institutions (AIs) accounting for about 98% of the industry total.
2. To the nearest 0.1% for September 2007 and December 2007 figures.
3. To the nearest HK\$0.1 billion for September 2007 and December 2007 figures.