

**Residential mortgage loans in negative equity**  
**June quarter 2005**

**Annex**

**Key Extrapolated Results <sup>1</sup> of the Survey of Residential Mortgage Loans in Negative Equity**

| (End of period figures)                   | <b>Jun-05</b> | <b>Mar-05</b> | <b>Dec-04</b> | <b>Sep-04</b> | <b>Jun-04</b> |
|---|---------------|---------------|---------------|---------------|---------------|
| Total outstanding number                  | 8,738         | 14,040        | 19,215        | 25,375        | 28,264        |
| As % of total mortgage borrowers          | 2%            | 3%            | 4%            | 5%            | 6%            |
| Total outstanding value (HK\$ billion)    | 15            | 24            | 33            | 43            | 48            |
| As % of total outstanding value           | 3%            | 5%            | 6%            | 8%            | 9%            |
| Value of unsecured portion (HK\$ billion) | 2             | 4             | 5             | 7             | 8             |
| Loan-to-value ratio                       | 115%          | 117%          | 119%          | 121%          | 121%          |
| Weighted average interest rate            | BLR-0.66%     | BLR-0.76%     | BLR-0.71%     | BLR-0.74%     | BLR-0.65%     |

Note:

1. Based on 24 surveyed authorized institutions accounting for about 98% of the industry total.