

Residential mortgage loans in negative equity
June quarter 2006

Annex

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

| (End of period figures) | Jun-06 | Mar-06 | Dec-05 | Sep-05 | Jun-05 |
|---|---------------|---------------|---------------|---------------|---------------|
| Total outstanding number | 8,777 | 9,193 | 10,983 | 9,056 | 8,738 |
| As % of total mortgage borrowers | 2% | 2% | 2% | 2% | 2% |
| Total outstanding value (HK\$ billion) | 15 | 16 | 19 | 16 | 15 |
| As % of total outstanding value | 3% | 3% | 4% | 3% | 3% |
| Value of unsecured portion (HK\$ billion) | 2 | 2 | 2 | 2 | 2 |
| Loan-to-value ratio | 113% | 113% | 113% | 114% | 115% |
| Weighted average interest rate | BLR-1.04% | BLR-1.03% | BLR-1.08% | BLR-0.86% | BLR-0.66% |

Note:

1. Based on 23 surveyed authorized institutions (AIs) accounting for about 98% of the industry total. The reduction of surveyed AIs from 24 in September 2005 is due to bank consolidation and so does not affect the coverage.