

Residential mortgage loans in negative equity
December quarter 2004

Annex

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

(End of period figures)	Dec-04	Sep-04	Jun-04	Mar-04	Dec-03
Total outstanding number	19,215	25,375	28,264	40,020	67,575
As % of total mortgage borrowers	4%	5%	6%	8%	14%
Total outstanding value (HK\$ billion)	33	43	48	66	107
As % of total outstanding value	6%	8%	9%	12%	20%
Value of unsecured portion (HK\$ billion)	5	7	8	13	23
Loan-to-value ratio	119%	121%	121%	125%	128%
Weighted average interest rate	BLR-0.71%	BLR-0.74%	BLR-0.65%	BLR-0.74%	BLR-0.94%

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.