[Transcript of remarks by SFST at media session](#)

　　Following is the transcript of remarks by the Secretary for Financial Services and the Treasury, Mr James Lau, at a media session after attending the Plenary Session of the 12th Asian Financial Forum this morning (January 14):

Reporter: Do you see an outflow of capital from Hong Kong? And the second question is the Chief Executive said the Government had no immediate plan to relax the loan-to-value ratio for property mortgage, does the Government have any timetable on the relaxation?

Secretary for Financial Services and the Treasury: There were two questions. The first question is on the so-called "capital flow". But you are referring actually to the aggregate balance of the banking system, which represents the liquidity in the interbank market. As the Hong Kong Monetary Authority has repeatedly emphasised, the so-called "inflow" and "outflow" in the aggregate balance depends on the supply and demand for US dollar versus Hong Kong dollar. So there is nothing to worry about, and that change in the aggregate balance only reflects the redemption of US dollar versus Hong Kong dollar.

　　The second question is on the mortgage financing, the loan-to-value ratio. As I explained just now in Chinese, the Government has actually initiated special measures on the stamp duty for the market, and for the Monetary Authority, they have special measures, counter-cyclical measures regarding the mortgage loan-to-value ratio. We have currently no plan as we mentioned just now, and there is no timetable as such. But as the Financial Secretary mentioned before, we will be monitoring the supply of flats on the market and also the trend for the changes in the property prices, and also we will be looking at the general macroeconomic environment and also the local economic environment. So based on the combination of these factors then, we will be monitoring the developments and see what will be the next step. Thank you very much.

(Please also refer to the Chinese portion of the transcript.)