

DEPOSIT PROTECTION SCHEME AT A GLANCE

All licensed banks, unless otherwise exempted by the Board, are required to participate in the Deposit Protection Scheme (DPS) as a Scheme member. All Scheme members display a membership sign prominently at their places of business.



The DPS protects deposits up to a limit of HK\$500,000 per depositor per Scheme member. *(The compensation limit has been raised from HK\$100,000 since 1 January 2011.)*

Depositors are not required to apply or pay for protection or compensation. Eligible deposits held with Scheme members are automatically protected by the DPS.

Deposits denominated in Hong Kong dollar, Renminbi or any other currencies are protected.

The DPS protects eligible deposits held with Scheme members. Secured deposits have also come under the protection of the DPS starting from 1 January 2011. The DPS however does not protect term deposits with a maturity longer than five years, structured deposits, bearer instruments, off-shore deposits and non-deposit products such as bonds, stocks, warrants, mutual funds, unit trusts and insurance policies.

A depositor's entitlement to compensation will be calculated on a net basis, that is, the liability of the depositor to a Scheme member will be deducted from the protected deposits he maintains with the Scheme member in determining compensation.

A Deposit Protection Scheme Fund (DPS Fund) is being built up through collecting contributions from Scheme members. The target fund size is 0.25% of the total amount of protected deposits held with all Scheme members, or approximately HK\$3.5 billion.

Contributions payable by Scheme members for building up the DPS Fund are assessed on a differential premium basis. Assessment is made annually with reference to the supervisory rating of each Scheme member.

