

MESSAGE FROM THE CHAIRPERSON



Mrs CHAN WONG Shui,
Pamela, BBS, JP
Chairperson

“From scratch to fruition,
in growth and enhancement”

The Deposit Protection Scheme (DPS) celebrated its fifth anniversary in September 2011. Five years from the day of establishment on 25 September 2006, the evolvement of the DPS has endowed the Board and the general public with unprecedented experience in deposit protection.

The foremost important element of a DPS is the level of coverage provided to the general depositors. The enhanced DPS, raising the level of protection fivefold from HK\$100,000 at the inception of the scheme in 2006 to HK\$500,000 since 2011, effectively means 90% of all depositors are now covered.

The value – and ongoing effectiveness – of the DPS could only be fully realised with the support and confidence of an informed public aware of the protection under the DPS. It is most gratifying that the public awareness of the DPS has now grown to over 75% from scratch at the time of the DPS launch - comparing most favourably with other jurisdictions. We will however not be complacent with the present achievement. The results of an independent opinion survey revealed that the degree of understanding among the public varies, with room for better communication with certain groups such as the elderly, the less educated and the lower income. This illustrates the need to enhance the reach of our messages to sectors of the community.

In order to maximise our publicity effect and pursue new initiatives to interact with specific target groups who are less acquainted with the DPS, we have established an Advisory Panel on Communication and Public Education by inviting experts specializing in formulation and implementation of public education strategy to lead the Board's work



A cake cutting ceremony to celebrate the fifth anniversary of the launch of the DPS

From left to right: Professor Yeung Yuet-bor, Professor Andrew Chan, Mrs Pamela Chan, Ms Meena Datwani and Professor Francis Chin

in this realm. In addition, the Board has also embarked to recruit a new team to focus on the development of public education and outreach programs. Because of the importance of this area of work, no effort will be spared in our continuous endeavor to build public awareness and confidence.


The Board is fully conscious of the immensity of responsibility entrusted us to protect our people's hard-earned money in the banks. To this end, the Board, with additional powers available under the enhanced DPS, has continued to streamline and strengthen our entire payout infrastructure and system to the greatest extent possible. As we brace ourselves for any potential eventuality that might arise in a turbulent economic and financial environment, we will adopt a more forward looking approach in the forthcoming payout readiness rehearsals that can better equip us to deal with crisis scenarios of different scales and intricacies. Also in the pipeline is a systematic review of the latest reform experiences taken place in other overseas jurisdictions and the strength of our own DPS in keeping up with widely accepted international practices on effective deposit insurance system around the world.

As a statutory body established under the Deposit Protection Scheme Ordinance to oversee the operation of the DPS, the Board is fully committed to strong and sound corporate governance. I am delighted to report that the latest review by internal auditors has positively affirmed the corporate governance standard adopted by the Board was in line with the best practices promoted by international organisations and local professional bodies.

Looking ahead in planning for the way forward, we have identified a number of priorities to focus on, notably in the areas of public education, better transparency by our Scheme members in terms of representation, and payout readiness consistent with the latest international developments. In vigilance of the volatile global financial markets, we will continue to play an active role in the international forum. Such exchanges are particularly important for better co-operation with our counterparts in a crisis situation, and in providing insights and an impetus for change to ensure a robust DPS in Hong Kong.

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The Board is indebted to many for their selfless service in contribution to deposit protection. In particular, I am grateful to all my fellow Board members, and the members of the Investment Committee, the Advisory Panel on Communication and Public Education, and the Consultative Committee on DPS. My special thanks are also due to Ms Eleanor Wan, who served as the Chairperson of the Investment Committee before her retirement, and Ms Kerry Ching, who succeeded her. I also wish to thank the government and the Hong Kong Monetary Authority for their advice and support all along. I am also blessed to have a capable Chief Executive Officer and her Management Team whose commitment and professionalism made possible the success the Board was able to achieve: to protect depositors and help maintain the stability of Hong Kong's banking.



CHAN WONG Shui, Pamela
Chairperson