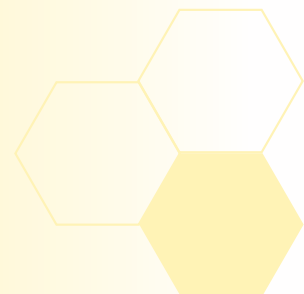


DEPOSIT PROTECTION SCHEME AT A GLANCE



- The Deposit Protection Scheme (DPS) is a statutory scheme established to protect bank depositors. All licensed banks, unless otherwise exempted by the Board, are required to participate in the DPS as a Scheme member. All Scheme members prominently display a membership sign at their places of business.
- The DPS protects deposits up to a limit of HK\$500,000 per depositor per Scheme member.
- Eligible deposits held with Scheme members are automatically protected by the DPS. Depositors are not required to apply or pay for protection or compensation.
- Deposits denominated in Hong Kong dollar, renminbi or any other currencies are protected.
- The DPS does not protect term deposits with a maturity longer than five years, structured deposits, bearer instruments, offshore 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 or she maintains with the Scheme member in determining compensation. Subject to completion of the legislative process, the compensation basis will be changed to a gross basis.
- Following implementation of the gross payout approach and other payout process enhancements, the target for making full compensation payments to depositors will be within seven days.
- 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\$4.3 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.

