

◀ MESSAGE FROM THE CHAIRPERSON



On the eve of completing my six-year term as Chairperson of the Board at the end of June, I am proud to present our Annual Report for 2015-2016, which clearly demonstrates how our endless work and perseverance have brought about a much improved Deposit Protection Scheme (DPS) for Hong Kong.

A new chapter in the DPS unfolded on 24 March 2016 with the implementation of the gross payout approach (as compared with the previous net payout approach), which will substantially shorten the time required for compensation payments from the previous six weeks to within seven days under most circumstances. Various reform proposals have also been implemented to dramatically accelerate compensation payments to affected depositors in case of a bank failure. The enhanced Scheme represents a milestone for the Board and has significantly strengthened the protection of depositors — an essential element for Hong Kong as an international financial centre. For me personally, it is a timely parting gift to end my tenure on a strong note.

I still remember when I assumed the chair in 2010, the Board's top priority was to substantially increase the protection limit to \$500,000. This resulted in offering full protection to 90% of bank depositors

and remains so today. At that time, the awareness level of deposit protection was lower than it is now, prompting the Board to embark on a new direction in reaching out to the public. In 2011, we established an Advisory Panel on Communication and Public Education, comprising experts in the relevant fields and underpinned by a team of dedicated staff to spearhead our publicity and communication campaigns.

The objective is clear — to get our message across and keep it alive in the hearts and minds of the public — and the challenge is how to make it happen. Two massive advertising campaigns, “Bao Bao Bao” in 2012 and “Where is the best place to keep my money?” in 2014, were presented creatively through drama with a touch of humour, which helped us reach out to a wider group of audiences in Hong Kong. The messages were reinforced with a series of education and outreach activities involving face-to-face engagements and tailored programmes to target specific sectors of the community, including senior citizens, low income families, housewives and young people. We also made use of the Internet and social media to interact with our audiences more closely. Today, we are gratified to report that community awareness is at a high level of 77%.

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We believe that behind every bank deposit, no matter how large or small, there is a story. It is perhaps a dream or a goal to pursue in life — for education, a career, marriage, to acquire a property as permanent shelter, or very simply to prepare for the proverbial rainy days. With this in mind, we organised the Deposit Story Competition earlier this year, attracting over 2,000 entries contributed from different walks of life to share their stories. Such anecdotes form the fabric of our community and are relevant to all of us as they are a valuable testament to the importance of bank deposit protection and financial stability.

Indeed, I was filled with an overwhelming sense of attainment and fulfilment as I reflected on our efforts in bringing the Hong Kong DPS to the forefront of international practice in deposit protection. I owe this productive and fruitful outcome to, and cannot thank enough, all those stakeholders who gave the DPS their wise counsel and invaluable contributions so generously over the past six years. I have no doubt you will continue to give your valuable support to my successor.

I am deeply indebted to my fellow Board Members, in particular Miss Annie Chan, Professor Francis Chin, Mr Eugene Ho, Mr David Kidd and Mr Arthur Yuen, for serving on the Board for six years; the Advisory Panel on Communication and Public Education, the Consultative Committee on Deposit Protection Scheme, the Hong Kong Monetary Authority, the Financial Services and the Treasury Bureau and member banks of the Scheme. My most heartfelt gratitude goes to the former Chief Executive Officer, Ms Meena Datwani, for her outstanding service to the Board and the leadership she gave to her highly dedicated and professional staff over the past six years. Also, a warm welcome to the new CEO, Mr Li Shu-pui, who joined the team in February 2016. Once again, I am truly thankful for the opportunity to work in partnership with each of you.

Finally, best wishes to my successor, Professor Michael Hui — I am sure you will give him your strongest support as he leads the Board to new heights. I sincerely wish the Board every success in its future endeavours.



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