DEPOSIT PROTECTION SCHEME AT A GLANCE

- The 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. It is a statutory requirement for all Scheme members to prominently display a membership sign at their places of business.

- The aggregate deposits of each depositor are protected up to a limit of HK$500,000 per Scheme member. In the event of a bank failure, the compensation payable to a depositor is determined on a gross basis (i.e., without deducting the liabilities owed by the depositor to the bank concerned) and the target time frame for making full compensation payments to depositors is within seven days in most cases.

- Deposits denominated in Hong Kong dollar, renminbi or any other currencies are covered by the Scheme.

- Eligible deposits held with Scheme members are legally protected by the DPS without the need for pre-registration or application. Depositors are not required to pay for protection.

- Deposits such as 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, fall outside the scope of DPS protection.

- A Deposit Protection Scheme Fund (DPS Fund) is established for keeping the contributions collected 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$5.1 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 as determined by the Hong Kong Monetary Authority (HKMA).