



Message from the Chairman

I was honoured to be appointed as Chairman of the Hong Kong Deposit Protection Board (the Board) in July 2022. The position brings great responsibility, given the role of the Board in overseeing a scheme that underpins public confidence in our banking system, the Deposit Protection Scheme (DPS).

From year to year, the Board seeks to ensure that the DPS is providing optimal protection to Hong Kong depositors and that, should a payout be triggered, depositors will receive compensation as quickly as possible. With these goals in mind, the Board undertook a comprehensive review of the DPS in 2022 to identify areas in which the Scheme could be further enhanced to ensure that it is in line with international best practice and the latest developments in Hong Kong. In 2023 we will be inviting the public and other stakeholders to provide their views and comments on a number of proposals for enhancing the Scheme.

Recent advances in technology have made it important to ensure that our DPS payout arrangements reflect the latest technological developments. In addition to using paper cheques as the default channel for disbursing compensation under the DPS, we have also introduced electronic payment channels, such as the Faster Payment System in 2021. In the final quarter of 2022, the Board organised a comprehensive payout drill, in collaboration with the banking sector and other payout agents, with a special focus on processing DPS compensation payments via electronic payment channels. I am pleased to report that the drill went well. It has reassured us that using electronic payment channels for making DPS compensation is not only convenient, but also safe, quick and efficient, with the payout process further reduced by one to two days.

Apart from ensuring that the DPS payout arrangements are working well, the Board devotes significant resources each year to running advertising and promotion initiatives. The DPS is about sowing confidence in the banking system, and confidence depends on public knowledge and awareness of what the DPS is and how it works. Our focus has been on extending that knowledge and awareness to those groups most likely to be unaware of the Scheme – including young people, the elderly, members of ethnic minorities, and those



Message from the Chairman



from lower-income backgrounds. Indeed, it is exactly these groups that stand to benefit the most from the protection that the DPS offers.

This year, we ran a lively multimedia advertising campaign that included a new TV commercial with the theme “Keep Calm and Deposit Safely On”. The commercial featured our publicity ambassadors Ah Chuen and Ah Po, and focused on the importance of not over-reacting to rumours about bank stability. The advertisement assured viewers that their savings are automatically protected by the DPS and hence they should stay calm when bank rumours arise. Our publicity ambassadors were also featured in two dynamic social media and video campaigns, “Smart Picks – Protecting Ah Chuen” and “Ah Chuen & Ah Po Team Up Battle”, each focused on letting younger viewers know that their savings would always be safe under the DPS.

With the easing of the pandemic, we were able to resume many of our important community outreach and educational activities. These included a series of talks for the elderly, a “DPS Fun Day” for low-income families, and board game workshops and financial education talks for students. Alongside these was the “DPS Guardian Wagon” consumer campaign, which used exciting interactive games to promote the Board’s role as Hong Kong’s “Guardian of Deposits” and enrich the public understanding of the DPS.

One of the most effective ways of drawing people’s attention to the DPS has proven to be our annual “Hongkongers’ Sense of Security on Savings” survey. The survey attracts, as always, widespread media coverage. In 2022, our survey was covered by over 100 media articles – and is thus exceptionally helpful in raising the awareness of Hong Kong people about savings and savings protection. It is encouraging to note that the survey found 68% of Hongkongers had a regular savings habit, a significant increase from the 61% recorded in 2021, and that the most common form of savings

was bank deposits. Naturally, these findings have accentuated the role of the Board as Hong Kong’s “Guardian of Deposits”.

Every year, the Board also conducts a survey to assess how well it is doing in its task of maintaining public awareness of the DPS. Our 2022 survey was reassuring, indicating that public awareness remained high at 78%, while overall public understanding of the purpose and function of the DPS continued to be strong. Clearly, our promotional efforts are bearing fruit.

Looking ahead to 2023-2024, the Board will be launching a public consultation on proposed enhancements to the DPS. We will collect and consolidate the feedback from all stakeholders, and take them into careful account in finalising the proposals before submitting them for legislative approval. We also plan to conduct a payout rehearsal in 2023 that will focus on payout readiness and will use the opportunity to pursue ongoing improvement in the effectiveness of the payout process.

To conclude, I would like to pay tribute to a few individuals who have contributed enormously to the work of the Board over the past year and beyond. One is our former Chairman, Professor Michael Hui, who oversaw many important initiatives to clearly position the Board as the “Guardian of Deposits” in the minds of Hong Kong people. I would also like to thank two Board members who retired in the past year, Ms Anita Gidumal and Mr Peter Lo, for the hard work and valuable insights that they contributed to the Board during their tenure.

Ms Connie Lau Yin-hing, SBS, JP

Chairman

Hong Kong Deposit Protection Board