

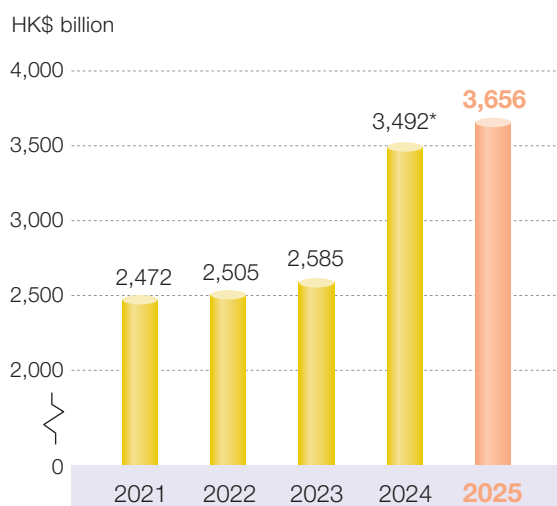


Scheme Operations

SCHEME MEMBERS' PROFILE AND PROTECTED DEPOSITS

As at the end of March 2026, the Scheme had 147 members, with 32 incorporated locally and 115 incorporated outside Hong Kong. Based on returns submitted by Scheme members, total protected deposits stood at HK\$3,656 billion in 2025, up from HK\$3,492 billion in 2024.

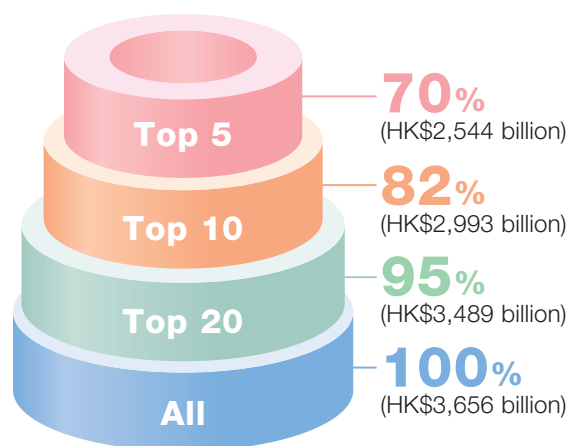
Protected Deposits Held with Scheme Members



* The significant growth in 2024 was attributed to the increase in the deposit protection limit from HK\$500,000 to HK\$800,000 during that year.

The distribution of protected deposits among Scheme members in 2025 was similar to 2024. The top 20 Scheme members, most of which were retail banks, held 95% of the industry's total protected deposits. According to the latest statistics provided by Scheme members, the DPS protects 92.5% of depositors fully.

Distribution of Protected Deposits in 2025



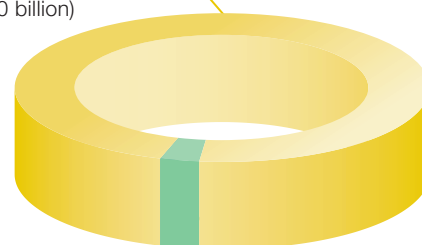
Scheme Members

Protected Deposits Held with Retail Banks and Wholesale Banks in 2025

Retail banks

97%

(HK\$3,550 billion)



Wholesale banks

3%

(HK\$106 billion)



PAYOUT READINESS

Payout Rehearsal

The Board remains committed to ensuring the prompt payment of compensation to depositors in the event of a bank failure. With the concerted efforts of Board members, the management team and payout agents, a full-scale payout rehearsal was successfully conducted during 2025-2026. The exercise rigorously tested the payout process under a simulated real-life scenario and affirmed that compensation could be paid to most eligible depositors within the Board's seven-day target. Notably, electronic payments were shown to accelerate disbursement by one to two days compared with paper cheques. The Board members played an active role in the decision-making throughout, offering critical oversight and strategic direction on payout and communication strategies, which will inform ongoing enhancements to payout readiness.

Regular Drills

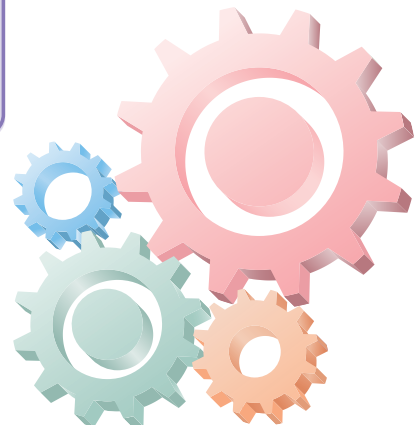
In addition to the rehearsal, regular operational drills were conducted with payout agents, focusing on services critical to payout execution. The agents delivered consistent performance, meeting expected standards across all drills. These drills strengthened operational resilience, improved co-ordination and provided actionable feedback to refine procedures, maintaining payout readiness as a result.



The simulated payout operation



A simulated meeting in the payout rehearsal





Scheme Operations

Roles of Payout Agents in the case of a Payout

Consulting firms

- Project management
- Compensation determination

Call centre

- Handling of public enquiries

Law firms

- Legal services

Payout agent bank

- Electronic payments



IT service providers

- System support
- Data checking and uploading

Public relations consultant

- Crisis management and communication

Security printing firms

- Printing of compensation notices and cheques

Hong Kong Interbank Clearing Limited

- Support for a DPS payout via FPS

Information System Requirements and Compliance

Under the Information System (IS) Guideline, Scheme members should submit quality deposit records in the required format to the Board for calculating compensation in an accurate and timely manner during a payout. The Board monitors the compliance status of Scheme members with the IS Guideline through the Compliance Review Programme: by carrying out regular and comprehensive reviews of selected Scheme members; requiring Scheme members to commission an independent auditor to assess their systems and processes every three years; and requiring each Scheme member to make a self-declaration of its compliance status every year. Compliance monitoring activities held throughout 2025-2026 showed that overall compliance of the industry was satisfactory.

Regular webinars were organised to help Scheme members and independent auditors better understand IS Guideline requirements.

Monitoring of Scheme Members' Compliance with IS Guideline



Conducted **6** comprehensive compliance reviews of controls and correctness of deposit records submitted by selected Scheme members

Commissioned **46** Scheme members to submit independent assessment reports under Compliance Review Programme



Reviewed annual self-declaration submitted by **all** Scheme members on their compliance with IS requirements



DEPOSIT PROTECTION SCHEME FUND

Composition of the DPS Fund

The DPS Fund is built up from two main sources: annual contributions paid to the Board by Scheme members, and returns generated by the DPS Fund's investments. The amount of protected deposits reported by Scheme members, together with the supervisory rating of each Scheme member as assigned by the Monetary Authority, serves as the basis for determining Scheme members' contributions for the coming year.

Assessment and Collection of Contributions

Contributions collected from Scheme members in 2026 amounted to HK\$871 million, a rise of 5% from 2025. Similar to the distribution of protected deposits, contributions collected from the top 20 Scheme members accounted for about 94% of the total. To validate the accuracy of Scheme members' reporting on protected deposits held with them, the Board requests Scheme members to conduct regular audit reviews and report to the Board in accordance with the Board's return review policy. The Board selected 19 Scheme members to submit an audit report on the accuracy of their returns in 2026. The audit results were generally satisfactory.

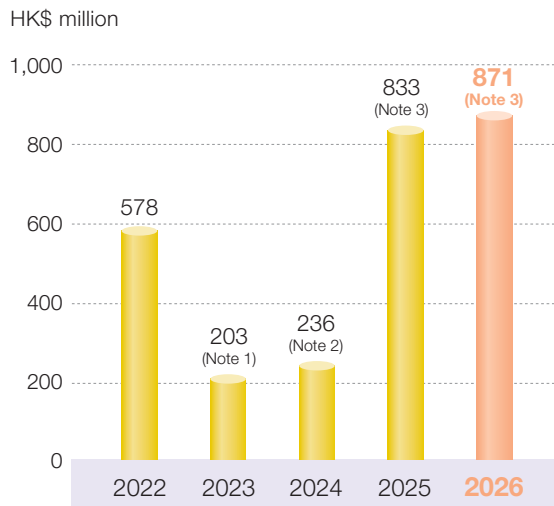
Policy and Performance of DPS Fund Investment

In view of the extremely uncertain investment environment, the Board continued to adopt a prudent approach in managing the investment of the DPS Fund. Investments were made in strict compliance with the DPSO and the DPS Fund's investment policies. The policies set out clear guidelines on risk assessment and control measures, and the segregation of duties required for investment activities. As at the end of March 2026, the DPS Fund had assets of HK\$8.9 billion, of which about 23% and 44% were invested in Exchange Fund papers and US Treasuries respectively, while the remaining sum was predominantly in the form of Hong Kong dollar deposits. The DPS Fund achieved an investment return of 3.45% for the year.



Scheme Operations

Contributions Paid by Scheme Members

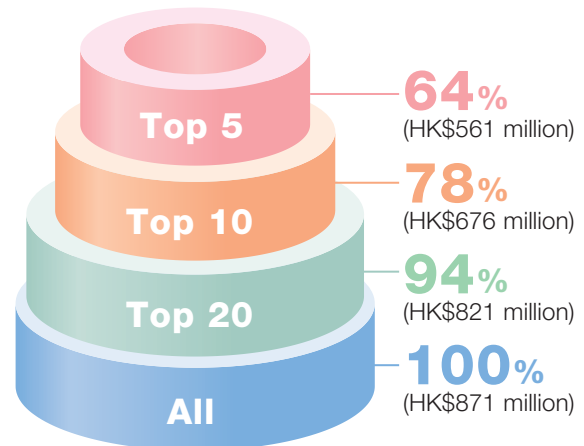


Note 1: Since the balance of the DPS Fund was very close to the target fund size, according to section 3(6) of Schedule 4 to the DPSO, the total contributions payable by Scheme members for 2023 were reduced to the extent that the DPS Fund balance after including the contributions would not exceed the target fund size.

Note 2: According to section 4(1) of Schedule 4 to the DPSO, an expected loss levy is payable by a Scheme member for any year after the year in which the target fund size has been reached for the first time. Since the target fund size was reached in 2023 for the first time, an expected loss levy was payable by a Scheme member for 2024.

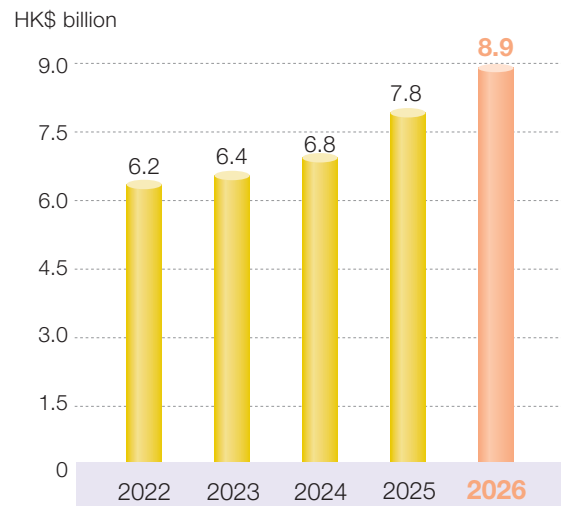
Note 3: According to section 3(2) of Schedule 4 to the DPSO, a build-up levy was payable by Scheme members for 2025 and 2026 because the DPS Fund's target fund size was greater than the DPS Fund balance following the increase in the deposit protection limit in 2024.

Distribution of Contributions Collected for 2026



Scheme Members

DPS Fund Assets





REINFORCING PUBLIC AWARENESS AND UNDERSTANDING OF DPS

Overview

The Board is undertaking a three-year communications plan that entered its second year in 2025-2026. The plan aims to reassure the public that their bank deposits are always safe under the Board’s role as the “Guardian of Deposits”, highlighting key DPS features and the deposit protection limit of HK\$800,000. The Board also continued its dedicated community education efforts, targeting diverse audience groups to further raise awareness of the DPS.

Mass Publicity

A television commercial, named “Superhero Ah Po’s DPS Accessories”, showed the pair of iconic DPS characters Ah Chuen and Ah Po promoting the Scheme’s messages. It was also strategically deployed under a multimedia advertising campaign to extend the reach, including radio, digital and out-of-home advertising. Furthermore, public panel advertising was used to reach different target groups across many office towers, commercial properties, private residential buildings and public housing estates. The Board also leveraged the community network of Hongkong Post, wrapping postal boxes with DPS advertisements at 70 locations across Hong Kong Island, Kowloon and the New Territories.



Advertisements on TV, digital and outdoor media, including bus, MTR and other public panels and wrapping of postal boxes



Scheme Operations

Digital and Social Media Campaigns

The Board increased DPS promotion on digital and social media in line with the public's growing engagement with these platforms.

A digital advertising campaign, "DPS Game Arcade", was launched through the MTR Mobile app. It provided a mini-game designed to highlight key DPS features in an entertaining way and attracted widespread participation from app users, recording more than 840,000 gameplays.

An engagement timeline game, "DPS Saving Challenge", was released in two rounds on the Board's Facebook and Instagram pages. The game invited social media users to answer questions about the DPS and share creative saving ideas, generating enthusiastic responses and high engagement across both platforms.





In a new social video campaign, “DPS Scoop”, TV host Ms Amy Ng Hang-mei partnered with the Board’s ambassador Ah Po to promote DPS features in a lively and relatable way. This video series was widely promoted on the Board’s social media and drew more than 3.8 million views.

Another social video series, “DPS Champion’s Challenge”, featured young artist Mr George Au Chun-ho together with voice-over narrator Mr Sam Man. In the series, Mr Au took part in several rounds of sports games to test his knowledge of DPS features. It garnered more than 4.5 million views and generated strong positive engagement from the public, especially younger people.





Scheme Operations

Public Relations Campaigns

The PR campaign “DPS Promotional Wagon”, which involved a promotional truck wrapped up vibrantly with Ah Chuen and Ah Po, travelled to several high-traffic districts and universities to raise

awareness of the DPS and the protection limit. The truck attracted many passers-by and engaged university students with interactive games that highlighted key DPS features.

PR campaign “DPS Promotional Wagon”



The PR campaign “DPS Fun Day” was held over a weekend at Times Square in Causeway Bay, featuring a versatile promotional booth with interactive games and prominent DPS messages, alongside a first-ever “Meet-and-Greet with Ah Po”

session to draw in members of the public. The event warmly engaged passers-by from all walks of life, helping deepen their understanding of the protection provided by the DPS.



PR campaign “DPS Fun Day”



Survey on “Hongkongers’ Sense of Security in Savings”

The Board conducted this yearly survey for the eighth time. While serving to keep track of the trend in saving behaviours, the latest exercise also covered the saving habits of parents who had at least one child aged 10 or below. The findings showed that the average monthly savings of Hongkongers with a habit of saving topped HK\$10,000 for the first time, reaching HK\$10,100 in 2025, marking a 3% growth from HK\$9,800 in 2024.

A media briefing was organised to announce the survey results, which generated extensive coverage of more than 260 write-ups in the media, a helpful channel in raising the public’s awareness about

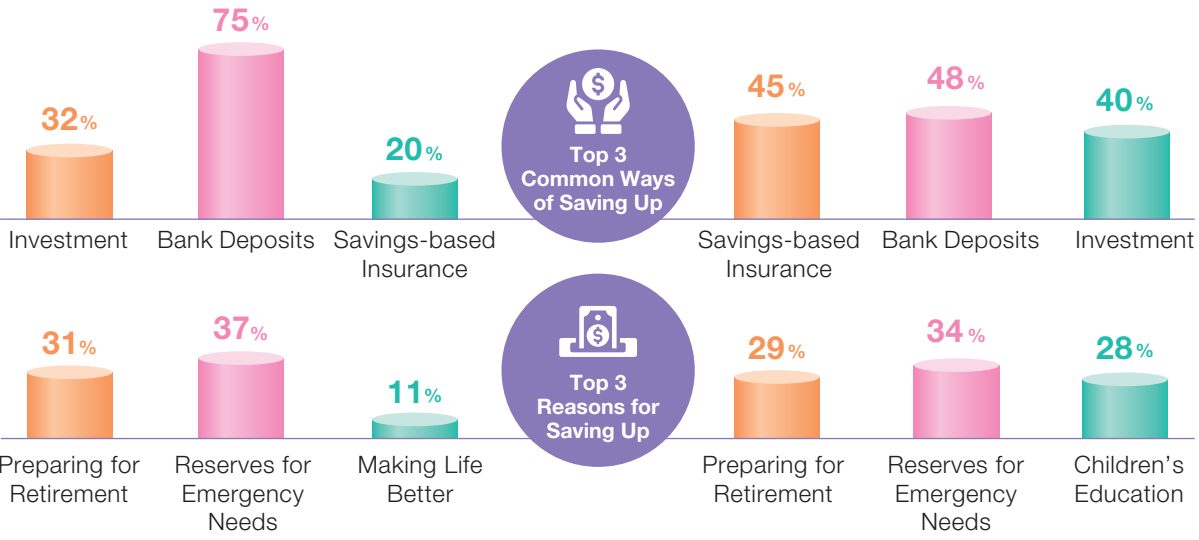
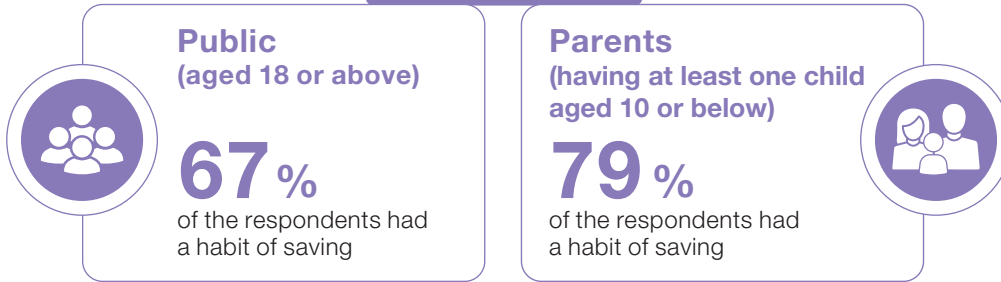
savings and deposit protection. The survey also found that bank deposits continued to be the most common form of savings, underscoring the sustained preference for bank deposits and the importance of the Board’s role as the “Guardian of Deposits”.



“Hongkongers’ Sense of Security in Savings” Survey

Key Findings from “Hongkongers’ Sense of Security in Savings” Survey

2025





Scheme Operations

Community Education and Outreach

Throughout the year, a variety of community activities were organised to reach out to different target groups.

DPS Talks, Board Game Workshops and Student Engagement

In partnership with non-governmental organisations (NGOs), elderly centres and schools, the Board held DPS Talks, the DPS Ambassador Programme, financial education talks and DPS Board Games

for the elderly, secondary and primary students, homemakers, low-income groups and ethnic minorities to strengthen community education.

The outreach efforts were expanded to university students by integrating DPS sessions into lessons, along with campus and online promotions at universities. An academic project continued to be offered for business students of Lingnan University to draw up proposals on how to promote the DPS to the young.



DPS Ambassador training
@elderly centres



Campus promotions
@universities



DPS Board Game workshops
#ethnic minorities



Financial education talks
@secondary schools





Public Engagement in High-traffic Consumer Events

The Board participated in two high-traffic consumer shows, Hong Kong Book Fair 2025 and the 59th Hong Kong Brands and Products Expo, providing educational games to deepen the visitors' understanding of the DPS.



Participation in Hong Kong Book Fair 2025



Participation in 59th Hong Kong Brands and Products Expo



Scheme Operations

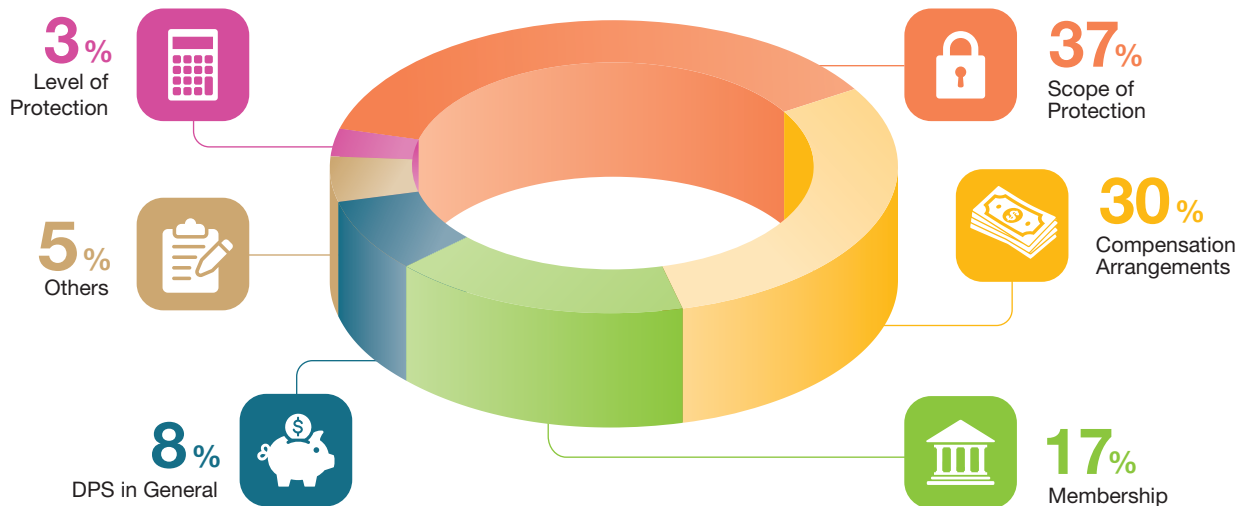
Public Opinion Survey 2025

The annual independent public opinion survey commissioned by the Board showed that awareness of the Scheme was sustained at a high of 80%, while public confidence in the DPS reached a record 86.7%. Most survey respondents agreed that the DPS enhanced their sense of security in bank deposits. Notably, 87.8% recognised that DPS protection was statutory. The results of the survey clearly affirmed that the Board's dedicated publicity and community outreach efforts had been highly effective.

DPS Public Enquiry Services

The Board operates the DPS Public Enquiry Service, providing members of the public with a convenient and effective channel for enquiries about the Scheme and the Board's functions. For the enquiries received in 2025-2026, 67% were related to the DPS scope of protection and compensation arrangements.

Nature of Public Enquiries Received in 2025-2026





COMPLIANCE WITH REPRESENTATION RULES

The DPS (Representation on Scheme Membership and Protection of Financial Products under Scheme) Rules (Representation Rules) govern representations made by Scheme members about their DPS membership and the protection status of financial products offered by them. To monitor Scheme members' compliance with the representation requirements, the Board requested Scheme members to conduct a self-assessment review covering 1 July 2024 to 30 June 2025. In addition, the HKMA conducted on-site examinations to assess selected Scheme members' compliance with the Representation Rules. The Board reviewed the self-assessment reports and findings of the on-site examinations and took appropriate follow-up action. The assessment and examination results indicated that the overall compliance level of Scheme members was generally satisfactory.

RELATIONSHIPS WITH OTHER SAFETY NET PLAYERS

Co-operation with the HKMA

The Board and the HKMA share the common objective of promoting stability of the banking system. To accomplish this objective, the two parties have an MoU between them that sets out the mode of co-operation on DPS operations. In line with the DPSO requirement that the Board perform its functions through the HKMA, the two parties have also agreed on the extent of support provided by the HKMA to the Board on a day-to-day basis. In addition, the Board and the HKMA have a co-operative agreement to establish an early warning system of a potential bank failure so as to enable a fast DPS payout. In the event of an actual bank failure, the Board has a standby facility from the Exchange Fund to obtain the liquidity required to pay deposit compensation.

Relationship with Securities and Futures Commission and Investor Compensation Company

In the event of a bank failure, the funds of a depositor or a portion of those funds may, under certain circumstances, be covered by both the DPS and the Investor Compensation Fund (ICF) established under the Securities and Futures Ordinance to compensate securities or futures investors. To ensure that no person receives double compensation, the Board and the Securities and Futures Commission (SFC) have a set of arrangements between them to co-ordinate and exchange information. These arrangements are documented in an MoU between the Board, the SFC and the Investor Compensation Company, which was established by the SFC to administer the ICF. The MoU, which was first signed in 2008 and updated in 2022, recognises that in the event of a bank failure, the DPS will normally be the one to pay depositors first, and that the parties involved will avoid double compensation by exchanging relevant information.

International Co-operation

As a member of the IADI, the Board participates in IADI conferences and seminars and other events organised by the Association's members and international organisations, and shares its experience on deposit protection issues. Such international co-operation is important in enabling the Board to keep up with overseas developments, which may provide the Board with insights into possible enhancements of the DPS. Representatives from the Board took part in a number of international meetings in 2025-2026, either in person or virtually, that included the following:

- 2025 IADI Annual Conference and Annual General Meeting in Lisbon;
- IADI President's Debriefing Session; and
- IADI Asia-Pacific Regional Committee meetings.