

香港存款保障委員會
HONG KONG DEPOSIT
PROTECTION BOARD



ANNUAL REPORT
2025-2026

HONG KONG DEPOSIT PROTECTION BOARD

The Hong Kong Deposit Protection Board is an independent statutory body established under the Deposit Protection Scheme Ordinance to oversee the operations of the Deposit Protection Scheme. The objectives of the Scheme are to protect depositors and to help maintain the stability of Hong Kong's banking system.

The Board's mission is to ensure that an efficient and effective Deposit Protection Scheme is in place in accordance with the Ordinance and in line with international best practice.



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Message from the Chairman



I am pleased to share a number of encouraging developments for the Deposit Protection Scheme (DPS) in 2025. Following the increase in the protection limit from HK\$500,000 to HK\$800,000 in October 2024, the total value of deposits covered by the Scheme rose by 35%. By October 2025, that figure had climbed a further 5%, pushing the total amount protected to a record HK\$3.6 trillion. Today, the vast majority of depositors (92.5%) enjoy full protection on their deposit balances, a level of coverage that places Hong Kong firmly in line with international standards.

One of our key tasks at the Hong Kong Deposit Protection Board (the Board) is ensuring that public awareness and understanding of the DPS remain as high as possible. This was boosted when, from 1 January 2025, all Scheme members were required to display the DPS Membership Sign on their electronic banking platforms, in addition to showing it at their physical branches. With many depositors now using online banking frequently, this move ensures that online users are assured of the DPS membership status of their banks.

In 2025 and the first quarter of 2026, the Board continued its vigorous efforts to keep the DPS firmly in the public eye and ensure that the public fully understood its function. Our ongoing television commercials remain important ways of getting the DPS message across, and we further tapped into the potential of the Board's social media platforms on Facebook, Instagram, WeChat and YouTube. Two new video series designed to raise awareness of the DPS were launched via these channels: "DPS Scoop" and "DPS Champion's Challenge". Adopting a light-hearted approach in highlighting key features of the DPS, the videos garnered over eight million views between them. We also looked for opportunities to engage directly with individual members of the public through various public relations campaigns. One of these campaigns, titled "DPS Promotional Wagon", took a mobile unit packed with fun interactive games to high-traffic areas of Causeway Bay, Mong Kok, Kwun Tong and Tsuen Wan, capturing the interest of many passers-by. A second campaign, "DPS Fun Day" at Times Square in Causeway Bay, featured savings-related games as well as playful interactions with Ah Po, one of the DPS ambassadors. The

Message from the Chairman



Board also continued its work in conjunction with non-governmental organisations and educational institutions in reaching out to important target groups, including the elderly, students and low-income families.

The Board's annual flagship survey, "Hongkongers' Sense of Security in Savings", reached its eighth edition in 2025. As usual, the survey drew much public and media attention for what it revealed about the financial security of locals, generating over 260 media articles. The findings showed that, for the first time, respondents' average monthly savings had broken the HK\$10,000 mark. The record high average of HK\$10,100 for the year represented a 3% growth over 2024's HK\$9,800. Significantly, the most common form of Hongkongers' savings was bank deposits – a reminder of why the DPS has such an important role to play.

Another boost for the DPS was our annual opinion survey, which indicated that public awareness of the Scheme remained strong at 80%. Meanwhile, public confidence in the DPS actually grew to a record high of 86.7%, further reinforcing the effectiveness of the Board's efforts as Hong Kong's "Guardian of Deposits".

The Board undertakes payout rehearsals every two years and drills annually, as part of its continuous efforts to check that various payout parties are well-prepared if there were to be a bank failure, and that the payout systems are working efficiently. In the final quarter of 2025, we conducted a full-scale payout rehearsal in response to a simulated bank failure that involved extensive engagement from members of the Board, the management team and payout agents. Designed to be rigorous and challenging, the payout rehearsal proved successful in meeting the payout target of seven days, thus providing important reassurance of the resilience and reliability of the Board's payout operations.

A major payout drill planned for the year ahead will focus on the use of the Faster Payment System for disbursing compensation in the unlikely event of a bank failure, an arrangement that is designed to make disbursement even faster and easier. This

will be undertaken in collaboration with the banking sector and payout agents. Alongside this exercise, drills with other payout agents, such as printing firms and call centres, will also be conducted to ensure these functions run smoothly during any payout event.

I am personally very much looking forward to September 2026 and the special highlight it brings: the 20th anniversary of the DPS. This is a significant milestone for the DPS, marking two decades of deposit protection and, with it, greater financial security for the public. The Board is busy planning a range of promotional campaigns to celebrate the occasion – an ideal opportunity to further raise awareness of the Scheme and the vital work of the Board. Alongside the campaigns, we plan to launch a revamped website that will be easier for the public to use and navigate, making our key DPS messages more accessible than ever.

As always, the progress we have made over the past year in strengthening the DPS and helping maintain public confidence in Hong Kong's banking system has been the result of collaborative efforts by a wide range of stakeholders, including the Financial Services and the Treasury Bureau, Hong Kong Monetary Authority and Scheme members. I would like to record here my special thanks to all Board members for their shared expertise, steadfast support and unwavering dedication. I also wish to extend my particular appreciation to three members who retired during 2025 after six years of dedicated service: Mr Lawrence Chan, Professor Chan Kwun-hung and Professor Matthew Lee.

I am confident that, with the firm backing of our stakeholders, the DPS will continue to serve as an integral part of Hong Kong's financial safety net and contribute meaningfully to overall financial stability.

Ms Connie Lau Yin-hing, SBS, JP
Chairman
Hong Kong Deposit Protection Board



Deposit Protection Scheme at a Glance

- The Deposit Protection Scheme (DPS) is a statutory scheme established to safeguard bank depositors. All licensed banks, including digital banks, must participate in the DPS as a Scheme member unless exempted by the Hong Kong Deposit Protection Board. All Scheme members are required to display the membership sign at their places of business and on their electronic banking platforms, where applicable.

Place of business



Electronic banking platform

(including website and mobile app)



- The DPS covers deposits denominated in Hong Kong dollars, renminbi and other currencies. 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, insurance policies, virtual assets and stored value facilities, fall outside the scope of DPS protection.
- Each depositor's total deposits in a Scheme member are protected automatically up to a limit of HK\$800,000. In case of a bank merger or acquisition, depositors will have additional coverage for their protected deposits transferred from each original Scheme member up to the standard protection limit for six months generally, on top of the standard protection limit available at the resulting Scheme member, where applicable.
- In the event of a bank failure, compensation payable to a depositor is determined on a gross basis without offsetting any liabilities owed by the depositor to the bank, and the target time frame for making full compensation payments to depositors is within seven days in most cases.
- All Scheme members make contributions to the Deposit Protection Scheme Fund (DPS Fund). The target fund size is 0.25% of the total protected deposits held with all Scheme members and amounts to about HK\$9.1 billion for 2026. Contributions are assessed annually under a differential levy system with reference to each Scheme member's supervisory rating as assigned by the Monetary Authority.



OVERVIEW

Introduction

The Hong Kong Deposit Protection Board (the Board) is an independent statutory body established under section 3 of the Deposit Protection Scheme Ordinance (DPSO) to oversee the operations of the DPS. The DPS has been a key building block in Hong Kong's financial safety net since its launch in September 2006. The Board is a member of the International Association of Deposit Insurers (IADI) and participates in the Association's work on promoting effective deposit insurance systems.

Functions of the Board

Under section 5 of the DPSO, the Board's functions include:

- maintaining the DPS;
- collecting contributions payable by Scheme members;
- managing the DPS Fund;
- making payments to depositors in the event of the failure of a Scheme member; and
- recovering payments made to depositors from the assets of the failed Scheme member.

Composition of the Board

Members of the Board are appointed by the Financial Secretary (FS) in his exercise of power delegated from the Chief Executive of the Hong Kong Special Administrative Region (CE/HKSAR). The members are selected from different professions, such as accounting, finance, law, consumer affairs, information technology and administration, and have rich experience in public service. The Board currently comprises nine members, including two ex officio members representing the Monetary Authority and the Secretary for Financial Services and the Treasury of the HKSAR Government. Except for the ex officio members, all members are appointed for a fixed renewable term not exceeding six years in total under normal circumstances. See pages 7 to 8 for the composition of the Board.

Committee and Advisory Panel of the Board

Under the DPSO, the Board may appoint committees and advisory panels to assist in performing its functions. Currently, an Investment Committee and an Advisory Panel on Communication and Public Education are assisting the Board. Their objectives and composition are set out on pages 9 to 10.



About the Hong Kong Deposit Protection Board

Executive Management

Pursuant to section 6 of the DPSO, the Board shall perform its functions through the Monetary Authority unless the FS indicates otherwise. Hence, the Hong Kong Monetary Authority (HKMA) acts as the executive arm of the Board in administering the DPS. Against this background, the HKMA has assigned a team of professional and support staff to assist the Board in discharging its functions. The team is headed by an Executive Director of the HKMA, who is designated as the Chief Executive Officer of the Board to oversee all day-to-day functions of the DPS. The HKMA also provides administrative support to the Board, including accounting, administration, human resources and information technology, under detailed arrangements set out in a Memorandum of Understanding (MoU) between the two organisations. The Board reimburses costs incurred by the HKMA for such purposes on a cost recovery basis in accordance with provisions set out in the DPSO.

The powers that the Board can exercise in administering the DPS are specified in the DPSO. The Board has clear guidelines on the division of responsibilities among the Board, the management team and supporting divisions of the HKMA, and on the division of responsibilities between the Chairman of the Board and the Chief Executive Officer, which have been devised in line with good corporate governance practices. In general, the Board takes strategic decisions relating to the operations and development of the DPS and those decisions that require an exercise of the Board's powers under the DPSO. The management team, on the other hand, is responsible for the day-to-day operations of the DPS according to the principles and policies endorsed by the Board.

About the Hong Kong Deposit Protection Board



THE BOARD AND ITS COMMITTEE AND ADVISORY PANEL

Members of the Board

Chairman



Ms LAU Yin-hing, Connie, SBS, JP

Former Ombudsman

Former Chief Executive
Consumer Council

Members



Mr CHEUNG Tai-keung, Jack

Former Chief Executive Officer
Treasury Markets Association



**Professor Darwin CHOI
(since July 2025)**

Associate Professor of Finance
The Hong Kong University of Science and Technology



**Mrs KAN NG Chau-yuk, Helen
(since July 2025)**

Former Executive Director and Deputy Chief
Executive Officer
China CITIC Bank International Limited



Mrs LAW SHING Mo-han, Yvonne, BBS, JP

Former Partner and Senior Advisor
Deloitte China



About the Hong Kong Deposit Protection Board

Members



Mr MAK Yip-shing, Andrew, BBS, JP

Barrister
Sir Oswald Cheung's Chambers



**Ms Melissa Kaye PANG, BBS, MH, JP
(since January 2026)**

Past President
The Law Society of Hong Kong

Chairman
Agency for Volunteer Service



Mr HO Siu-hong, Francis, JP

Deputy Secretary for Financial Services and
the Treasury (Financial Services)

Ex officio member of the Board representing
the Secretary for Financial Services and
the Treasury



Mr YUEN Kwok-hang, Arthur, JP

Deputy Chief Executive
Hong Kong Monetary Authority

Ex officio member of the Board representing
the Monetary Authority



**Mr CHAN Kam-man, Lawrence
(until December 2025)**

Partner
DeHeng Law Offices (Hong Kong) LLP



**Professor CHAN Koon-hung
(until June 2025)**

Professor of Business and Hospitality
Management
Saint Francis University

Emeritus Professor of
Department of Accountancy
Lingnan University



**Professor LEE Kwok-on, Matthew
(until June 2025)**

Chair Professor of Information Systems
and Electronic Commerce
City University of Hong Kong

About the Hong Kong Deposit Protection Board



Investment Committee

The Investment Committee operates in accordance with section 7 of Schedule 2 to the DPSO to advise the Board on the investment of the DPS Fund. It is responsible for:

- making recommendations on investment policy and strategy in respect of the DPS Fund;
- monitoring the investment performance of the DPS Fund and maintaining proper risk management controls on the investment activities of the Board; and
- working on any other investment-related matters as the Board determines from time to time.

The Committee comprises members with experience and expertise in banking and investment areas. The Chairman and most members of the Committee are also members of the Board.



Investment Committee

The membership of the Committee is as follows:

Chairman

Mr CHEUNG Tai-keung, Jack

Members

Professor Darwin CHOI
(since August 2025)

Mrs LAW SHING Mo-han, Yvonne, BBS, JP

Ms LEE Tze-sen, Frances
(since August 2025)

Chief Investment Officer (Public Markets)
Exchange Fund Investment Office
Hong Kong Monetary Authority

Professor CHAN Koon-hung
(until June 2025)

Mr CHAN Shiu-lun, Christopher
(until June 2025)

Chief Investment Officer (Public Markets)
Exchange Fund Investment Office
Hong Kong Monetary Authority



About the Hong Kong Deposit Protection Board

Advisory Panel on Communication and Public Education

The Advisory Panel on Communication and Public Education operates in accordance with section 7 of the DPSO. Comprising the Chairman of the Board and experts with extensive experience in public relations, communication and community education, the Advisory Panel advises the Board on related matters, such as strategy development and activity implementation in these areas.



Advisory Panel on Communication and Public Education

The membership of the Advisory Panel is as follows:

Chairman

Ms LAU Yin-hing, Connie, SBS, JP

Members

Mr LAU Chung, Billie

Ms LAU Mee-yee, Esme

**Mr WONG Wai-kin, Eugene
(since September 2025)**

**Mr FUNG Lap-wing, Eric
(until September 2025)**



CORPORATE GOVERNANCE

The Board

The Board is an independent statutory body formed under the DPSO. In line with good corporate governance standards applicable to deposit insurers, only a minority of the members of the Board are representatives from the HKSAR Government and the HKMA. This arrangement facilitates a balanced contribution from the HKSAR Government, the HKMA as the banking supervisor in Hong Kong, and external professionals, allowing for different perspectives in DPS management and operations. At the same time, the Board's functions are insulated from the influence of the banking industry, as current employees or directors of banks and bank-related companies are ineligible for appointment to the Board.

The Board is subject to the oversight of the FS, who is responsible for approving the estimates of income and expenditure of the DPS Fund, and for tabling in the Legislative Council the Board's annual report covering its activities, the statement of accounts of the DPS Fund and the audit report of the statement. Provisions of the DPSO govern the proceedings of the Board, which meets about three times a year to discuss policy issues crucial to the operations and continuing development of the DPS. In 2025-2026, the Board met three times and recorded full attendance at all meetings.

Risk Management and Audits

To manage the risks of the DPS, the Board ensures that appropriate and prudent risk management systems are implemented adequately and reviewed regularly. The Internal Audit Division (IAD) of the HKMA performs periodic reviews of the risks inherent in various operational areas of the Board. It also assesses whether appropriate and sufficient controls are in place to safeguard the Board against the potential risks identified. Audit findings and recommendations of the IAD, if any, are reported directly to the Board to ensure that any material issues identified are communicated independently and effectively to Board members. In its 2025 review, the IAD concluded that the Board had implemented comprehensive policies and procedures and maintained effective controls.

The Board appoints an external auditor under the approval of the FS to audit the DPS Fund's annual statement of accounts. The appointee reports the results and any findings directly to the Board. The external auditor responsible for the audit for the financial year ended 31 March 2026 was Deloitte Touche Tohmatsu. To avoid any potential conflict of interest, the Board has a standing mechanism that safeguards the independence of the financial audit undertaken by the appointed external auditor. If the appointed external auditor also participates in other engagements with the Board, the financial auditing work will be conducted by a separate team.



About the Hong Kong Deposit Protection Board

Standards of Behaviour and Ethics

Clear guidelines and procedures, including requirements for declaration of interests, are set out in the DPSO and the Code of Conduct for members and staff of the Board to prevent any possible conflict of interest. Members are required to declare in writing their personal interests when they first join the Board or its committees, and then annually to the secretary of the Board. The secretary keeps the Register of Members' Interests, which is available for public inspection upon request. Senior members of staff are required to make an annual declaration to the Chairman of the Board. Members and staff observe specific procedures to report their interests and, when applicable, to excuse themselves from the decision-making process.

Communication and Transparency

The Board is committed to open communication with the public and other stakeholders. It maintains a website to facilitate access to information on DPS operations, and makes its annual report available publicly. In addition, the Board operates multiple channels to answer enquiries from the public. The Board also conducts consultations with banking industry associations on any policies and initiatives relating to the operations of the DPS that may affect the industry.

Appeal Mechanism

Certain decisions made by the Board and the Monetary Authority under the DPSO can be the subject of an appeal to the Deposit Protection Appeals Tribunal. The CE/HKSAR has appointed a former Deputy Judge of the Court of First Instance of the High Court as Chairman of the Tribunal, together with a panel of two people who may be called upon as members of the Tribunal. The Tribunal convenes sittings only when required. To date, no appeal case has been reported to or reviewed by the Tribunal.

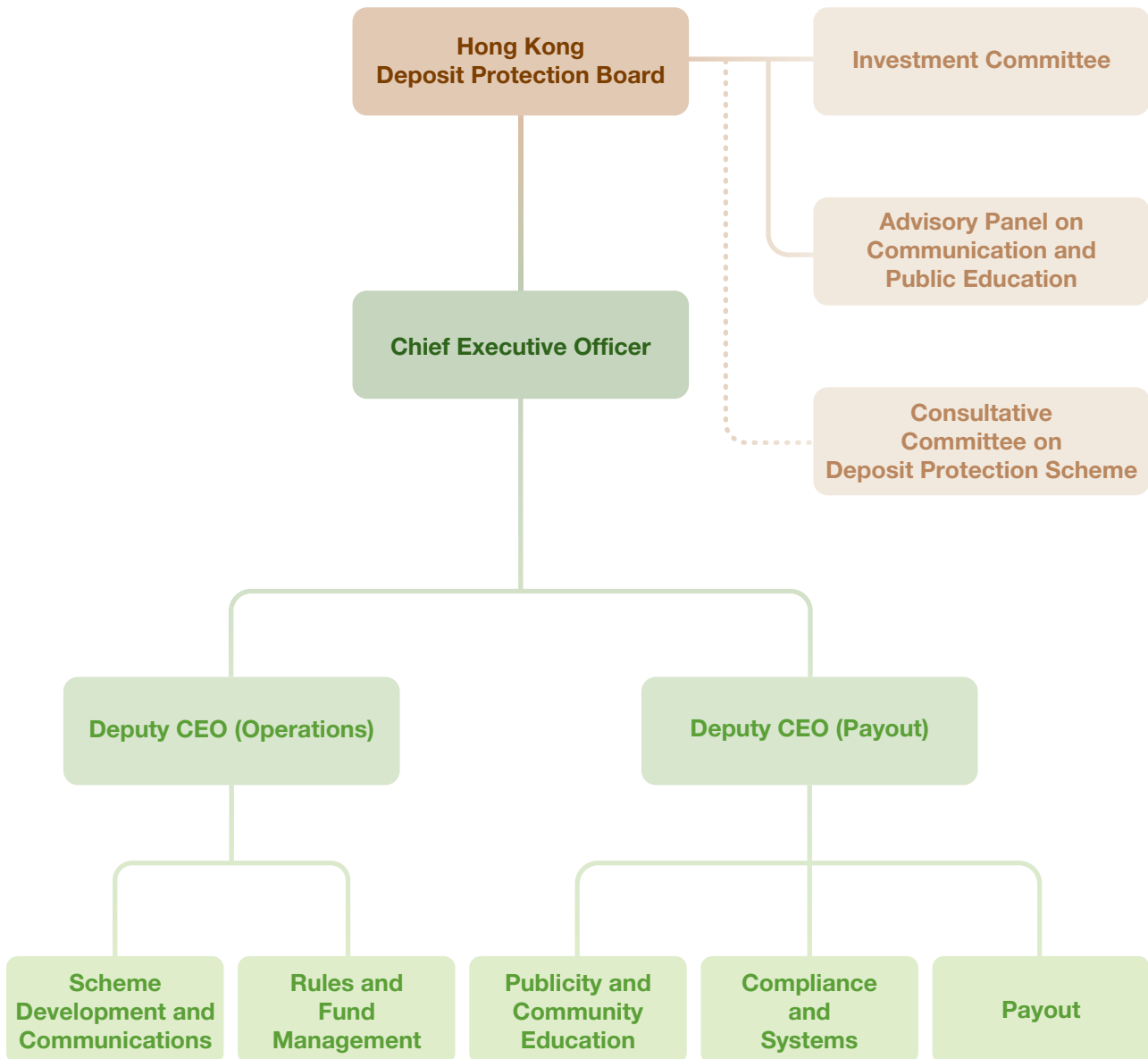
Review of Corporate Governance Structure

The Board has a policy of reviewing its corporate governance structure regularly to ensure that it continues to adhere to sound governance standards regardless of any changes in the scope of the Board's operations driven by the development of the DPS. Refinements are made between individual reviews to help the Board keep up with local and international best practices. The IAD of the HKMA also conducts independent reviews of the Board's corporate governance practices against applicable local or international standards on a periodic basis. In the 2025 review mentioned on page 11, the IAD concluded that the Board had maintained a robust governance framework.



ORGANISATIONAL STRUCTURE

(as of 31 March 2026)



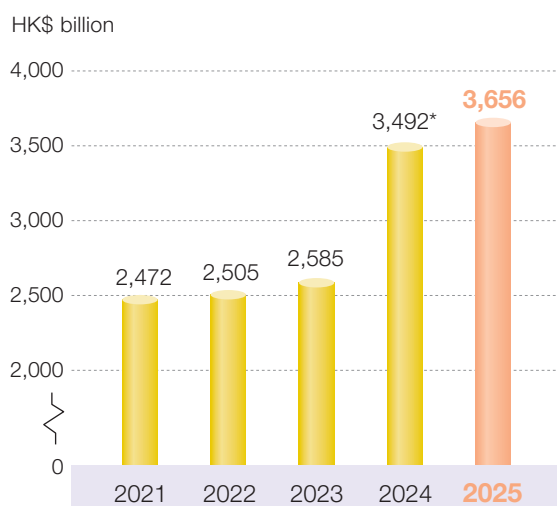


Scheme Operations

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.

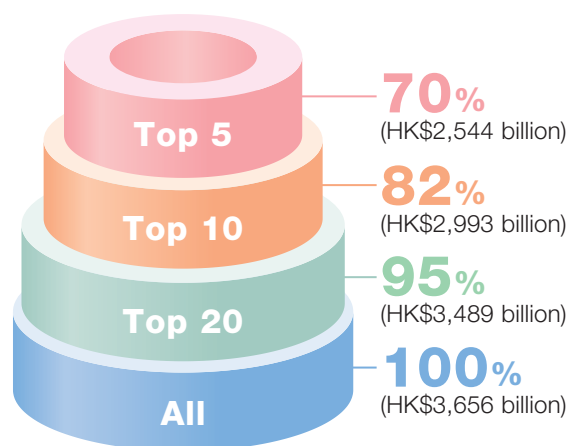
Protected Deposits Held with Scheme Members



* 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



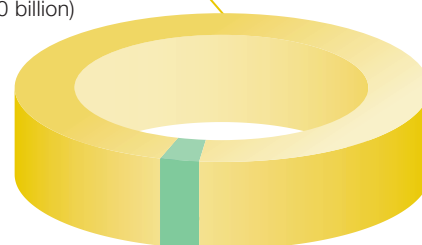
Scheme Members

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

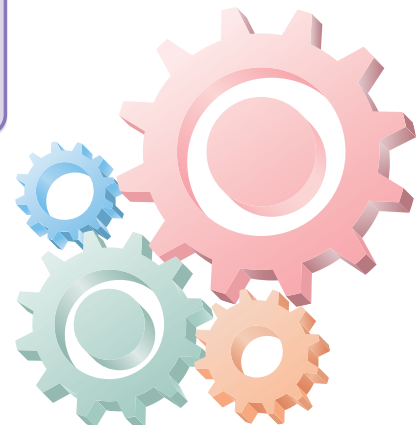
In addition to the rehearsal, regular operational drills were conducted with payout agents, focusing on services critical to payout execution. The agents delivered consistent performance, meeting expected standards across all drills. These drills strengthened operational resilience, improved co-ordination 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.

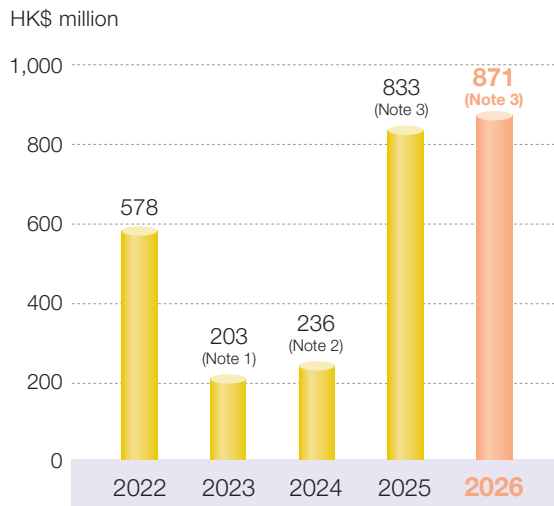
Policy and Performance of DPS Fund Investment

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

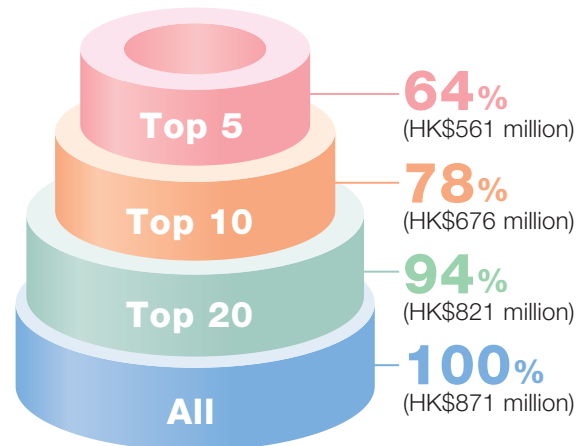


Note 1: Since the balance of the DPS Fund was very close to the target fund size, according to section 3(6) of Schedule 4 to the DPSO, the total contributions payable by Scheme members for 2023 were reduced to the extent that the DPS Fund balance after including the contributions would not exceed the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

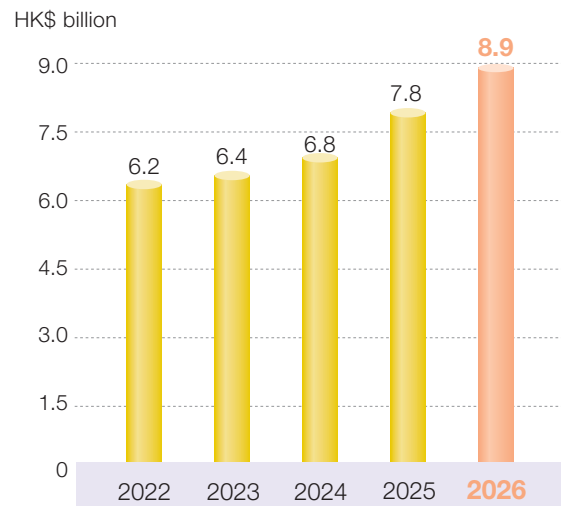
Note 3: According to section 3(2) of Schedule 4 to the DPSO, a build-up levy was payable by Scheme members for 2025 and 2026 because the DPS Fund's target fund size was greater than the DPS Fund balance following the increase in the deposit protection limit in 2024.

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.



Scheme Operations



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.



Social video series “DPS Champion’s Challenge”



Social video campaign “DPS Scoop”



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

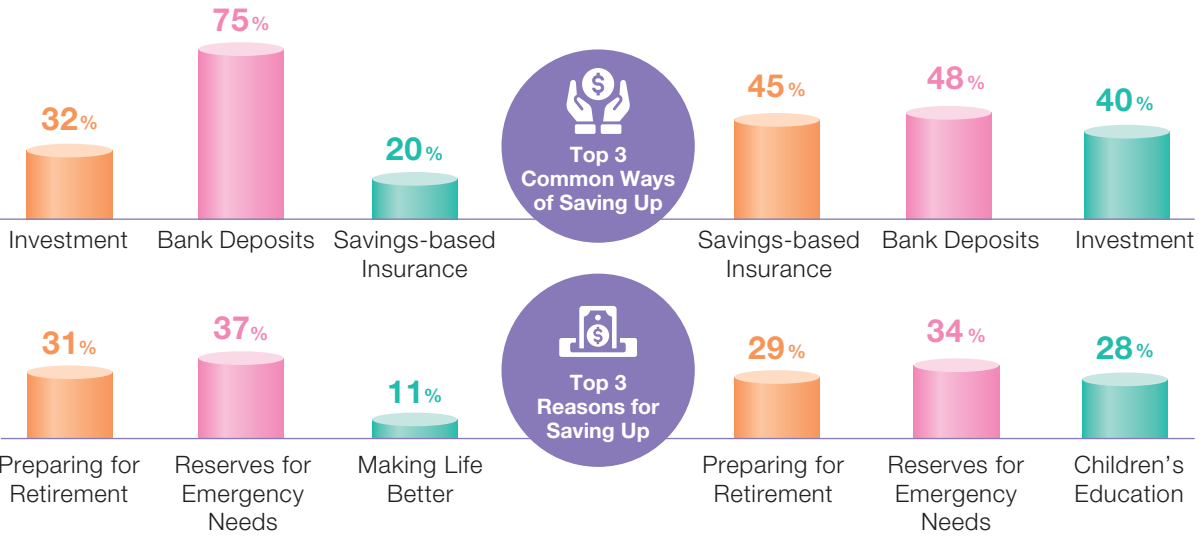
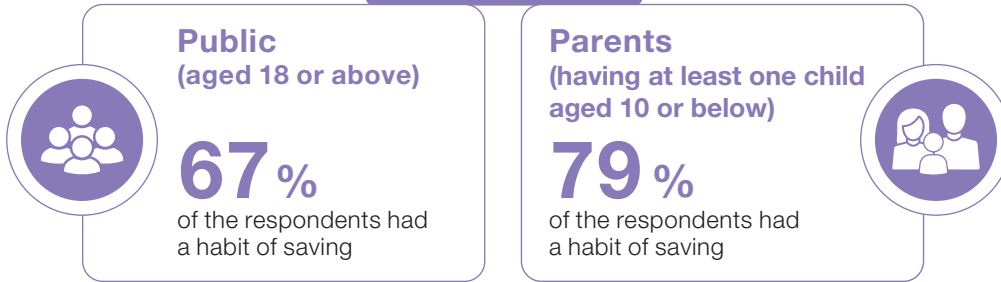
savings and deposit protection. The survey also found that bank deposits continued to be the most common form of savings, underscoring the sustained preference for bank deposits and the importance of the Board’s role as the “Guardian of Deposits”.



“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.

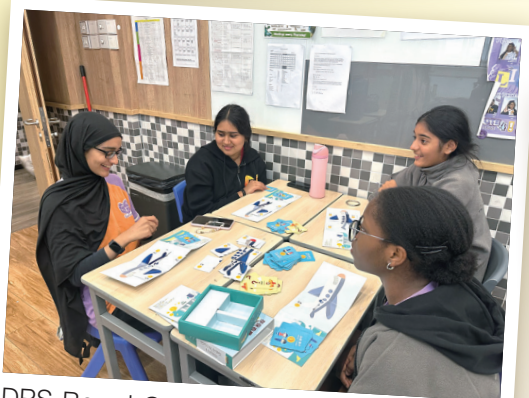
The outreach efforts were expanded to university students by integrating DPS sessions into lessons, along with campus and online promotions at universities. An academic project continued to be offered for business students of Lingnan University to draw up proposals on how to promote the DPS to the young.



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

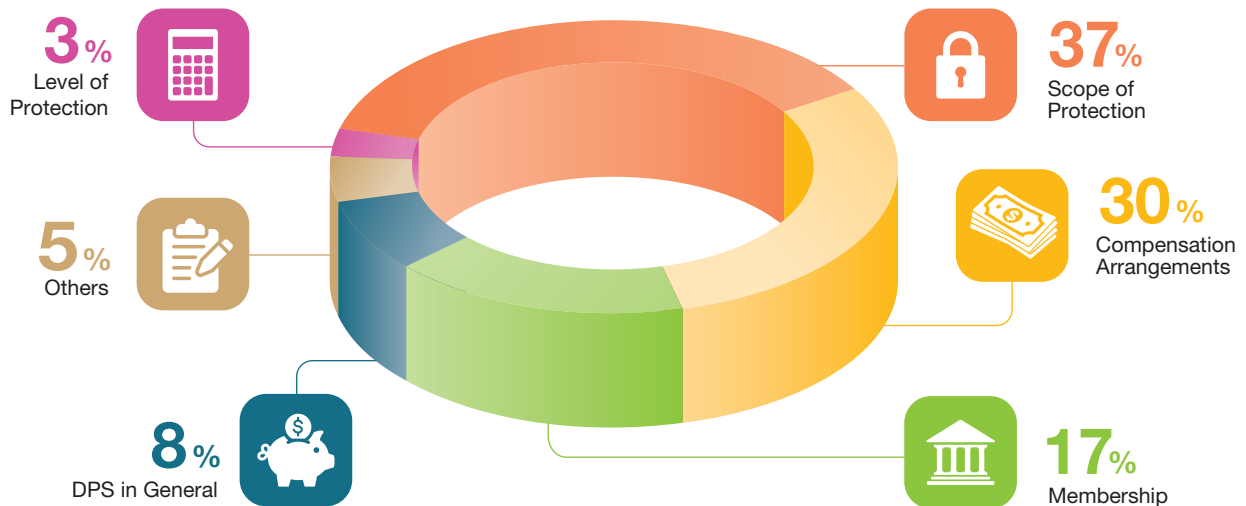
Public Opinion Survey 2025

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.



ENVIRONMENT

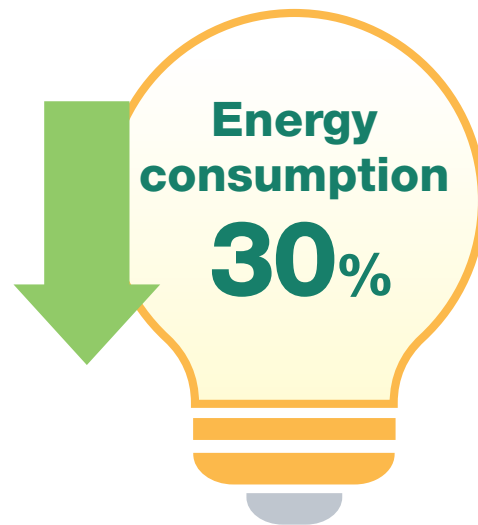
The Board implements a range of strategies to reduce its environmental footprint, promote sustainability in all aspects of operations and support the Government's carbon neutrality commitments. The Board aims to achieve net-zero greenhouse gas (GHG) emissions across its operations by 2030.

Energy Efficiency

The Board has made significant progress in advancing sustainability goals and raising energy efficiency. Key measures include using automated lighting controls that switch off lights after office hours, enabling the power-saving mode with shorter idle timeouts on all printers and fax machines, and redeploying surplus printing equipment strategically, complemented by staff education campaigns that have strengthened the culture of environmental responsibility. Introduced in July 2025, these green initiatives have contributed to lower total energy usage. From July 2025 to March 2026, the energy consumption was reduced by 30% compared with the same period in the previous year, demonstrating the Board's commitment to a greener, more sustainable workplace.

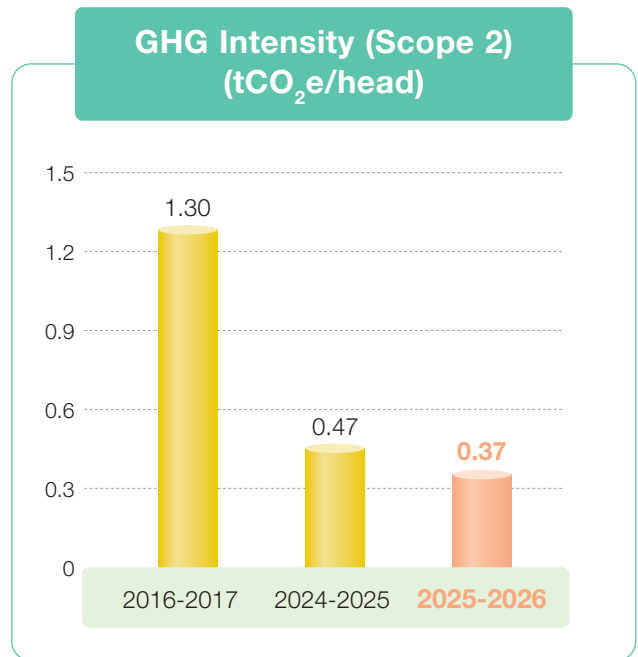
Energy Savings

July 2025 to March 2026
vs.
July 2024 to March 2025





In 2025-2026, the intensity of the Board's Scope 2 emissions decreased to 0.37 tonnes of carbon dioxide equivalent (tCO₂e) per head, 21% less than 2024-2025. The Performance Summary section on page 31 gives detailed data on the Board's Scope 2 emissions.

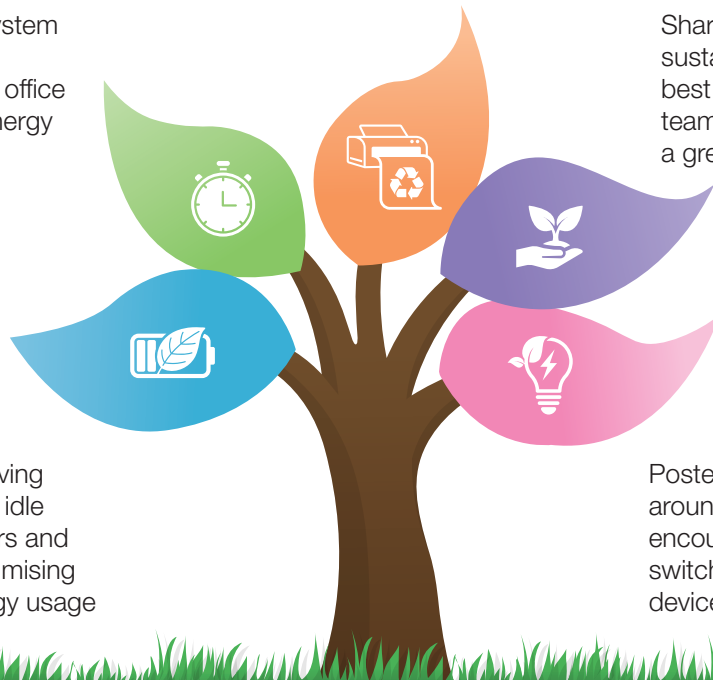


Initiatives to Reduce Energy Usage and Promote Resource Efficiency

Installed control system to switch off lights automatically after office hours, reducing energy waste

Returned surplus printing devices for redeployment, achieving greater sustainability of resources

Shared and promoted sustainability insights and best practices at regular team meetings to reinforce a green culture



Enabled power-saving mode with shorter idle timeouts on printers and fax machines, minimising unnecessary energy usage

Posted reminder labels around the office to encourage colleagues to switch off unused lights and devices

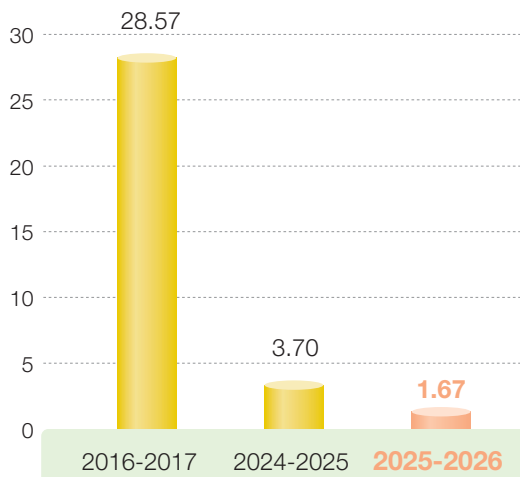


Sustainability

Green Operations

The Board operates in an environmental-friendly manner by implementing digital and paperless measures, which have produced positive results. In 2025-2026, the paper consumption intensity was 1.67 kg per head, a significant reduction of 55% from 2024-2025.

Office Paper Consumption Intensity (kg/head)



Waste Management

The Board takes a multifaceted approach to waste management along these principles, to “refuse, reduce, reuse and recycle”, to minimise its environmental footprint. Efforts include establishing recycling collection points for paper, beverage cartons and paper cups, and plastic and metal waste, promoting the reuse of paper, eliminating the use of disposable items, collecting food waste for reprocessing, compiling used lai see packets for recycling, and donating extra food to the community.

Reducing Use of Paper and Printing



Publish e-version of DPS leaflet on the Board’s website so that Scheme members can provide it to customers



Request Scheme members to submit only a soft copy of their annual IS Guideline self-declaration



Adopt automation and electronic processes for internal matters, including e-remittance advices and leave applications



Publish annual reports on the Board’s website



Conduct paperless meetings whenever practicable



Performance Summary

The Board's emissions, energy and paper usage, and waste data, as disclosed in this report, has been verified by an external assurance and

verification agency, SGS Hong Kong Limited. The scope and basis of the verification are set out in the Assurance Statement appended to the end of this chapter.

Indicators	Unit	2025-2026	2024-2025	2016-2017 (Base Year)
Energy Management				
Total energy consumption	MWh	16.85	21.35	44.34
Energy intensity	MWh/head	0.62	0.79	1.64
Emissions¹				
Indirect emissions from energy (Scope 2)	tCO ₂ e	9.94	12.81	35.03
GHG intensity (Scope 2)	tCO ₂ e/head	0.37	0.47	1.30
Paper Consumption				
Total office paper consumption	tonnes	0.05	0.10	0.77
Office paper consumption intensity	kg/head	1.67	3.70	28.57
Waste Management²				
Non-hazardous waste disposed to landfills	tonnes	1.04	1.21	2.90
Waste disposed to landfills intensity	kg/head	38.62	44.87	107.57
Waste Collected for Recycling²				
– Paper	tonnes	0.32	0.51	1.07
– Food waste ³	kg	150.23	110.26	–
– Plastics	kg	16.42	10.15	7.86
– Metals	kg	3.13	2.84	12.01

1. The emission figures were calculated based on the reporting requirements of the GHG Protocol Corporate Accounting and Reporting Standard (GHG Protocol) issued by the World Resources Institute and the World Business Council for Sustainable Development, and the Practical Guide on Carbon Audit and Management – Guide to Low Carbon Offices issued by the Environmental Protection Department in Hong Kong. Scope 2 indirect emissions were calculated by the market-based method as defined by the GHG Protocol. The emission factor applied is for each respective year, with reference to information published by The Hongkong Electric Co., Ltd.
2. Starting from 2025-2026, to better reflect the Board's waste management practices, the calculations have been refined by using monthly data. Similar adjustments have been made to the 2024-2025 figures for comparison purposes.
3. The food waste recycling programme was launched in mid-November 2022.



PEOPLE

The Board is committed to investing in staff well-being to foster a motivated and healthy workforce.

Wellness Office

A safe and modern environment characterised by an open layout is a hallmark of the workplace provided by the Board. Each workstation is equipped with facilities that comply with occupational safety and health regulations. Maintaining the highest standards of office hygiene is a priority, with regular sanitisation performed to ensure a clean and healthy workplace.

Staff Well-being

Staff members may avail themselves of a flexible arrangement to work from home up to one day a week, subject to approval and operational requirements.

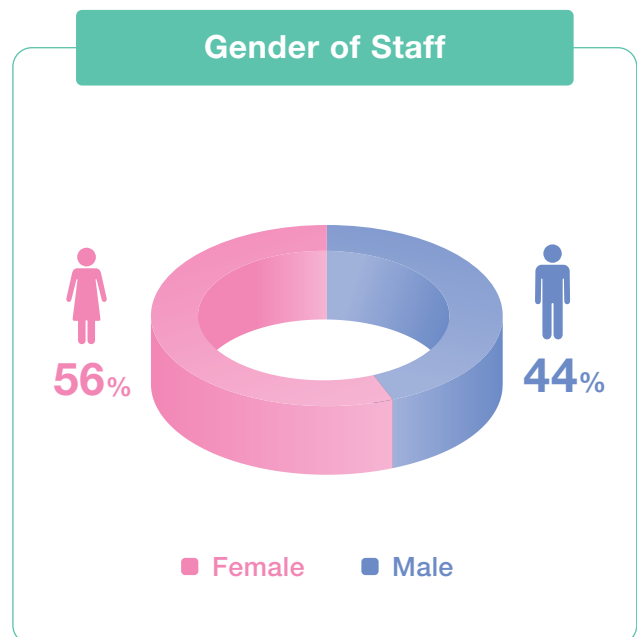
The Board offers a well-being benefit as part of the group medical scheme to help staff maintain good health. Staff and their family members can use this benefit flexibly for a variety of purposes, including health checks, optical services, fitness, leisure classes and nutrition consultation. To help staff achieve better work-life balance, the Board also offers marriage, compassionate and childcare leave to cultivate a family-friendly environment.

Equal Opportunities

The Board is an equal opportunity employer and is committed to full compliance with the ordinances related to sex, disability, family status and racial discrimination, and to ensuring that all staff comply with these ordinances. The Board applies its equal opportunities policy to the recruitment process, terms and conditions of employment, performance assessments, promotions, transfers, training, dismissals, grievance procedures and general conduct.

Diversity

The Board values gender diversity in its workforce, as reflected in the 56% female representation as at March 2026.





SOCIAL RESPONSIBILITY

The Board believes in corporate social responsibility as an integral component of its mission to safeguard depositors' interests and maintain banking stability. This commitment is fulfilled through ongoing engagement with vulnerable groups, including the elderly, low-income families and ethnic minorities, to raise their understanding of the DPS under outreach programmes conducted jointly with NGOs.



Community outreach

Personal Data Privacy

The Board places significant emphasis on personal data privacy protection and upholds the confidentiality of personal data as part of organisational policy and culture. Internal guidelines are reviewed and updated periodically to align with the prevailing best practices recommended by the Office of the Privacy Commissioner for Personal Data (PCPD). Training is also available to improve staff members' knowledge and understanding of the Personal Data (Privacy) Ordinance.

In 2025, the Board received the PCPD's Privacy-Friendly Gold Award, an improvement from the Silver Award obtained previously, and a recognition of the Board's enhanced commitment and efforts in the protection of personal data privacy.





2025 GOLD 金獎

Privacy-Friendly Awards

私隱之友嘉許獎

Awarded by PCPD, Hong Kong
由香港個人資料私隱專員公署頒發

Recognition from PCPD – Privacy-Friendly Gold Award



ASSURANCE STATEMENT

SGS HONG KONG LIMITED'S ASSURANCE STATEMENT ON ENVIRONMENTAL AND GREENHOUSE GAS DATA OF HONG KONG DEPOSIT PROTECTION BOARD

NATURE OF THE ASSURANCE/VERIFICATION

SGS Hong Kong Limited (hereinafter referred to as SGS) was commissioned by the Hong Kong Deposit Protection Board (hereinafter referred to as HKDPB) to conduct an independent assurance on the environmental and greenhouse gas data (hereinafter referred to as the ENV & GHG Data). The reporting period of the ENV & GHG Data is from 1 April 2016 to 31 March 2017, 1 April 2024 to 31 March 2025 & 1 April 2025 to 31 March 2026.

RESPONSIBILITIES

HKDPB is responsible for the collection and preparation of the ENV & GHG Data information. SGS has not been involved in the preparation of any of the materials related to the ENV & GHG Data.

Our responsibility is to express an opinion on the ENV & GHG Data within the scope of verification with the intention to inform all HKDPB's stakeholders.

ASSURANCE STANDARDS, TYPE AND LEVEL OF ASSURANCE

The process applied in this verification was based on the International Standard on Assurance Engagements 3000 (Revised) – Assurance Engagements Other Than Audits or Reviews of Historical Financial Information (ISAE 3000) issued by the International Auditing and Assurance Standards Board. The verification process was designed to obtain a reasonable level of assurance for the purpose of devising the verification opinion and conclusion.

The assurance of the ENV & GHG Data has been conducted according to the following Assurance Standard:

Assurance Standard	Level of Assurance
ISAE 3000	Reasonable

SCOPE OF ASSURANCE

The scope of the assurance included the evaluation of quality, accuracy and reliability of the ENV & GHG Data of HKDPB as detailed below:

SPECIFIED PERFORMANCE INFORMATION INCLUDED IN ASSURANCE SCOPE

- Total energy consumption and its intensity
- GHG emission (Scope 2: Indirect emissions from energy) and its intensity
- Paper consumption and its intensity
- Amount of Non-hazardous waste disposed and its intensity
- Amount of waste recycled (include paper, food waste, plastics and metals)

ASSURANCE METHODOLOGY

The assurance comprised a combination of pre-assurance research, interview with relevant employees, data collection methodology, documentation and record review as well as validation with the relevant stakeholders.

**INHERENT LIMITATIONS**

GHG data are quantified based on the values provided by the relevant organisations. The process of quantifying GHG data involves utilizing values provided by these organisations, which may be derived from estimations, hence introducing a certain level of inherent uncertainty.

STATEMENT OF INDEPENDENCE AND COMPETENCE

The SGS Group of companies is the world leader in inspection, testing and verification, operating in more than 140 countries and providing services including management systems and service certification; quality, environmental, social and ethical auditing and training; environmental, social and sustainability report assurance. SGS affirms our independence from HKDPB, being free from bias and conflicts of interest with the organisation, its subsidiaries and stakeholders.

The assurance team was assembled based on their knowledge, experience and qualifications for this assignment, and comprised auditor(s) and sustainability report training instructor(s) specialising in the sustainability, Environmental, Social and Governance (ESG), environmental and carbon fields.

MATERIALITY

The materiality required for the verification was considered by SGS to 5%, based on the needs of the intended user of the Assurance Statement.

ASSURANCE/VERIFICATION OPINION

On the basis of the methodology described and the verification work performed, we are satisfied that the specified performance information included in the scope of assurance is accurate and reliable, has been fairly stated and has been prepared, in all material respects, in accordance with the reporting criteria.

We believe that the HKDPB has chosen an appropriate level of assurance for this stage in their reporting.

Signed:

For and on behalf of SGS Hong Kong Limited

Miranda Kwan
Director
Business Assurance
29 May 2026
WWW.SGS.COM



Independent Auditor's Report

TO THE HONG KONG DEPOSIT PROTECTION BOARD

(established under section 14 of the Deposit Protection Scheme Ordinance)

OPINION

We have audited the statement of accounts of the Deposit Protection Scheme Fund (the “Fund”) set out on pages 39 to 65, which comprises the balance sheet as at 31 March 2026, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the statement of accounts, including a summary of material accounting policies and other explanatory information.

In our opinion, the statement of accounts gives a true and fair view of the financial position of the Fund as at 31 March 2026, and of its financial performance and its cash flows for the year then ended in accordance with HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and have been properly prepared in compliance with the Deposit Protection Scheme Ordinance (the “Ordinance”).

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing (“HKSAs”) as issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Statement of Accounts section of our report. We are independent of the Hong Kong Deposit Protection Board (the “Board”) in accordance with the HKICPA’s Code of Ethics for Professional Accountants (the “Code”), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

OTHER INFORMATION

The Board is responsible for the other information. The other information comprises the information included in the annual report, but does not include the statement of accounts and our auditor’s report thereon.

Our opinion on the statement of accounts does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the statement of accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the statement of accounts or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



RESPONSIBILITIES OF THE BOARD FOR THE STATEMENT OF ACCOUNTS

The Board is responsible for the preparation of the statement of accounts that gives a true and fair view in accordance with HKFRS Accounting Standards as issued by the HKICPA, and for such internal control as the Board determines is necessary to enable the preparation of statement of accounts that is free from material misstatement, whether due to fraud or error.

In preparing the statement of accounts, the Board is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

The Board is responsible for overseeing the Fund's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE STATEMENT OF ACCOUNTS

Our objectives are to obtain reasonable assurance about whether the statement of accounts as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion solely to you, as a body, in accordance with section 19 of the Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the statement of accounts.

As part of an audit in accordance with HKSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the statement of accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board.



Independent Auditor's Report

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE STATEMENT OF ACCOUNTS *(continued)*

- Conclude on the appropriateness of the Board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the statement of accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the statement of accounts, including the disclosures, and whether the statement of accounts represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

The engagement partner on the audit resulting in this independent auditor's report is CHU, Wai Chung (practising certificate number: P07024).

Deloitte Touche Tohmatsu

Certified Public Accountants

Hong Kong

22 June 2026

Deposit Protection Scheme Fund – Statement of Comprehensive Income



For the year ended 31 March 2026

	Notes	2026 HK\$	2025 HK\$
Income			
Contributions		842,327,418	383,410,235
Interest income from cash and balances with banks and the Exchange Fund		50,332,164	98,960,355
Interest income from financial assets measured at amortised cost	5	197,116,903	183,290,147
Exchange gains/(losses)		24,993,193	(9,738,786)
Other income		55,041	60,001
		1,114,824,719	655,981,952
Expenditure			
Staff costs	6	13,293,346	12,568,080
Premises costs		388,739	386,470
Depreciation and amortisation		5,045,610	3,619,117
Office supplies		47,792	109,980
Overseas travel		44,147	34,212
Transport and travelling		2,071	–
Operating expenses reimbursable to the HKMA	11	25,632,320	25,617,675
Hire of services		11,516,430	9,194,839
Auditor's remuneration		126,000	122,000
Interest expenses on lease liabilities	10	109,744	152,913
Communications		49,734	51,288
Publicity and printing		12,283,462	12,676,427
Other expenses		2,783,386	3,160,121
		71,322,781	67,693,122
Surplus for the year		1,043,501,938	588,288,830
Total comprehensive income for the year		1,043,501,938	588,288,830

The notes on pages 43 to 65 form part of this statement of accounts.



Deposit Protection Scheme Fund – Balance Sheet

As at 31 March 2026

	Notes	2026 HK\$	2025 HK\$
Non-current assets			
Fixed assets	7	9,021,746	12,574,507
Intangible assets	8	5,369,546	5,002,663
Financial assets measured at amortised cost	5	2,304,036,501	1,322,154,487
		2,318,427,793	1,339,731,657
Current assets			
Other receivables	9	3,110,063	2,506,404
Financial assets measured at amortised cost	5	3,600,617,900	3,565,157,552
Cash and balances with banks and the Exchange Fund		2,955,660,721	2,900,345,784
		6,559,388,684	6,468,009,740
Current liabilities			
Contributions received in advance		656,219,282	627,556,065
Other liabilities	10	29,737,399	30,696,630
		685,956,681	658,252,695
Net current assets		5,873,432,003	5,809,757,045
Non-current liabilities			
Other liabilities	10	1,077,688	2,208,532
Net assets		8,190,782,108	7,147,280,170
Represented by			
Accumulated surplus		8,190,782,108	7,147,280,170
		8,190,782,108	7,147,280,170

Approved and authorised for issue by the Hong Kong Deposit Protection Board on 22 June 2026.

Lau Yin-hing, Connie
Chairman

The notes on pages 43 to 65 form part of this statement of accounts.

Deposit Protection Scheme Fund – Statement of Changes in Equity



For the year ended 31 March 2026

Total
HK\$

At 1 April 2024	6,558,991,340
Surplus for the year	588,288,830
<hr/>	
Fund balance as at 31 March 2025	7,147,280,170
<hr/>	
At 1 April 2025	7,147,280,170
Surplus for the year	1,043,501,938
<hr/>	
Fund balance as at 31 March 2026	8,190,782,108
<hr/>	

The notes on pages 43 to 65 form part of this statement of accounts.



Deposit Protection Scheme Fund – Statement of Cash Flows

For the year ended 31 March 2026

	2026 HK\$	2025 HK\$
Operating activities		
Surplus for the year	1,043,501,938	588,288,830
Interest income	(247,449,067)	(282,250,502)
Interest expenses on lease liabilities	109,744	152,913
Exchange (gains)/losses on financial assets measured at amortised cost	(19,004,240)	9,626,757
Depreciation and amortisation	5,045,610	3,619,117
Cash from operating surplus before changes in operating assets and liabilities	782,203,985	319,437,115
Changes in operating assets and liabilities		
Increase in other receivables	(713,143)	(326,769)
Increase in contributions received in advance	28,663,217	449,459,533
Decrease in other payables	(1,004,187)	(1,445,896)
Interest portion of lease payments	(109,744)	(152,913)
Net cash from operating activities	809,040,128	766,971,070
Investing activities		
Purchase of intangible assets	(1,689,640)	(3,191,750)
Purchase of fixed assets	(170,092)	(9,218,380)
Interest received	217,441,199	249,413,144
Purchase of financial assets measured at amortised cost	(5,249,632,170)	(3,053,256,369)
Proceeds from redemption of financial assets measured at amortised cost	4,281,411,400	3,340,000,000
Net cash (used in)/from investing activities	(752,639,303)	523,746,645
Financing activity		
Principal portion of lease payments	(1,085,888)	(1,042,719)
Net cash used in financing activity	(1,085,888)	(1,042,719)
Net increase in cash and cash equivalents	55,314,937	1,289,674,996
Cash and cash equivalents at 1 April	2,900,345,784	1,610,670,788
Cash and cash equivalents at 31 March	2,955,660,721	2,900,345,784
Analysis of balance of cash and cash equivalents		
Cash and balances with banks and the Exchange Fund	2,955,660,721	2,900,345,784

The notes on pages 43 to 65 form part of this statement of accounts.



1 PURPOSE AND ACTIVITIES

The Deposit Protection Scheme Fund (the Fund) is established under the Deposit Protection Scheme Ordinance (the Ordinance) for the purpose of providing compensation to depositors under certain circumstances in respect of deposits maintained with banks that are members of the Deposit Protection Scheme (the Scheme or the DPS). On 1 October 2024, the protection limit was increased from HK\$500,000 to HK\$800,000 per depositor per bank. The Hong Kong Deposit Protection Board (the Board) manages the Fund in accordance with the provisions of the Ordinance. The Fund mainly consists of contributions collected from Scheme members and returns on investments of the Fund. Expenditure incurred in the establishment and maintenance of the Scheme, as well as the management and administration of the Fund are paid from the Fund.

2 MATERIAL ACCOUNTING POLICY INFORMATION

(a) Basis of preparation

The statement of accounts of the Fund has been prepared in accordance with HKFRS Accounting Standards (which includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (HKASs) and Interpretations) as issued by the Hong Kong Institute of Certified Public Accountants (HKICPA), and accounting principles generally accepted in Hong Kong. The statement of accounts has been prepared under the historical cost convention.

For the purpose of preparation of the financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users.

The preparation of statement of accounts in conformity with HKFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Fund's accounting policies.

The Board makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and assumptions made in the preparation of these accounts do not have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.



Deposit Protection Scheme Fund – Notes to the Statement of Accounts

2 MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

(a) Basis of preparation *(continued)*

(i) *New and amended standards adopted by the Fund*

The Fund has adopted Amendments to HKAS 21, *Lack of Exchangeability*, for the first time in the current year's financial statements.

These amendments require the reporting entity to assess whether or not a currency is exchangeable into another currency, and to estimate the spot exchange rate and to disclose when it concludes that a currency is not exchangeable into another currency. The adoption of such amendments does not have any impact on the Fund's statement of accounts.

(ii) *New and amended standards have been issued but are not effective for the financial year beginning 1 April 2025 and have not been early adopted*

The Fund has not early applied any of the following amended standards which may be relevant to the Fund, that have been issued but are not yet effective.

Amendments to HKFRS9 and HKFRS7	<i>Amendments to the Classification and Measurement of Financial Instruments¹</i>
Amendments to HKFRS Accounting Standards	<i>Annual Improvements to HKFRS Accounting Standards – Volume 11¹</i>
HKFRS 18	<i>Presentation and Disclosure in Financial Statements²</i>

¹ Effective for annual periods beginning on or after 1 January 2026

² Effective for annual periods beginning on or after 1 January 2027

The Fund is in the process of finalising its assessment of what the potential impact of these new and amended standards upon initial application. Except for HKFRS 18, so far the Management's preliminary assessment indicates that the adoption of them is not expected to have a significant impact on the Fund's statement of accounts.

HKFRS 18: Presentation and Disclosure in Financial Statements

HKFRS 18, which replaces HKAS 1 "Presentation of Financial Statements", introduces new requirements for presentation of specified categories and subtotals in the income and expenditure account, aggregation and disaggregation of information, as well as disclosures related to management-defined performance measures. The Fund is yet to assess the full impact of the standard on its statement of accounts. The new standard is effective for annual periods beginning on or after 1 January 2027 and will be applied retrospectively with restatement of comparatives unless impracticable. At this stage, the Fund does not intend to adopt the standard before its effective date.



2 MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

(b) Revenue recognition

Contributions and exemption fees are collected from Scheme members as specified in Schedule 4 to the Ordinance. They are accounted for on an accrual basis.

Contributions are calculated based on the amount of protected deposits and the respective supervisory rating of each non-exempted bank applicable at a specified date. Contributions are collected annually during each calendar year and the advance portion is presented as contributions received in advance in the balance sheet.

Interest income is recognised in the statement of comprehensive income using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Fund estimates cash flows considering all contractual terms of the financial instrument but does not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

(c) Expenses

All expenses are recognised in the statement of comprehensive income on an accrual basis.



Deposit Protection Scheme Fund – Notes to the Statement of Accounts

2 MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

(d) Fixed assets

Fixed assets are stated at cost less accumulated depreciation and impairment losses. Depreciation is calculated on a straight-line basis to write off the assets over their estimated useful lives as follows:

	Years
Computer hardware/software costs:	
• Servers	5
• Others, e.g. personal computers, printers and accessories	3
Office equipment, furniture and fixtures	5
Right-of-use assets arising from leases of premises	over the shorter of the lease terms and their estimated useful lives

Only items costing HK\$10,000 or more are capitalised. Gains or losses arising from the disposal of a fixed asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of comprehensive income in the month of disposal.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount exceeds its estimated recoverable amount. The recoverable amount is the higher of the asset's net selling price and value in use.



2 MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

(e) Intangible assets

Costs that are directly associated with the development of identifiable and unique systems controlled and used by the Fund, and that will probably generate economic benefit exceeding costs beyond 1 year, are recognised as intangible assets. Intangible assets include expenditures on development of the Payout System. Such expenditure is capitalised if the systems are technically and commercially feasible. The expenditure capitalised includes the direct labour and costs of materials. Intangible assets are stated at cost less accumulated amortisation and any impairment losses.

Amortisation of intangible assets with definite life is charged to the statement of comprehensive income on a straight-line basis over the assets' estimated useful life of 5 years.

(f) Leases

A lease is recognised in the balance sheet as a right-of-use asset with a corresponding lease liability at the lease commencement date, except that variable lease payments associated with short-term leases having a lease term of 12 months or less and leases of low-value assets are charged to the income and expenditure account on a straight-line basis over the lease term.

A right-of-use asset is recognised as fixed assets and measured at cost less accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The right-of-use asset is depreciated on a straight-line basis over the shorter of the lease term and the asset's estimated useful life.

The lease liability is recognised as other liabilities and is measured at the present value of the lease payments payable over the lease term, discounted using the interest rate implicit in the lease, or if that rate cannot be readily determined, the Fund's incremental borrowing rate. The lease liability is subsequently adjusted by the effect of the interest on and the settlement of the lease liability.



Deposit Protection Scheme Fund – Notes to the Statement of Accounts

2 MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

(f) Leases *(continued)*

Lease payments included in the measurement of the Fund's lease liability mainly comprise:

- Fixed payments, less any lease incentives receivable;
- Lease payments in an optional renewal period if the Fund is reasonably certain to exercise an extension option; and
- Penalties for early termination of a lease unless the Fund is reasonably certain not to terminate early.

The lease liability is remeasured if the Fund changes its assessment of whether it will exercise an extension or termination option. When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

(g) Financial assets

Classification, recognition, measurement and derecognition

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Regular way purchases and sales of financial assets are recognised on the trade-date – the date on which the Fund commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets are derecognised when the contractual rights to receive the cash flows from the financial assets expire, or where the financial assets together with substantially all the risks and rewards of ownership have been transferred.



2 MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

(g) Financial assets *(continued)*

Impairment of financial assets

The Fund applies a three-stage approach to measure expected credit losses (ECLs) and impairment losses or reversals, for financial instruments measured at amortised cost that are not measured at fair value through profit or loss.

The change in credit risk since initial recognition determines the measurement bases for ECLs:

Stage 1: 12-month ECLs

For financial instruments for which there has not been a significant increase in credit risk since initial recognition, the portion of the lifetime ECLs that represent the ECLs that result from default events that are possible within the 12 months after the reporting period are recognised.

Stage 2: Lifetime ECLs – not credit impaired

For financial instruments for which there has been a significant increase in credit risk since initial recognition but that are not credit impaired, lifetime ECLs representing the ECLs that result from all possible default events over the expected life of the financial instrument are recognised.

Stage 3: Lifetime ECLs – credit impaired

For financial instruments that have become credit impaired, lifetime ECLs are recognised and interest income is calculated by applying the effective interest rate to the amortised cost (net of loss allowance) rather than the gross carrying amount.

Determining the stage for impairment

At each reporting date, the Fund assesses whether there has been a significant increase in credit risk for financial instruments since initial recognition by comparing the risk of default occurring over the remaining expected life as at the reporting date with that as at the date of initial recognition. The assessment considers quantitative and qualitative information as well as forward-looking information. A financial asset is assessed to be credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred.



Deposit Protection Scheme Fund – Notes to the Statement of Accounts

2 MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

(g) Financial assets *(continued)*

Impairment of financial assets (continued)

Determining the stage for impairment (continued)

The Fund assesses whether there has been a significant increase in credit risk since initial recognition on an individual or collective basis. For collective assessment, financial instruments are grouped on the basis of shared credit risk characteristics, taking into account investment type, credit risk ratings, date of initial recognition, remaining term to maturity, industry, geographical location of the counterparty or borrower and other relevant factors.

Debt investments with an external credit rating of investment grade are considered to have a low credit risk. Other financial instruments are considered to have a low credit risk if they have a low risk of default and the counterparty or borrower has a strong capacity to meet its contractual cash flow obligations in the near term. The credit risk on these financial instruments is assessed as not having increased significantly since initial recognition.

For a financial asset with lifetime ECLs recognised in the previous reporting period, if its credit quality improves and reverses the previously assessed significant increase in credit risk, then the loss allowance reverts from lifetime ECLs to 12-month ECLs.

When a financial asset is uncollectible, it is written off against the related loss allowance. Such assets are written off after all the necessary procedures have been completed and the amount of the loss has been determined. Subsequent recoveries of amounts previously written off are recognised in the statement of comprehensive income.

Measurement of ECLs

ECLs of a financial instrument are an unbiased and probability-weighted estimate of credit losses (i.e. the present value of all cash shortfalls) over the expected life of the financial instrument. A credit loss is the difference between the cash flows due to the Fund in accordance with the contract and the cash flows that the Fund expects to receive, discounted at the effective interest rate. For a financial asset that is credit impaired at the reporting date, the Fund measures the ECLs as the difference between the asset's gross carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate.



2 MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

(h) Financial Liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method.

Other payables are initially recognised at fair value and thereafter stated at amortised cost.

Other payables are classified as current liabilities if payment is due within 1 year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

(i) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Fund or the counterparty.

(j) Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents comprise balances with less than three months' maturity from the date of transaction including: cash at bank and on hand, demand deposits with banks, other financial institutions and the Monetary Authority (MA) for the account of the Exchange Fund, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

(k) Translation of foreign currencies

(i) *Functional and presentation currency*

Items included in the statement of accounts are measured using the currency of the primary economic environment in which the Fund operates (the functional currency). The statement of accounts is presented in Hong Kong dollars, which is the Fund's functional and presentation currency.



Deposit Protection Scheme Fund – Notes to the Statement of Accounts

2 MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

(k) Translation of foreign currencies *(continued)*

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

Changes in the fair value of debt securities denominated in foreign currency classified as financial assets measured at fair value through other comprehensive income are analysed between translation differences resulting from changes in the amortised cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in amortised cost are recognised in the surplus, and other changes in carrying amount, except impairment, are recognised in other comprehensive income. Translation differences on non-monetary financial assets are included in other comprehensive income.

(l) Provisions and contingent liabilities

Provisions are recognised when the Fund has a present legal or constructive obligation as a result of past events where it is more likely than not that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated.

Provisions are measured at the present value of the expenditure expected to be required to settle the obligation that reflects current market assessments of the time value of money and the risks specific to the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.



2 MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

(m) Employee benefits

(i) *Employee leave entitlements*

Employee entitlements to annual leave are recognised when they accrue to employees. An accrual is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date. Employee entitlements to sick leave and maternity leave are recognised when the absence occurs.

(ii) *Pension obligations*

The Fund offers a mandatory provident fund scheme, the assets of which are generally held in separate trustee-administered funds. These pension plans are generally funded by payments from employees and by the Fund. The Fund's contributions to the mandatory provident fund scheme are expensed as incurred.

(n) Related parties

Related parties are those parties which have the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. Related parties may be individuals or entities.

(o) Critical accounting estimates and assumptions

The Fund makes estimates and assumptions that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.



Deposit Protection Scheme Fund – Notes to the Statement of Accounts

3 RISK MANAGEMENT

(a) Governance

The Fund is established under the Ordinance for the purpose of providing compensation to depositors under certain circumstances in respect of deposits maintained with banks which are members of the Scheme. Under Part 4 of the Ordinance, the Fund is to consist of:

- contributions and late payment fees collected from Scheme members;
- money recovered by the Board from, or out of the assets of, failed Scheme members;
- returns on investments;
- money borrowed by the Board for the purpose of performing its functions; and
- any other money lawfully paid into the Fund.

The Board established an Investment Committee and delegated its power to the Committee to place, or invest, money of the Fund that is not immediately required by the Board for the performance of its functions. In particular, the Investment Committee:

- makes recommendations on the investment policy and strategy in respect of the Fund;
- monitors the investment performance of the Fund and establishes proper risk management controls for the investment activities of the Board; and
- works on any other investment-related matters as determined from time to time by the Board.

Operating within the requirements under the Ordinance and policies endorsed by the Investment Committee, the Board's Management Team conducts the day-to-day investment management and risk management of the Fund.



3 RISK MANAGEMENT *(continued)*

(b) Investment management and control

Under section 21 of the Ordinance, the Fund or any part of it may be invested in the following investment instruments:

- deposits with the MA for the account of the Exchange Fund;
- Exchange Fund Bills;
- US Treasury Bills; and
- any other investment approved by the Financial Secretary.

In December 2008, the Financial Secretary approved an expansion of the investment scope of the Fund to cover Exchange Fund Notes and US Treasury Notes with remaining term to maturity of not more than 2 years, and Hong Kong dollar and US dollar deposits of up to 3 months in tenor with financial institutions.

In July 2025, the Financial Secretary approved a further expansion of the investment scope of the Fund to cover bonds issued by the HKSAR Government, denominated in either Hong Kong dollar or US dollar, with remaining term to maturity of not more than 3 years.

Investment activities of the Fund are conducted in accordance with the requirements set out in the Ordinance and the policies endorsed by the Investment Committee to ensure the investment objectives of capital preservation and maintaining sufficient liquidity are met.

The Board's Management Team is responsible for the day-to-day investment management of the Fund. Investment reports showing the latest market values, rate of return, maturity profile, types of financial instruments held and limits versus exposures are regularly submitted to the Investment Committee for control purpose.



3 RISK MANAGEMENT *(continued)*

(c) Financial risk management

Market risk

Market risk is the risk that changes in market variables such as interest rates, equity prices and exchange rates may affect the fair value or cash flows of a financial instrument. Market risk to the Fund mainly comprises interest rate risk and currency risk.

(i) Interest rate risk

Interest rate risk refers to the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Since the majority of the financial assets represent the cash balances with bank and the Exchange Fund and financial assets measured at amortised cost, the impact of interest rate fluctuations on the Fund is considered minimal.

(ii) Currency risk

Currency risk is the risk of loss arising from changes in foreign exchange rates. The investments held by the Fund are denominated either in Hong Kong dollars or US dollars. Because of the linked exchange rate with the US dollar, the currency risk to the Fund is considered minimal.

Liquidity risk

Liquidity risk refers to the risk that the Fund may not have sufficient funds available to meet its liabilities as they fall due. In addition, liquidity risk also refers to the risk that the Fund may not be able to liquidate its financial assets at a price close to the fair value within a short period of time.

Given that the Fund primarily places deposits with the MA for the account of the Exchange Fund or invests in debt securities that are marketable, the liquidity of the Fund is maintained at a high level at all times.



3 RISK MANAGEMENT *(continued)*

(c) Financial risk management *(continued)*

Credit risk

The Fund is exposed to credit risk when a borrower or a counterparty may not be able or willing to perform its contractual obligations in full when due. The credit risk of the Fund mainly comprises (i) counterparty risk from placement activities; (ii) counterparty risk from investment transactions; (iii) issuer risk arising from debt securities holdings; and (iv) country risk.

Counterparty credit exposures arise mainly from the Fund's deposit placements with the MA for the account of the Exchange Fund and financial institutions approved by the Investment Committee and securities transactions with financial institutions. In this respect, the Fund will only conduct securities transactions with counterparties approved by the Investment Committee. To mitigate the issuer risk arising from investments in debt securities, the Board confines the types of investment securities of the Fund to Exchange Fund Bills and Notes, US Treasury Bills and Notes and bonds issued by the HKSAR Government, all of which are with minimal default risk. The Management Team considers the probability of default to be close to zero as the counterparties have a strong capacity to meet their contractual obligations in the near term. In addition to the counterparty and issuer risks, the Fund is exposed to country risk, which is confined to the sovereign risk of Hong Kong and the US and the country risk of financial institutions approved by the Investment Committee given the Fund's limited types of investments. The Fund's credit exposures are reported regularly to the Investment Committee based on its delegated authority from the Board.

Fair value measurement

The Fund uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

The Fund measures fair values using the following fair value hierarchy that reflects the significance of inputs used in making the measurements:

- Level 1 – fair values are quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – fair values are determined involving inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and



Deposit Protection Scheme Fund – Notes to the Statement of Accounts

3 RISK MANAGEMENT *(continued)*

(c) Financial risk management *(continued)*

Fair value measurement (continued)

- Level 3 – fair values are determined with inputs that are not based on observable market data (unobservable inputs).

The fair values of financial assets measured at amortised cost are disclosed in note 5.

4 TAXATION

No provision for Hong Kong Profits Tax for 2026 and 2025 have been made as the Board is exempt from Hong Kong Profits Tax pursuant to section 10 of the Ordinance.

5 FINANCIAL ASSETS MEASURED AT AMORTISED COST

	2026 HK\$	2025 HK\$
Non-current assets		
US Treasury Bills and Notes	1,291,378,464	1,322,154,487
Exchange Fund Bills and Notes	1,012,658,037	–
	2,304,036,501	1,322,154,487
Current assets		
US Treasury Bills and Notes	2,592,101,907	1,994,039,913
Exchange Fund Bills and Notes	1,008,515,993	1,571,117,639
	3,600,617,900	3,565,157,552
Total	5,904,654,401	4,887,312,039
Fair value at the year end, Level 1	5,843,780,374	4,845,508,062

Deposit Protection Scheme Fund – Notes to the Statement of Accounts



5 FINANCIAL ASSETS MEASURED AT AMORTISED COST *(continued)*

The movements in financial assets are summarised as follows:

	2026 HK\$	2025 HK\$
Carrying value at the year beginning	4,887,312,039	5,150,913,854
Purchase	5,249,632,170	3,053,256,369
Interest received	(166,999,551)	(150,521,574)
Interest income	197,116,903	183,290,147
Exchange gains/(losses)	19,004,240	(9,626,757)
Redemption	(4,281,411,400)	(3,340,000,000)
	<hr/>	<hr/>
Carrying value at the year end	5,904,654,401	4,887,312,039

6 STAFF COSTS

	2026 HK\$	2025 HK\$
Salaries	11,433,722	11,003,648
Gratuity	336,120	162,507
Other employee benefits	1,523,504	1,401,925
	<hr/>	<hr/>
	13,293,346	12,568,080



Deposit Protection Scheme Fund – Notes to the Statement of Accounts

7 FIXED ASSETS

	Owned assets		Right-of-use assets	Total HK\$
	Office equipment, furniture and fixtures HK\$	Computer hardware/software HK\$	Premises HK\$	
Cost				
As at 1 April 2024	3,004,750	14,175,864	9,391,826	26,572,440
Additions	–	9,218,380	–	9,218,380
As at 31 March 2025	3,004,750	23,394,244	9,391,826	35,790,820
As at 1 April 2025	3,004,750	23,394,244	9,391,826	35,790,820
Additions	58,000	112,092	–	170,092
As at 31 March 2026	3,062,750	23,506,336	9,391,826	35,960,912
Accumulated depreciation				
As at 1 April 2024	2,053,152	13,483,873	5,061,816	20,598,841
Charge for the year	574,167	937,770	1,105,535	2,617,472
As at 31 March 2025	2,627,319	14,421,643	6,167,351	23,216,313
As at 1 April 2025	2,627,319	14,421,643	6,167,351	23,216,313
Charge for the year	379,364	2,237,955	1,105,534	3,722,853
As at 31 March 2026	3,006,683	16,659,598	7,272,885	26,939,166
Net book value				
As at 31 March 2026	56,067	6,846,738	2,118,941	9,021,746
As at 31 March 2025	377,431	8,972,601	3,224,475	12,574,507



8 INTANGIBLE ASSETS

	Development costs of payout system HK\$
Cost	
As at 1 April 2024	45,746,060
Additions	3,191,750
	<hr/>
As at 31 March 2025	48,937,810
	<hr/>
As at 1 April 2025	48,937,810
Additions	1,689,640
	<hr/>
As at 31 March 2026	50,627,450
	<hr/>
Accumulated amortisation	
As at 1 April 2024	42,933,502
Charge for the year	1,001,645
	<hr/>
As at 31 March 2025	43,935,147
	<hr/>
As at 1 April 2025	43,935,147
Charge for the year	1,322,757
	<hr/>
As at 31 March 2026	45,257,904
	<hr/>
Net book value	
As at 31 March 2026	5,369,546
	<hr/>
As at 31 March 2025	5,002,663
	<hr/>



Deposit Protection Scheme Fund – Notes to the Statement of Accounts

9 OTHER RECEIVABLES

	2026 HK\$	2025 HK\$
Prepayment	2,877,799	2,181,984
Interest receivables	151,907	261,391
Contribution receivables	29,657	12,329
Others	50,700	50,700
	3,110,063	2,506,404

10 OTHER LIABILITIES

	Notes	2026 HK\$	2025 HK\$
Other payables			
Hire of services	(a)	25,881,055	27,011,415
Staff expenses		1,459,622	1,549,061
Others		1,265,878	1,050,266
Lease liabilities			
Current portion	(b)	1,130,844	1,085,888
Non-current portion	(b)	1,077,688	2,208,532
		30,815,087	32,905,162

- (a) This amount includes operating expenses of HK\$25,632,320 (2025: HK\$25,617,675) reimbursed to the Hong Kong Monetary Authority (HKMA).

Deposit Protection Scheme Fund – Notes to the Statement of Accounts



10 OTHER LIABILITIES *(continued)*

(b) The changes in lease liabilities arising from financing activities are as follows:

	2026 HK\$	2025 HK\$
Balance at the year beginning	3,294,420	4,337,139
Changes from financing cash flows		
Principal portion of lease payments	(1,085,888)	(1,042,719)
Non-cash changes		
Interest expenses on lease liabilities	109,744	152,913
Other changes		
Interest portion of lease payments	(109,744)	(152,913)
Balance at the year end	2,208,532	3,294,420

(c) The following table shows the remaining contractual maturities at the end of the reporting period of lease liabilities, which are based on contractual undiscounted cash flows and the earliest date on which the Fund can be required to pay.

	2026 HK\$	2025 HK\$
1 month or less	99,636	99,636
3 months or less but over 1 month	199,272	199,272
1 year or less but over 3 months	896,724	896,724
2 years or less but over 1 year	1,095,996	1,195,632
5 years or less but over 2 years	–	1,095,996
Total	2,291,628	3,487,260

(d) The total cash outflows for leases of the Fund for the year ended 31 March 2026 was HK\$1,195,632 (2025: HK\$1,195,632).

(e) In July 2020, the Fund entered into a lease agreement with the HKMA, setting out the understanding between both parties regarding the provision of office space to the Fund with a term up to 29 February 2024. In February 2024, the Fund renewed the lease with the HKMA with a term up to 29 February 2028 and recognised right-of-use assets and lease liabilities of HK\$4,422,138. During the year, principal amount of the lease payment HK\$1,085,888 (2025: HK\$1,042,719) and interest amount of the lease payment HK\$109,744 (2025: HK\$152,913) were resulted from this lease agreement.



Deposit Protection Scheme Fund – Notes to the Statement of Accounts

11 MATERIAL RELATED PARTY TRANSACTIONS

Pursuant to section 6 of the Ordinance, the Board shall perform its functions through the MA unless indicated otherwise by the Financial Secretary. The HKMA has assigned a team of staff to assist the Board in discharging its functions. The team is headed by an Executive Director of the HKMA, who is designated as the Chief Executive Officer of the Board. The HKMA also supports the Board on aspects such as accounting, administration, human resources and information technology.

The related party transactions with the HKMA are as follows:

	Notes	2026 HK\$	2025 HK\$
Aggregate amounts outstanding at the year end			
Balances with the Exchange Fund	(a)	2,949,256,654	2,891,138,381
Investment in Exchange Fund Bills and Notes	(b)	2,021,174,030	1,571,117,639
Lease with the HKMA			
Right-of-use assets	7	2,118,941	3,224,475
Lease liabilities	10(b)	2,208,532	3,294,420
Transactions during the year			
Interest income from balances with the Exchange Fund	(a)	50,231,928	98,833,346
Interest income from Exchange Fund Bills and Notes	(b)	40,268,934	73,947,744
Operating expenses reimbursed to the HKMA	(c)	25,916,838	25,893,705
Lease payments to the HKMA			
Principal portion	10(e)	1,085,888	1,042,719
Interest portion	10(e)	109,744	152,913

- (a) During the year, the Fund placed deposits with the Exchange Fund and earned interest amounting to HK\$50,231,928 (2025: HK\$98,833,346) at a rate which is referenced to the market interest rates. As at 31 March 2026, the deposits amounted to HK\$2,949,256,654 (2025: HK\$2,891,138,381).



11 MATERIAL RELATED PARTY TRANSACTIONS *(continued)*

- (b) As at 31 March 2026, the Fund held the Exchange Fund Bills and Notes amounting to HK\$2,021,174,030 (2025: HK\$1,571,117,639) and the interest thereon was HK\$40,268,934 (2025: HK\$73,947,744).
- (c) Certain operating expenses are reimbursed to the HKMA on a cost recovery basis in accordance with the provisions set out in the Ordinance. The expenses include the cost of staff and supporting services incurred by the HKMA for assisting the Board in carrying out its functions amounting to HK\$25,632,320 (2025: HK\$25,617,675) and the management fee in respect of the lease agreement with the HKMA amounting to HK\$284,518 (2025: HK\$276,030).
- (d) During the year, the HKMA provided the Board with a standby facility from the Exchange Fund for meeting the necessary liquidity required for payment of compensation in the event of a bank failure. The maximum amount which may be drawn under the facility is HK\$220 billion (2025: HK\$220 billion) of which nil (2025: nil) was drawn during the year.

12 APPROVAL OF STATEMENT OF ACCOUNTS

The statement of accounts was approved by the Board on 22 June 2026.



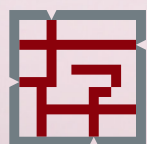
Annex: List of Scheme Members as at 31 March 2026

AGRICULTURAL BANK OF CHINA LIMITED
ANT BANK (HONG KONG) LIMITED
AIRSTAR BANK LIMITED
AUSTRALIA AND NEW ZEALAND BANKING
GROUP LIMITED
BANCO BILBAO VIZCAYA ARGENTARIA S.A.
BANCO SANTANDER, S.A.
BANGKOK BANK PUBLIC COMPANY LIMITED
BANK J. SAFRA SARASIN AG
BANK JULIUS BAER & CO. LTD.
BANK OF AMERICA, NATIONAL ASSOCIATION
BANK OF CHINA (HONG KONG) LIMITED
BANK OF CHINA LIMITED
BANK OF COMMUNICATIONS (HONG KONG)
LIMITED
BANK OF COMMUNICATIONS CO., LTD.
BANK OF DONGGUAN CO., LTD.
BANK OF DONGGUAN INTERNATIONAL LIMITED
BANK OF EAST ASIA, LIMITED (THE)
BANK OF INDIA
BANK OF MONTREAL
BANK OF NEW YORK MELLON (THE)
BANK OF NOVA SCOTIA (THE)
BANK OF SINGAPORE LIMITED
BANK OF TAIWAN
BANK SINOPAC
BANQUE PICTET & CIE SA
BARCLAYS BANK PLC
BDO UNIBANK, INC.
BNP PARIBAS
CA INDOSUEZ (SWITZERLAND) SA
CANADIAN IMPERIAL BANK OF COMMERCE
CATHAY BANK
CATHAY UNITED BANK COMPANY, LIMITED
CHANG HWA COMMERCIAL BANK, LTD.
CHIBA BANK, LTD. (THE)
CHINA BOHAI BANK CO., LTD.
CHINA CITIC BANK CORPORATION LIMITED
CHINA CITIC BANK INTERNATIONAL LIMITED
CHINA CONSTRUCTION BANK (ASIA)
CORPORATION LIMITED
CHINA CONSTRUCTION BANK CORPORATION
CHINA DEVELOPMENT BANK
CHINA EVERBRIGHT BANK CO., LTD.
CHINA GUANGFA BANK CO., LTD.
CHINA MERCHANTS BANK CO., LTD.
CHINA MINSHENG BANKING CORP., LTD.
CHINA ZHESHANG BANK CO., LTD.
CHIYU BANKING CORPORATION LIMITED
CHONG HING BANK LIMITED
CHUGOKU BANK, LTD. (THE)
CIMB BANK BERHAD
CITIBANK (HONG KONG) LIMITED
CITIBANK, N.A.
CMB WING LUNG BANK LIMITED
COMMONWEALTH BANK OF AUSTRALIA
COÖPERATIEVE RABOBANK U.A.
CREDIT AGRICOLE CORPORATE AND
INVESTMENT BANK
CREDIT INDUSTRIEL ET COMMERCIAL
CTBC BANK CO., LTD.
DAH SING BANK, LIMITED
DBS BANK (HONG KONG) LIMITED
DBS BANK LTD.
DZ BANK AG DEUTSCHE ZENTRAL-
GENOSSENSCHAFTSBANK, FRANKFURT AM
MAIN
E.SUN COMMERCIAL BANK, LTD.
EAST WEST BANK
EFG BANK AG
ERSTE GROUP BANK AG
FAR EASTERN INTERNATIONAL BANK
FIRST ABU DHABI BANK PJSC
FIRST COMMERCIAL BANK, LTD.
FUBON BANK (HONG KONG) LIMITED
FUSION BANK LIMITED
HANG SENG BANK, LIMITED
HDFC BANK LIMITED
HONG LEONG BANK BERHAD
HONGKONG AND SHANGHAI BANKING
CORPORATION LIMITED (THE)
HSBC BANK PLC
HUA NAN COMMERCIAL BANK, LTD.
HUA XIA BANK CO., LIMITED
ICICI BANK LIMITED
INDIAN OVERSEAS BANK

Annex: List of Scheme Members as at 31 March 2026



INDUSTRIAL AND COMMERCIAL BANK OF CHINA (ASIA) LIMITED	PT. BANK NEGARA INDONESIA (PERSERO) TBK.
INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED	PUBLIC BANK (HONG KONG) LIMITED
INDUSTRIAL BANK CO., LTD.	QATAR NATIONAL BANK (Q.P.S.C.)
INDUSTRIAL BANK OF KOREA	ROYAL BANK OF CANADA
ING BANK N.V.	SHANGHAI COMMERCIAL & SAVINGS BANK, LTD. (THE)
INTESA SANPAOLO SPA	SHANGHAI COMMERCIAL BANK LIMITED
JPMORGAN CHASE BANK, NATIONAL ASSOCIATION	SHANGHAI PUDONG DEVELOPMENT BANK CO., LTD.
KBC BANK N.V.	SHIGA BANK, LTD. (THE)
KEB HANA BANK	SHINHAN BANK
KGI BANK CO., LTD	SHIZUOKA BANK, LTD. (THE)
KOOKMIN BANK	SKANDINAVISKA ENSKILDA BANKEN AB
LAND BANK OF TAIWAN CO., LTD.	SOCIETE GENERALE
LGT BANK AG	STANDARD CHARTERED BANK
LIVI BANK LIMITED	STANDARD CHARTERED BANK (HONG KONG) LIMITED
MALAYAN BANKING BERHAD	STATE BANK OF INDIA
MASHREQ BANK - PUBLIC SHAREHOLDING COMPANY	STATE STREET BANK AND TRUST COMPANY
MEGA INTERNATIONAL COMMERCIAL BANK CO., LTD.	SUMITOMO MITSUI BANKING CORPORATION
MELLI BANK PLC	SUMITOMO MITSUI TRUST BANK, LIMITED
MITSUBISHI UFJ TRUST AND BANKING CORPORATION	TAI SANG BANK LIMITED
MIZUHO BANK, LTD.	TAI YAU BANK, LIMITED
MORGAN STANLEY BANK ASIA LIMITED	TAIPEI FUBON COMMERCIAL BANK CO., LTD.
MOX BANK LIMITED	TAISHIN INTERNATIONAL BANK CO., LTD
MUFG BANK, LTD.	TAIWAN BUSINESS BANK, LTD.
NANYANG COMMERCIAL BANK, LIMITED	TAIWAN COOPERATIVE BANK, LTD.
NATIONAL BANK OF PAKISTAN	TAIWAN SHIN KONG COMMERCIAL BANK CO., LTD.
NATIXIS	TORONTO-DOMINION BANK
NONGHYUP BANK	UBS AG
O-BANK CO., LTD.	UCO BANK
OCBC BANK (HONG KONG) LIMITED	UNION BANCAIRE PRIVÉE, UBP SA
OVERSEA-CHINESE BANKING CORPORATION LIMITED	UNITED OVERSEAS BANK LTD.
PHILIPPINE NATIONAL BANK	WELAB BANK LIMITED
PING AN BANK CO., LTD.	WELLS FARGO BANK, NATIONAL ASSOCIATION
PING AN DIGITAL BANK (INTERNATIONAL) LIMITED	WOORI BANK
	YUANTA COMMERCIAL BANK CO., LTD
	ZA BANK LIMITED



香港存款保障委員會
HONG KONG DEPOSIT
PROTECTION BOARD