Press Release

Deposit Protection Scheme operates smoothly for 5 years

(Hong Kong, 20 September 2011) The Hong Kong Deposit Protection Board (the "Board") celebrated the 5th anniversary of the launch of the Deposit Protection Scheme (the "Scheme") on 20 September 2011. "The Scheme has had 5 years of smooth operation," said the Chairperson of the Board, Mrs Pamela Chan. "The Scheme, which aims at strengthening public confidence in the banking system and contributing to the maintenance of financial stability, has become much more robust, efficient and transparent today."

Major achievements and progress made in the key operational areas of the Scheme include:

- enhancement of the Scheme's protection limit from HK$100,000 to HK$500,000 and extension of the coverage to secured deposits, enabling 90% of depositors becoming fully protected by the Scheme;

- continuously making necessary preparations to enable the Scheme to make compensation to depositors in the event of a payout in a timely manner, including conducting simulation tests with banks and rehearsal exercises in collaboration with payout agents, upgrading payout system and enhancing the payout policies and procedures;

- strengthening the transparency of the Scheme by putting comprehensive disclosure requirements in place; and

- raising the public awareness and understanding of the Scheme by deploying extensive publicity campaigns. As compared with the inception stage, awareness of the Scheme over the years has improved by almost 10 percentage points to a high level of 76% respondents in our regular independent surveys.

At the press luncheon to celebrate the 5th Anniversary of the establishment of the Deposit Protection Scheme in Hong Kong, Mrs Pamela Chan said, "The successful establishment of the Scheme in the last five years marked an important milestone in the development of the financial safety net in Hong Kong and consolidated the status of Hong Kong as an international finance centre."

Ms Meena Datwani, the Chief Executive Officer of the Board, added, "We will continue to vigorously ensure our readiness to make compensation to depositors in case of a trigger of the Scheme. We will also be working more closely with other safety net participants in Hong Kong and overseas to ensure long term effectiveness of our deposit protection arrangements."

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Hong Kong Deposit Protection Board
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