



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

## **First Anniversary of the Launch of the Deposit Protection Scheme**

**24 September 2007**

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Hong Kong Deposit Protection Board**



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### **Outline of presentation**

- Recap on the purposes of the Deposit Protection Scheme (DPS) and the mission of the Deposit Protection Board (DPB)
- First year accomplishments
- Opinion surveys on the DPS
- Upcoming initiatives

## Purposes of the DPS

- Effective on 25 September 2006, the DPS provides protection to depositors and helps maintain stability of the banking system in Hong Kong.
- The compensation limit of the DPS is set at HK\$100,000 per depositor per Scheme member.

## Mission of the DPB

- To maintain an effective and efficient deposit protection scheme in accordance with the Deposit Protection Scheme Ordinance and in line with international practices.

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## First year accomplishments (1) Launch and Administration of the DPS

- Successful launch of the DPS on 25 September 2006
- Collection of contributions from the Scheme members for 2006 and 2007 on schedule
- The Deposit Protection Scheme Fund amounted to HK\$374 million as at end March 2007



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## First year accomplishments (2) Readiness to Payout

- Completed the engagement of payout agents. A network of service providers including an accounting firm, a law firm, an IT firm, a call center operator and a security printing company can be mobilised within 24 hours
- Completed the development of a set of payout policies and procedures
- Completed three simulation tests on the Payout System
- Planning work for the first payout rehearsal (to be conducted in Q4 2007) in progress

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## First year accomplishments (3) Compliance with Rules and Guidelines

- Conducted trial reviews of Scheme members' compliance with various statutory rules and guidelines. Compliance status found to be satisfactory
- Completed the development of mechanisms for regularly monitoring Scheme members' compliance with the rules and guidelines



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## First year accomplishments (4) Public Awareness and Understanding

- Public awareness and understanding of the DPS is critical to the effectiveness of the DPS in promoting banking system stability.
- A publicity campaign was launched to promote the DPS through the mass media:
  - > TV and radio commercials
  - > Bus, print and online advertisements
  - > Launch of a website ([www.dps.org.hk](http://www.dps.org.hk)) & an enquiry hotline: 1831 831



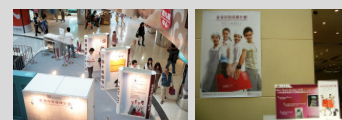
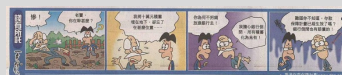
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## First year accomplishments (4) Public Awareness and Understanding

- Various educational activities were organised to reach the public:
  - > 41 exhibitions: partnered with LINK, MTRC, KCRC & Housing Authority
  - > Sponsored RTHK2 【智慧公民】 to produce a short radio drama series -- 【信心家庭】
  - > Development of a series of educational comics 【存保漫畫】 to enhance public understanding
  - > Distribution of leaflets and posters
  - > Collaboration with NGOs on souvenir distribution



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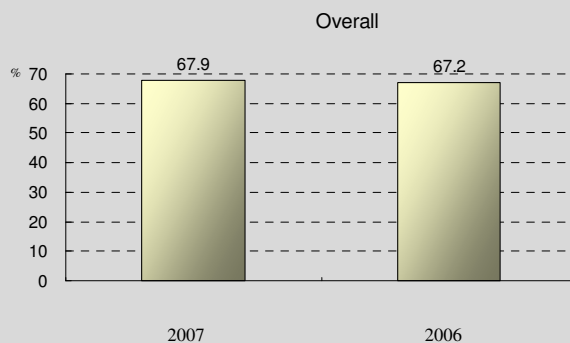
## Effectiveness of the publicity campaign Opinion surveys

- Engaged the Hong Kong Institute of Asia-Pacific Studies of the Chinese University of Hong Kong to conduct two rounds of opinion survey, in December 2006 and June 2007, to assess:
  - > Level of public awareness
  - > Knowledge and understanding
  - > Perception and behavioral changes
  - > Tracking the changes in the above aspects



## Opinion surveys: public awareness of the DPS

**Figure 1: DPS achieved 67% awareness level**





## Opinion surveys: understanding of the DPS (1)

**Figure 2: Satisfactory results on understanding of key features**

	2007	2006
"Only licensed banks are protected"	80.7	59.8
"A depositor is unable to obtain the highest compensation limit if he/she has less than HK\$100,000 in net deposits at the bank"	77.6	75.3
"The maximum amount of compensation is HK\$100,000"	76.8	71.9
"Only deposits in banks are protected"	76.3	76.3

*Note: Only the percentage of those who gave the correct answers is listed in the table.*



## Opinion surveys: understanding of the DPS (2)

**Figure 3: Areas where further educational effort is needed**

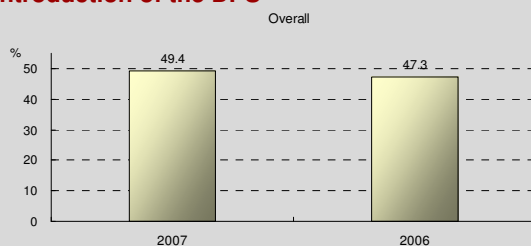
	2007	2006
"Depositors can make a claim for a deposit balance in excess of HK\$100,000 during the liquidation process"	54.8	47.0
"Compensation is calculated based on a depositor's net balance"	50.6	49.5
"Foreign currencies are eligible for protection"	30.0	30.6

*Note: Only the percentage of those who gave the correct answers is listed in the table.*



## Opinion surveys: perception and behavioral changes

**Figure 4: 49% believe bank deposits are more secure following the introduction of the DPS**

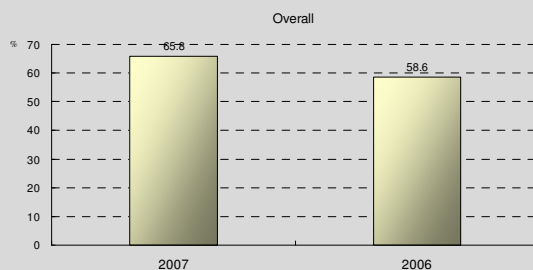


***-- Confidence in the Hong Kong banking system in general has been enhanced***



## Opinion survey: perception and behavioral changes

**Figure 5: 65% are more confident to place deposits in small to medium-sized banks following the introduction of the DPS**



***-- Confidence in the Hong Kong banking system in general has been enhanced***

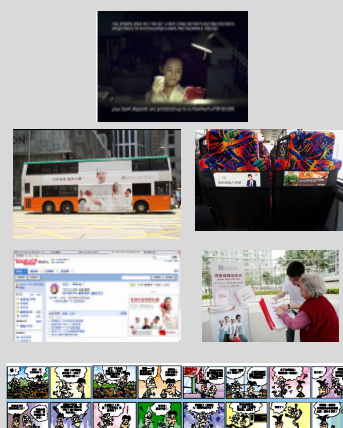
## Upcoming initiatives: publicity campaign (1)

- Maintain public awareness at a high level
- Step up effort in promoting understanding in areas of general interests where there is room for further improvement:
  - > Coverage of protection
  - > Identification of member banks and protected products
  - > Methods for calculating compensation
  - > Payout procedures
- Enhance the effectiveness of the campaign through diversifying the channels for disseminating the Board's messages

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## Upcoming initiatives: publicity campaign (2)

- Publicity activities in the pipeline:
  - > TV commercials, radio sponsorships and bus campaign
  - > 24 exhibitions at Housing Authority's sites
  - > Community and segmental outreach with NGOs
  - > Other means such as educational comics



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## Upcoming initiatives: Operational

- The Board will continue to:
  - > Maintain an efficient operation of the DPS
  - > Enhance readiness to payout through enhancing the payout system and procedures, conducting simulation tests with member banks and rehearsing with payout agents
  - > Monitor compliance of member banks with the rules and guidelines governing the operation of the DPS
  - > Monitor the coverage of the DPS, in particular on the impacts of key market developments on the coverage, e.g. popularity of structured deposits

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## Thank you

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