

## MAIN FEATURES OF THE DEPOSIT PROTECTION SCHEME



All licensed banks, unless otherwise exempted by the Hong Kong Deposit Protection Board, are required to participate in the DPS as Scheme members.



The compensation limit is set at HK\$100,000 per depositor per Scheme member.



Depositors are not required to apply for protection or compensation, eligible deposits held with Scheme members are automatically protected by the DPS.



Both Hong Kong dollar and foreign currency deposits are protected.



The DPS protects eligible deposits held in Scheme members, it does not protect term deposits with a maturity longer than 5 years, structured deposits, secured deposits, bearer instruments, off-shore deposits and non-deposit products, such as bonds, stocks, warrants, mutual funds, unit trusts and insurance policies.



A depositor's entitlement to compensation will be calculated on a net basis, i.e. the liability of the depositor will be deducted from the amount of protected deposits in determining compensation.



A DPS Fund with a target fund size of 0.3% of the total amount of relevant deposits (translating into a fund size of approximately HK\$1.3 billion) will be built up through collecting contributions from Scheme members.



Differential contributions will be assessed based on the supervisory ratings of individual Scheme members for building up the DPS Fund.