

ABOUT THE HONG KONG DEPOSIT PROTECTION BOARD

INTRODUCTION

Launched in September 2006, the DPS is a key building block in Hong Kong's financial safety net. Through the provision of a measure of protection to depositors, the DPS contributes to the stability of the banking system. The Board is a statutory body established under section 3 of the DPS Ordinance to oversee the operation of the DPS.

FUNCTIONS OF THE BOARD

Under section 5 of the DPS Ordinance, the Board's functions include assessing and collecting contributions payable by Scheme members, managing the DPS Fund, making payments to depositors in the event of a failure of a Scheme member and recovering payments made to depositors from the assets of the failed Scheme member.

PERFORMANCE OF FUNCTIONS THROUGH THE MONETARY AUTHORITY

Pursuant to section 6 of the DPS Ordinance, the Board shall perform its functions through the Monetary Authority ("MA") unless indicated otherwise by the Financial Secretary. This means the MA will act as an executive arm of the Board in administering the DPS.

The Hong Kong Monetary Authority ("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. Detailed arrangements regarding the extent of support provided by the HKMA are set out in a Memorandum of Understanding between the two organisations.

COMPOSITION OF THE BOARD

Members of the Board are appointed by the Financial Secretary, with power delegated from the Chief Executive. They come from different professions such as accounting, banking, consumer protection, insolvency law, investment, information technology and public administration. The Board currently comprises eight members including two ex-officio members representing the MA and the Secretary for Financial Services and the Treasury. Except for the two ex-officio members, all existing members were appointed or re-appointed for a two-year term on 1 July 2008.

ABOUT THE HONG KONG DEPOSIT PROTECTION BOARD

Members of the Board



Professor Andrew Chan Chi-fai



Mr Ian Chapman



Professor David Cheung Wai-lok



Mr Nicholas Peter Etches



Mr Nam Lee-yick

Chairman

Professor Andrew CHAN Chi-fai, SBS, JP
Professor Chan has been Chairman of the Board since 1 July 2004. He is Professor in Marketing and Director of the Executive MBA Programme, The Chinese University of Hong Kong.

Members

Mr Ian CHAPMAN

Mr Chapman is a Senior Consultant of Mayer Brown JSM specialising in restructuring and insolvency law.

Professor David CHEUNG Wai-lok

Professor Cheung is Head of the Department of Computer Science, The University of Hong Kong.

Mr Nicholas Peter ETCHES

Mr Etches is a former partner of KPMG with experience in accounting and insolvency practice.

Mr NAM Lee-yick

(until 30 June 2008)

Mr Nam is former Executive Director of Chong Hing Bank Limited and Vice President of Citibank N.A. He is currently Independent Non-Executive Director of Hopewell Holdings Limited and Hopewell Highway Infrastructure Limited.



Ms Elisabeth Charlotte Scott



Ms Eleanor Wan Yuen-yung



Professor Yeung Yuet-bor



Mr Y K Choi



Mr Kevin Ho Chi-ming

Ms Elisabeth Charlotte SCOTT

(until 30 March 2008)

Ms Scott is former Managing Director of Schroder Investment Management (Hong Kong) Limited and Chairman of the Hong Kong Investment Funds Association.

Ms Eleanor WAN Yuen-yung

(from 1 July 2008)

Ms Wan is Chief Executive Officer of Allianz Global Investors Hong Kong Limited and Vice Chairman of the Hong Kong Investment Funds Association.

Professor YEUNG Yuet-bor

Professor Yeung is the former Head of Information Technology of HSBC and is currently Professor of Information Systems, City University of Hong Kong.

Mr Y K CHOI, JP

Mr Choi is Deputy Chief Executive of the Hong Kong Monetary Authority. He is an ex officio member of the Board representing the Monetary Authority.

Mr Kevin HO Chi-ming, JP

Mr Ho is the Permanent Secretary for Financial Services and the Treasury (Financial Services). He is an ex officio member of the Board representing the Secretary for Financial Services and the Treasury.

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INVESTMENT COMMITTEE OF THE BOARD

The Investment Committee is established in accordance with section 7 of Schedule 2 to the DPS Ordinance. It consists of the following members:

Chairperson

Ms Eleanor WAN Yuen-yung

(from 1 July 2008)

Chief Executive Officer of Allianz Global Investors Hong Kong Limited and Vice Chairman of the Hong Kong Investment Funds Association

Mr NAM Lee-yick

(until 30 June 2008)

Former Executive Director of Chong Hing Bank Limited and Vice President of Citibank N.A.

Members

Mr Francis CHU Siu-chuen

Executive Director (Reserves Management),
Hong Kong Monetary Authority

Mr Nicholas Peter ETCHES

(from 1 July 2008)

Former partner of KPMG

Ms Elisabeth Charlotte SCOTT

(until 30 March 2008)

Former Managing Director of Schroder Investment (Hong Kong) Limited and Chairman of the Hong Kong Investment Funds Association

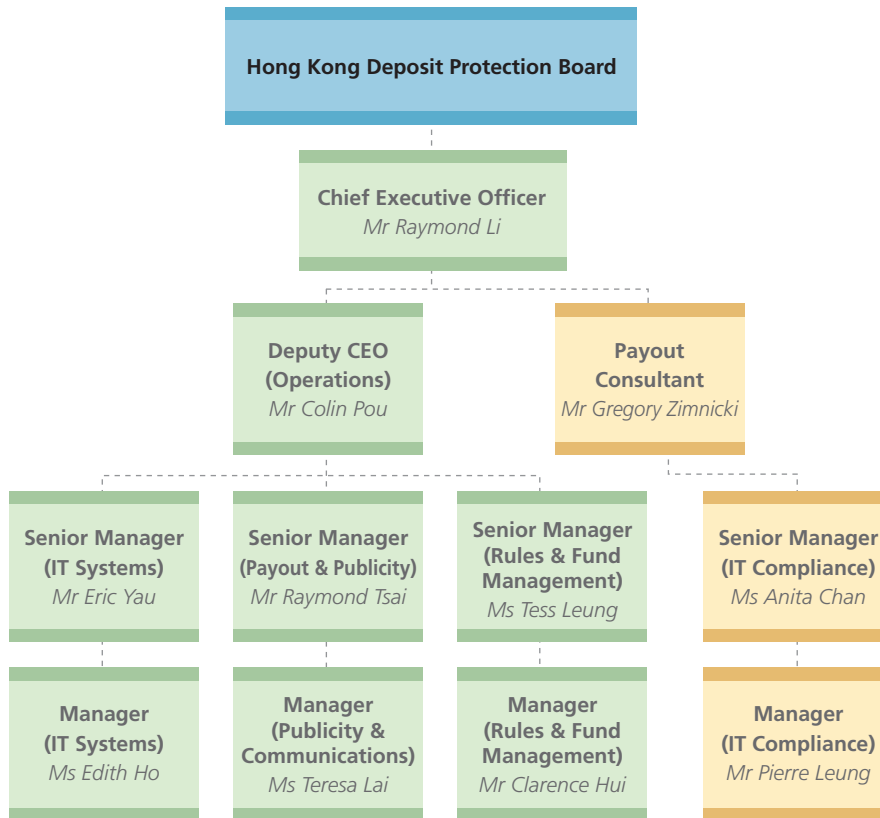
Professor YEUNG Yuet-bor

Professor, Department of Information Systems,
City University of Hong Kong

The terms of reference of the Investment Committee are:

- to make recommendations on the investment policy and strategy in respect of the DPS Fund;
- to monitor the investment performance of the DPS Fund and to establish proper risk management controls for the investment activities of the Board; and
- to work on any other matters as determined from time to time by the Board.

ORGANISATIONAL STRUCTURE OF THE BOARD (1 JULY 2008)



HKMA staff seconded to assist the Board. The emoluments of these staff members are reimbursed by the Board to the Exchange Fund.



Front row, from left to right:
Mr Gregory Zimmnicki, Mr Raymond Li, Mr Colin Pou

Back row, from left to right:
Ms Edith Ho, Mr Pierre Leung, Mr Eric Yau, Mr Raymond Tsai, Mr Clarence Hui, Ms Tess Leung,
Ms Anita Chan, Ms Teresa Lai

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CONSULTATIVE COMMITTEE ON DEPOSIT PROTECTION SCHEME

To keep the industry informed of the development of the DPS, the Board has established a Consultative Committee comprising 13 representatives of the banking industry. The Committee serves as a useful forum for the Board and the banking industry to exchange views on issues of common interest. Members of the Committee are:

Ms YIP Wai-man,

Bank of China (Hong Kong) Limited

Mr TONG Hon-shing,

The Bank of East Asia Limited

Mr Johnson LIN,

BNP Paribas, Hong Kong Branch

Mr C Y LING,

CITIC Ka Wah Bank Limited

Ms Francesca SO,

Dah Sing Bank Limited

Ms Sinna HO,

DBS Bank (Hong Kong) Limited

Mr Joseph CHO,

Hang Seng Bank Limited

Ms Diana CESAR,

The Hong Kong and Shanghai Banking Corporation Limited

Mr David CHENG,

Industrial and Commercial Bank of China (Asia) Limited

Mr Andrew LAU,

JPMorgan Chase Bank, Hong Kong Branch

Ms Maggie CHEUNG,

Mizuho Corporate Bank Limited, Hong Kong Branch

Ms TAI Kwai-heung,

Nanyang Commercial Bank Limited

Mrs Pauline LAI,

Standard Chartered Bank (Hong Kong) Limited

The Committee's terms of reference are:

- to advise the Board on the formulation of the approach and strategy to engage the banking industry in the project of establishing the DPS;
- to consider and give comments on specific policy and operational initiatives proposed by the Board that may have an impact on the banking industry; and
- to assist the Board in maintaining effective communication with the banking industry.

DEPOSIT PROTECTION APPEALS TRIBUNAL

Under the DPS Ordinance, certain decisions of the Board and the MA can be the subject of an appeal to the Deposit Protection Appeals Tribunal. These include the Board's decisions on whether a foreign bank branch can be exempted from participation in the DPS, the amount of contribution payable by a Scheme member, and the amount of compensation payable to a depositor, as well as the MA's decision to impose an asset maintenance requirement on a Scheme member.

The Tribunal was established in January 2005. Mr Simon Herbert Mayo, a former Vice-President of the Court of Appeal of the High Court, was appointed by the Chief Executive as Chairman of the Tribunal. Members of the Tribunal are appointed by the Financial Secretary from a panel of six people. The panel members are:

Chairman

Mr Simon Herbert MAYO, GBS

Members

Professor Charles David BOOTH

Professor Simon HO Shun-man

Miss Winnie LUN Pong-hing

Mrs Mabel LUI FUNG Mei-yee

Mr Rupert James PURSER

Mr James WARDELL

The current appointment of the Chairman and panel of members is for a period of three years from 14 January 2008 to 13 January 2011. Sittings of the Tribunal are convened when required.