Base scenario - deposit growth at 9% p.a.

Figures in HK$ million

Note: The target range is compared with closing balance of previous year to determine whether rebate or surcharge (@30%) applies.

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
No-loss															
Upper limit	1,950.00	2,218.98	2,566.27	2,660.61	3,008.30	3,214.48	3,527.11	3,924.83	4,174.65	4,470.38	4,821.86	5,295.75	5,982.08	6,602.61	7,282.96
Target	1,500.00	1,706.91	1,974.05	2,046.62	2,314.08	2,472.68	2,713.16	3,019.10	3,211.27	3,438.75	3,709.12	4,073.65	4,601.60	5,078.93	5,602.28
Lower limit	1,050.00	1,194.84	1,381.84	1,432.63	1,619.86	1,730.88	1,899.21	2,113.37	2,247.89	2,407.13	2,596.38	2,851.56	3,221.12	3,555.25	3,921.60
Opening balance	0.00	435.48	936.29	1,509.87	2,137.21	2,340.68	2,563.14	2,806.32	3,072.13	3,362.66	3,680.19	4,027.18	4,406.35	4,820.65	5,273.30
Premium (8 bp)/mean	435.48	474.68	517.40	536.75	75.24	82.01	89.39	97.44	106.21	115.76	126.18	137.54	149.92	163.41	178.12
Investment income	0.00	26.13	56.18	90.59	128.23	140.44	153.79	168.38	184.33	201.76	220.81	241.63	264.38	289.24	316.40
Loss	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Surcharge/(Rebate)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Closing balance	435.48	936.29	1,509.87	2,137.21	2,340.68	2,563.14	2,806.32	3,072.13	3,362.66	3,680.19	4,027.18	4,406.35	4,820.65	5,273.30	5,767.81
Insured deposits*	544,356	593,348	646,749	704,957	768,403	837,559	912,940	995,104	1,084,663	1,182,283	1,288,689	1,404,671	1,531,091	1,668,889	1,819,089
Reserve ratio	**0.08%**	**0.16%**	**0.23%**	**0.30%**	**0.30%**	**0.31%**	**0.31%**	**0.31%**	**0.31%**	**0.31%**	**0.31%**	**0.31%**	**0.31%**	**0.32%**	**0.32%**
Target reserve ratio	0.28%	0.29%	0.31%	0.29%	0.30%	0.30%	0.30%	0.30%	0.30%	0.29%	0.29%	0.29%	0.30%	0.30%	0.31%
Moderate-loss															
Upper limit	1,950.00	2,218.98	2,566.27	2,660.61	3,008.30	3,214.48	3,527.11	3,924.83	4,174.65	4,470.38	4,821.86	5,295.75	5,982.08	6,602.61	7,282.96
Target	1,500.00	1,706.91	1,974.05	2,046.62	2,314.08	2,472.68	2,713.16	3,019.10	3,211.27	3,438.75	3,709.12	4,073.65	4,601.60	5,078.93	5,602.28
Lower limit	1,050.00	1,194.84	1,381.84	1,432.63	1,619.86	1,730.88	1,899.21	2,113.37	2,247.89	2,407.13	2,596.38	2,851.56	3,221.12	3,555.25	3,921.60
Opening balance	0.00	382.18	821.70	1,325.07	1,899.52	2,352.81	2,493.98	2,643.62	2,802.24	2,970.37	3,148.60	3,337.51	3,537.76	3,750.03	3,975.03
Premium (8 bp)/mean	435.48	474.68	517.40	563.97	414.56	82.01	89.39	97.44	106.20	115.76	126.18	137.54	149.92	163.41	178.12
Investment income	0.00	22.93	49.30	79.50	113.97	141.17	149.64	158.62	168.13	178.22	188.92	200.25	212.27	225.00	238.50
Expected loss	-53.30	-58.10	-63.33	-69.03	-75.24	-82.01	-89.39	-97.44	-106.20	-115.76	-126.18	-137.54	-149.92	-163.41	-178.12
Surcharge/(Rebate)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Closing balance	382.18	821.70	1,325.07	1,899.52	2,352.81	2,493.98	2,643.62	2,802.24	2,970.37	3,148.60	3,337.51	3,537.76	3,750.03	3,975.03	4,213.53
Insured deposits*	544,356	593,348	646,749	704,957	768,403	837,559	912,940	995,104	1,084,663	1,182,283	1,288,689	1,404,671	1,531,091	1,668,889	1,819,089
Reserve ratio	**0.07%**	**0.14%**	**0.20%**	**0.27%**	**0.31%**	**0.30%**	**0.29%**	**0.28%**	**0.27%**	**0.27%**	**0.26%**	**0.25%**	**0.24%**	**0.24%**	**0.23%**
Target reserve ratio	0.28%	0.29%	0.31%	0.29%	0.30%	0.30%	0.30%	0.30%	0.30%	0.29%	0.29%	0.29%	0.30%	0.30%	0.31%
High-loss															
Upper limit	1,950.00	2,218.98	2,566.27	2,660.61	3,008.30	3,214.48	3,527.11	3,924.83	4,174.65	4,470.38	4,821.86	5,295.75	5,982.08	6,602.61	7,282.96
Target	1,500.00	1,706.91	1,974.05	2,046.62	2,314.08	2,472.68	2,713.16	3,019.10	3,211.27	3,438.75	3,709.12	4,073.65	4,601.60	5,078.93	5,602.28
Lower limit	1,050.00	1,194.84	1,381.84	1,432.63	1,619.86	1,730.88	1,899.21	2,113.37	2,247.89	2,407.13	2,596.38	2,851.56	3,221.12	3,555.25	3,921.60
Opening balance	0.00	435.48	936.29	1,509.87	524.43	-617.39	3.27	733.82	1,573.93	2,536.10	3,590.92	934.55	-1,199.11	595.10	2,139.36
Premium (8 bp)/mean	435.48	474.68	517.40	563.97	614.72	670.05	730.35	796.08	867.73	902.65	126.18	137.54	149.92	163.41	178.12
Investment income	0.00	26.13	56.18	90.59	31.47	-49.39	0.20	44.03	94.44	152.17	215.45	56.07	-95.93	35.71	128.36
Loss	0.00	0.00	0.00	-1,640.00	-1,788.00	0.00	0.00	0.00	0.00	0.00	-2,998.00	-3,269.00	0.00	0.00	0.00
Surcharge/(Rebate)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	941.73	1,740.21	1,345.15	1,038.88
Closing balance	435.48	936.29	1,509.87	524.43	-617.39	3.27	733.82	1,573.93	2,536.10	3,590.92	934.55	-1,199.11	595.10	2,139.36	3,484.72
Insured deposits*	544,356	593,348	646,749	704,957	768,403	837,559	912,940	995,104	1,084,663	1,182,283	1,288,689	1,404,671	1,531,091	1,668,889	1,819,089
Reserve ratio	**0.08%**	**0.16%**	**0.23%**	**0.07%**	**-0.08%**	**0.00%**	**0.08%**	**0.16%**	**0.23%**	**0.30%**	**0.07%**	**-0.09%**	**0.04%**	**0.13%**	**0.19%**
Target reserve ratio	0.28%	0.29%	0.31%	0.29%	0.30%	0.30%	0.30%	0.30%	0.30%	0.29%	0.29%	0.29%	0.30%	0.30%	0.31%
									surcharge in basis points			6.7	11.4	8.1	5.7

Note:

Year in which target fund size is reached

* Figures as at the beginning of the year

Sensitivity analysis - deposit growth at 11% p.a.

Figures in HK$ million

Note: The target range is compared with closing balance of previous year to determine whether rebate or surcharge (@30%) applies.

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
No-loss															
Upper limit	1,950.00	2,191.01	2,644.80	2,748.67	3,388.23	3,674.63	4,049.27	4,381.62	4,739.57	5,491.19	6,175.61	6,431.45	7,338.90	8,757.27	12,258.45
Target	1,500.00	1,685.39	2,034.46	2,114.36	2,606.33	2,826.64	3,114.82	3,370.48	3,645.82	4,223.99	4,750.47	4,947.27	5,645.31	6,736.36	9,429.58
Lower limit	1,050.00	1,179.77	1,424.12	1,480.05	1,824.43	1,978.65	2,180.37	2,359.34	2,552.07	2,956.79	3,325.33	3,463.09	3,951.72	4,715.45	6,600.71
Opening balance	0.00	435.48	945.00	1,538.26	2,206.66	2,419.98	2,654.99	2,913.99	3,199.50	3,514.31	3,861.52	4,244.56	4,657.09	5,122.99	5,645.79
Premium (8 bp)/mean	435.48	483.39	536.56	576.10	80.92	89.82	99.70	110.67	122.84	136.35	151.35	157.85	186.48	215.42	284.15
Investment income	0.00	26.13	56.70	92.30	132.40	145.20	159.30	174.84	191.97	210.86	231.69	254.67	279.43	307.38	338.75
Loss	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Surcharge/(Rebate)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,135.14
Closing balance	435.48	945.00	1,538.26	2,206.66	2,419.98	2,654.99	2,913.99	3,199.50	3,514.31	3,861.52	4,244.56	4,657.09	5,122.99	5,645.79	7,403.83
Insured deposits*	544,356	604,235	670,701	744,478	826,371	917,272	1,018,171	1,130,170	1,254,489	1,392,483	1,545,656	1,715,678	1,904,403	2,113,887	2,346,414
Reserve ratio	**0.08%**	**0.16%**	**0.23%**	**0.30%**	**0.29%**	**0.29%**	**0.29%**	**0.28%**	**0.28%**	**0.28%**	**0.27%**	**0.27%**	**0.27%**	**0.27%**	**0.32%**
Target reserve ratio	0.28%	0.28%	0.30%	0.28%	0.32%	0.31%	0.31%	0.30%	0.29%	0.30%	0.31%	0.29%	0.30%	0.32%	0.40%
Moderate-loss															
Upper limit	1,950.00	2,191.01	2,644.80	2,748.67	3,388.23	3,674.63	4,049.27	4,381.62	4,739.57	5,491.19	6,175.61	6,431.45	7,338.90	8,757.27	12,258.45
Target	1,500.00	1,685.39	2,034.46	2,114.36	2,606.33	2,826.64	3,114.82	3,370.48	3,645.82	4,223.99	4,750.47	4,947.27	5,645.31	6,736.36	9,429.58
Lower limit	1,050.00	1,179.77	1,424.12	1,480.05	1,824.43	1,978.65	2,180.37	2,359.34	2,552.07	2,956.79	3,325.33	3,463.09	3,951.72	4,715.45	6,600.71
Opening balance	0.00	382.18	829.33	1,349.95	1,953.63	2,642.63	2,801.19	2,969.26	3,147.41	3,336.26	3,536.43	3,748.62	3,973.54	4,211.95	5,221.99
Premium (8 bp)/mean	435.48	483.39	536.56	595.58	652.70	89.82	99.70	110.67	122.84	136.35	151.35	157.85	186.48	215.42	284.15
Investment income	0.00	22.93	49.76	81.00	117.22	158.56	168.07	178.16	188.84	200.18	212.19	224.92	238.41	252.72	313.32
Expected loss	-53.30	-59.17	-65.70	-72.90	-80.92	-89.82	-99.70	-110.67	-122.84	-136.35	-151.35	-157.85	-186.48	-215.42	-284.15
Surcharge/(Rebate)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	757.32	1,262.28
Closing balance	382.18	829.33	1,349.95	1,953.63	2,642.63	2,801.19	2,969.26	3,147.41	3,336.26	3,536.43	3,748.62	3,973.54	4,211.95	5,221.99	6,797.59
Insured deposits*	544,356	604,235	670,701	744,478	826,371	917,272	1,018,171	1,130,170	1,254,489	1,392,483	1,545,656	1,715,678	1,904,403	2,113,887	2,346,414
Reserve ratio	**0.07%**	**0.14%**	**0.20%**	**0.26%**	**0.32%**	**0.31%**	**0.29%**	**0.28%**	**0.27%**	**0.25%**	**0.24%**	**0.23%**	**0.22%**	**0.25%**	**0.29%**
Target reserve ratio	0.28%	0.28%	0.30%	0.28%	0.32%	0.31%	0.31%	0.30%	0.29%	0.30%	0.31%	0.29%	0.30%	0.32%	0.40%
High-loss															
Upper limit	1,950.00	2,191.01	2,644.80	2,748.67	3,388.23	3,674.63	4,049.27	4,381.62	4,739.57	5,491.19	6,175.61	6,431.45	7,338.90	8,757.27	12,258.45
Target	1,500.00	1,685.39	2,034.46	2,114.36	2,606.33	2,826.64	3,114.82	3,370.48	3,645.82	4,223.99	4,750.47	4,947.27	5,645.31	6,736.36	9,429.58
Lower limit	1,050.00	1,179.77	1,424.12	1,480.05	1,824.43	1,978.65	2,180.37	2,359.34	2,552.07	2,956.79	3,325.33	3,463.09	3,951.72	4,715.45	6,600.71
Opening balance	0.00	435.48	945.00	1,538.26	494.14	-738.11	-63.35	746.12	1,695.03	2,800.32	4,082.33	1,398.41	-1,287.18	876.07	2,902.14
Premium (8 bp)/mean	435.48	483.39	536.56	595.58	661.10	733.82	814.54	904.14	1,003.59	1,113.99	668.14	157.85	186.48	215.42	284.15
Investment income	0.00	26.13	56.70	92.30	29.65	-59.05	-5.07	44.77	101.70	168.02	244.94	83.90	-102.97	52.56	174.13
Loss	0.00	0.00	0.00	-1,732.00	-1,923.00	0.00	0.00	0.00	0.00	0.00	-3,597.00	-3,992.00	0.00	0.00	0.00
Surcharge/(Rebate)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,064.66	2,079.75	1,758.09	1,958.23
Closing balance	435.48	945.00	1,538.26	494.14	-738.11	-63.35	746.12	1,695.03	2,800.32	4,082.33	1,398.41	-1,287.18	876.07	2,902.14	5,318.65
Insured deposits*	544,356	604,235	670,701	744,478	826,371	917,272	1,018,171	1,130,170	1,254,489	1,392,483	1,545,656	1,715,678	1,904,403	2,113,887	2,346,414
Reserve ratio	**0.08%**	**0.16%**	**0.23%**	**0.07%**	**-0.09%**	**-0.01%**	**0.07%**	**0.15%**	**0.22%**	**0.29%**	**0.09%**	**-0.08%**	**0.05%**	**0.14%**	**0.23%**
Target reserve ratio	0.28%	0.28%	0.30%	0.28%	0.32%	0.31%	0.31%	0.30%	0.29%	0.30%	0.31%	0.29%	0.30%	0.32%	0.40%
									surcharge in basis points			6.2	10.9	8.3	8.3

Note:

Year in which target fund size is reached

* Figures as at the beginning of the year

Sensitivity analysis - finance cost at 7.5% of payout

Figures in HK$ million

Note: the target range is compared with closing balance of previous year to determine whether rebate or surcharge (@30%) applies.

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
No-loss															
Upper limit	2,843.00	3,306.60	3,618.94	3,812.78	4,116.11	4,628.70	4,994.63	5,515.89	5,898.32	6,531.25	7,515.44	7,927.19	8,444.94	8,846.07	9,648.72
Target	2,186.92	2,543.54	2,783.80	2,932.91	3,166.24	3,560.54	3,842.02	4,242.99	4,537.17	5,024.04	5,781.11	6,097.84	6,496.11	6,804.67	7,422.09
Lower limit	1,530.84	1,780.48	1,948.66	2,053.04	2,216.37	2,492.38	2,689.41	2,970.09	3,176.02	3,516.83	4,046.78	4,268.49	4,547.28	4,763.27	5,195.46
Opening balance	0.00	435.48	936.29	1,509.87	2,164.43	2,909.01	3,735.08	4,093.28	4,485.03	4,913.45	5,381.91	5,894.10	6,454.07	7,066.20	7,735.29
Premium (8 bp)/mean	435.48	474.68	517.40	563.97	614.72	651.53	134.09	146.16	159.31	173.65	189.28	206.32	224.89	245.12	267.19
Investment income	0.00	26.13	56.18	90.59	129.87	174.54	224.10	245.60	269.10	294.81	322.91	353.65	387.24	423.97	464.12
Loss	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Surcharge/(Rebate)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Closing balance	435.48	936.29	1,509.87	2,164.43	2,909.01	3,735.08	4,093.28	4,485.03	4,913.45	5,381.91	5,894.10	6,454.07	7,066.20	7,735.29	8,466.60
Insured deposits*	544,356	593,348	646,749	704,957	768,403	837,559	912,940	995,104	1,084,663	1,182,283	1,288,689	1,404,671	1,531,091	1,668,889	1,819,089
Reserve ratio	**0.08%**	**0.16%**	**0.23%**	**0.31%**	**0.38%**	**0.45%**	**0.45%**	**0.45%**	**0.45%**	**0.46%**	**0.46%**	**0.46%**	**0.46%**	**0.46%**	**0.47%**
Target reserve ratio	0.40%	0.43%	0.43%	0.42%	0.41%	0.43%	0.42%	0.43%	0.42%	0.42%	0.45%	0.43%	0.42%	0.41%	0.41%
Moderate-loss															
Upper limit	2,843.00	3,306.60	3,618.94	3,812.78	4,116.11	4,628.70	4,994.63	5,515.89	5,898.32	6,531.25	7,515.44	7,927.19	8,444.94	8,846.07	9,648.72
Target	2,186.92	2,543.54	2,783.80	2,932.91	3,166.24	3,560.54	3,842.02	4,242.99	4,537.17	5,024.04	5,781.11	6,097.84	6,496.11	6,804.67	7,422.09
Lower limit	1,530.84	1,780.48	1,948.66	2,053.04	2,216.37	2,492.38	2,689.41	2,970.09	3,176.02	3,516.83	4,046.78	4,268.49	4,547.28	4,763.27	5,195.46
Opening balance	0.00	355.52	764.38	1,232.65	1,767.04	2,374.92	3,064.44	3,844.57	4,327.50	4,587.15	4,862.38	5,154.12	5,463.37	5,791.17	6,138.64
Premium (8 bp)/mean	435.48	474.68	517.40	563.97	614.72	670.05	730.35	398.42	159.31	173.65	189.28	206.32	224.88	245.12	267.19
Investment income	0.00	21.33	45.86	73.96	106.02	142.50	183.87	230.67	259.65	275.23	291.74	309.25	327.80	347.47	368.32
Expected loss	-79.96	-87.15	-94.99	-103.54	-112.86	-123.02	-134.09	-146.16	-159.31	-173.65	-189.28	-206.32	-224.88	-245.12	-267.19
Surcharge/(Rebate)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Closing balance	355.52	764.38	1,232.65	1,767.04	2,374.92	3,064.44	3,844.57	4,327.50	4,587.15	4,862.38	5,154.12	5,463.37	5,791.17	6,138.64	6,506.96
Insured deposits*	544,356	593,348	646,749	704,957	768,403	837,559	912,940	995,104	1,084,663	1,182,283	1,288,689	1,404,671	1,531,091	1,668,889	1,819,089
Reserve ratio	**0.07%**	**0.13%**	**0.19%**	**0.25%**	**0.31%**	**0.37%**	**0.42%**	**0.43%**	**0.42%**	**0.41%**	**0.40%**	**0.39%**	**0.38%**	**0.37%**	**0.36%**
Target reserve ratio	0.40%	0.43%	0.43%	0.42%	0.41%	0.43%	0.42%	0.43%	0.42%	0.42%	0.45%	0.43%	0.42%	0.41%	0.41%
High-loss															
Upper limit	2,843.00	3,306.60	3,618.94	3,812.78	4,116.11	4,628.70	4,994.63	5,515.89	5,898.32	6,531.25	7,515.44	7,927.19	8,444.94	8,846.07	9,648.72
Target	2,186.92	2,543.54	2,783.80	2,932.91	3,166.24	3,560.54	3,842.02	4,242.99	4,537.17	5,024.04	5,781.11	6,097.84	6,496.11	6,804.67	7,422.09
Lower limit	1,530.84	1,780.48	1,948.66	2,053.04	2,216.37	2,492.38	2,689.41	2,970.09	3,176.02	3,516.83	4,046.78	4,268.49	4,547.28	4,763.27	5,195.46
Opening balance	0.00	435.48	936.29	1,509.87	-295.57	-2,398.32	-2,016.07	-1,527.65	-914.88	-156.94	770.06	-2,650.79	-6,748.15	-6,333.05	-5,757.91
Premium (8 bp)/mean	435.48	474.68	517.40	563.97	614.72	670.05	730.35	796.08	867.73	945.83	1,030.95	1,123.74	1,224.87	1,335.11	1,455.27
Investment income	0.00	26.13	56.18	90.59	-35.47	-287.80	-241.93	-183.32	-109.79	-18.83	46.20	-318.09	-809.78	-759.97	-690.95
Loss	0.00	0.00	0.00	-2,460.00	-2,682.00	0.00	0.00	0.00	0.00	0.00	-4,498.00	-4,903.00	0.00	0.00	0.00
Surcharge/(Rebate)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Closing balance	435.48	936.29	1,509.87	-295.57	-2,398.32	-2,016.07	-1,527.65	-914.88	-156.94	770.06	-2,650.79	-6,748.15	-6,333.05	-5,757.91	-4,993.58
Insured deposits*	544,356	593,348	646,749	704,957	768,403	837,559	912,940	995,104	1,084,663	1,182,283	1,288,689	1,404,671	1,531,091	1,668,889	1,819,089
Reserve ratio	**0.08%**	**0.16%**	**0.23%**	**-0.04%**	**-0.31%**	**-0.24%**	**-0.17%**	**-0.09%**	**-0.01%**	**0.07%**	**-0.21%**	**-0.48%**	**-0.41%**	**-0.35%**	**-0.27%**
Target reserve ratio	0.40%	0.43%	0.43%	0.42%	0.41%	0.43%	0.42%	0.43%	0.42%	0.42%	0.45%	0.43%	0.42%	0.41%	0.41%

Note:

Year in which target fund size is reached

* Figures as at the beginning of the year

Sensitivity analysis- downgrade all HK incorporated banks by one notch

Figures in HK$ million

Note: the target range is compared with closing balance of previous year to determine whether rebate or surcharge (@30%) applies.

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
No-loss															
Upper limit	2,843.88	3,099.83	3,378.99	3,683.35	4,014.55	4,375.43	4,769.18	5,199.03	5,667.13	6,176.60	6,732.14	7,338.38	7,999.54	8,718.45	9,503.82
Target	2,187.60	2,384.48	2,599.23	2,833.35	3,088.12	3,365.72	3,668.60	3,999.26	4,359.33	4,751.23	5,178.57	5,644.91	6,153.49	6,706.50	7,310.63
Lower limit	1,531.32	1,669.14	1,819.46	1,983.34	2,161.68	2,356.00	2,568.02	2,799.48	3,051.53	3,325.86	3,625.00	3,951.44	4,307.45	4,694.55	5,117.44
Opening balance	0.00	435.48	936.29	1,509.87	2,164.43	2,909.01	3,540.26	3,893.85	4,281.36	4,705.97	5,171.16	5,680.71	6,238.77	6,849.86	7,518.93
Premium (8 bp)/mean	435.48	474.68	517.40	563.97	614.72	456.70	141.18	153.88	167.73	182.83	199.28	217.22	236.77	258.08	281.30
Investment income	0.00	26.13	56.18	90.59	129.87	174.54	212.42	233.63	256.88	282.36	310.27	340.84	374.33	410.99	451.14
Loss	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Surcharge/(Rebate)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Closing balance	435.48	936.29	1,509.87	2,164.43	2,909.01	3,540.26	3,893.85	4,281.36	4,705.97	5,171.16	5,680.71	6,238.77	6,849.86	7,518.93	8,251.37
Insured deposits*	544,356	593,348	646,749	704,957	768,403	837,559	912,940	995,104	1,084,663	1,182,283	1,288,689	1,404,671	1,531,091	1,668,889	1,819,089
Reserve ratio	**0.08%**	**0.16%**	**0.23%**	**0.31%**	**0.38%**	**0.42%**	**0.43%**	**0.43%**	**0.43%**	**0.44%**	**0.44%**	**0.44%**	**0.45%**	**0.45%**	**0.45%**
Target reserve ratio	0.40%	0.40%	0.40%	0.40%	0.40%	0.40%	0.40%	0.40%	0.40%	0.40%	0.40%	0.40%	0.40%	0.40%	0.40%
Moderate-loss															
Upper limit	2,843.88	3,099.83	3,378.99	3,683.35	4,014.55	4,375.43	4,769.18	5,199.03	5,667.13	6,176.60	6,732.14	7,338.38	7,999.54	8,718.45	9,503.82
Target	2,187.60	2,384.48	2,599.23	2,833.35	3,088.12	3,365.72	3,668.60	3,999.26	4,359.33	4,751.23	5,178.57	5,644.91	6,153.49	6,706.50	7,310.63
Lower limit	1,531.32	1,669.14	1,819.46	1,983.34	2,161.68	2,356.00	2,568.02	2,799.48	3,051.53	3,325.86	3,625.00	3,951.44	4,307.45	4,694.55	5,117.44
Opening balance	0.00	351.31	755.31	1,218.01	1,746.04	2,346.70	3,028.03	3,709.11	3,931.65	4,167.55	4,417.60	4,682.66	4,963.62	5,261.44	5,577.12
Premium (8 bp)/mean	435.48	474.68	517.40	563.97	614.72	670.05	640.57	153.88	167.73	182.83	199.28	217.22	236.77	258.08	281.30
Investment income	0.00	21.08	45.32	73.08	104.76	140.80	181.68	222.55	235.90	250.05	265.06	280.96	297.82	315.69	334.63
Expected loss	-84.18	-91.76	-100.01	-109.01	-118.83	-129.52	-141.18	-153.88	-167.73	-182.83	-199.28	-217.22	-236.77	-258.08	-281.30
Surcharge/(Rebate)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Closing balance	351.31	755.31	1,218.01	1,746.04	2,346.70	3,028.03	3,709.11	3,931.65	4,167.55	4,417.60	4,682.66	4,963.62	5,261.44	5,577.12	5,911.75
Insured deposits*	544,356	593,348	646,749	704,957	768,403	837,559	912,940	995,104	1,084,663	1,182,283	1,288,689	1,404,671	1,531,091	1,668,889	1,819,089
Reserve ratio	**0.06%**	**0.13%**	**0.19%**	**0.25%**	**0.31%**	**0.36%**	**0.41%**	**0.40%**	**0.38%**	**0.37%**	**0.36%**	**0.35%**	**0.34%**	**0.33%**	**0.32%**
Target reserve ratio	0.40%	0.40%	0.40%	0.40%	0.40%	0.40%	0.40%	0.40%	0.40%	0.40%	0.40%	0.40%	0.40%	0.40%	0.40%
High-loss															
Upper limit	2,843.88	3,099.83	3,378.99	3,683.35	4,014.55	4,375.43	4,769.18	5,199.03	5,667.13	6,176.60	6,732.14	7,338.38	7,999.54	8,718.45	9,503.82
Target	2,187.60	2,384.48	2,599.23	2,833.35	3,088.12	3,365.72	3,668.60	3,999.26	4,359.33	4,751.23	5,178.57	5,644.91	6,153.49	6,706.50	7,310.63
Lower limit	1,531.32	1,669.14	1,819.46	1,983.34	2,161.68	2,356.00	2,568.02	2,799.48	3,051.53	3,325.86	3,625.00	3,951.44	4,307.45	4,694.55	5,117.44
Opening balance	0.00	435.48	936.29	1,509.87	524.43	-617.39	3.27	733.82	1,573.93	2,536.10	3,634.09	1,885.09	-147.07	1,066.04	2,465.11
Premium (8 bp)/mean	435.48	474.68	517.40	563.97	614.72	670.05	730.35	796.08	867.73	945.83	1,030.95	1,123.74	1,224.87	1,335.11	1,455.27
Investment income	0.00	26.13	56.18	90.59	31.47	-49.39	0.20	44.03	94.44	152.17	218.05	113.11	-11.77	63.96	147.91
Loss	0.00	0.00	0.00	-1,640.00	-1,788.00	0.00	0.00	0.00	0.00	0.00	-2,998.00	-3,269.00	0.00	0.00	0.00
Surcharge/(Rebate)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Closing balance	435.48	936.29	1,509.87	524.43	-617.39	3.27	733.82	1,573.93	2,536.10	3,634.09	1,885.09	-147.07	1,066.04	2,465.11	4,068.29
Insured deposits*	544,356	593,348	646,749	704,957	768,403	837,559	912,940	995,104	1,084,663	1,182,283	1,288,689	1,404,671	1,531,091	1,668,889	1,819,089
Reserve ratio	**0.08%**	**0.16%**	**0.23%**	**0.07%**	**-0.08%**	**0.00%**	**0.08%**	**0.16%**	**0.23%**	**0.31%**	**0.15%**	**-0.01%**	**0.07%**	**0.15%**	**0.22%**
Target reserve ratio	0.40%	0.40%	0.40%	0.40%	0.40%	0.40%	0.40%	0.40%	0.40%	0.40%	0.40%	0.40%	0.40%	0.40%	0.40%

Note:

Year in which target fund size is reached

* Figures as at the beginning of the year

Sensitivity analysis - weighted average premium of 7 basis points

Figures in HK$ million

Note: The target range is compared with closing balance of previous year to determine whether rebate or surcharge (@30%) applies.

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
No-loss															
Upper limit	1,950.00	2,218.98	2,566.27	2,660.61	3,008.30	3,214.48	3,527.11	3,924.83	4,174.65	4,470.38	4,821.86	5,295.75	5,982.08	6,602.61	7,282.96
Target	1,500.00	1,706.91	1,974.05	2,046.62	2,314.08	2,472.68	2,713.16	3,019.10	3,211.27	3,438.75	3,709.12	4,073.65	4,601.60	5,078.93	5,602.28
Lower limit	1,050.00	1,194.84	1,381.84	1,432.63	1,619.86	1,730.88	1,899.21	2,113.37	2,247.89	2,407.13	2,596.38	2,851.56	3,221.12	3,555.25	3,921.60
Opening balance	0.00	381.05	819.26	1,321.14	1,893.87	2,427.71	2,655.39	2,904.10	3,175.78	3,472.53	3,796.65	4,150.63	4,537.21	4,959.36	5,420.33
Premium (7 bp)/mean	381.05	415.34	452.72	493.47	420.21	82.01	89.39	97.44	106.21	115.76	126.18	137.54	149.92	163.41	178.12
Investment income	0.00	22.86	49.16	79.27	113.63	145.66	159.32	174.25	190.55	208.35	227.80	249.04	272.23	297.56	325.22
Loss	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Surcharge/(Rebate)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Closing balance	381.05	819.26	1,321.14	1,893.87	2,427.71	2,655.39	2,904.10	3,175.78	3,472.53	3,796.65	4,150.63	4,537.21	4,959.36	5,420.33	5,923.67
Insured deposits*	544,356	593,348	646,749	704,957	768,403	837,559	912,940	995,104	1,084,663	1,182,283	1,288,689	1,404,671	1,531,091	1,668,889	1,819,089
Reserve ratio	**0.07%**	**0.14%**	**0.20%**	**0.27%**	**0.32%**	**0.32%**	**0.32%**	**0.32%**	**0.32%**	**0.32%**	**0.32%**	**0.32%**	**0.32%**	**0.32%**	**0.33%**
Target reserve ratio	0.28%	0.29%	0.31%	0.29%	0.30%	0.30%	0.30%	0.30%	0.30%	0.29%	0.29%	0.29%	0.30%	0.30%	0.31%
Moderate-loss															
Upper limit	1,950.00	2,218.98	2,566.27	2,660.61	3,008.30	3,214.48	3,527.11	3,924.83	4,174.65	4,470.38	4,821.86	5,295.75	5,982.08	6,602.61	7,282.96
Target	1,500.00	1,706.91	1,974.05	2,046.62	2,314.08	2,472.68	2,713.16	3,019.10	3,211.27	3,438.75	3,709.12	4,073.65	4,601.60	5,078.93	5,602.28
Lower limit	1,050.00	1,194.84	1,381.84	1,432.63	1,619.86	1,730.88	1,899.21	2,113.37	2,247.89	2,407.13	2,596.38	2,851.56	3,221.12	3,555.25	3,921.60
Opening balance	0.00	327.75	704.66	1,136.34	1,628.96	2,189.35	2,522.03	2,673.35	2,833.76	3,003.78	3,184.01	3,375.05	3,577.55	3,792.20	4,019.74
Premium (7 bp)/mean	381.05	415.34	452.72	493.47	537.88	283.33	89.39	97.44	106.20	115.76	126.18	137.54	149.92	163.41	178.12
Investment income	0.00	19.66	42.28	68.18	97.74	131.36	151.32	160.40	170.03	180.23	191.04	202.50	214.65	227.53	241.18
Expected loss	-53.30	-58.10	-63.33	-69.03	-75.24	-82.01	-89.39	-97.44	-106.20	-115.76	-126.18	-137.54	-149.92	-163.41	-178.12
Surcharge/(Rebate)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Closing balance	327.75	704.66	1,136.34	1,628.96	2,189.35	2,522.03	2,673.35	2,833.76	3,003.78	3,184.01	3,375.05	3,577.55	3,792.20	4,019.74	4,260.92
Insured deposits*	544,356	593,348	646,749	704,957	768,403	837,559	912,940	995,104	1,084,663	1,182,283	1,288,689	1,404,671	1,531,091	1,668,889	1,819,089
Reserve ratio	**0.06%**	**0.12%**	**0.18%**	**0.23%**	**0.28%**	0.30%	**0.29%**	**0.28%**	**0.28%**	**0.27%**	**0.26%**	**0.25%**	**0.25%**	**0.24%**	**0.23%**
Target reserve ratio	0.28%	0.29%	0.31%	0.29%	**0.30%**	0.30%	0.30%	0.30%	0.30%	0.29%	0.29%	0.29%	0.30%	0.30%	0.31%
High-loss															
Upper limit	1,950.00	2,218.98	2,566.27	2,660.61	3,008.30	3,214.48	3,527.11	3,924.83	4,174.65	4,470.38	4,821.86	5,295.75	5,982.08	6,602.61	7,282.96
Target	1,500.00	1,706.91	1,974.05	2,046.62	2,314.08	2,472.68	2,713.16	3,019.10	3,211.27	3,438.75	3,709.12	4,073.65	4,601.60	5,078.93	5,602.28
Lower limit	1,050.00	1,194.84	1,381.84	1,432.63	1,619.86	1,730.88	1,899.21	2,113.37	2,247.89	2,407.13	2,596.38	2,851.56	3,221.12	3,555.25	3,921.60
Opening balance	0.00	381.05	819.26	1,321.14	253.87	-981.01	-473.20	128.00	832.25	1,641.45	2,567.54	625.67	-1,622.52	-680.56	433.22
Premium (7 bp)/mean	381.05	415.34	452.72	493.47	537.88	586.29	639.06	696.57	759.26	827.60	902.08	983.27	1,071.76	1,168.22	1,273.36
Investment income	0.00	22.86	49.16	79.27	15.23	-78.48	-37.86	7.68	49.94	98.49	154.05	37.54	-129.80	-54.44	25.99
Loss	0.00	0.00	0.00	-1,640.00	-1,788.00	0.00	0.00	0.00	0.00	0.00	-2,998.00	-3,269.00	0.00	0.00	0.00
Surcharge/(Rebate)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Closing balance	381.05	819.26	1,321.14	253.87	-981.01	-473.20	128.00	832.25	1,641.45	2,567.54	625.67	-1,622.52	-680.56	433.22	1,732.58
Insured deposits*	544,356	593,348	646,749	704,957	768,403	837,559	912,940	995,104	1,084,663	1,182,283	1,288,689	1,404,671	1,531,091	1,668,889	1,819,089
Reserve ratio	**0.07%**	**0.14%**	**0.20%**	**0.04%**	**-0.13%**	**-0.06%**	**0.01%**	**0.08%**	**0.15%**	**0.22%**	**0.05%**	**-0.12%**	**-0.04%**	**0.03%**	**0.10%**
Target reserve ratio	0.28%	0.29%	0.31%	0.29%	0.30%	0.30%	0.30%	0.30%	0.30%	0.29%	0.29%	0.29%	0.30%	0.30%	0.31%

Note:

Year in which target fund size is reached

* Figures as at the beginning of the year