

香港特別行政區政府  
財經事務及庫務局  
財經事務科  
香港夏愨道十八號  
海富中心第一座十八樓



CB(1)372/07-08(01)  
FINANCIAL SERVICES BRANCH  
FINANCIAL SERVICES AND  
THE TREASURY BUREAU  
GOVERNMENT OF THE HONG KONG  
SPECIAL ADMINISTRATIVE REGION  
18TH FLOOR  
ADMIRALTY CENTRE TOWER 1  
18 HARCOURT ROAD  
HONG KONG

電話 TEL: 2529 0121

圖文傳真 FAX: 2527 0790

本函檔號 OUR REF.:

來函檔號 YOUR REF.:

30 November 2007

Clerk to Panel on Financial Affairs  
Legislative Council  
Legislative Council Building  
8 Jackson Road  
Central  
Hong Kong  
(Attn: Ms Rosalind Ma)

Dear Rosalind,

**Impact of Banks' Branch Closure and Fee-charging on the Public**

I refer to your letter of 4 April 2007 to the Administration requesting further information on the issues raised on the subject at the Legislative Council Panel on Financial Affairs (FA Panel) meeting held on 2 April 2007. I note that the Hong Kong Association of Banks (HKAB) provided its comments on the concerned issues on 31 August 2007. I am writing to provide information on the issues relating to the Administration.

2. The Administration is fully aware of the concern of the public on the availability and accessibility of banking services. While the Administration, including the Hong Kong Monetary Authority (HKMA), liaises closely with the banking industry in exploring possible options in improving the accessibility of banking services in the community and provides appropriate facilitation, the choice of delivery channels, including opening and closing of branches, is a commercial decision for banks. The Administration considers it inappropriate to intervene in the commercial decisions of banks given that Hong Kong is a free market economy.

3. To strike a balance between the needs and interests of both the public and the banking industry, the Administration has been encouraging banks to fulfill their corporate social responsibilities and consider views and needs of their customers and potential customers, in particular those with special needs, in providing banking services through branches and other means. We encourage banks to take steps to minimize the inconvenience caused by closure of bank branches through measures like installation of automatic teller machines (ATM) as replacement and facilitation for using e-banking services. On the other hand, we welcome the banking industry to explore the feasibility of different suggestions to improve the availability and accessibility of banking facilities such as interconnecting the two ATM networks and providing mobile bank branches.

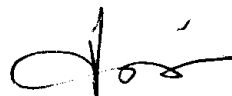
4. The Housing Authority (HA) maintains a policy of facilitating the provision of banking services in the retail facilities under its management. Except those retail facilities which are serving small neighbourhood or having banking facilities in the close proximity, the HA has designated a certain number of commercial premises in all remaining retail facilities under its management for provision of banking services. While the HA spares no effort in facilitating the banking industry to provide services at these designated premises, whether or not the premises are eventually taken up for the designated use depends on banks' interest. As of 31 October 2007, there were 50 retail facilities being managed by the HA and banking facilities were provided at 11 of them. Details of these banking facilities are shown at Annex A. In case the relevant premises are not taken up by banks for a long time, the HA will re-designate them for other uses in order to ensure that the land resource under its management is duly and efficiently utilized. There have been seven cases of re-designation of premises from provision of banking facilities to other uses as at end-October 2007.

5. To facilitate the banking industry to provide their services at the retail facilities under the HA's management, the HA welcomes banks interested in operating banking facilities in its retail premises to approach it direct to discuss the matter in detail. The Financial Services and the Treasury Bureau wrote to the HKAB in June 2007 to provide the details of the contact person in the HA in this regard.

6. The Hongkong Post (HKP) has been consulted on the suggestion from some Panel members as regards the provision of basic banking services through post offices. The HKP has reservations about providing deposit and withdrawal services in post offices. While the HKP has no objection to studying the feasibility of providing banking services at post offices should there be any relevant proposal from the banking industry, it stresses that such proposal should not adversely affect the existing quality of postal services or require cross-subsidization from postal services. If, after the feasibility study, it is subsequently decided that the HKP should provide banking services on behalf of banks, relevant legislation may need to be amended, in which case the support of the Legislative Council would be necessary.

7. At Panel members' request, the HKMA provided the relevant information on the number, location and business nature of new banking facilities at **Annex B**. Amongst the 84 bank branches opened in various districts in Hong Kong from 1 January 2006 to 31 October 2007, 56 of them provide general deposit and withdrawal services while 28 offer specific banking services by way of, for examples, personal lending centres, commercial/ small and medium enterprises centres and wealth management centres. As the specific banking services offered by these branches cater for the need of selected customer segments, many of them are located upstairs in office buildings rather than at street level.

Yours sincerely,



(Angelina Kwan)

for Secretary for Financial Services and the Treasury

- c.c. Hong Kong Monetary Authority (Attn.: Mr Raymond Chan)  
Housing Authority (Attn.: Mr Deryk Yim)  
Hongkong Post (Attn.: Mr Dan Choi)  
Hong Kong Association of Banks (Attn.: Ms Florence Hui)

**Annex A****List of banking facilities at retail facilities managed by the Housing Authority  
(Position as at 31.10.2007)**

	Name of public rental housing estate/home ownership scheme court/retail facilities	Number of on-going tenancies in banking facilities		
		ATM	ATM at convenience store	Bank
1	Fu Shan	1		
2	Hoi Lai			1
3	Kwai Hing			1
4	Kwai Chung	2		1
5	Kwai Shing West	2		
6	Lai Yiu	1		
7	Lei Muk Shue	2	1	1
8	Ping Shek			1
9	Siu Hong			1
10	Shek Yam East		1	
11	Wah Fu (I)	2		
<b>Total</b>		<b>10</b>	<b>2</b>	<b>6</b>

## Annex B

**List of new bank branches opened  
(1.1.2006 – 31.10.2007)**

District	Number of new branches opened	Number of branches by categories of services provided	
		Deposit and withdrawal services for all customers	Specific banking services for selected customer segments <sup>#</sup>
Central & Western	11	6	5
Wanchai	10	6	4
Sham Shui Po	7	4	3
Tuen Mun	6	5	1
Yau Tsim	6	4	2
Shatin	4	4	0
Kwai Tsing	4	3	1
North	4	3	1
Eastern	4	2	2
Mong Kok	3	3	0
Kwun Tong	7	3	4
Sai Kung	5	5	0
Islands	3	2	1
Wong Tai Sin	3	3	0
Southern	2	1	1
Tai Po	1	1	0
Tsuen Wan	1	0	1
Yuen Long	1	0	1
Kowloon City	2	1	1
Total	84	56	28

<sup>#</sup> Examples are personal lending centres, commercial/small and medium enterprises centres and wealth management centres. Self-service banking machines are available at some of these branches and are accessible by all customers.