

**Legislative Council Panel on Financial Affairs**  
**Impact of Banks' Branch Closure and Fee-charging on the Public**

This paper provides information on the problems facing the banking industry in setting up bank branches and automated teller machines ("ATMs") in public housing estates ("PHEs") as raised by the Hong Kong Association of Banks ("HKAB") at the Legislative Council Panel on Financial Affairs ("the Panel") meeting on 1 June 2009 and the relevant follow-up by the Housing Authority ("HA"), in response to the letter dated 2 June 2009 from the Panel.

2. We have already relayed to HA the concern of HKAB, viz. limited choice and/or unsuitable locations, rental increase, and resistance from residents of PHEs.

3. According to HA, it has divested most of its retail facilities to The Link REIT since 25 November 2005. As such, there is certain limitation in identifying suitable locations for setting up banking facilities in HA's remaining commercial facilities. This notwithstanding, HA has been assisting banks in identifying suitable locations in PHEs for setting up banking facilities through meetings and site visits. During the period from January 2008 to May 2009, HA has let 10 suitable sites to the relevant banks for provision of ATM services. HA will also carry out necessary improvement works at the relevant sites to facilitate the setting up of banking facilities. For instance, in a recent site-letting for installation of ATMs by a bank in Nam Shan Estate, HA has constructed a ramp to facilitate wheelchair users to use the banking facilities.

4. On rental, HA has let suitable locations to interested banks for provision of comprehensive banking services and ATM services by negotiation and open rental tender respectively. The relevant rental has been agreed by HA and the tenants concerned, and reflected the market condition.

5. As regards resistance from residents of PHEs, it is our understanding that in the past three years, HA has only received one case involving objection from the Estate Management Advisory Committee of Model Housing Estate to the installation of an ATM adjacent to the main entrance of a domestic housing block, in view of the possible obstruction that might be caused to shops located there.

6. We will continue to encourage the banking industry to better address the need of the underprivileged groups. In connection with the above issues, we have already relayed them to HKAB, and will suggest it follow up direct with HA and The Link.

Financial Services and the Treasury Bureau  
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