

Press release

LCQ2: Provision of bank branches and automatic teller machines

Wednesday, April 17, 2013

Following is a question by the Hon Christopher Cheung and a written reply by the Secretary for Financial Services and the Treasury, Professor K C Chan, in the Legislative Council today (April 17):

Question:

Some members of the public have relayed to me that the number of bank branches providing counter services has been decreasing continuously, causing inconvenience to their daily lives. In addition, some residents in Cheung Chau and Ping Chau have complained that as there are insufficient automatic teller machines (ATMs) on the islands and the ATMs operate on different network systems (systems), they cannot cope with the demand of residents and tens of thousands of tourists during holidays. As a result, long queues are often formed before ATMs and services of ATMs suspended from time to time due to overloading. In this connection, will the Government inform this Council:

- (a) whether it knows the respective numbers of bank branches and ATMs in Hong Kong in each of the past three years, as well as the rates of change each year;
- (b) whether it knows the ratios of Hong Kong population to the number of bank branches and ATMs in each of the past three years, with a breakdown of the number of ATMs by the 18 District Council districts and, among them, of the respective ratios of ATMs to the total numbers under the systems of Electronic Teller Card and Joint Electronic Teller Services Limited;
- (c) whether the Government has put in place measures (such as providing incentives to banks or providing space at premises of public service organisations) to ensure that basic banking services are available in a district when its population has reached a specified number; if it has, of the details; if not, the reasons for that;
- (d) whether it knows the respective numbers of residents on various outlying islands with regular ferry services, the numbers of tourists to the islands, as well as the numbers of bank branches with counter services on the islands, in each of the past three years;
- (e) whether it knows the respective numbers of ATMs (with a breakdown by system) and the person-times using ATMs on various outlying islands in the past three years, as

well as the number of occasions of service suspension; and

(f) given that some members of the public have relayed that there is almost no bank counter services on outlying islands, and the services of ATMs under individual systems are always suspended due to overloading, whether the Government will urge banks to increase the numbers of ATMs under different systems on various outlying islands with regular ferry services (in particular Cheung Chau and Ping Chau) in order to cope with the demand; if it will, of the details; if not, the reasons for that?

Reply:

President,

(a) The numbers of bank branches in the past three years are set out in Annex.

The numbers of ATMs by networks in the past three years are set out in Annex.

(b) The ratios of estimated total Hong Kong population to bank branches and ATMs in the past three years are set out in Annex.

The numbers of ATMs by networks in the past three years are set out in Annex.

The latest numbers of ATMs by districts are set out in Annex.

We do not have the number of ATMs by districts for the year 2011 and 2012.

(c) As noted in the response to part (a) of the question, the number of bank branches increased in 2010 and 2011. While there were 21 fewer bank branches in 2012, the number of ATMs has actually increased by 441 sets (including ATMs not in bank branches) over the past three years. Apart from bank branches and ATMs, we understand that EPS Company (Hong Kong) Limited, which is a consortium of 20 major banks in Hong Kong, is also providing cash withdrawal services in over 2 500 retail outlets of merchants (including major supermarkets and convenient stores). This shows that the banking industry has been adopting measures to improve availability and accessibility of cash withdrawal services.

The Hong Kong Monetary Authority (HKMA) and relevant authorities have been closely liaising with the banking industry to explore ways to help improve the availability and accessibility of banking services by, for instance, exchanging views and information on related issues with the Financial Service Delivery Channels Committee

of the Hong Kong Association of Banks. We believe that banks will select the most suitable delivery channels to provide services for their customers under a competitive operating environment in Hong Kong. Nevertheless, the provision of banking services in certain districts and the choice of delivery channels are basically a matter of commercial decisions for banks.

(d) Based on the population census conducted in 2011, the population of the Islands District is set out in Annex.

Banks have been providing teller services at bank branches in more populous outlying islands. The numbers of bank branches offering teller services in the Islands District in the past three years are set out in Annex.

Visitors visiting outlying islands include local residents and overseas visitors. The Census and Statistics Department has no available information on the number of local residents visiting outlying islands each year. As regards overseas visitors, according to the Departing Visitors Survey conducted by the Hong Kong Tourism Board, about 10% of overnight visitors to Hong Kong visited the outlying islands during their stay in the last three years. We believe that the demand of these visitors for ATM machines or teller services is not high.

(e) The latest numbers of ATMs in the Islands District are set out in Annex.

We do not have information on the transaction volume and downtime of all ATMs in the Islands District. We understand that banks generally have procedures in place to prevent service disruptions of ATMs as far as possible. Please refer to the response to part (f) below for details.

(f) As noted in the response to part (d) of the question, banks have been offering teller services in more populous outlying islands. In addition, banks generally have procedures in place to replenish cash in ATMs regularly and will make special cash replenishment arrangements for holidays and festive seasons to minimise, as far as possible, service disruption caused by cash shortage. Banks also monitor operations of ATMs, and will make arrangements to repair malfunctioned ATMs to ensure that service can be resumed as soon as possible.

We are fully aware of the needs of residents of the Islands District regarding the availability and accessibility of banking services. HKMA always encourages the banking industry, while operating on commercial principles, to take into account the needs of the public for banking services. HKMA will continue to liaise with the banking

industry to explore ways to help enhance banking services in the Islands District (including installation of more ATMs) to meet the needs of the public.

Ends