

Dated 29 April 2010

MS JANET CHONG'S RESPONSE TO LEGCO SUBCOMMITTEE
LETTER DATED 26 APRIL 2010

To the Subcommittee to Study Issues Arising from
Lehman Brothers-related Minibonds
and Structured Financial Products of the Legislative Council

Unless otherwise stated, capitalised terms in this response have the meanings ascribed in the Written Submissions of Ms Amy Yip, Chief Executive Officer of DBS Bank (Hong Kong) Ltd. dated 26 March 2010 (the "Submissions").

1 Regarding the interactive briefings conducted regularly by ISMs (paragraph 17.6 of W26(C)) from September 2003 to September 2008, please provide more information on these briefings including:

(a) whether the attendance of the sales staff at these interactive briefings was compulsory;

1.1 CB conducted various interactive meetings and briefings for different groups and for different purposes. A summary of the interactive meetings conducted, with their frequency, participants and content is provided in the following table:

Meeting	Frequency	Participants	Content
Branch morning briefing	usually daily	Branch Manager, sales staff.	Day to day sales issues at branch
Branch day-end briefing	usually daily	Branch Manager, sales staff.	Day to day sales issues at branch.
Branch Managers and District Heads meeting	weekly	District Heads, Branch Managers, ISMs If required: representatives from IPG to provide product update	Sales management, sales and operational issues
ISM meeting	weekly	ISMs. If required: representatives from IPG and GFM to provide product update.	Discuss upcoming week's investment product roll out plan; by cluster sales progress, sales & operational issues
S&D meeting	weekly	S&D Head and District Heads. If required: representatives from IPG to provide product update.	Sales and business plan and strategy, sales and operational issues
Cluster briefing	weekly or bi-weekly (depending on the district)	ISM and sales staff. If required: representatives from IPG and GFM to provide product update.	Market update and product information
Customer Services Manager Meeting	monthly	All customer services managers and representatives from CBBO.	Operational issues
People Forum	quarterly	All CB staff including sales staff.	Management messages, control and compliance, customer service
Sales and Service Conference	quarterly	Head of S&D, ISMs, District Heads, Branch Managers and sales staff. If required: representatives from IPG and GFM.	Sales related issues including new product information and compliance matters

- 1.2** Sales staff are required to attend the branch morning briefing, the branch day-end briefing, the cluster briefing, the People Forum and the Sales and Service Conference. Of course, the branch morning briefings and the branch day-end briefings take place at the branches and, consequently, all sales staff who are present at work are necessarily present at briefings.
- (b)** the average attendance rate of these interactive briefings; and
- 1.3** The exact figure is unavailable. However, the interactive briefings are very well attended.
- (c)** on average, the number of sales staff who attended at each of these interactive briefings.
- 1.4** The exact figure is unavailable. However, as noted above, the interactive briefings are very well attended.
- 2** Please advise on the number of LB-related CLN Notes sold to customers over 65 years of age; and as a percentage of the LB-related CLN Notes sold.
- 2.1** LB-related CLN Notes were sold to 303 customer accounts where at least one of the account-holders was over 65 years of age. This constitutes approximately 9 per cent. of all customers who purchased LB-related CLN Notes.