

Follow-up to the hearing on 19 October 2010

**Information (including relevant documents and records, if any)
on the following issues**

1. 請以元朗分行爲例，回答以下問題：

(a) 分行是否由一位分行經理主管？

Yes, each branch is managed by one branch manager.

(b) W40(C)第 52a 項文件列出的一個組織圖表，當中顯示銷售團隊(Sales Team) 由客戶關係經理 (Relationship Manager) 和客戶服務人員 (Customer Services Staff) 組成。可否說明爲何有這樣的組合，兩組人員之間在銷售工作上和問責方面又是什麼關係。

Relationship Managers (RMs) and Customer Services (CS) staff serve different customer segments. RMs serve our Wealth Management customers, and all RMs are registered with the HKMA as Relevant Individuals (ReIs). CS staff serve our mass market customers. All CS staff who are engaged in the sale of investment products are registered with the HKMA as ReIs.

RMs and CS staff who were registered ReIs and had completed all relevant training (please refer to paragraphs 23.1 to 23.9 of W40(C)) were allowed to be engaged in the sale of LB-related structured financial products.

Before March 2007, all RMs and CS staff reported to the Branch Managers of their respective branches, who were under the Branch Management team of Retail Banking Department.

In March 2007, Retail Banking Department split into two departments: (1) Channel Management and (2) Personal Banking and Product Management. Since then and during the Relevant Period, CS staff continued to report to the Branch Managers of their respective branches, who were under the Branch Management team of Channel Management, while RMs had dual reporting lines to both the Branch Managers and the Wealth Management team of Personal Banking and Product Management.

- (c) 根據早前提提供的資料，分行設有以下職位：櫃員(Teller)、高級櫃員(Senior Teller)、分行營運文員(Clerk - Branch Operation)、分行營運高級文員 (Senior Clerk - Branch Operation)、分行營運主任(Branch Operation Officer)、高級分行營運主任(Senior Branch Operation Officer)、及營運助理經理 (Assistant Branch Operation Manager)。請說明他們之間的從屬及問責關係；如果可以，請用圖表示明組織架構和相互之間的問責。

Please refer to **Attachment 1** for the organization chart.

- (d) 請以銷售雷曼相關產品的整個銷售過程為例，簡介上述各崗位在銷售過程中分別負責甚麼具體的工作。

Among the staff who held the positions mentioned in Question (c) above, only those who were registered ReIs and had completed all relevant training (please refer to paragraphs 23.1 to 23.9 of W40(C)) were allowed to be engaged in the sale of LB-related structured financial products.

In addition, staff holding the above mentioned positions had the following duties in relation to the sale of LB-related structured financial products:

Branch Operation Manager was required to ensure that the prospectuses and marketing materials for the sale of LB-related structured financial products were delivered to the branch before the sale of the products.

Branch Operation Manager, Assistant Branch Operation Manager, Senior Branch Operation Officer, or Branch Operation Officer acted as checker to independently inspect the transaction documents to ensure compliance with the internal procedures.

Senior Teller, Teller, Senior Clerk-Branch Operation, or Clerk-Branch Operation was responsible for inputting data of the sale transaction into the bank's computer system.

As mentioned in paragraphs 39.1 to 39.6 of W40(C), additional measures were implemented for handling vulnerable customers. Subject to various conditions, registered ReIs who had completed all relevant training and who were RM, CS staff, Branch Operation Manager, Assistant Branch Operation Manager, Senior Branch Operation Officer or Branch Operation Officer could be the second ReI to obtain the required confirmation. In addition, approval from Branch Manager was required.

To ensure the clear segregation of duties and independence of the checking procedure, ReIs who handled sale transactions with customers were not allowed to act in the same transaction as the second ReI in transactions involving vulnerable customers, or act as the checker. Also, the checker and the staff responsible for data input could not be the same person.

- (e) 他們是否全部屬於 W40(C)第 52a 項文件所提到的銷售團隊 (Sales Team)當中的客戶服務人員(Customer Services Staff)? 若是,請說明他們如何協作,推銷雷曼相關產品。除他們外,還有其他職員屬銷售團隊中的客戶服務人員嗎?若有,請說明還有什麼人員。其他分行是否也是一樣,沒有分別?

Staff holding the positions mentioned in Question (c) above were not CS staff. Please see Attachment 1 for the organization structure.

The branch organization structure was basically the same across the branch network, although the number and level of staff deployment may vary between branches depending on the clientele and resources of each branch.

- (f) 他們是否全部都是金管局註冊的有關人士（ Relevant Individuals）？

At all times, only staff who were registered ReIs and had completed all relevant training (please refer to paragraphs 23.1 to 23.9 of W40(C)) were allowed to be engaged in the sale of LB-related structured financial products.

- (g) 根據早前提提供的資料，分行亦設有營銷經理 (Sales Manager)、個人理財經理(Personal Financial Services Manager) 及主任(Personal Financial Services Officer)、高級個人理財經理 (Senior Personal Financial Services Manager) 及主任 (Senior Personal Financial Services Officer)。請說明他們之間的從屬及問責關係；如果可以，請用圖表示明組織架構和相互之間的問責。

Sales Manager belongs to the Customer Services team. Senior Personal Financial Services Manager, Personal Financial Services Manager, Senior Personal Financial Services Officer and Personal Financial Services Officer belong to the RM team. Please refer to our response to (b) above and Attachment 1.

- (h) 請以銷售雷曼相關產品的整個銷售過程為例，說明上述各崗位在銷售過程中分別負責甚麼具體的工作。

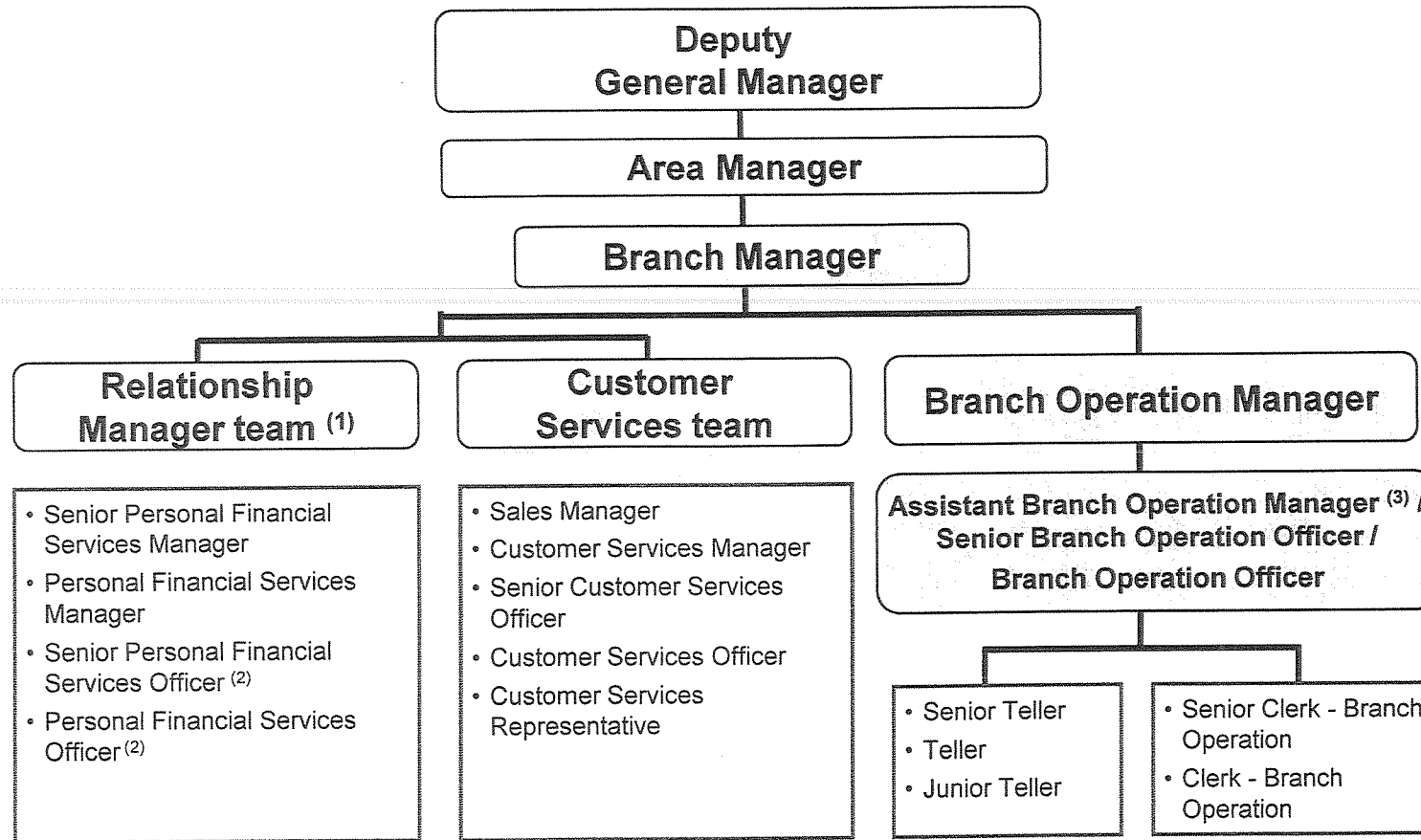
Please refer to our response to (b) above and Attachment 1.

- (i) 他們是否全部屬於 W40(C)第 52a 項文件所提到的銷售團隊 (Sales Team)當中的客戶關係經理 (Relationship Manager) ? 若是，請說明他們如何協作，推銷雷曼相關產品。除他們外，還有其他職員屬銷售團隊中的客戶關係經理人員嗎？若有，請說明還有什麼人員。其他分行是否也是一樣，沒有分別？

Please refer to our response to (b) and (g) above and Attachment 1.

Organizational Chart

Attachment 1



- (1) Starting from March 2007 and during the Relevant Period, Relationship Managers had dual reporting lines to Branch Management team and Wealth Management team.
- (2) Personal Financial Services Officer was renamed to Senior Personal Financial Services Officer since Aug 2004. In Jun 2007, the position of Senior Personal Financial Services Officer was replaced by Senior Personal Financial Services Manager or Personal Financial Services Manager.
- (3) Assistant Branch Operation Manager was renamed to Senior Branch Operation Officer since Aug 2004.

Legend:

- Solid lines denote reporting relationship.
- Positions within the same box are listed in descending order of relative seniority. They have no reporting relationship between them.