

Citibank



PRELIMINARY CLIENT INFORMATION

**on the Investment Services Offered by
Citibank Zrt.**

Effective as of 1 February 2008

List of Contents

1. INTRODUCTION

2. BASIC INFORMATION ON CITIBANK ZRT.

- 2.1. Name, seat and other contact data*
- 2.2. Languages to be used by Clients during contact with Citibank*
- 2.3. Mode and means of keeping contact with Clients, including the mode and means of sending and receiving orders*
- 2.4. Number of the licence authorising performance of investment services and of complementary investment services and name and mail address of the supervisory authority issuing such licence*

3. RULES CONCERNING CITIBANK'S OPERATION AND ACTIVITIES

- 3.1. Frequency, timing and character of the reports on the investment service activities or complementary investment service activities offered or performed for Clients*
- 3.2. Summary of the arrangements for protecting the Clients' financial instruments or cash, including information on the investor protection system available to Clients and on its operation*
- 3.3. Summary description of the Conflicts of Interest Policy*
- 3.4 Execution policy*

4. FINANCIAL INSTRUMENTS IN POSSESSION OF, OR DUE TO OUR PROSPECTIVE CLIENTS AND RULES OF THE FINANCIAL ASSET MANAGEMENT

- 4.1. Instruments under third party management, collective account*
- 4.2. Surety obligation, set-off right*

5. INFORMATION AND RISKS CONNECTED WITH THE FINANCIAL INSTRUMENT CONCERNED BY THE TRANSACTION STIPULATED IN THE AGREEMENT AND WITH THE TRANSACTION ITSELF

- 5.1. Classification of, and information to the Clients*
- 5.2. Risks associated with the financial instruments*
- 5.3. Market position of the financial instruments*
- 5.4. Volatility of the financial instrument's price and possible limitations of availability on the market*
- 5.5. Exchange rate development of the financial instrument in the period prior to the date of contract conclusion*
- 5.6. Additional costs connected with the financial instrument or with the transaction*
- 5.7. Assertion of the deposit requirement or of similar obligation connected with the financial instrument*
- 5.8. Venue of publication of the issue information in case of releasing a financial instrument*
- 5.9. Description of the single components of the compound financial instruments*
- 5.10. Detailing the nature of the guarantee in case of a financial instrument including guarantee*

6. COSTS AND FEES CHARGING THE CLIENT IN CONNECTION WITH THE CONCLUSION OF THE AGREEMENT AND OF THE SINGLE TRANSACTIONS

- 6.1. Full price*
- 6.2. Foreign exchanges, currencies, exchange rates*
- 6.3. Other payment obligations*
- 6.4. Other rules concerning the payment or the mode of execution*

1. INTRODUCTION

Dear Client,

As you may already know, the new regulations on the financial instruments' markets (Markets in Financial Instruments Directive, MiFID) entered into force in several countries of the European Union (EU) as of 1 November 2007. The Hungarian Parliament has passed the **Act CXXXVIII of 2007 on the Investment Enterprises and Commodity Stock Service Providers and on the Rules of their Activities (hereinafter referred to as "Bsztv.")** that entered into force on 1 December 2007.

The MiFID supersedes the previous EU level Investment Services Directive (ISD) and introduces new regulations for ensuring that financial service providers conduct their activities at a uniform high quality level in order to grant protection to the investors (Clients) and market transparency.

One of the most important requirements introduced by the MiFID consists in obliging investment service providers to provide detailed information in a uniform manner and with uniform content to their clients both prior to the conclusion of the investment service contract (making order) and thereafter.

In compliance with the relevant provisions of the Bsztv., Citibank Zrt. has recapitulated in this document the most important information concerning the investment services offered by us that you may need prior to use the services concerned. Of course, the information does not include any and all important information for the use of investment services, furthermore, does not include the contractual conditions of the service provision.

Please read carefully this preliminary information, before you make your investment decision. We ask you furthermore, to consider also the available information on the financial instrument and the contractual conditions of the investment service concerned in addition to this information. These latter data are to be found in the Investment Services Business Regulations of Citibank Zrt. (hereinafter: "Business Regulations") and in the attached appendices (sample contracts, list of fees).

Though utmost care was used when compiling this preliminary information, it may happen that you have questions relating to the interpretation of the data and information contained in this document or that you need some further information not included in this preliminary information for taking your investment decision. If this occurs, please do not hesitate to contact any of our colleagues working in the field of investment services or your bank contact person, who will stay at your disposal with pleasure.

We do heartily believe that the advantages resulting from the modification of the investment service activities' rules will render even more secure and comfortable for you the use of the services offered by Citibank Zrt., and we may welcome you among the large number of our contented clients.

With best regard,

Citibank Zrt.

2. BASIC INFORMATION ON CITIBANK ZRT.

2.1. Name, seat and other contact data

Name: Citibank Zrt.
Seat: 1051 Budapest, Szabadság tér 7.
Trade Registry number: Cg. 01-10-041029
Registering Court: Metropolitan Court as Court of Registration
Retail business branch: 1134 Budapest, Váci út 35.
Central phone number: 06 1 374 5000
Central telefax number: 06 1 374 5100
Phone number of CitiPhone Banking call service: 06 40 24 84 24
CitiService accessible through the central phone number: 06 1 374 5000
Mail address: 1367 Budapest, Pf. 123
Internet homepage: www.citibank.hu

(referred to hereinafter as: „Citibank” or „Bank”).

The list of Citibank’s branches offering investment services is included in the Annex of the Business Regulations.

2.2. Languages to be used by Clients during contact with Citibank

The language of Citibank contacts is Hungarian, or – upon separate agreement – also English may be used. The Business Regulations are available in Hungarian and English languages for our Clients. The Hungarian version will prevail in any dispute concerning interpretation.

2.3. Mode and means of keeping contact with Clients, including the mode and means of sending and receiving orders

Subject to the relevant terms and conditions of the agreement on the service concerned, Citibank will keep contact with its Clients in the following manners:

- in writing (delivered in first class matter or through branch delivery);
- by phone;
- by telefax;
- on other permanent data medium (e.g. in electronic mail or through other electronic channel);
- personally in the bank branch, verbally or in writing;
- through announcement (displayed in the bank branches and on Citibank’s internet homepage).

Articles I.3.3. and I.5. of the Business Regulations include detailed rules on maintaining contacts and on sending and accepting orders.

2.4. Number of the licence authorising performance of investment services and of complementary investment services and name and mail address of the supervisory authority issuing such licence

Licence number: III/41.048-9/2002.
Date of issue: 20 December 2002
Name of the supervisory authority: Hungarian Financial Supervisory Authority (hereinafter: “PSZÁF”)

Contact data of the PSZÁF:

Seat: 1013 Budapest, Krisztina krt. 39.
Central mail address: 1535 Budapest, 114. Pf. 777.
Central phone number: (36-1) 489 9100
Central telefax number: (36-1) 489 9102
Internet homepage: www.pszaf.hu

The information contained in this Section does not imply that PSZÁF would expressly recommend or recognise Citibank, its activities or the financial instrument concerned.

3. RULES CONCERNING CITIBANK'S OPERATION AND ACTIVITIES

3.1. Frequency, timing and character of the reports on the investment service activities or complementary investment service activities offered or performed for Clients

In compliance with the Bsztv., Citibank informs its Clients on the recorded transactions and on performance of the orders in account statements, performance certificates (including confirmations sent electronically or in telefax) or through sending the individual agreements.

Clients may ask that Citibank sends the individual agreements on all concluded transactions through the same delivery method as required by the Client concerned.

Citibank will issue a performance certificate on any operations performed by the Clients on their securities accounts and in the event of termination and interest payment, sending such certificate to the Client concerned in a manner to be specified by the Client. Citibank informs Clients on every transaction performed on the Clients' accounts, on the accounts' turnover and balance on monthly basis, or at intervals as agreed by the parties.

Clients have to inform Citibank immediately, should they detect any error or deficiency in the account statement, in the certificate of performance or in any other information received.

Section 5.24. of the Business Regulations include detailed rules concerning transaction reports.

3.2. Summary of the arrangements for protecting the Clients' financial instruments or cash, including information on the investor protection system available to Clients and on its operation

(a) Protection of the Clients' claims

Citibank will inform Clients upon each order, and, independently therefrom, at regular intervals on the stock of financial instruments and cash recorded on their accounts, and on the single orders and their performance.

Citibank will ensure that exclusively the Client concerned and the person(s) regularly authorised by such Client and properly registered by Citibank for this purpose, may dispose over the Client's financial instruments or cash. Citibank will use the assets being property of Clients exclusively for the purposes as instructed by the Client concerned. Citibank is not allowed to dispose over the available Client assets as over its own asset.

Citibank will grant that Clients may dispose over their financial instruments, exchange-traded instruments and cash at any time. Excepted are any cash or financial instruments deposited with Citibank by way of security by the Client, through excluding his/her right of disposal.

Clients may consent to Citibank using financial instruments due otherwise to the Client for funding transactions (e.g. loan or repo transaction) and/or to keep such financial instruments for this purpose on Citibank's own securities account or on the securities account of some other Client.

Citibank manages the financial instruments and exchange-traded instruments due to Clients on the Clients' securities account or with a clearing house or deposit manager separated from its own financial instruments or exchange-traded instruments. Any claim due to the Client cannot be used for settling a debt against Citibank's creditors.

(b) Investor protection rules

For the unexpected event, when the Clients' claims would be endangered despite of the above-described requirements, the **Investor Protection Fund** (hereinafter: "Beva") and the indemnification to be granted by it under pre-determined conditions, constitute the central institution for the protection of the investors' claims.

The indemnification has the purpose of mitigate damages suffered by Clients due to the fact that the Beva member, with which they deposited their securities or their cash, proves to be unable to satisfy their legal claims. This risk is not necessarily concomitant of the investments, but is due to the deficiencies or irregularities of the operation of the organisation performing investment services.

Clients may expect an indemnification from Beva, if they concluded a valid agreement with some Beva member (as for example with Citibank) for any of the insured activities, and the investment service provider proved to be unable to deliver to them the assets (securities or cash) recorded under their name and being in possession of such investment service provider. Indemnification may only be paid, if the agreement underlying to such claim had been concluded after joining the Beva (that is, becoming a member thereof).

Certain group of legal persons (e.g. institutional investors, local governments, economic companies permanently under full state ownership) and, from among natural persons, employees and proprietors of the investment service provider, as well as their near relatives are excluded by law from Beva insurance. Except for the range of those excluded by law, all Clients (whether legal persons, companies without legal personality or natural persons) unable to obtain their due claims fall under indemnification.

Indemnification will be established exclusively upon application made by the Client. Such application is to be presented on a standard form issued by Beva and made available free of charge for investors, to which the agreement substantiating the claim has to be attached.

If the claim of the Client, as substantiated by an agreement, complies with the data recorded by the Beva member, Beva will establish an indemnification up to the amount of such compliance. All claims of the Client deriving from investment service activities, subsisting at the Beva member concerned, are to be reckoned up when establishing the amount of indemnification.

As of 1 January 2008, if the indemnification conditions subsist, Beva will grant pecuniary reimbursement up to six million Hungarian Forints by Client and in the aggregate. For securities under joint ownership, the indemnification limit applies separately to any person being a party to the agreement substantiating the insured claim.

No indemnification is paid by Beva in the following events:

- if the organisation concluding the agreement with the Client was not a member of Beva at the time of the contract conclusion,
- if the claim is made for a bank deposit,
- if the claim is made due to the investment's depreciation,
- if the Client is excluded from the indemnification in compliance with Act CXX of 2001 on the Capital Market (hereinafter: "Tpt."),
- if the Client does not have an insured agreement, or if his/her claim does not concern delivery of a cash amount or of securities being in possession of the Beva member,
- if the Client is not figuring in the Beva member's records,
- similarly, the Beva may not pay an amount in excess of the upper limit of indemnification, established by the law,
- indemnification cannot be paid if the legal conditions do not subsist, exclusively for equity's sake.

Section I.9. of the Business Regulations, and the Tpt. include the detailed rules concerning the protection of the Clients' claims and the institution of investor protection; information is also available on Beva's internet homepage at the address: www.bva.hu.

3.3. Summary description of the Conflicts of Interest Policy

Citibank makes available a wide range of financial and investment services for its Clients. The principle of eliminating conflicts of interest allows us to avoid or to mitigate any conflicting interest between you and us and/or any third party.

During serving its Clients, Citibank intends to always proceed in compliance with the highest professional standards and norms. Clients' interests have absolute priority, therefore, Citibank's Conflicts of Interest Policy and procedural rules have been framed in a manner to grant proper protection to the Clients' interests.

Citibank's Conflicts of Interest Policy and procedural rules allow the detection of the possible conflicts of interest and their proper management by the Bank, thus granting the integrity of the business relationship established with retail and professional Clients and with eligible counterparties. All employees of Citibank have to comply with the obligations specified in the Bank's internal directives and regulations, and are not allowed to undertake even indirectly any action directly banned in such directives and regulations.

(a) Recognising conflicting interests

Citibank endeavours to properly and efficiently recognise and manage any possible conflicting interests. Following methods are applied by Citibank for managing any possible conflicts of interest: avoiding certain situations, implementing information barriers (Chinese Wall), granting the proper extent of independence and providing proper information to the Clients concerned on the existence of any conflicting interests.

(b) Conflicts of interest management

Though being far from complete, the following list presents the primary methods used by Citibank for managing existing or possible conflicts of interest:

- Citibank has an independent Compliance Department, having the task of tracing, revealing and avoiding, or, if avoidance is impossible, managing conflicts of interest;

-
- Application of procedures and systems allowing recognition of situations, where conflicting interests may emerge;
 - A system allowing tracing and limitation of the trade, including establishment of the insiders' and restriction (banning) lists;
 - A supervisory and approval system established by different committees operating in connection with the different products independently from the Bank's employees directly interested in the products' sale, covering – among others – pricing of the transaction and products, their marketing conditions and the products structure;
 - Organisational separation. This separation may be implemented physically or in other manners, including, among others, the erection of information barriers, regulation of the emoluments and/or the framework of management and supervision;
 - Supervision of the relationships within and between different business divisions having Clients competing with each other or with conflicting interests;
 - Development of internal directives and procedural orders that may grant adequate and/or equal treatment of Clients or groups of Clients;
 - Regulation by the Compliance Department of the Bank's employees' personal investment activities and external participations in order to prevent conflicts of interest between employees and Clients;
 - Training granted to the employees;
 - Regulating granting and acceptance of pecuniary and non-pecuniary allowances, including publication of such allowances to the Clients.

You are hereby kindly informed that the above-mentioned rules constitute only an incomplete summary of our conflicts of interest policy. On request, we will be pleased to supply information on any additional details of our conflicts of interest policy.

3.4. Execution policy

Citibank's Execution Policy includes the general rules granting implementation of the "best execution" principle required by the Bsztv. The Execution Policy has the purpose of ensuring that Citibank makes all reasonable measures in order to permanently grant to its Clients the most favourable execution in consideration of the execution factors and execution sites as specified in this document.

The Execution Policy should be followed during performance of all orders issued by the Clients concerning financial instruments falling under competence of the Bsztv. The Execution Policy is not applied by Citibank in the following cases:

- when the Client's order is performed from own account;
- if the Client issues definitive instructions concerning performance of his/her order;
- if the Client is qualified as an "Eligible Counterparty" under the provisions of the Bsztv.

(a) Selecting the execution venue

The followings are understood by the Bsztv. under execution venue: a regulated market within the EES (stock exchange), multilateral trading facility, broker, market maker, systematic internaliser or other person or organisation established for providing liquidity. At present, Citibank executes the order on a given transaction in a single venue for each product. This venue has been selected by Citibank under consideration of the following factors.

The execution venue list is summed up below. The retail division of Citibank Zrt. will execute the Clients' orders at the following venues:

Hungarian government bonds	Citibank's own account
Foreign government bonds, corporate bonds	Citi Fixed Income Electronic offerings (CGX) (electronic trading platform maintained by Citibank London)
Structured foreign currency bonds	Citibank N.A. London Structured Products Group
Investment funds	In compliance with the actual prevailing Information of the Fund concerned

Execution venues in respect of the corporate division of Citibank Zrt.:

Hungarian government bonds	Citibank's own account Budapest Stock Exchange
Foreign government bonds, corporate bonds	Citibank's own account
Transactions in FX derivatives	Citibank's own account

(b) What are the factors taken into consideration for granting best execution?

For the sake of delivering the best result, Citibank takes into account several factors. These include:

- exchange rate
- costs
- speed
- probability of execution and performance
- size
- nature
- type and characteristics of the financial instruments
- characteristics of the possible execution venues
- all other factors, having relevance for the execution of the order received.

Though price constitutes one of the most important factors, total value of a given transaction for the Client may also be considerably influenced by the remaining factors mentioned above. The relative importance of the single factors depends on the following properties:

- characteristics of the Client's order
- characteristics of the financial instruments concerned by the Client's order
- characteristics of the execution venues (if more than one venues are available), where the order can be executed.

Your kind attention is called to the fact that the above-described is to be construed only as a – non complete – summary of our Execution Policy. On your request, we will be pleased to supply you further details on any additional aspects of our Execution Policy.

4. FINANCIAL INSTRUMENTS IN POSSESSION OF, OR DUE TO OUR PROSPECTIVE CLIENTS AND RULES OF THE FINANCIAL ASSET MANAGEMENT

4.1. Instruments under third party management, collective account

Citibank informs the Client that the financial instrument or cash due to Client may get under management of a duly authorised domestic or foreign third party proceeding on behalf of Citibank, including also the events when such third party records the Client's claims on a collective account, together with the claims due to other Citibank Clients. In this latter case, the Clients' rights are not impaired, as Citibank – based on its records kept in compliance with the relevant legal rules – is able to state and certify at any time the securities owned by the Client concerned.

The Hungarian legislation applies to securities under deposit management in Hungary, while the legislation of the foreign country concerned will be applicable to securities deposited and managed abroad.

Citibank will not be liable for any payment obligations based on securities issued by others, including the payment of the face value, the interests, taxes and other public dues, or other related actions – except as provided for in the agreement concerned.

The inclusion of third parties implies also clearing risks, as upon expiry, proprietors of such securities may receive the money assets due to them only upon reception by Citibank of such money from the issuer. This may result in reception of the due amounts by the securities' owners after the established maturity date.

Section I.2.5. of the Business Regulations, as well as the information on the financial instrument concerned include detailed regulations concerning procedures by the collaborating third party.

4.2. Surety obligation, set-off rights

Sureties

All money amounts (cash or account money), securities (whether in printed form or dematerialized), assets and rights constituting property of the Clients or otherwise due to them and getting into Citibank's possession serve as surety for guaranteeing any claims of Citibank against the Client concerned, except if parties agree upon separately in respect of any asset stipulating that it may be used exclusively for determined purposes.

Assertion of the surety's rights

In the event when the Client fails to settle any claim of Citibank subsisting against such Client despite of Citibank's relevant summons, Citibank will be entitled to satisfy the Client's matured debts directly from the surety, against rendering accounts with the Client.

Right of retention

Citibank will be authorised to delay delivery of the securities or money assets deposited with it until full payment of any fees, commissions, costs to be charged separately and of default interests, as well as until reimbursement of any other claims or damages upon execution (partial execution) of the purchase order concerning financial instruments, unsuccessful (or partially unsuccessful) execution of a selling order, termination of the agreement on securities deposit management, securities management, securities account or client account, furthermore upon provision of any services performed on behalf of or on instruction of the Client.

Set-off right

Citibank is authorised to deduct from the amount of the purchase price received on behalf of the Client or from the purchase price transferred by the Client the amount of any commissions, management fees, costs to be charged separately, purchase price or other pecuniary claim, default interest and the amount of any losses suffered due to reasons imputable to the Client, during payment (repayment) to the Client. Citibank is also authorised to debit the Client's client account or any other bank account kept with Citibank or current account with the amount of any matured debts of the Client, independently from what was the reason giving raise to the debt.

Section I.7. of the Business Regulations include detailed rules connected with the surety obligation and with the set-off right.

5. INFORMATION AND RISKS CONNECTED WITH THE FINANCIAL INSTRUMENT CONCERNED BY THE TRANSACTION STIPULATED IN THE AGREEMENT AND WITH TRANSACTION ITSELF

5.1. Classification of, and information to the Clients

According to the provisions of the MiFID and of the Bsztv., Clients are ranked into three categories: retail clients, professional clients and eligible counterparties.

Eligible counterparties are professional partners treated by Citibank Zrt. as peers, extending them the lowest level of protection during the transactions concluded. Only general principles are applicable to the preliminary information of such Clients and the Execution Policy is not even applicable to them.

The classification of **professional client** is granted basically to credit institutions, investment service providers, financial enterprises, insurance companies, certain distinguished government institutions and enterprises ("distinguished enterprises") complying with at least two of the conditions specified below:

- their balance sheet total amounts to at least EUR 20 million,
- net sales revenues amount to at least EUR 40 million,
- their equity amounts to at least EUR 2 million.

In addition, any retail client may apply for being reclassified as professional client, if complying with at least two of the conditions specified below:

- having completed at least 10 transactions, amounting each at least to EUR 40,000, during the recent 3 months, or transactions totalling at least EUR 400,000 during the year concerned,
- the value of his/her portfolio of financial instruments and stock of deposits exceeds EUR 500,000,
- having at least one year professional experience in a financial field that connotes knowledge in connection with the financial instruments and investment service activities included in the agreement to be concluded between the Bank and the Client.

Professional clients are granted medium level protection: their pre-transaction information is less comprehensive than information granted to retail clients.

All other clients are qualified as **retail clients**, granted therefore the highest level of protection. Beyond extending detailed information, Citibank also assesses the retail clients' professional knowledge and experience in an Appropriateness Test, for being able to offer the most appropriate products and services to the Client concerned.

5.2. Risks associated with the financial instruments

Financial instruments (investments) are exposed to different risks and their yield cannot be usually predicted at the time of the contract conclusion, even if some historical data are available on the financial instrument concerned. It is important to note that any available data on a given financial instrument's previous performance in no circumstances implies a guarantee for the future performance of the financial instrument concerned.

The main risk characterising a financial instrument consists in the possibility that the financial instrument might not grant the same performance that could be expected by the Client based on the available information at the time of the transaction's conclusion.

Financial instruments are not term deposits, their value and their proceeds may be lower as compared to the time of investment, and therefore the investments are exposed to risks implying also the loss of the invested principal amounts or of a part thereof. In the case of foreign exchange based financial instruments, also the changes of the exchange rates may influence the investment's value expressed in Hungarian Forints.

The so-called leverage transactions, where the Client has to make available only a part of the total amount required for the acquisition of the financial instrument concerned at the time of contract conclusion and to pay the total amount only upon settlement of the transaction or at a later date, imply even higher risks. Due to disadvantageous changes occurring in the market in the meantime, this may even result in the Client losing an amount exceeding by several times the amount invested.

Liquidity of certain securities or of the underlying instruments may be limited and they may be exposed to extreme exchange rate changes. Any delays of the system clearing the different securities may frustrate the execution of the connected transactions.

5.3. Market position of the financial instruments

The market position of the single financial instruments may usually change within short time and even considerably. Such changes may be beneficial but also disadvantageous for the investors. The market position depends – among others – on the financial instrument's economic and legal characteristics, on the issuer and on the financial and capital markets, on which the financial instrument concerned is traded or sold.

5.4. Volatility of the financial instrument's price and possible limitations of availability on the market

Volatility is a species of index for measuring the financial instrument's risks, allowing making presumptions concerning changeability of the financial instrument's exchange rate. The higher is the volatility of a financial instrument's exchange rate, the higher is the exchange rate fluctuation of the financial instrument concerned, and the higher is the risk borne by investors investing in the given financial instrument. The volatility depends – among others - on the financial instrument's economic and legal characteristics, on the issuer and on the financial and capital markets, on which the financial instrument concerned is traded or sold. Data concerning volatility of a certain financial instrument's price (exchange rate) at a certain date or prior to it (in the past) do not allow necessarily drawing of reliable conclusions on the future volatility of the given financial instrument's price (exchange rate), therefore, information concerning the future volatility is usually based on estimates and may not constitute a guarantee for the investor.

Certain financial instruments may be traded on markets, the availability of which markets may be restricted to investors in certain periods or subject to subsistence of certain conditions.

5.5. Exchange rate development of the financial instrument in the period prior to the date of contract conclusion

The exchange rate of the single financial instruments may usually change within short time and even considerably. Such changes may be beneficial but also disadvantageous for the investors. The extent and the sense (advantageous or disadvantageous) of the exchange rate changes, as well as the probability of their occurrence depends – among others - on the financial instrument's economic and legal characteristics, on the issuer and on the financial and capital markets, on which the financial instrument concerned is traded or sold. Data concerning the exchange rate of a certain financial instrument at a certain date or prior to it (in the past) do not allow necessarily drawing of reliable conclusions on the future exchange rate of the given financial instrument, therefore, information concerning the future exchange rate is usually based on estimates and may not constitute a guarantee for the investor.

5.6. Additional costs connected with the financial instrument or with the transaction

It may occur that, due to the transaction, financial covenants and further connected obligations – also including contingent obligations – concerning the given financial instrument, Clients shall expect additional payment obligations beyond the costs of the financial instrument's acquisition.

5.7. Assertion of the deposit requirement or of similar obligation connected with the financial instrument

The financial instrument or the money assets due to the Client may get under management of a duly authorised domestic or foreign third person, including also the cases, when such third person keeps the claims of the given Client on a collective account together with the claims due to Citibank's other Clients.

5.8. Venue of publication of the issue information in case of releasing a financial instrument

The documents – Information and Management Regulations, Final Terms and Conditions and Public Offer – on the financial instruments issued by domestic or foreign issuers and sold by Citibank are available on the homepage of the issuer concerned. In addition, the above-mentioned documents are also accessible free of charge in Citibank's branches.

5.9. Description of the single components of the compound financial instruments

It may occur that the risks associated with a financial instrument composed of more than one component exceeds the aggregate of the single components' risks.

5.10. Detailing the nature of the guarantee in case of a financial instrument including guarantee

Principal protected bonds marketed by Citibank are designed in a manner that the yield depends on the changing performance of a money market, while the invested principal is guaranteed. The principal protection has certain costs, usually constituting in the risk of the failure of interest income during the financial instrument's period and a different, possibly even lower, return as compared to a direct investment into a money market variable.

It is important to know that, in the case of similar financial instruments, the principal protection does not cover any yield or its amount, but concerns exclusively the principal invested and only in the event, when the Client maintains the bond until the end of the period. Failing which, the Client puts at risk not only the yield of the bond, but also a part (or the entire amount) of the invested principal.

The repayment obligation connected with principal protected bonds is not undertaken by Citibank, marketing such bond, but in each case by the issuer of the bond concerned and is guaranteed by a third person specified in the issue documents.

6. COSTS AND FEES CHARGING THE CLIENT IN CONNECTION WITH THE CONCLUSION OF THE AGREEMENT AND OF THE SINGLE TRANSACTIONS

6.1. Full price

The full price of the investment services granted by Citibank includes any and all costs to be borne by Client in connection with the acquisition and holding of the financial instrument, with the conclusion, maintenance and execution of the contract, including any fees, commissions (by financial instruments and by transactions), contributions and taxes withheld or reckoned by Citibank.

Citibank supplies information on the different components of the full price charging the Client in the List of Tariffs attached to the Business Regulations and in the current List of Conditions that are available on Citibank's internet homepage and also in Citibank branches.

In compliance with the List of Tariffs, the full price includes following types of costs: circulation fee, commission, transfer fee, securities account management fee, purchase commission, redemption commission. In addition, also an interest tax is charged to Clients on the basis of the prevailing taxation rules and under the conditions specified therein, calculated, deducted and returned by Citibank.

6.2. Foreign exchanges, currencies, exchange rates

As regards financial instruments and money assets issued in a currency other than Hungarian Forint, Clients may obtain information on the denomination of the different foreign exchanges and currencies, on the applicable exchange rates and on the conversion costs.

6.3. Other payment obligations

Subject to the concrete financial instrument, to the transaction concerned and to the related contractual conditions, it may occur that costs or tax payment obligations of the Client emerge in connection with the contracted financial instrument, which are not settled through Citibank. A similar tax payment obligation is, among others, the tax imposed on the exchange rate gain, not calculated, deducted and returned by Citibank.

6.4. Other rules concerning the payment or the mode of execution

The additional rules concerning the payment or the mode of execution are included in the Business Regulations and in the List of Tariffs constituting an attachment thereof. It may happen that Citibank (as distributor) and Citibank's employees or agents are granted a consideration, receiving a commission or other remuneration in connection with the purchase of the financial instrument by the Client.