
CITIBANK NRI

INDIA BASED DEPOSITS, RUPEE CHECKING ACCOUNTS AND FOREIGN EXCHANGE CONTRACTS

Foreign Currency Non Resident Bank Deposit
Non-Resident Indian Deposit
Rupee Checking Account – Savings Account
Rupee Checking Account – Current Account
Foreign Exchange Transaction
Forward Exchange Contract

PRODUCT DISCLOSURE STATEMENT
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Issued by

**Citibank, N.A. India Branch ABN 34 072 814 058 (arranged by Citibank Pty Limited ABN 88 004
325 080 AFSL No. 238098)**

IMPORTANT INFORMATION

This Product Disclosure Statement (**PDS**) covers each of the India Based Deposits, Rupee Checking Accounts and Foreign Exchange Contracts. Citibank's India Based Deposits, Rupee Checking Accounts and Foreign Exchange Contracts will be issued to you by Citibank, N.A., India Branch (**Citibank**). In Australia, the issue of these products is arranged by Citibank Pty Limited ABN 88 004 325 080.

Neither Citibank Pty Limited, nor any other member of Citigroup or branch of Citibank, N.A., other than the India branch is in any way liable to repay your investment or for any other aspects of your India Based Deposit, Rupee Checking Account or Foreign Exchange Contracts. Please refer to the *About Citibank* section in this PDS for more information.

The products covered by this PDS are only available in Australia to persons who meet the criteria set out in the *Key Features* section for more information.

The terms and conditions of the India Based Deposits, Rupee Checking Accounts and Foreign Exchange Contracts will be made available to you at the time of application. It is important that you read the terms and conditions for each product before making a decision to invest. Please refer to the *Terms and Conditions* section of this PDS.

If you have any questions about the India Based Deposits, Rupee Checking Accounts or Foreign Exchange Contracts, please contact a Relationship Manager at the NRI Service Centre by calling 1 800 252 856 (within Australia) or 61 2 8225 0500 (from overseas). Relationship Managers are representatives of Citibank Pty Limited.

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DISCLOSURES

Product Disclosure Statement: This PDS has been prepared by Citibank. This PDS has not been lodged with the Australian Securities and Investments Commission (**ASIC**) and is not required by the *Corporations Act 2001* to be lodged with ASIC. Citibank will notify ASIC that this PDS is in use in accordance with section 1015D of the *Corporations Act 2001*. ASIC takes no responsibility for the contents of this PDS.

General Advice and Investment Decisions: Any advice provided in this PDS is general advice only. This PDS does not take into account the investment objectives, financial situation and particular needs of each reader. Accordingly, nothing in this PDS should be construed as a recommendation by Citibank, or any associate of Citibank or any other person, concerning an investment in the India Based Deposits, the Rupee Checking Accounts or Foreign Exchange Contracts. Readers should seek their own independent financial and taxation advice before investing in these products. No person is authorised by Citibank to give any information or to make any representation not contained in this PDS. Any information or representation not contained in this PDS must not be relied upon as having been authorised by or on behalf of Citibank.

Jurisdiction and Selling Restrictions: This PDS is not an offer or invitation in relation to the India Based Deposits, the Rupee Checking Accounts or Foreign Exchange Contracts in any place in which, or to any person to whom, it would not be lawful to make that offer or invitation. The distribution of this PDS outside Australia may be restricted by the laws of places where it is distributed and therefore persons into whose possession this document comes should seek advice on and observe those restrictions. Failure to comply with relevant restrictions may violate those laws.

KEY FEATURES

Product Availability

The India Based Deposits, Rupee Checking Accounts and Foreign Exchange Contracts are only available in Australia to individuals who qualify for Non-Resident Indian status.

Consistent with the current Reserve Bank of India guidelines these products are not available to corporations or trusts or to Australians who are not Non-Resident Indians. Nor are these products available to Resident Indians except that accounts designated as Non-Resident Ordinary Accounts can be held as a joint account between a Non-Resident Indian and a Resident Indian.

When applying for India Based Deposit, Rupee Checking Account or Foreign Exchange Contracts, you represent to Citibank that you are a person to whom these products may be made available in Australia.

Non-Resident Indian Status

A Non-Resident Indian means an individual resident outside of India who is a citizen of India or is a Person of Indian Origin.

A Person of Indian Origin is an individual who is a citizen of any country other than Bangladesh or Pakistan:

- who has at any time held an Indian passport
- who was a citizen of India by virtue of the Constitution of India or the Citizenship Act, 1955 (57 of 1955)
- whose parents or any of his or her grand-parents was a citizen of India by virtue of the Constitution of India or the Citizenship Act, 1955 (57 of 1955) or
- is a spouse of an Indian citizen or a person referred to above.

Indian citizens who are carrying out an assignment or working outside India for international organisations like the UN or working on behalf of the Government of India are considered Non-Resident Indians. Indian students who are studying outside India also qualify.

Non-Resident Indians are treated as Resident Indians when they return to India with the intent of carrying out employment and/or a business or vocation leading to an indefinite period of stay in India.

Citibank may close your India Based Deposit, Rupee Checking Account or Foreign Exchange Contract if you become a Resident Indian. You must advise Citibank of a change in your status as soon as possible. You will be offered a range of deposit options that are suitable for Resident Indians.

Non-Resident External/Non-Resident Ordinary

Each of the Citibank Non-Resident Rupee Term Deposit (except for the Foreign Currency Non-Resident Bank Deposit) and Rupee Checking Accounts is available in 2 account types:

- Non-Resident External Account (**NRE**)
- Non-Resident Ordinary Account (**NRO**)

Your choice of NRE or NRO account type will depend on:

-
- your anticipated source of funds – income sourced in India may not be deposited in an NRE account
 - any joint account holding – you may not hold a joint NRE account with a Resident Indian
 - your repatriation requirements – there are limits on your ability to access your funds in an NRO account from outside India.

The table below may help you to determine whether an NRE or NRO account type will be suitable for you.

Source of Funds	NRE Account Type	NRO Account Type
Foreign currency (non Rupee) from outside of India.	Yes	Yes
NRO type account with another bank in India.	No	Yes
FCNR type account with another bank in India	Yes	Yes
NRE type account with another bank in India.	Yes	Yes
Income from within India eg. Rental/dividends	No	Yes
Joint Account		
with Resident Indian	No	Yes
with Non-Resident Indian	Yes	Yes
Repatriation	Fully repatriable – all principal and interest	Partly repatriable in accordance with the Reserve Bank of India guidelines

India Based Deposits

India Based Deposits are term deposit accounts held in the Indian branch of Citibank. In Australia, Citibank offers three types of India Based Deposits:

- **Foreign Currency Non-Resident Bank Deposit (FCNR Deposit)**
- **Non-Resident Indian External Deposit (NRE Term Deposit)**
- **Non-Resident Indian Ordinary Deposit (NRO Term Deposit)**

Summary of Key Features

Key features	India Based Deposits		
	FCNR Deposit	NRE Term Deposit	NRO Term Deposit
Available currencies	British Pound, Euro, Japanese Yen, and United States Dollar.	Indian Rupee.	Indian Rupee.
Minimum investment	US\$ 5,000 or equivalent.	US\$5,000 equivalent.	US\$5,000 equivalent.
Investment term	From 1 to 3 Years	From 1 to 3 Years	from 30 days to 5 years
Interest rate	Fixed.	Fixed. Choose simple or compound interest.	Fixed. Choose simple or compound interest.
Payment of interest	Accrues monthly and paid on maturity.	Accrues monthly. Compound interest paid on maturity. Simple interest paid quarterly.	Accrues monthly. Compound interest paid on maturity. Simple interest paid quarterly.
Reinvestment	Automatic unless instructed otherwise.	Automatic unless instructed otherwise.	Automatic unless instructed otherwise.
Repatriation	All principal and interest.	All principal and interest	Limited repatriability in accordance with the Reserve Bank of India guidelines.
Joint Holding	Only with Non-Resident Indians.	Only with Non-Resident Indians.	With Resident Indians or Non-Resident Indians.
Deposits	From outside India. From within India – only from an FCNR/NRE style account.	From outside India From within India – only from an FCNR/NRE style account.	From outside India. From within India: <ul style="list-style-type: none">• From FCNR/ NRE or NRO style account• from Indian income sources
Taxability in India	Interest exempt from Indian Income Tax	Interest exempt from Indian Income Tax	Interest taxed in accordance with the India Income Tax Law

Rupee Checking Account

The Rupee Checking Account (**RCA**) is an at-call transaction account held in the Indian Branch of Citibank. In Australia, Citibank offers the following types of RCA:

- Rupee Checking Account - Savings Account– NRE and NRO;
- Rupee Checking Account - Current Account – NRE and NRO;

Your RCA offers you the facilities to send money to your loved ones in India, pay for your financial obligations in India, have access to your funds anywhere in the world (for NRE Accounts only) providing a ready source of funds for your immediate cash needs.

If you are looking for a day-to-day transaction account that gives you flexibility, convenience and choice, then look no further.

Summary of Key Features

Features	RCA (Savings) – Both NRE & NRO type Account	RCA (Current) – Both NRE & NRO type Account
Free transactions per month (including transfers into your RCA)	Unlimited	Unlimited
Minimum opening balance	US\$1,000 or equivalent	US\$250 or equivalent
Funds at call	✓	✓
Access		
Free ATM	✓	✓
Cheque book	✓	✓
Over the counter facilities	✓	✓
Phone banking	✓	✓
Internet	✓	✓
Written Instructions	✓	✓
Interest		
Credited into your RCA on a semi-annual basis	✓	No interest payable
Statements		
Electronic Statement (Quarterly)	✓	✓
Paper statement (Annually)	✓	✓

Foreign Exchange Contracts

Foreign Exchange Contracts provide you with a way of managing risks and capitalising on the opportunities associated with foreign currency markets. There are three product alternatives:

- **Foreign Exchange Transaction**
- **Forward Exchange Contract**

A Foreign Exchange Transaction is a contract between Citibank and you to exchange a specified amount in one currency for another currency at the prevailing foreign exchange rate quoted by Citibank at the time of entry into the transaction. All Foreign Exchange Transactions will be settled within two business days.

A Forward Exchange Contract is a contract between Citibank and you to exchange a specified amount in one currency for another currency at a specified foreign exchange rate on your selected settlement date. This is available for you to hedge (if required), your currency exchange risk arising on the maturity of the FCNR Deposit and NRE Term Deposit, as permissible under Indian regulations.

Key features	Foreign Exchange Contracts
Available currencies *	British Pound, Euro, Japanese Yen, United States Dollar and Indian Rupee. Other currencies are also available for Foreign Exchange Transactions. Please contact a Relationship Manager for more information.
Minimum investment	No minimum investment.
Term	Foreign Exchange Transaction Settled within two business days. Forward Exchange Contract From three business days up to the tenor of the underlying FCNR Deposit or NRE Term Deposit. If your source account is a FCNR Deposit or NRE Term Deposit, your settlement date will be the same as the maturity date of your FCNR Deposit or NRE Term Deposit.
Source account	You must hold a deposit account with Citibank

* The availability of any of the above currencies is subject to change without notice. You should contact your Relationship Manager to obtain the latest information before investing.

CITIBANK RUPEE NON-RESIDENT TERM DEPOSITS

Introduction

Citibank offers two types of Rupee Non-Resident Term Deposits under this PDS. They are the Citibank Non-Resident External Term Deposit (**NRE Term Deposit**) and Citibank Non-Resident Ordinary Term Deposit (**NRO Term Deposit**).

Citibank Non -Resident External Term Deposits (NRE Term Deposit)

NRE Term Deposits are only available in Indian Rupees. You can choose from an investment term of 1 to 3 years. You should confirm the availability of your investment term at the time of deposit.

You can open an NRE Term Deposit in respect of:

- freely convertible foreign currency transferred from outside of India
- funds transferred from other Non-Resident External or FCNR deposits held with an authorised dealer in India.

The funds you invest and the interest you earn are full repatriable.

You may invest in a NRE Term Deposit under a joint account holding. The person you invest with must be a Non-Resident Indian.

Citibank Non Resident Ordinary Term Deposit (NRO Term Deposit)

NRO Term Deposits are only available in Indian Rupees. The investment term can range from a minimum term of 30 days to a maximum term of 5 years. You should confirm the availability of your investment term at the time of deposit.

This product is available for:

- freely convertible foreign currency derived from outside of India;
- income derived from within India;
- funds transferred from a Foreign Currency Non Resident, Non Resident External or Non Resident Ordinary type account held with an authorised dealer in India; or
- funds derived partly from within and partly from outside of India.

Funds invested and interest derived from the NRO Term Deposit are partly repatriable.

You may invest in a NRO Term Deposit under a joint account holding. The person you invest with can be either an Indian resident or non-resident.

Minimum Investment

The minimum investment for opening a NRE Term Deposit or NRO Term Deposit is the Rupee equivalent of US\$5,000 at the time of deposit.

Your investment, including your minimum investment, is held in increments of US\$1,000 Rupee equivalents. The advantage of this product feature is that it allows you to conduct an early withdrawal in smaller units instead of breaking the entire term deposit if there is an urgent need for your funds.

Interest Rates

The interest rate that will apply on your NRE Term Deposit or NRO Term Deposit is determined by Citibank taking into account the guidelines prescribed by the Reserve Bank of India and will be fixed for your investment term. Please contact your NRI Relationship Manager or visit www.citinri.com to obtain the latest rates.

On your application form, you may elect to have your interest calculated as simple interest or compounding interest. If you elect compounding interest, your interest will be compounded on a quarterly basis and paid to you on maturity in accordance with your instructions. If you elect simple interest, your interest will be paid to you every quarter. The quantum of interest payable each quarter will reflect the numbers of days in that quarter.

Interest will be paid to you in accordance with the instructions you provide us. For example, you may request a demand draft or telegraphic transfer to a nominated account. The interest you earn on your NRE Term Deposit and NRO Term Deposit is subject to a minimum investment term of the lesser of 1 year or the term of your deposit. If you make an early withdrawal before the minimum investment term you will forfeit your interest entitlement.

Example 1 - Compound and Simple Interest

Sunil has chosen to invest in NRE Term Deposit with the following investment parameters:

Date of Deposit: 26 February 2003

Investment Term: 1 year

Investment Amount: 100,000 Indian Rupees

Maturity Date: 27 February 2004

Interest Rate: 5.00%

Interest Calculation: Compound Interest on a quarterly basis

Date	Credit balance	Interest	Credit balance after adding interest
26 February 2003	100,000 Indian Rupees	1,219.18	101,219.18
26 May 2003	101,219.18	1,275.64	102,494.82
26 November 2003	102,494.82	1,291.72	103,786.53
27 February 2004	103,786.53	1,322.21	105,108.74

If Sunil had chosen the same investment parameters except that he had chosen simple interest instead of compounding interest he would have been entitled to the following:

Date	Credit balance	Interest paid quarterly
26 February 2003	100,000 Indian Rupees	1,219.18

26 May 2003	100,000	1,260.27
26 November 2003	100,000	1,260.27
27 February 2004	100,000	1,273.97

**This does not include any government taxes or duties which may be applicable.*

Please note that this is an example only and should not be taken as an indication or representation as to the performance of your investment.

Early Withdrawal

Generally you should look to hold your NRE Term Deposit and NRO Term Deposit until maturity. However, Citibank may permit an early withdrawal in exceptional circumstances.

If you would like to request an early withdrawal, please contact your Relationship Manager. Citibank may in its absolute discretion decide whether, or not, to accept your request. You may apply for an early withdrawal in respect of the whole or part of your deposit. Where you are applying in respect of a part of your deposit, you must apply in increments of US\$1,000 Rupee equivalents.

When making an early withdrawal, you will lose your interest entitlement for the withdrawn increment if you withdraw in the first year for a NRE Term Deposit and in the first 3 months for a NRO Term Deposit. If you make an early withdrawal on or after those periods, Citibank will apply an interest rate that is applicable for the tenure of your early withdrawal amount up to the date your early withdrawal is granted and deduct 1.00% from that interest rate in determining how much you will be paid.

Example 2 - Early Withdrawal

Paul has chosen to invest in a NRE Term Deposit under the following investment parameters:

Date of Deposit: 15 January 2002

Investment Term: 3 years

Investment Amount: 250,000 Indian Rupees

Maturity Date: 17 January 2005

Interest Rate: 7.15%

Interest Calculation: Compounding Interest on a quarterly basis

Paul requests an early withdrawal and Citibank grants the request in respect of 100,000 Indian Rupees out of his total investment of 250,000.

From the date of deposit to the date his early withdrawal is granted, Paul has held the investment for 692 days. Instead of being entitled to an interest rate of 7.15% on the 100,000 Indian Rupees Paul is withdrawing, Paul is only entitled to 5.75% (interest payable on a 1 year deposit) because his deposit has been invested for less than 3 years. An early withdrawal fee of 1% is then deducted from the 5.75%. Accordingly, Paul is entitled to an interest rate of 4.75% compounded on a quarterly basis and is paid 109,377.84 Indian Rupees.

This does not include any government taxes or duties which may be applicable.

Please note that this is an example only and should not be taken as an indication or representation as to the performance of your investment.

Automatic Renewal

Your NRE Term Deposit and NRO Term Deposit will be automatically reinvested on maturity for a further term equal to your previous investment term at the prevailing interest rate unless you instruct us otherwise either in the Account Opening Form or at least two business days prior to maturity. If you wish to update your instructions, please contact your Relationship Manager at least two business days prior to maturity. You will not be sent a reminder notice about the maturity of your investment.

Account Information

For each investment and reinvestment you make you will be sent a confirmation containing details of your investment. Your complete relationship details will also be sent to you either quarterly if you are a Citigold customer or semi-annually if you are not a Citigold customer.

It is in your interest to check your account information immediately upon receipt and contact the NRI Service Centre should you have any concerns.

CITIBANK FOREIGN CURRENCY NON RESIDENT BANK DEPOSITS

Introduction

Citibank Foreign Currency Non Resident Term Deposits (**FCNR Term Deposit**) are generally available in US Dollars, British Pound, Euro or Japanese Yen. You can choose from an investment term of 1 to 3 years. You should confirm availability of the currencies and terms at the time of your deposit by contacting your NRI Relationship Manager.

You may invest in a FCNR Term Deposit under a joint account holding. The person you invest with must be a Non Resident Indian. He or she cannot be an Indian resident.

The funds you invest and the interest you derive from the FCNR Term Deposit are fully repatriable.

Minimum Investment

The minimum investment for opening a FCNR Term Deposit is the equivalent of US\$5,000 at the time of deposit.

Your investment is held in increments of US\$1,000 or its equivalent. The advantage of this is that it allows you to conduct an early withdrawal in smaller units instead of breaking the entire term deposit if there is an emergency or urgent need for your funds.

Interest Rates

Your interest rate is determined by Citibank taking into account the guidelines prescribed by the Reserve Bank of India and is fixed for your investment term. Please contact your Relationship

Manager or visit www.citinri.com to obtain the latest rates. The interest you will receive will be denominated in the currency of your deposit.

Interest will be compounded on a half yearly basis and paid to you on maturity in accordance with your instructions. You may request a demand draft or telegraphic transfer to a nominated account.

The interest you earn on your FCNR Term Deposit is currently subject to a minimum investment term of 1 year. In accordance with the current Reserve Bank of India guidelines, if you make an early withdrawal before the minimum investment term you will forfeit your interest entitlement. This means you will not be paid any interest.

Early Withdrawal

Generally you should look to hold your FCNR Term Deposit until maturity. However, Citibank may permit an early withdrawal in exceptional circumstances.

If you would like to request an early withdrawal, please contact your NRI Relationship Manager. Citibank may in its absolute discretion decide whether, or not, to accept your request. You may apply for an early withdrawal in respect of the whole or part of your deposit. Where you are applying in respect of a part of your deposit, you must apply in increments of US\$1,000 or its equivalent.

In respect of the amount that you would like to withdraw, you will lose your interest entitlement if you apply for an early withdrawal before 1 year and Citibank accepts your application. If you make an early withdrawal on or after those periods, Citibank will apply an interest rate that is applicable for the tenure of your early withdrawal amount up to the date your early withdrawal is granted and deduct 1.00% from that interest rate in determining how much you will be paid.

Automatic Reinvestment

Your FCNR Term Deposit will be automatically reinvested on maturity in the same currency for a further term equal to your previous investment term at the prevailing interest rate unless you instruct us otherwise in the application form at least two business days prior to maturity. If you wish to update your instructions you must contact us at least two business days prior to maturity. You will not be sent a reminder notice about the maturity of your investment.

Account Information

For each investment and reinvestment you make you will be sent a confirmation containing details of your investment. Your complete relationship details will also be sent to you either quarterly if you are a Citigold customer or semi-annually if you are not a Citigold customer.

It is in your interest to check your account information immediately upon receipt and contact the NRI Service Centre should you have any concerns.

RUPEE CHECKING ACCOUNT

Introduction

The Rupee Checking Account (**RCA**) is an Indian Rupee denominated transaction Savings/Current account, held by Non-Resident Indians in India to help meet their personal/family commitments in India. Both the Savings/Current RCA can be held as either a NRE account or a NRO account.

Minimum Investment

The minimum investment for opening an RCA is the Rupee equivalent of US\$1,000.

Your Interest Rate

The interest rate for the RCA Savings Account is governed by the Reserve Bank of India. The applicable interest will change from time to time in accordance with regulations. You will not be given prior notice of a change in interest rate. You can find out the current rate that applies to your RCA Savings Account online at www.citinri.com or by contacting your Relationship Manager.

Interest on your RCA Savings Account will be calculated on the lowest monthly credit balance of your RCA Savings Account during the period from the 10th date of each month to month's end. Interest is credited into your RCA Savings Account on a semi-annual basis in the first week of March and September each year.

The RCA Current Account is not an interest bearing account.

Example 3 – Interest on RCA Savings Account (NRE)

Sachin has chosen to invest in RCA Savings Account (NRE) which has an interest rate of 3.50% per annum. He deposits 45,018.15 Indian Rupees on 2 September 2003. His minimum monthly balances and interest earned during the period 2 September 2003 to 29 February 2004 are as follows:

<i>Period</i>	<i>Lowest credit balance</i>	<i>Interest earned</i>
10/09/03 - 30/09/03	45,018.15 Indian Rupee	131.30
10/10/03 - 31/10/03	45,018.15	131.30
10/11/03 - 30/11/03	933,984.15	2724.12
10/12/03 - 30/12/03	433,984.15	1265.79
10/01/04 - 31/01/04	433,984.15	1265.79
10/02/04 - 29/02/04	438,474.42	1278.88
		6,797.18

The total interest earned by Sachin from the date the account was opened up to the end of February 2004 is 6,797.18 Indian Rupees. This amount is credited by Citibank to Sachin's RCA Savings Account in the first week of March 2004.

Example 4 – Interest on RCA Savings Account (NRO)

Maria has chosen to invest in RCA Savings Account (NRO) which has an interest rate of 3.50% per annum. She begins her investment with a deposit of 500,000 Indian Rupees on 22 October 2003. Her minimum monthly balances and interest earned during the period 22 October 2003 to 29 February 2004 are as follows:

Period	Lowest credit balance	Interest earned
10/10/03 - 31/10/03	0 ^	0
10/11/03 - 30/11/03	500,000.00	1,458.33
10/12/03 - 30/12/03	6,477,500.00	18,892.71
10/01/04 - 31/01/04	6,298,229.00	18,369.83
10/02/04 - 29/02/04	6,283,229.00	18,326.08
		57,046.95













^ Interest is not received in October for the initial deposit made on 22 October 2003 because the lowest credit balance for that month was 0 Indian Rupee.

The total interest earned by Maria from the date the account was open up to the end of February 2004 is 57,046.95 Indian Rupees. 30% of this interest is deducted from this account because it is an NRO account. The balance 39,932.86 Indian Rupees is credited by Citibank to Maria's RCA Savings Account in the first week of March 2004.

Please note that the above are examples only and should not be taken as an indication or representation as to the performance of your investment.

Operating A Rupee Checking Account

There are many ways you can deposit money into, withdraw money from or use the funds in your RCA (both Savings and Current Account). The table below provides a summary of the options.

Transaction	ATM	Internet Banking	Telegraphic Transfer	Cheque	Demand Draft	Standing Instructions
Deposit / Transfer funds into RCA	 Funds transfer* between linked Citibank accounts	 Funds transfer* only	 From Indian bank or outside India*	 Over the counter or by mail		
Withdraw cash or transfer funds out of RCA	 Withdraw* cash, subject to a US\$1,000 (or equivalent) daily limit Funds transfer* between linked	 Funds transfer* only	 To Indian bank or outside India*		 Make payments within or outside India	 Issue standing instructions to disburse payments in or outside India on specified dates

	Citibank accounts					
Pay Bills	X	✓	N/A	✓	✓ N/A	✓
	Withdraw* cash to pay your bills (Up to US\$ 1,000 or equivalent per day)	Make payments within India for your utility bills				Issue standing instructions to disburse payments in India on specified dates

* To the extent permitted by your RCA. Please refer to the table on NRE/NRO distinction for more information on source of funds for deposit into RCA and repatriation of RCA funds.

ATM Access

With your Citicard you have flexible access to your money through:

- ATMs throughout Australia (NRE Account only) – all major Australian bank ATMs displaying the Cirrus logo.
- ATMs around the world displaying the Cirrus/Plus logo (NRE Account only).
- ATMs around India (both NRE and NRO Accounts).

To the extent permitted by your RCA, at any of these ATMs you can withdraw cash and obtain account balances. The Citicard can also be used as a debit card in India.

There are no charges for you or the mandatee in India for using the Citicard in a Citibank ATM. For a non-Citibank ATM machine in India or across the world, charges as determined by the respective bank would be applied.

Specific terms and conditions apply to the use of the Citicard. A copy of the Citicard terms and conditions is attached to the back of the RCA Opening Form. The first time you use your Citicard will constitute your agreement to the Citicard terms and conditions.

Telegraphic Transfer

You can use Citibank's telegraphic transfer service to transfer funds between your RCA and another local or overseas bank account to the extent permitted by your RCA.

Cheques

You can make cheque deposits into your RCA by mail or at any NRI Service Centre. To mail your cheque, simply post your cheque together with a deposit slip to your closest NRI Service Centre.

Cheques sent by mail must be in the name of the RCA holder or Citibank, N.A., India, followed by your RCA number. You cannot deposit cash.

Cheque withdrawals are available with the RCA.

Demand Drafts

You can order a demand draft through the Internet by using our Internet Banking facility or by visiting a Citibank branch in India. The demand draft will be issued in India and sent directly to the beneficiary. The service is currently available for around 700 locations across India. To some of these locations,

the drafts will be couriered while to the rest, the draft will be sent by registered post. You can even package your draft in a special gift envelope with a personalised message to your loved ones. Citibank Online will also send you an e-mail alert on the status of your draft. Drafts ordered through visiting a NRI Service Centre or over the Internet by using our Internet Banking facility are free of charge.

Standing Instructions

For payments within India that fall due regularly on specified dates, you can issue standing instructions to disburse payments on specified dates and leave the rest to us. A copy of the terms and conditions governing Standing Instructions is attached to the back of the RCA Opening Form.

Internet Banking

Citibank Online is generally available 24 hours a day, seven days a week. However, some or all of the banking services that may be accessed through Citibank Online may not be available at certain times due to maintenance or due to non-availability of certain features of Citibank Online.

Specific terms and conditions apply to the use of Citibank Online. A copy of the Citibank Online terms and conditions is attached to the back of the RCA Opening Form. The first time you use Citibank Online you will be asked to read these terms and conditions. Your use of Citibank Online will constitute your agreement to the Citibank Online terms and conditions.

Using Citibank on-line, you can:

- view RCA balances and RCA statements
- order drafts online to make payments in India
- pay utility bills (with utility merchants that we have agreements with in India)
- pay for your e-shopping online
- modify/de-register for CitiAlert
- request for a cheque book
- log in queries for resolution
- change your HPIN
- view foreign exchange and interest rates from around the world
- conduct account to account transfers to the extent permitted by your RCA

Funds transferred by issuing a cheque / demand draft through Internet Banking are subject to a daily limit. Please contact your nearest NRI Service Centre for information on the current daily limit.

CitiAlert

Citibank Online enables you to register and receive the CitiAlert service on your mobile phone or e-mail, at no additional charge. You can receive messages as reminders and confirmations of financial transactions as they happen. You can view or modify the alerts that you receive.

CitiAlert has the ability to deliver SMS messages across differing mobile protocols such as GSM/CDMA/TDMA with a reach of over 300 networks across the globe. Currently the following alerts are made available to you:

- cheque receipt at NRI Service Centre
- all credits into the RCA

- cheque debits into the RCA
- cheque bounces

In order to deregister/modify CitiAlert instructions, you can send written instructions to Citibank or instructions via Internet Banking. A copy of the CitiAlert terms and conditions is attached to the back of the RCA Opening Form.

RCA Maintenance

Citibank has made it simple for you to contact us at any time. The table below summarises the way you can contact us to make standard changes.

	Internet Banking www.Citinri.com	ATM	Mail	Citiphone
CHANGE MAILING ADDRESS	✗	✗	✓ NRI Service Centre	✗
REQUEST FOR CHANGE ATM PIN	✓	✗	✓	✗
REPORT LOST / STOLEN CARD	✓ By email	✗	✓	✓
TRANSFER FUNDS	✓ - Between authorised Citibank accounts [#]	✓ - Between authorised Citibank accounts [#]	✓ NRI Service Centre	✗
SET UP A STANDING ORDER	✓	✗	✓ NRI Service Centre	✗
CHECK ACCOUNT BALANCE	✓	✓	✗	✓
TRANSACTION INFORMATION	✓	✗	✓	✓
ORDER A STATEMENT	✓	✗	✓ NRI Service Centre	✓
ORDER A DEPOSIT BOOK	✓	✗	✓ NRI Service Centre	✓
STOP A CHEQUE	✓	✗	✓ NRI Service Centre	✓
PURCHASE A DRAFT	✓	✗	✓ NRI Service Centre	✗

[#] Please refer to the table on NRE/NRO distinction for more information on source of funds for deposit into RCA and repatriation of RCA funds.

Account Information

Account Statements

Citibank will send to you annually a detailed statement of your RCA to your nominated address.

It is in your interest to check your statement immediately upon receipt and contact the NRI Service Centre should you have any concerns. You must verify the correctness of each statement and notify Citibank within 15 days of receipt of the statement of any errors or inaccuracies in the statement.

Statements -on-the-Net

If you provide Citibank with your e-mail address, Citibank may also offer to provide you with your statements (up to the last 18 months), notices and other information relating to your RCA by making them available at Citibank's website on a quarterly basis – www.citinri.com. You will receive an e-mail reminder whenever your statements are ready. You must verify the correctness of each statement and notify Citibank within 15 days of receipt of the statement of any errors or inaccuracies in the statement.

If you consent to receiving information electronically, Citibank will not send you a paper copy unless you specifically request it. Otherwise Citibank will send you a paper copy of your statement on an annual basis. In order to deregister the option to receive statements on-line, customers can send in a written instruction to a NRI Service Centre or through the Internet Banking facility. A copy of the terms and conditions governing Statements-on-the-Net is attached to the back of the RCA Opening Form.

Other information

Customers can also obtain information about their RCA through ATMs (balance only). You can also contact your Relationship Manager to obtain the latest information about your RCA.

OPENING AN ACCOUNT

Australian Identification Requirements

When you open a bank account in Australia, the *Financial Transaction Reports Act 1988* (Cth) requires Citibank to verify your identity. Your identity can be verified in person by your Relationship Manager or you can complete the Identification Reference for a Signatory Form (s21 form).

If you are opening a joint account, you must bring the original documentation or complete a s21 form for each of the account holders.

100 point check

If you attend a NRI Service Centre for identification, your Relationship Manager must sight original documents that add up to "100 points". The "100 points" may be made up by any combination of the documents in the following table. Citibank requires at least one form of government issued identification incorporating a photograph.

The table below is a guide only. For complete details contact your Relationship Manager.

Acceptable forms of identification	Points
Primary (only 1 permitted)	
Passport (current or expired within the past two years)	70
Secondary (as many as required)	
Driver's Licence (Australian)	40
Pension Concession Card or Health Care Card	40
Name / address confirmed by current / previous employer (within last two years)	35
Medicare Card	25
Financial Institution passbook, debit or credit card (one per institution)	25
Utility bill or bank statement	25

S21 Form

If you cannot attend a NRI Service Centre to complete the identification process, you may complete a s21 form. If you wish to use the s21 form, please note:

- The s21 form must be signed by an “acceptable referee”. This is someone who has known you for a minimum of 12 months and must be a person within the categories listed in the guidance note detailed on the s21 form.
- You must attach a photocopy of the identification documents presented to the acceptable referee.
- Citibank requires at least one form of government issued identification incorporating a photograph.

Please refer to the s21 form for further guidance on how to complete the form. To obtain a copy of the s21 form, or if you have any queries about completing the s21 form, please call your Relationship Manager.

“Off-line” Account Opening

To open a Non-Resident Indian Deposit or Rupee Checking Account off-line, you will need to contact a Relationship Manager in the Australian NRI Service Centre. Your Relationship Manager will be able to assist you with completing the relevant application form, provide you with interest rate information and verify your identity as required by law.

You need to submit the following documentation:

- the application form
- photocopies of the passport of each account holder (pages showing passport details as well as work permit/visa details)
- one passport size photograph of each account holder, with their names written on the back of the photograph
- guardian's photograph if the account holder is a minor
- payment instructions to fund the account
- your social security number if you are a US person

“On-line” Account Opening – Rupee Checking Account

If you would like to open a RCA on-line, you can view information about the RCA on our web-site (<http://www.citinri.com>). You can complete the RCA application process in two ways:

- download the application form from the web site, fill it and send it to the NRI Service Centre in Australia along with complete documentation for RCA opening; or
- complete the online RCA Application Form, print the same and send it to the NRI Service Centre in Australia along with complete documentation for RCA opening. In this case you get a reference number and choose a password. With the reference number and the password, you can track the status of the application. You will also be able to choose your Internet banking password, Home Banking Personal Identification Number (**HPIN**), online, once the RCA is activated.

You will receive a Welcome Pack within 2 weeks of RCA opening. The Welcome Pack contains, an introductory booklet, cheque book and a ATM card (**Citicard**). The Citicard PIN (**APIN**) and the HPIN will be mailed to your mailing address separately.

On-line applications are currently not available for Non-Resident Indian Rupee Term Deposits on Foreign Currency Non-Resident Bank Deposits.

Appointment of Mandatee

You can appoint a family member in India as a mandatee to your RCA by completing the “Citibank Account Mandate Form”. This form will be sent to you with your Welcome Pack and can also be downloaded from the Citibank website at www.citinri.com.

You can request Citibank to issue a cheque book and a Citicard for the mandatee. The mandatee can make withdrawals from your RCA up to the limit specified by you or an amount not exceeding the RCA balance (which ever is lesser) at any Citibank ATM located in India or cash rupee cheques in any Citibank branch in India. The mandatee is not ordinarily allowed to withdraw cash using withdrawal slips directly at Citibank branches.

To appoint a mandatee, you need to:

- complete the Citibank Account Mandate Form
- authorise issuance of a Citicard (with pre-set monthly limits, if required) and/or a cheque book
- send the signed form to the mandatee.

The mandatee must then:

- attach his/her photograph to the Form
- attach a photo identification document to the Form
- sign the Form and send the same to a Citibank branch in India or mail it to the Australian NRI Service Centre.

The Mandate Form must be submitted after the RCA is opened and the RCA number needs to be entered in the form. On receipt of complete documentation, the Citicard and/or cheque book will be mailed to the mailing address of the mandatee in India.

FOREIGN EXCHANGE CONTRACTS

Foreign Exchange Transaction

To enter into a Foreign Exchange Transaction with Citibank, you will need to advise your Relationship Manager of:

- the source account (FCNR Deposit or NRE Term Deposit) in which your funds are held
- your investment amount and currency of funds
- the settlement currency
- the settlement date which must be within 2 business days
- your payment instructions.

Your Relationship Manager will confirm that your instructions are accepted, then quote the prevailing foreign exchange rate for your Foreign Exchange Transaction.

You may either orally or in writing agree to proceed on the basis of the quoted exchange rate. You will immediately enter into a Foreign Exchange Transaction with Citibank. Your settlement currency will be paid to you in accordance with your payment instructions or into a FCNR Deposit or NRE Term Deposit (if settlement currency is Indian Rupees) in your name if valid instructions are not received.

Any cancellation of Foreign Exchange Transaction will be done at the discretion of Citibank and may result in a possible loss of principal.

Example 1 – Foreign Exchange Transaction

Atul needs to make a payment of EUR 100,000.00 in two business days. He presently holds USD 200,000.00 in a FCNR Deposit maturing in two business days and wishes to enter into a Foreign Exchange Transaction to buy EUR 100,000.00 and sell USD to be settled in two business days. Atul would like to lock in today's exchange rate. His Relationship Manager quotes the USD/EUR foreign exchange rate prevailing today at 0.8000 and Atul agrees to enter into a Foreign Exchange Transaction at that rate.

In two business days, Atul will receive EUR 100,000.00 from Citibank in exchange for USD 125,000.00* (100,000.00 / 0.8000).

**This does not include any fees or government taxes and duties which may be applicable.*

Please note that this is an example only and should not be taken as an indication or representation as to the performance of your Foreign Exchange Transaction.

Forward Exchange Contract

Your instructions

To enter into a Forward Exchange Contract with Citibank, you will need to advise your Relationship Manager of:

- the source account (FCNR Deposit or NRE Term Deposit) in which your funds are held
- your investment amount and currency of your funds
- the settlement currency

-
- the settlement date
 - your payment instructions

Your Relationship Manager will confirm that your instructions are accepted, then quote the forward exchange rate for your Forward Exchange Contract.

You may orally agree to proceed on the basis of the quoted forward exchange rate. You will immediately enter into a Forward Exchange Contract with Citibank. You will be sent a confirmation advice for your contract.

You may authorise your Relationship Manager to proceed with the Forward Exchange Contract without confirming the forward exchange rate to you if you cannot be contacted or generally. Regardless, in instances where Citibank is unable to contact you, Citibank may at its discretion, set as the forward exchange rate, such rate as Citibank may unilaterally make available to you.

Forward Exchange Rate

The Forward Exchange Rate will be quoted to you by your Relationship Manager. It is calculated by adjusting the prevailing foreign exchange rate between the currency of your investment amount and your settlement currency by a forward adjustment determined by Citibank. The forward adjustment varies and is based on the interest rate differential between the two constituent currencies in the foreign exchange rate.

The forward exchange rate is not a forecast or an indication of Citibank's expectations of the spot foreign exchange rate that will prevail on the settlement date.

Example 2 – Forward Exchange Rate

Rohit expects to settle the purchase of his house in the United States in three months' time. He wishes to enter into a three-month Forward Exchange Contract to convert his Euros to US Dollars. Citibank may determine the forward exchange rate as follows:

<i>Prevailing USD/EUR foreign exchange rate at time of contract:</i>	<i>0.8000</i>
<i>Three-month forward adjustment determined by Citibank:</i>	<i>-0.0030</i>
<i>USD/EUR forward exchange rate:</i>	<i>0.7970</i>

Please note that this is an example only and should not be taken as an indication or representation as to the forward exchange rate that will apply to any Forward Exchange Contract.

Operation of Forward Exchange Contract

At the time of issue of the Forward Exchange Contracts, Citibank will place a hold over your source account for the investment amount until the settlement date. This means that you will not be able to withdraw or transfer funds from your source account so as to reduce the balance of your source account below the investment amount.

On the settlement date, your source account will be debited for the investment amount and your investment amount will be converted at the agreed forward exchange rate into your settlement currency. Your settlement currency will be paid to you in accordance with your payment instructions or into FCNR Deposit or NRE Term Deposit (if settlement currency is Indian Rupees) in your name if valid instructions are not received.

You will not be able to bring forward or delay the settlement date once you have entered into a Forward Exchange Contract.

Example 3 – Forward Exchange Contract

Rajesh, who is not an Australian resident, needs to pay his university fees of EUR 37,000.00 on 5 July 2004. He presently holds USD 50,000.00 in a three-month FCNR Deposit. His term deposit will mature on 5 July 2004.

Rajesh is concerned that the US Dollar will weaken against the Euro over the coming months. On 1 March 2004, he enters into a Forward Exchange Contract on the following terms instead of waiting for his FCNR Deposit to mature to convert his funds into US Dollars.

<i>Investment amount:</i>	<i>USD 50,000.00</i>
<i>Settlement currency:</i>	<i>EUR</i>
<i>Settlement date:</i>	<i>5 July 2004</i>
<i>Prevailing USD/EUR foreign exchange rate on 1 March 2004:</i>	<i>0.8000</i>
<i>Forward adjustment determined by Citibank:</i>	<i>-0.0030</i>
<i>USD/EUR forward exchange rate:</i>	<i>0.7970</i>

On 5 July 2004, Rajesh will receive EUR 39,850.00* (50,000.00 x 0.7970).

**This does not include any fees or government taxes and duties which may be applicable.*

If, on 5 July 2004, the prevailing USD/EUR foreign exchange rate has fallen as Rajesh expected he would have benefited from having entered into a Forward Exchange Contract. For example, if the prevailing USD/EUR foreign exchange rate on 5 July 2004 is 0.7900, Rajesh could exchange his USD 50,000.00 for EUR 39,500.00 (50,000.00 x 0.7900). With the Forward Exchange Contract, he will receive EUR 39,850.00 which is more than his university fees of EUR 37,000.00. Rajesh is also financially better off by EUR 350.00 (EUR 39,850.00 – EUR 39,500.00).

If Rajesh's expectations are incorrect and the prevailing USD/EUR foreign exchange rate on 5 July 2004 is above 0.7970, he will still be able to pay his university fees although he has lost the opportunity to benefit from the appreciation of the US Dollar against the Euro.

For example, if the prevailing USD/EUR foreign exchange rate on 5 July 2004 is 0.8050, Rajesh could exchange his USD 50,000.00 for EUR 40,250.00 (50,000.00 x 0.8050). With a Forward Exchange Contract, he will receive EUR 39,850.00, which is less than the amount he would have received if he had converted her funds on 5 July 2004. This represents an opportunity cost of EUR 400.00, being the difference between EUR 40,250.00 and EUR 39,850.00.

Please note that this is an example only and should not be taken as an indication or representation as to the performance of your Forward Exchange Contract.

Can I cancel my Forward Exchange Contract?

Generally you should not cancel your Forward Exchange Contract. However, Citibank may permit a cancellation in exceptional circumstances. Please contact your Relationship Manager if you wish to request a cancellation.

If a cancellation is permitted, Citibank will pay you your settlement currency two business days after the date on which Citibank agreed to the cancellation. The amount paid will be determined by Citibank based on the fair economic value of your Forward Exchange Contract on the day Citibank agreed to the cancellation.

The factors that Citibank considers in determining the fair economic value of your Forward Exchange Contract include the prevailing foreign exchange rates, prevailing interest rates and the date of your cancellation. Citibank may deduct any costs, losses or expenses that it incurs in relation to your cancellation.

FEES AND CHARGES

RCA minimum balance fee

Citibank will charge US\$10 or its equivalent for each month the lowest credit balance in your Rupee Checking Account is below the minimum balance.

Foreign currency and interest spread

We earn our income from the foreign currency and interest spread (or margin) that we apply to our products and services. This is the difference between the rate at which we buy and sell currencies, or lend and borrow funds, and will depend on factors such as the investment amount, investment term and prevailing market rates. Our margin is incorporated into the foreign exchange rates and interest rates quoted to you, and is not an additional charge or fee payable by you.

Early withdrawal fee

If you withdraw funds prior to maturity of your India Based Deposit, you will forfeit all or some of the interest accrued on the withdrawn amount as set out below:

Time of withdrawal	Interest forfeited
Less than minimum tenure accepted	Forfeit all interest accrued
Greater than the minimum tenure accepted	Forfeit 1% of interest applicable to the tenure of the deposit held

Any costs incurred by Citibank in relation to the early withdrawal will be payable by you.

General banking services

Citibank provides its customers with general banking services which may be subject to a fee or charge. You will be advised of any applicable fee or charge before a service is provided to you.

Government taxes and duties

Any government taxes and duties that may apply for any activity on your India Based Deposit or Rupee Checking Account will be debited to your account, and any government taxes and duties that may apply for any activity on your Foreign Exchange Contract will be payable by you, unless we specifically agree otherwise.

BENEFITS AND RISKS

Benefits

India Based Deposits

The benefits of investing in an India Based Deposit are:

- Convenience – you may hold your funds in a variety of fixed term accounts to suit your individual needs and the needs of your family, deposit to at call accounts, while earning an attractive interest rate.
- Choice – you may choose from a range of currencies and investment terms to suit your specific needs.
- Accessibility – you may access your accounts in any of the 41 NRI service centres around the globe, including 21 branches in India.
- Currency - an opportunity to hold foreign currency investments in anticipation of favourable currency appreciation as part of your overall investment strategy.
- Tax Effectiveness - as a Non-Resident Indian, you will be entitled to tax exemptions in India for an FCNR Deposit or NRE Term Deposit.

Rupee Checking Account s

The benefits of investing in Rupee Checking Accounts include:

- Easy transfer of money to India - customers can send a personal foreign currency cheque with instructions and money will be transferred to the customer's account in India and credited in equivalent Rupees. No fees or charges apply to the transfer. The customer and his family can then access the funds in India.
- Convenience for the family in India - customers can designate a family member in India to access funds in the account through a ATM card (which can be used to withdraw cash in India), a Rupee cheque book and telephone banking facilities. These can be used to meet any financial commitments in India.
- Demand Drafts - customers can book a draft and get it delivered to the payee at his / her doorstep. There is no draft issuance fee nor any courier/ postage charges if the draft is ordered on the internet,
- CitiAlert-mobile/Email alerts – with CitiAlert, customers have the ability to keep tabs on their money anywhere in the world via the mobile phone or email. Customers can receive messages as reminders and confirmations of their financial transactions as and when they happen. No fees or charges apply.
- Accessibility – you may access your accounts in any of the 41 NRI service centres around the globe, including 21 branches in India. You can also access your account on the internet.
- Stay in touch with the Rupee Checking Account - from anywhere, any time

Foreign Exchange Transaction

The benefit of the Foreign Exchange Transaction is that it allows you to exchange one currency for another at the prevailing foreign exchange rate.

Forward Exchange Contract

The Forward Exchange Contract is commonly used as a risk management tool. Benefits of the Forward Exchange Contract include:

- The ability to lock in an exchange rate now for future currency conversion, thereby minimising the impact of adverse movements in foreign exchange rates.
- If your cash flow is denominated in a foreign currency, a Forward Exchange Contract can help you manage fluctuations in foreign exchange rates and better plan and manage your cash flow.

Risks

All investments involve varying degrees of risk. The key risks involved in the India Based Deposits, Rupee Checking Accounts and Foreign Exchange Contracts include:

Country/Political Risk

When depositing funds in India, you accept the sovereign risk of investing in India. Citibank will not be responsible for repayment of a deposit due to any act beyond the control of the bank including any act of the Indian State, political disputes, and commotion; wars, expropriation or unrest or any other cause beyond reasonable control of Citibank, N.A., India Branch. There is no insurance coverage against such events or against the risk arising from any changes in the laws of India.

General market and foreign exchange risk

The general economic and political climate, general movements in local and international capital and stock markets, prevailing and anticipated economic conditions, investor sentiment and interest rates and other events and factors outside the control of Citibank could all affect the foreign exchange rate, interest rates and hence the value of your investment.

Exchange rates fluctuate from day-to-day and during the day. If you exchange currencies the amount received will vary by reference to the prevailing exchange rate.

Foreign currency denominated investments are subject to rate fluctuations that may provide both opportunities and risks, including risk of loss of capital. In some circumstances, the risk of loss in foreign exchange trading may be substantial.

Exercise of discretion by Citibank

Some provisions of the terms and conditions for the India Based Deposits, Rupee Checking Accounts and Foreign Exchange Contracts confer certain discretions on Citibank. The exercise of these discretions could adversely affect the value of your investment. You do not have the power to direct Citibank concerning the exercise of any discretion.

Citibank may close your Account and/or convert your investment amount and accrued interest into another major currency or cancel your Foreign Exchange Contract, on the occurrence of certain foreign exchange related events outside its control. Please read the terms and conditions for more details.

Performance by Citibank

The obligations of Citibank under the terms and conditions of the India Based Deposits, Rupee Checking Accounts and Foreign Exchange Contracts are unsecured contractual obligations of Citibank which will rank equally with Citibank's other unsecured contractual obligations and debt other than liabilities preferred by law. The performance of Citibank, N.A., India Branch, is not guaranteed by the Australian Prudential Regulatory Authority (APRA) or by any Australian or other government authority. Your deposits with Citibank, N.A., India Branch are not insured by the FDIC or CDIC nor by any Insurance Corporation outside India. You should make your own assessment of the ability of this issuer to meet its obligations.

Key Foreign Exchange Contract risks

Investment risk

Entering into a Foreign Exchange Contract will involve taking a position on the direction of foreign currency movements. If foreign exchange rates move in the opposite direction, you may incur a foreign exchange loss. Because exchange rates are volatile, entering into these contracts can be speculative in nature and involve the risk of loss of capital.

Opportunity costs

While a Foreign Exchange Contract allows you to minimise the adverse impact of exchange rate movements, entering into a Foreign Exchange Contract also means that you will not be able to benefit from future favourable exchange rate movements.

Cancellation of the Forward Exchange Contract at your request

If Citibank permits a cancellation as requested by you, Citibank will determine an amount based on the fair economic value of your Forward Exchange Contract investment amount at the time your request is permitted. This may result in you receiving an amount less than you otherwise would have received if the agreed settlement date had been adhered to.

OVERVIEW OF TERMS AND CONDITIONS

Your Relationship Manager will provide you with the Citibank Rupee Checking Account Application Form, Citibank Rupee & FCNR Deposit Account Application Form and Forwards Transaction Application Form. These application forms contain the terms and conditions, which apply to the India Based Deposits, Rupee Checking Accounts and Foreign Exchange Contracts offered under this PDS.

You should read the terms and conditions before investing. Please raise any queries with your Relationship Manager. You will be bound by the terms and conditions when you apply for your India Based Deposits, Rupee Checking Accounts and Foreign Exchange Contracts.

Obligations

The terms and conditions require that you accept certain obligations when you invest in an India Based Deposit or Rupee Checking Account. For instance:

- on application you will be required to make certain declarations as to your Indian origin. Citibank may not pay you any interest if the declaration you make is incorrect
- you will be required to notify Citibank of your return to India for permanent residence
- you agree to indemnify Citibank against improper or fraudulent fund transfer instructions purportedly received by Citibank from you and against losses incurred by Citibank in acting on your instructions

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- you will be required to represent and warrant that you are not a US person (this includes citizens and residents of the United States of America and Green Card holders) for the purposes of US federal income tax and that you are not acting on behalf of a US person.

Rupee Checking Accounts

In addition to the above, the terms and conditions to the Rupee Checking Accounts includes terms and conditions applicable to Citicard, CitiPhone Banking, Internet Banking and CitiAlert.

Some provisions of the terms and conditions for the Rupee Checking Accounts confer certain discretions on Citibank. For instance, Citibank may at its discretion:

- refuse to accept any deposit, limit the amount that may be deposited, return all or any part of the deposit or, upon 7 days notice, close your account and discharge its entire liability
- combine and consolidate all of your accounts and set off or transfer any sum standing to the credit of these accounts towards to the satisfaction of any liability owed to Citibank whether such liabilities be actual or contingent, primary or collateral and several or joint

Foreign Exchange Contracts

In addition to the above, the terms and conditions to the Foreign Exchange Contracts confer certain discretions on Citibank. For instance, Citibank may at its discretion adjust, appropriate and set-off against the source account and accrued interest, all amounts (including costs, charges, expenses, losses, damages and taxes if any) incurred by Citibank or payable at law in connection with the Foreign Exchange Contracts. Such amounts calculated by Citibank will be conclusive and binding and may be deducted upfront from the proceeds of the source account, accrued interest and/or Foreign Exchange Contracts prior to payment.

The exercise of these discretions could adversely affect your investments with Citibank. Whilst Citibank will exercise its discretions in good faith, you do not have the power to direct Citibank concerning the exercise of any of its discretionary powers.

TAXATION

This section is a general guide to the key Australian and Indian taxation implications of operating India Based Deposits, Rupee Checking Account and/or entering into a Foreign Exchange Contract and does not take into account your specific taxation circumstances. The taxation consequences may vary depending upon the particular circumstances of each account holder. Accordingly, you should seek independent taxation advice before applying for an account or entering into a Foreign Exchange Contract.

In Australia

Resident and non -resident of Australia

For the purpose of this section, “non-resident” means not a resident of Australia and “a resident of Australia” means a person who resides in Australia and includes a person:

- (1) whose domicile is in Australia, unless the Commissioner of Taxation is satisfied that his or her permanent place of abode is outside Australia;
- (2) who has actually been in Australia continuously or intermittently, during more than one-half of the year of income, unless the Commissioner of Taxation is satisfied that his or her usual place of abode is outside Australia and that he or she does not intend to take up residence in Australia; or

(3) who is:

- (a) a member of the superannuation scheme established by deed under the Superannuation Act 1990;
- (b) an eligible employee for the purpose of the Superannuation Act 1976; or
- (c) the spouse, or a child under 16, of a person covered by sub-paragraph (a) or (b).

Interest income

Interest income earned on your account is sourced in India.

If you are a resident of Australia in the income year in which the interest is accrued or paid, irrespective of currency, your interest will be included in your assessable income for Australian tax purposes. If you paid tax in India in respect of the interest income, then you may be entitled to claim this tax paid as a credit against any Australian tax payable.

If you are a non-resident the payment or credit of interest on your account will not be subject to any tax in Australia, and any foreign exchange gains made in relation to your account should also not be assessable in Australia.

Foreign currency movements

If your Account is denominated in a currency other than Australian dollars, you may make a foreign exchange gain or loss from movements in exchange rates.

The taxation treatment of foreign exchange gains and losses has recently changed with the enactment of the *New Business Tax System (Taxation of Financial Arrangements) Act (No.1) 2003* ("TOFA Bill") which applies to foreign exchange gains or losses, with effect from 1 July 2003 unless you have a substituted accounting period. Under the new rules, if you dispose of a foreign currency to make a deposit into your account, change the foreign currency in which your account is denominated, or make a withdrawal of principal or interest from your account, you may realise a foreign exchange gain or loss on revenue account to the extent that the gain or loss is due to fluctuations in the value of foreign currency. You should note that one of the major changes enacted by the TOFA Bill, is that conversion into Australian dollars will no longer be necessary for a foreign currency gain to be assessable, and a foreign exchange loss to be deductible.

A foreign exchange gain may be included in your assessable income and a foreign exchange loss may be an allowable deduction. However, if you are a non-resident, any foreign exchange gains you make in gaining non-assessable non-exempt interest income are not assessable. If you are a resident of Australia, an election may be made under the *Income Tax Assessment Act 1997* in relation to the Rupee Checking Account, to limit your foreign exchange tax consequences providing you satisfy certain requirements.

In India

Non-Resident Indians qualify for substantial tax-exemptions in India. If you invest in an FCNR Deposit, NRE Term Deposit or Rupee Checking Account designated as an NRE account, the interest earned by you on the account will be exempt from income tax in India.

If you invest in an NRO Term Deposit or in a Rupee Checking Account designated as an NRO account, you will be subject to payment of Indian income tax. A withholding tax of 30%, plus applicable surcharge on income tax, will be deducted on all income earned. You may be able to claim credit for this amount towards income tax payable by you in India. If you have no income tax liability in

India, you should be eligible for a refund, from the Indian Income Tax Department of the tax so withheld.

ADDITIONAL INFORMATION

Disputes with Citibank

You may make a complaint in relation to any of the financial products issued under this PDS by contacting your NRI Relationship Manager. We will take steps to investigate and resolve your complaint.

You may also make a complaint in writing to our internal service unit:

Citibank Customer Service Unit
Facsimile: (02) 8225 5131
Mailing Address: GPO Box 204
Sydney NSW 2001

If the outcome from our internal processes is unsatisfactory, you may refer your complaint to:

Banking and Financial Services Ombudsman
Website: www.abio.org.au
Telephone: 1300 78 08 08
Mailing Address: GPO Box 3A
Melbourne Victoria 3001

Citibank's ethical considerations

Labour standards, environmental, social or ethical considerations are not taken into account in relation to the India Based Deposits, Rupee Checking Accounts and Foreign Exchange Contracts.

Personal information

Citibank will only collect personal information necessary for the products or services you request. The information we collect from you in your application and which we acquire from you or other people during the course of managing your investment is required to process your application, issue your investment, manage your investment and comply with relevant laws.

We may use this information to send you information about other investment products. If at any time you are receiving information from us about our products and do not wish to receive further correspondence, please let us know.

Citibank may disclose information about you to any governmental agencies or authorities in any jurisdiction and to any other person where disclosure is required by law or to whom Citibank deems fit to make such disclosure.

Citibank may also disclose information about you to third party service providers who assist Citibank in its business operations and service provision. These may include:

- mail houses for statement production and other mail related services;
- administration services for data entry and data processing, accounts maintenance and settlement;
- market research for product development, planning, risk assessment and modelling;

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- brokers and financial service providers for financial planning, investment and commission administration;
 - head office or any other branches; subsidiaries or associated or affiliated corporations of Citibank wherever located;
 - any agents or contactors who have entered into an agreement to perform any services for Citibank's benefit;
 - professional advisers for assistance with administration of your investment; and
 - any organisation wishing to acquire an interest in any part of Citibank's business for assessment of any proposed acquisition.

We store information about you in databases that may be maintained outside Australia by other Citigroup companies. On request, we will provide you with a copy of any personal information that Citibank holds about you. We will inform you beforehand if there is any charge associated with providing this information to you. If you do not provide us with the personal information which we request we may not be able to provide a service, or we may be required by law to take particular actions such as deducting taxation at the top marginal rate.

Further information about Citibank's privacy practices can be found by requesting a copy of our Privacy Policy.

If you have any queries please contact Citigroup Privacy Officer , by mail to Citigroup Privacy Officer – NRI Business, C/o Citibank NRI Business Centre, No. 2 Park Street, Sydney NSW 2000 Australia.

About Citibank

Citigroup

Citigroup is a global group of companies headed by Citigroup, Inc., a bank holding company incorporated in the US. Citigroup, Inc, is the ultimate holding company of Citibank N.A. and Citibank Pty Limited.

Citigroup was formed out of the US\$170 billion merger of the Citicorp and Travellers group in the US in 1998. It is one of the first financial services providers in the US to bring together banking, insurance, and investments under the one brand and is one of the largest financial institutions in the world.

Citigroup is a pre-eminent global financial services company with some 200 million customer accounts in more than 100 countries, providing consumers, corporations, governments and institutions with a broad range of financial products and services, including consumer banking and credit, corporate and investment banking, insurance, securities brokerage, and asset management. Major brand names under Citigroup include Citibank, CitiFinancial, Primerica, Smith Barney, Banamex, and Travellers Life and Annuity.

The core businesses within Australia include Citibank Consumer Bank (as well as Diners Club Australia), Global Corporate and Investment Bank, Smith Barney, Citigroup Asset Management and Citigroup Private Bank.

Citibank, N.A., India Branch

Citibank, N.A. is a company incorporated in the US that provides banking, lending and investment services to consumers and business in the US. Citibank, N.A. has been granted a banking licence in India, to carry on a banking business in India.

Citibank N.A. commenced consumer operations in India in 1902. In 1987, Citibank, N.A., India launched its Non-Resident Indian Business targeting the Non-Resident Indian population across the world. The Indian Based Deposits, Rupee Checking Accounts and Foreign Exchange Contracts are governed by the guidelines laid down by the Reserve Bank of India and are offered to Non-Resident Indians only.

Please note that no branch of Citibank, N.A other than the India branch is liable to repay your deposit or for any other aspect of your investment. Your deposits will not be held with Citibank Pty Limited or Citibank, N.A., Sydney Branch. Your deposits will not be covered by the division 2 of the Australian Banking Act and as such are not subject to deposit or protection provisions of that Act.

The Indian Based Deposits, Rupee Checking Accounts and Foreign Exchange Contracts with Citibank, N.A., India branch will be arranged for you by Citibank Pty Limited.

Citibank Pty Limited

Citibank Pty Limited is a subsidiary of Citibank, N.A. and is a proprietary company registered in Australia. Citibank Pty Limited is an authorised deposit-taking institution regulated by APRA under the *Banking Act 1959 (Cth)*, Citibank Pty Limited holds an Australian financial services licence that authorises it to deal in and advise retail investors about financial products such as the India Based Deposits, Rupee Checking Accounts and Foreign Exchange Contracts. Citibank Pty Limited today ranks as one of the largest international banks in Australia with more than 1,700 employees.

DIRECTORY

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For assistance in relation to the financial products offered under this PDS please contact:

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