

CITIBANK FINANCIAL SERVICES GUIDE

ISSUED 29 March 2004

This Financial Services Guide (FSG) is designed to assist you in deciding whether to use any of the financial advisory services offered by the NRI business unit of Citibank Pty Limited ABN 88 004 325 080 AFSL No. 238098 (Citibank). It outlines the type of financial advisory services that Citibank provides, and indicates how you will receive advice from your Citibank Relationship Manager (your adviser). The FSG also contains information about the remuneration that may be paid to your adviser and other relevant persons in relation to the services offered, the type of advice we will give you and how a complaint may be made.

If you need more information or clarification on any matter, please ask your adviser.

About your adviser

Citibank holds an Australia financial services license (No. 238098), issued by the Australian Securities and Investments Commission. Your adviser is a representative of Citibank and acts on behalf of Citibank. Citibank is responsible to you for the advisory services described in this FSG. Your adviser has successfully completed the training and qualification requirements necessary to provide financial advice as a representative of Citibank.

About Citibank

Citibank is a member of Citigroup in Australia. Citigroup and its related companies issue some of the products that may be recommended to you. Citibank can also arrange for the issue of products by Citibank N.A., Sydney Branch ABN 34 072 814 058. This FSG relates only to the advisory services offered by the adviser on behalf of Citibank.

You can contact Citibank by:

Calling [1 800 252 856] (within Australia) or [61 2 8225 0500] (from overseas)

Mailing: 2 Park Street, Sydney NSW 2000

Via the Internet: www.citinri.com.

What advisory services are available to me?

Your adviser is accredited to provide advice as a representative of Citibank in the following areas:

- Deposit and payment products, including at call accounts and fixed term deposits.
- Derivatives and structured products.
- Foreign exchange products.

Where your adviser is not accredited to provide advice for a specific need, then he or she will refer you to an adviser more suitably qualified to provide that advice. For advice on your legal, taxation, social security and estate planning position your adviser will encourage you to seek advice from a qualified professional. Your adviser will only recommend an investment to you after considering its suitability for your individual investment needs, objectives and financial situation. Where you elect to not provide

details of your individual investment needs, objectives and financial situation, your adviser can only provide general advice on specific products.

On request, your adviser can review your investments and provide you with updated portfolio information. However, he or she does not offer an ongoing portfolio monitoring service. We recommend you review your financial position at least annually and your adviser would be pleased to facilitate this review for you.

How will I pay for the service?

We do not charge you a fee directly for the advisory services we offer.

You will pay entry/contribution/initial establishment and ongoing/account balance fees, which vary in type and amount depending on the product into which you invest. Entry/contribution/initial establishment fees are between 0% to 5.0% of the initial amount invested and ongoing/account balance fees are between 0% to 2.0% of the total amount invested each year. Your adviser will provide you with written details of the specific fees that will be incurred in the Statement of Advice.

How much commission/fee does Citibank receive?

Citibank may receive up front and trail commission from product issuers for those products that you invest in. All advice fees are paid to Citibank. For investment products, up front commissions are between 0.5% to 5.0% of the initial amount invested and trail commission between 0.4% to 2.0% of the total amount invested each year. For risk only life insurance products, up front commissions are 90% of the first year premium and trail commission are 6% of the annual premium.

Citibank may also receive a marketing rebate from product issuers. This amount is based on the total funds placed with the product issuers and not the individual investor amounts. Details of commissions and fees will be provided to you in the Statement of Advice.

How are the commissions / fees calculated and deducted?

Fees and commissions are generally calculated on the basis of the amount of funds you invest and are deducted from your investment funds by the issuer of the product, at the time when they receive those funds. A portion of the entry fee charged by the issuer of the product you purchase may be paid to Citibank as 'up front' commission. A portion of the ongoing management fee charged by the issuer of the product on your investment may be paid to Citibank as 'trail' commission. Our fee or commission arrangements are set out in writing in the Statement of Advice your adviser provides to you.

Other remuneration

Citibank does not split commissions with advisors, but does pay advisors a salary and may pay a performance-based bonus. The bonus is based on the value of the investment you make and varies between advisers, but typically represents around 30% of the adviser's total remuneration. Your adviser may also receive non-monetary benefits and rewards from placing particular investments, such as product issuer briefings and training, gift vouchers, promotional products and incentives, air travel and accommodation. Information about these arrangements will be set out in the Statement of Advice provided to you. Citibank may receive commission or other remuneration from its

related entities, which may be the issuers of some products recommended. The related entities of Citibank include: Citicorp Investments Limited; Citicorp Life Insurance Limited; Citibank, N.A., Sydney branch; Citigroup Asset Management Australia Limited; Smith Barney Citigroup Australia Pty Limited and Citigroup Global Markets Australia Pty Limited. These related entities (as product issuers) would be entitled to fees paid by yourself as stated in the relevant Product Disclosure Statements. Please note that Citibank may be paid fees and commissions by the product issuer of any product that you invest in, whether or not the product issuer is a member of Citigroup. Citibank may pay a referral fee of up to \$200 to a third party who introduced you to us.

What information will I receive from my adviser?

If your adviser gives you financial advice that is relevant to your personal circumstances, your adviser will also give you a Statement of Advice. It will explain (amongst other matters):

- The basis for the advice
- The adviser's fees and commissions
- Fees and commissions received from the financial product issuers or other parties which may have influenced your adviser's advice. If your adviser recommends a financial product to you, you will also receive a Product Disclosure Statement. The purpose of a Product Disclosure Statement is to provide you with information about the particular financial product. This will include information about (amongst other matters):
 - The features or characteristics of the product
 - Significant benefits and risks associated with investing or acquiring the product
 - Costs involved in using the product

You should carefully read this Product Disclosure Statement before deciding to acquire or invest in a product.

Will you give me advice that is suitable to my financial needs and circumstances?

Yes. But to do so we need to undertake a detailed financial fact find and needs analysis before we make any recommendations to you. Our recommendation will be based on the information you provide to us.

You have the right not to divulge all this information to us, if you do not wish to do so. In this case, we are required to warn you about the possible consequences of not providing the required information to us. You should read these warnings carefully.

What should I know about any risks of the investments or investment strategies you recommend to me?

We will explain to you any significant risks associated with investments and strategies that we recommend. You should ask us to explain investment risks to you, if you do not fully understand them. You should also read the Product Disclosure Statement that contains information about the significant risks of that product and ask questions if you do not understand this information.

How can I give you instructions about my investments?

You may give us instructions by letter, e-mail or facsimile. However, some issuers require that some applications and transactions are performed in a certain manner, for example, in writing and signed by you.

What information do you maintain in my file and can I examine that file?

We maintain a record of your personal profile, which includes recommendations made to you and details of your investment needs, objectives and financial situation. We also maintain records of any recommendations made to you. If you wish to see your investment file, please ask your adviser and we will make arrangements for you to do so. We keep your information in accordance with our Privacy Policy. This Policy is explained in the brochure *Your Privacy at Citigroup*, which your adviser will make available to you.

What if I have a complaint?

If you have a complaint about the service provided to you, you should take the following steps:

1. Contact your adviser about your complaint.
2. If your complaint is not satisfactorily resolved within three days, please phone CitiPhone Banking on 12 24 84 or write to:
Citibank Customer Service Unit
GPO Box 204
Sydney NSW 2001

If you still do not get a satisfactory outcome, you have the right to complain to:

Banking and Financial Services Ombudsman
GPO Box 3
Melbourne VIC 3001
Phone: 1300 78 08 08
www.bfso.org.au