



Citibank Branch – Questions & Answers

1. Does this conversion of Citibank a.s. into a branch of Citibank Europe plc impact somehow the clients of the bank?

This conversion does not in any way affect our relationship with our customers. Also, there are no significant changes to the Citi management and structure or the services that we provide.

This strategic legal step became effective from January 1st, 2008. From this date the new name of our branch is Citibank Europe plc, organizační složka.

No changes have been made with respect to our products and services. All client contracts and relationships have been automatically passed onto Citibank Europe plc, organizační složka, that is a legal successor to Citibank a.s. Account and card numbers remain unchanged, and clients do not need to do anything.

2. Why is this conversion taking place?

The branch conversion is part of a global initiative within Citi to rationalize the legal structure in many countries where we operate.

As a branch of Citibank Europe plc we have at our disposal consolidated total equity of EUR 1.6 billion, which positions us with respect to total capitalization as one of the four largest financial groups operating in the Czech market. Our strong capital base and liquidity resources will enable us to expand more effectively and faster in the Czech market. A significant advantage consists also of the fact that our Czech business is now backed by Citibank Europe plc which has been given a high rating by external rating agency Moodys.

3. What kind of company is Citibank Europe plc?

Citibank Europe plc is a joint stock company within the framework of Citigroup Inc. It is incorporated in Ireland, it holds a full, unlimited banking license valid for the entire EU. It is subject to Ireland's financial regulatory body.

4. In what other European countries does Citibank Europe plc carry out its business?

Under various legal forms, Citibank Europe plc carries out its business in a total of 19 countries around the region, including Germany, France, Great Britain, Austria, Belgium and Italy.

5. In what other country will Citibank be converted into a branch of Citibank Europe plc?

We are considering further rationalization of Citi's organizational structure, but until such a time as a final decision is made, we would not comment.

6. Does this conversion mean that Citibank will be paying lower taxes in the Czech Republic?

No, it does not. A branch of a foreign bank in the Czech Republic is a tax-related subject to the same extent of a joint stock company.



7. How is this conversion of the branch to become evident in Citi products that are offered in the Czech Republic – from a point of view of their types, standards and prices?

There is no change in the service and product offering from the branch conversion. We will have greater capital and lending capacity, and greater liquidity within the new entity. Thus, we will be more active in the market than we were before and we will continue to offer innovative solutions to meet the financial needs of our clients.

8. Does this conversion bring any extra administrative burden for the existing clients?

No. Conversion of Citibank a.s. into a branch of Citibank Europe plc does not bring any administrative burden for our clients. Account numbers will not be changed, nor will card details. All contracts as entered into with our clients, as well as those entered into with our business partners were, as of January 1, 2008, passed onto this new subject – a branch of Citibank Europe plc.

9. Are there any changes in account and card numbers or codes? Or, as far as DIC or IC IDs are concerned?

Account and card numbers of all client accounts, as well as the IBAN and SWIFT codes do remain unchanged. As far as DIC and IC IDs are concerned, as of January 1, 2008, a branch of Citibank Europe plc was incorporated and, as a new legal subject, it has its new IC and DIC IDs.

10. How will the Bank's disclosure duty vis a vis banking supervision bodies be changed?

The Czech branch of Citibank Europe plc continues to be supervised by the Czech National Bank (CNB), the Czech banking supervision body. In addition we will be supervised by the Irish Financial Regulator, which supervises the whole Citibank Europe plc including its branches.

11. Will Citibank a.s. and its statutory bodies cease to exist?

For a certain period of time Citibank a.s. will continue to exist, inclusive of its statutory bodies. However, it will not carry out banking business. The branch of Citibank Europe plc has assumed the entire existing organizational structure.