

# **EQUITY FIRST PRODUCT PROGRAMME**

## **SECTION 2**

### **Citibank International plc**

**Up to 30,000 units of EUR 1,000 each of Bonus Express 5 Securities ("Bonus Express Certificate Offensiv 5") linked to the Dow Jones EURO STOXX 50<sup>®</sup> Index due 1st June, 2012**

**Series 2007-103**

**Issue Date: 1st June, 2007**

### **Arranger**

**Citigroup Global Markets Limited**

## **SECTION 2 OF A PROSPECTUS FOR THE ISSUANCE OF SECURITIES**

**THIS DOCUMENT COMPRISES A SECURITIES NOTE FOR THE PURPOSES OF ARTICLE 5.3 OF DIRECTIVE 2003/71/EC AND, WHEN READ IN CONJUNCTION WITH SECTION 1 (DATED 11TH SEPTEMBER, 2006), SECTION 3 (IF APPLICABLE) AND THE SUMMARY (IF APPLICABLE), CONSTITUTES A PROSPECTUS FOR THE PURPOSES OF DIRECTIVE 2003/71/EC FOR THE ISSUANCE OF SECURITIES BY CITIBANK INTERNATIONAL plc UNDER THE EQUITY FIRST PRODUCT PROGRAMME**

**Date of approval: 24th April, 2007**

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## GENERAL

*This document is Section 2 of the Prospectus and comprises a securities note for the purposes of Article 5.3 of the Prospectus Directive and must be read in conjunction with Section 1, Section 3 (if applicable) and the Summary (if applicable) of the Prospectus which, together, constitute a prospectus for the purposes of the Prospectus Directive. If there is any inconsistency between Section 1 or the Summary and Section 2, Section 2 prevails.*

***The Prospectus for Series 2007-103 will not include a Section 3 but will include a Summary. References to Section 3 and the Summary in either of Section 1 or 2 of the Prospectus should be read as if Section 3 was not applicable and as if the Summary were applicable.***

*Except for the information set out in Part E, the Issuer (the **Responsible Person**) accepts responsibility for the information in Section 2. To the best of the knowledge and belief of the Issuer (which has taken all reasonable care to ensure that this is the case), the information in Section 2 is in accordance with the facts and does not omit anything likely to affect the import of such information. The Arranger is not responsible for and does not accept liability for the accuracy or the completeness of the information contained in Section 2.*

*The information in Part E has been extracted from publicly available sources. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from publicly available sources, no facts have been omitted which would render the reproduced information inaccurate or misleading.*

*Application has been made to the Irish Financial Services Regulatory Authority as competent authority under Directive 2003/71/EC (the **Competent Authority**) for Section 2 to be approved. Application will be made to the Irish Stock Exchange for the Securities to be admitted to the Irish Stock Exchange's Official List and to trading on its regulated market. Application will also be made for the Securities to be listed and included on each of the regulated unofficial market of the Stuttgart Stock Exchange (Freiverkehr) and the regulated unofficial market of the Frankfurt Stock Exchange (Freiverkehr). No assurance can be given that such an application to admit Securities to the Official List and to trading on the regulated market will be successful.*

*References to websites in Section 2 are provided for information purposes only and the content of those websites does not form part of the Prospectus.*

**A KEY TERMS**

<b>Securities</b>	Up to 30,000 units of EUR 1,000 each of Bonus Express 5 Securities ("Bonus Express Certificate Offensiv 5") linked to the Dow Jones EURO STOXX 50 <sup>®</sup> Index due 1st June, 2012.
<b>Series Number</b>	2007-103.
<b>Issuer</b>	Citibank International plc.
<b>Resolutions</b>	The issue of the debt securities under the Programme was duly authorised by the Issuer's Board of Directors on 12th October, 2004.
<b>Offer Period</b>	Expected to commence 30th April, 2007. Expected to close 25th May, 2007.
<b>Allocation Date</b>	The business day following the last day of the Offer Period, expected to be 29th May, 2007.
<b>Issue Date</b>	1st June, 2007.
<b>Issue Price</b>	EUR 1,030 per Security (or 103 per cent. of the Nominal Amount per unit).
<b>Repayment Date</b>	1st June, 2012 or, if that date is not a Business Day, the next following Business Day.
<b>Nominal Amount per unit</b>	EUR 1,000.
<b>Number of Units</b>	Up to 30,000.
<b>Repayment Amount</b>	An amount in EUR determined by the Calculation Agent that is dependent upon the performance of the Dow Jones EURO STOXX 50 <sup>®</sup> Index from and including the Strike Date to and including the final Valuation Date.  <i>For a more detailed description of the Repayment Amount, refer to Part D, Condition 6.</i>  <i>For a description of certain risk factors associated with the Repayment Amount, refer to Part B.</i>
<b>Underlying</b>	Dow Jones EURO STOXX 50 <sup>®</sup> Index.
<b>Listing</b>	Application has been made to the Competent Authority for this Section 2 of the Prospectus to be approved and application will be made to the Irish Stock Exchange for the Securities to be admitted to the Irish Stock Exchange's Official List and to trading on its regulated market.

	Application will also be made for the Securities to be listed and included on each of the regulated unofficial market of the Stuttgart Stock Exchange ( <i>Freiverkehr</i> ) and the regulated unofficial market of the Frankfurt Stock Exchange ( <i>Freiverkehr</i> )
<b>Common Code</b>	029551260.
<b>ISIN</b>	DE000A0NPV70.
<b>WKN</b>	A0NPV7.

## **B PRODUCT SPECIFIC RISK FACTORS**

**THE RISK FACTORS SET OUT BELOW ARE NOT, AND ARE NOT INTENDED TO BE, A COMPLETE LIST OF ALL CONSIDERATIONS RELEVANT TO A DECISION TO PURCHASE OR HOLD THE SECURITIES. PLEASE ALSO READ SECTION 1 WHICH INCLUDES THE ISSUER AND PROGRAMME RISK FACTORS.**

Before making an investment decision with respect to the Securities, prospective investors should carefully consider all of the information set out in Section 1, this Section 2 and, if applicable, Section 3 as well as their own personal circumstances. The Risk Factors in this Section 2 provide a more specific description of some of the product-specific risks associated with investing in these particular Securities. They must also be read in conjunction with the Risk Factors in relation to the Issuer and the Programme set out in Section 1 as well as their own personal circumstances. The circumstances described in the Risk Factors referred to in Section 1 and in this Section 2, alone or collectively, may result in a reduction in the return on the Securities and could result in the loss of all or a proportion of a Holder's investment in the Securities.

The Risk Factors set out in Section 1 and this Section 2 are not a complete list of all the considerations that are relevant to an investment in the Securities. There may be other risks that a prospective investor should consider that are relevant to its own particular circumstances or more generally.

An investment in the Securities involves complex risks and is only suitable for investors who (either alone or in conjunction with an appropriate financial, legal, accounting, tax or other adviser) are able to evaluate the merits and risks of such an investment and who are financially able to bear any losses that may result from such an investment.

*Capitalised terms used in this Part B are defined in Part D.*

### **1. Suitability**

Prospective investors should determine whether an investment in the Securities is appropriate in their particular circumstances and should consult with their legal, business and tax advisers to determine the consequences of an investment in the Securities and to arrive at their own evaluation of the investment.

Investment in the Securities is only suitable for investors who:

- (a) have the requisite knowledge and experience in financial and business matters to evaluate the merits and risks of an investment in the Securities;
- (b) have access to, and knowledge of, appropriate analytical tools to evaluate such merits and risks in the context of their financial situation;
- (c) are capable of bearing the economic risk of an investment in the Securities for an indefinite period of time; and
- (d) recognise that it may not be possible to dispose of the Securities for a substantial period of time, if at all.

Prospective investors in the Securities should make their own independent decision to invest in the Securities and as to whether the investment in the Securities is appropriate or proper for them based upon their own judgement and upon advice from such advisers as they may deem necessary. Prospective investors in the Securities should not rely on any communication (written or oral) of the Issuer, the Dealer or any of their Affiliates or their respective officers or agents as investment advice or as a recommendation to invest in the Securities, it being

understood that information and explanations related to the Securities shall not be considered to be investment advice or a recommendation to invest in the Securities. No communication (written or oral) received from the Issuer, the Dealer or any of their Affiliates or their respective officers or agents shall be deemed to be an assurance or guarantee as to the expected results of an investment in the Securities.

## **2. No principal protection**

The Securities do not provide for any principal protection and will be repaid at maturity by payment of the Repayment Amount regardless of whether this amount is less than the Issue Price. Investors may lose part or all of their invested capital, if the Final Index Level is lower than the Start Index Level and the Official Closing Level of the Index has been equal to or less than 70 per cent. of the Start Index Level at any time during the lifetime of the Securities. Prior to making an investment decision, prospective purchasers should carefully consider the risks associated with the Securities.

Furthermore, prospective investors may receive an amount less than the Issue Price if the Securities repay prior to the Repayment Date or investors sell the Securities prior to the Repayment Date. In such cases the price for which the Securities may be sold, or the early repayment amount of the Securities, may not provide for a return of an amount equivalent to the Issue Price.

## **3. Factors affecting the Underlying**

### *3.1 Index level*

Investors in the Securities should be familiar with investments in global capital markets and with indices generally. The level of the Index is based on the value of the assets comprised in that Index although investors should note that the level of the Index at any time will not include the reinvestment of the yield on the assets comprised in the Index. Investors should understand that global economic, financial and political developments, among other things, may have a material effect on the value of the assets comprising the Index and/or the performance of the Index.

### *3.2 Dividends*

Investors should note that dividends paid to holders of the assets in an Index will not be paid to the Issuer or to the holders of the Securities. The return on the Securities will thus not reflect any dividends which would be paid to investors that have made a direct investment in the assets comprised in the Index. Consequently, the return on the Securities may be less than the return from a direct investment in the assets comprised in the Index.

### *3.3 Market Volatility*

Market volatility reflects the degree of instability and expected instability of the performance of an Index and the assets comprised in the Index. The level of market volatility is largely determined by the prices for financial instruments supposed to protect investors against such market volatility. The prices of these instruments are determined by forces of supply and demand in the options and derivative markets generally. These forces are, themselves, affected by factors such as actual market volatility, expected volatility, economic factors and speculation.

## **4. Early repayment of the Securities**

### *4.1 Mandatory early repayment depending on performance of the Underlying*

The Issuer will repay each Security on a Mandatory Early Repayment Date at the Mandatory Early Repayment Amount if the Official Closing Level of the Index on any Valuation Date (other than the final Valuation Date) is equal to or greater than the Start Index Level. The Mandatory Early Repayment Amount is calculated to provide an annualised return equivalent to 9.5 per cent. per annum over the term of the Securities. In this case holders of the Securities are subject to a reinvestment risk, as they may not be able to replace their investment in the Securities by an investment with a similar profile of chances and risks as at the time of the occurrence of a mandatory early repayment.

#### 4.2 *Early repayment for other reasons*

The Securities may be repaid early in certain other circumstances described in the Conditions (being a repurchase by the Issuer, a Disruption Event, an Index Disruption Event or an event which constitutes an Illegality, Impossibility or Force Majeure as described in the Conditions). If the Securities are repaid early, the early repayment amount will be determined by the Calculation Agent in accordance with the Conditions and there is no guarantee that the amount repaid to investors will be equal to or higher than the amount they originally invested.

A Holder has no right to require the Issuer to redeem or purchase any Securities prior to the Repayment Date.

#### 4.3 *Early repayment may limit exposure to the Underlying*

If the Securities are repaid early, the amount received by the holders of the Securities will be limited to the Mandatory Early Repayment Amount or the Early Repayment Amount (as the case may be) even if the Index has risen by more than 9.5 per cent. per annum during that period. Furthermore, the holders of the Securities will not benefit from any rise in the Index that may occur during the period between early repayment and the Maturity Date.

### 5. **Potential conflicts of interest**

The Issuer or any of the Issuer's affiliates may from time to time engage in transactions involving the Index, or the assets comprised in the Index, for their proprietary accounts and for accounts under their management. These transactions may have a positive or negative effect on the value of the Index and consequently upon the value of the Securities.

### 6. **Secondary market risk**

It is expected that the Arranger or an affiliate will make a secondary market in the Securities, where an investor can sell their Securities via a Selling Agent to the Arranger or an affiliate. However, there is no guarantee that a secondary market will develop. An investor should therefore be prepared to hold the Securities until their Repayment Date. Consequently, one of the risks associated with the Securities is a lack of liquidity. Securities listed or quoted on an exchange will not necessarily be more liquid than Securities not listed or quoted on an exchange.

Please note that a secondary market can be affected by both legal restrictions in certain jurisdictions and by the Issuer purchasing or holding any Securities.

If it is possible to sell the Securities, they would be sold for the prevailing bid price in the market and may be subject to a transaction fee. The prevailing bid price may be affected by several factors including the performance of the underlying, prevailing interest rates at the time of sale, the time left before the stated Repayment Date and the creditworthiness of the Issuer. It is therefore possible that any investor selling Securities in the secondary market may receive a price less than his initial investment.



**7. Discretion**

The terms of the Securities confer on the Calculation Agent some discretion in making determinations and calculations in relation to the levels of the Index and with respect to the Mandatory Early Repayment Amount, and in making adjustments to the Index. Whilst the Calculation Agent will act in good faith and in a commercially reasonable manner in exercising its discretion, there can be no assurance that the exercise of any such discretion will not affect the value of the Securities or the occurrence of a Mandatory Early Repayment Date.

**8. Withholding of amounts payable on the Securities**

There may be circumstances (for example, a change in law) which could result in the Issuer having to reduce the amount(s) payable on a Security because of a withholding tax or other similar deduction. If that happens, investors will receive less than the originally expected amount and the Issuer will not pay any extra amounts to investors to make up for the withholding or deduction.

**9. Substitution of Issuer**

The Issuer may at any time, without the consent of the Holders, assign and transfer all of its interests and obligations under the Securities to any entity (which may not be an affiliate of the Issuer) (the **New Issuer**) provided that certain conditions set out in Condition 16.1 (*New Issuer*) have been satisfied. These include that each Rating Agency (the current rating agencies being S&P and Moody's) has confirmed that the Securities will have the same rating after the proposed replacement by the New Issuer becomes effective and that the Issuer has given the Holders at least 30 days' notice of the replacement. Please note that the Issuer has the right to assign without the Holders' approval. An assignment can only take place if, at the time of assignment, the New Issuer will not be required to withhold or deduct on account of tax under the Conditions. If, subsequent to the assignment to the New Issuer, the New Issuer will be required to withhold or deduct on account of tax from payments to the Holders, the payments to the Holders will be reduced. **If the Issuer assigns its obligations under the Securities to an entity which is not affiliated with Citigroup Global Markets Limited or its affiliates (the Citigroup Entities), none of the Citigroup Entities is responsible for the repayment and other obligations of the New Issuer under the Securities.**

**10. Credit ratings**

A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning rating agency. A suspension, change or withdrawal of the rating assigned to the Securities may adversely affect the market price of the Securities.

## **C THE OFFER**

### **1. Issue Price**

The Issue Price is EUR 1,030 per Security (or 103 per cent. of the Nominal Amount per Security).

### **2. Offer Period**

The Offer of the Securities will open on or about 9.00 a.m. (Central European Time) on 30th April, 2007 and close on or about 5.00 p.m. (Central European Time) on 25th May, 2007, or such earlier or later date as the Issuer may determine. The basis of allocation under the Offer is expected to be announced on the Allocation Date, or such earlier or later date as the Issuer deems appropriate, through Selling Agents described in Part C(7) below. Dealing in the Securities may not occur prior to this announcement.

### **3. Conditions of Offer**

The issue of the Securities is conditional upon the Issuer on or prior to the Allocation Date, having accepted valid applications for Securities with an aggregate Issue Price amounting to at least EUR 1,000,000.

The Issuer may waive the condition above. If the condition is not satisfied or waived in respect of the Securities, the Issuer shall not issue any Securities and shall return the application monies (without interest) for such Securities at the applicants' risk to applicants by no later than 30 days after the date that the Offer Period closes. Application monies will be returned by cheque mailed to the applicant's address as indicated on the application form, or by wire transfer to the bank account as detailed on the application form or any other method as the Issuer deems to be appropriate.

### **4. Cancellation of the Offer**

The Issuer reserves the right, in its absolute discretion, to cancel the Offer and the issue of the Securities at any time prior to the Issue Date. In such an event all subscription monies relating to applications for Securities under the Offer will be returned (without interest) to applicants at the applicant's risk by no later than 30 days after the date on which the Offer of the Securities is cancelled. Application monies will be returned by cheque mailed to the applicant's address as indicated on the application form, or by wire transfer to the bank account as detailed on the application form or by any other method as the Issuer deems to be appropriate.

### **5. Details of the application procedure**

No Securities will be offered for sale after the Offer Period has closed.

Applications for the purchase of Securities may be made by a prospective investor through any broker, financial advisor, bank, financial intermediary or other suitable agent, including any distributor appointed by the Arranger (each a **Selling Agent**). Prospective investors, if they do not already have these arrangements in place, will need to ensure that such arrangements are in place with an appropriate Selling Agent.

Pursuant to anti-money laundering laws and regulations in force in the UK, the Issuer, Citigroup Global Markets Limited or any of their authorised agents may require evidence in connection with

any application for Securities, including further identification of the applicant(s), before any Securities are issued.

Each prospective investor should ascertain from its Selling Agent when that Selling Agent will require receipt of cleared funds from its clients in respect of applications for the purchase of a particular issue of Securities and the manner in which payment should be made to the Selling Agent.

Each Selling Agent may impose different arrangements relating to the purchase of Securities and prospective investors should contact the Selling Agents directly for further information concerning such arrangements.

## **6. Scaling back arrangements**

It may be necessary to scale back applications under the Offer.

The Issuer therefore reserves the right, in its absolute discretion and following consultation with Citigroup Global Markets Limited to the extent practical in the circumstances, to decline in whole or in part an application for Securities under the Offer. Accordingly, an applicant for Securities may, in certain circumstances, not be issued the number of (or any) Securities for which he has applied.

Excess application monies will be returned (without interest) by cheque mailed to the relevant investor's address as indicated on the application form, or by wire transfer to the bank account as detailed on the application form or by any other method as the Issuer considers appropriate.

## **7. Fees and other remuneration**

Distribution of the Securities will be paid an initial distribution fee equal to 2.60 per cent. of the Nominal Amount.

The Issuer will pay listing fees to the Irish Stock Exchange of approximately EUR 2,500 in connection with admission of the Securities to the Irish Stock Exchange's Official List and to trading on its regulated market.

The Issuer, Citigroup Global Markets Limited and its affiliates involved in the offering of the Securities will receive remuneration for activities and services (including the hedging activities of the Issuer) provided in connection with the Securities.

Investors will pay a 3 per cent. premium on the nominal amount of each Security, such that the price of each EUR 1,000 Security will be EUR 1,030.

## **8. Post-issuance information**

Other than information the Issuer is required to notify to the Holders in accordance with the Conditions, which will be notified to Holders in accordance with the notice requirements set out in Condition 18, the Issuer does not intend to provide any post-issuance information in relation to the Securities.

## D THE CONDITIONS

The italicised text in this Section is for information only. If there is any inconsistency between the italicised text and the unitalicised text in this Section, the unitalicised text will be binding.

All references in these Conditions to "investors" shall mean each person who owns a beneficial interest in the Securities.

### 1. DEFINED TERMS

In these Conditions, unless otherwise specified, the following defined terms have the meanings set out below:

<b>Agents</b>	Any agents appointed pursuant to the agency agreement in relation to the Securities (other than the Calculation Agent).
<b>Business Days</b>	Each day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in London, Frankfurt and Stuttgart.
<b>Calculation Agent</b>	Citigroup Global Markets Limited, of Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB, or an affiliate.
<b>Clearing System(s)</b>	Euroclear Bank S.A./N.V., of 1 Boulevard du Roi Albert II, Brussels B-1210, Belgium and/or Clearstream Banking, société anonyme, of L-2967, Luxembourg and/or Clearstream, Frankfurt of Neue Börsestraße 1, 60487, Frankfurt am Main, Germany.
<b>Clearstream Banking, Frankfurt</b>	Clearstream Banking AG of Neue Borsenstrasse 1, D-60487, Frankfurt am Main, Germany.
<b>Dealer</b>	Citigroup Global Markets Limited, of Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB.
<b>Denomination(s)</b>	EUR 1,000.
<b>Early Repayment Amount</b>	See Condition 9.3.
<b>Early Repayment Date</b>	The date on which the Issuer designates Securities to be due and payable pursuant to either of Conditions 9.2(a) or 13.2.
<b>Exchange</b>	Each stock exchange or trading system on which any Component Security (as defined in Condition 8) is, in the determination of the Calculation Agent, principally traded.

<b>Exchange Business Day</b>	Any Scheduled Trading Day on which: <ul style="list-style-type: none"> <li>(a) the Sponsor publishes the level of the Index; and</li> <li>(b) each Related Exchange is open for trading during its regular trading session, notwithstanding any Exchange or Related Exchange closing prior to its Scheduled Closing Time.</li> </ul>
<b>Holder</b>	See Condition 2.
<b>Index</b>	The Dow Jones EURO STOXX 50 <sup>®</sup> Index (.STOXX50E/SX5E) (the <b>EURO STOXX 50<sup>®</sup></b> ), as calculated and published by the relevant Sponsor and subject to adjustment in accordance with Condition 8.1 (the <b>Index</b> ).
<b>Issue Date</b>	1st June, 2007.
<b>Issue Price</b>	EUR 1,030 per Security (or 103 per cent. of the Nominal Amount per unit).
<b>Issue Size</b>	Up to 30,000 units of EUR 1,000 each.  The final issue size will be notified to the Competent Authority on or around the Issue Date, and published on the website of the Irish Financial Services Regulatory Authority ( <a href="http://www.ifsra.ie">www.ifsra.ie</a> )
<b>Issuer</b>	Citibank International plc.
<b>Local Paying Agent</b>	Citibank International plc, of 1 North Wall Quay, Dublin 1, Ireland and Citigroup Global Markets Deutschland AG & Co., KGaA, Reuterweg 16, 60323, Frankfurt am Main, Germany.
<b>Mandatory Early Repayment Amount</b>	See Condition 9.1.
<b>Mandatory Early Repayment Date</b>	See Condition 9.1.
<b>Minimum Trading Size</b>	EUR 1,000.
<b>Net Proceeds</b>	EUR Up to 30,900,000.  The final Net Proceeds will be notified to the Competent Authority on or around the Issue Date, and published on the website of the Irish Financial Services Regulatory Authority ( <a href="http://www.ifsra.ie">www.ifsra.ie</a> )
<b>Nominal Amount per unit</b>	EUR 1,000.
<b>Number of Units</b>	Tranche: Up to 30,000

	Series: Up to 30,000
<b>Official Closing Level</b>	For any day, the official closing level of the Index as determined by the Calculation Agent.
<b>Principal Paying Agent</b>	Citibank N.A. of Citigroup Centre, 21st Floor, Canada Square, Canary Wharf, London E14 5LB.
<b>Rating</b>	The Securities are expected, on issue, to be assigned a rating of Aaa by Moody's and a rating of AA+ by S&P.
<b>Rating Agency</b>	Moody's Investors Service Limited ( <b>Moody's</b> ) and Standard and Poor's Ratings Service ( <b>S&amp;P</b> ), a division of The McGraw-Hill Companies, Inc.
<b>Related Exchange</b>	EUREX (a joint Swiss-German derivatives exchange) or any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in futures or options contracts relating to the Index has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the futures or options contracts relating to the Index on such temporary substitute exchange or quotation system as on the original Related Exchange).
<b>Repayment Amount</b>	See Condition 6.
<b>Repayment Date</b>	1st June, 2012 or, if that date is not a Business Day, the next following Business Day.
<b>Scheduled Closing Time</b>	For an Exchange or Related Exchange and a Scheduled Trading Day, the scheduled weekday closing time of such Exchange or Related Exchange on such Scheduled Trading Day, without regard to after hours or any other trading outside of the regular trading session hours.
<b>Scheduled Trading Day</b>	Any day on which: <ul style="list-style-type: none"> <li>(a) the Sponsor is scheduled to publish the level of the Index;</li> <li>(b) each Related Exchange is scheduled to be open for trading for its regular trading sessions; and</li> <li>(c) the X percentage (as defined in Condition 8) is no more than 20 per cent. of the Component Securities.</li> </ul>
<b>Securities</b>	Up to 30,000 units of EUR 1,000 each of Bonus Express 5 Securities ("Bonus Express Certificate Offensiv 5") linked to the Dow Jones EURO STOXX 50 <sup>®</sup> Index due 1st June, 2012.

<b>Series</b>	2007-103
<b>Sponsor</b>	The corporation or other entity that (i) is responsible for setting and reviewing the rules and procedures and methods of calculations and adjustments, if any, related to such Index and (ii) announces (directly or through an agent) the level of such Index on a regular basis during each Scheduled Trading Day, which as of the Issue Date is STOXX Limited, or any successor thereto.
<b>Tranche Number</b>	1
<b>Underlying</b>	The Index.

## 2. HOLDERS OF THE SECURITIES

The Securities are in bearer form. Only a single global certificate (described in these Conditions as the global security) will be issued per Series. The global security will be held by Clearstream Banking, Frankfurt.

The "Holders" of the Securities are each person who is shown in the records of the relevant Clearing System(s) as the holder of an amount of Securities.

Upon the occurrence of an exchange event (when any of Clearstream Banking, Frankfurt or its successor(s) and/or the Clearing System(s) are closed for a continuous period of more than 14 days) the Issuer will make arrangements for the Securities to be issued in definitive registered form.

*Please refer to Parts 3 (D)-(F) of Section 1 for an explanation of how the investor owns his interest.*

## 3. TRANSFERRING THE SECURITIES

### 3.1 Amount of each Transfer

Securities can only be transferred in multiples of the Denomination.

### 3.2 Transfer of Securities

The Securities will only be transferable in accordance with any laws that apply and the rules and procedures of the relevant Clearing System(s).

*Please refer to Parts 3(B) and (F) and Part 5 of Section 1 for further details.*

## 4. HOW THE SECURITIES RANK

Each Security ranks equally with the other Securities of the same Series and all other unsecured and unsubordinated debt obligations of the Issuer. The Securities are unsecured and unsubordinated obligations of the Issuer.

*All of the Securities issued in the same Series have the same ranking so that no one Security has the right to be paid before any other Security. If the Issuer is unable to make payments on the Securities in full on any date that payment is due, the claims of all the Holders (and therefore indirectly the investors) for payment will rank equally. This means that the amount*

*actually paid by the Issuer in these circumstances, if any, will be shared equally by all Holders (and therefore indirectly the investors) so that each Security receives its proportionate share of the amount actually paid.*

*The Issuer's obligations to make payments on the Securities are unsecured. Holders of secured obligations have the benefit of property that is specifically available for secured creditors if the Issuer does not pay. Because the Securities are unsecured, Holders will not be able to demand the sale of the Issuer's property to pay amounts due in relation to the Securities without first taking other actions against the Issuer and there may not be any property available for such sale.*

*The Issuer's obligations to make payments on the Securities are also unsubordinated. Subordination affects the order of payment with subordinated claims being paid after unsubordinated claims. If the Issuer is unable to make payments, the Holders' right to payment will not rank above or below the rights of all the other unsecured creditors of the Issuer. If any assets of the Issuer are available to pay unsecured creditors (including the Holders) after a default, each unsecured creditor will be entitled to a proportionate share of these assets. All creditors will be paid before any amounts are paid to the shareholders of the Issuer.*

## 5. PAYMENTS

Payments of the Repayment Amount and any Early Repayment Amount or Mandatory Early Repayment Amount must be made on a Business Day. If a scheduled date for payment is not a Business Day, payment will be made on the next following Business Day. No interest will accrue if payment is delayed for this reason.

All payments to Holders will be made in accordance with any applicable laws and regulations and practices and conventions usual for this type of transaction.

## 6. AMOUNT DUE ON REPAYMENT

### 6.1 Repayment

The Issuer will pay to each Holder of a Security on the Repayment Date the Repayment Amount.

### 6.2 Calculation of Repayment Amount

The **Repayment Amount** per Security will be an amount in EUR determined by the Calculation Agent on the basis of the following formula (rounded down to the nearest two decimal places):

- (a) where the Final Index Level of the Index is equal to or greater than the Start Index Level:

$$\text{EUR } 1,000 \times \text{Max} [1.475; \text{Final Index Level} / \text{Start Index Level}]$$

- (b) where:

(i) the Final Index Level is lower than the Start Index Level: and

(ii) at no time on any Index Knock In Day during the period commencing on (but excluding) the Strike Date and ending on (and including) the final Valuation



Date, has the Official Closing Level of the Index been equal to or less than the Index Knock In Level,

EUR 1,475; or

(c) where:

- (i) the Final Index Level is lower than the Start Index Level: and
- (ii) at any time on any Index Knock In Day during the period commencing on (but excluding) the Strike Date and ending on (and including) the final Valuation Date, the Official Closing Level of the Index has been equal to or less than the Index Knock In Level:

$$\text{EUR } 1,000 \times \frac{\text{Final Index Level}}{\text{Start Index Level}}$$

### 6.3 Notice of Repayment Amount

The Calculation Agent will notify the Issuer of the Repayment Amount on, or as soon as practicable after, the final Valuation Date, but no later than the date 2 Business Days prior to the Repayment Date.

## 7. INTEREST

The Issuer will not pay any interest on the Securities.

## 8. CONDITIONS RELATING TO THE UNDERLYING

### 8.1 Adjustments

*The calculation of the Repayment Amount and the determination of whether mandatory early repayment occurs is based on the performance of the Underlying. Events that affect the composition of the Underlying or the method of determining the performance of the Underlying may occur. Also, the Underlying may cease to exist or it may not be possible or practicable to determine the performance of the Underlying. In these circumstances, the Calculation Agent has the option to make changes to the Conditions to take account of these events without the consent of the Holders. The Calculation Agent can make these changes without taking into consideration the effect they will have on the Holders and/or the amounts that are payable on the Securities.*

***Investors should be aware that these changes may have a negative effect on the investments and/or the amounts payable on the Securities.***

(a) If the Index:

- (i) is not calculated and announced by the Sponsor but is calculated and announced by a successor to the Sponsor acceptable to the Calculation Agent; or
- (ii) is replaced by a successor index using, in the determination of the Calculation Agent, the same or a substantially similar formula for and method of calculation as used in the calculation of the Index,

then, in each case, that index (the **Successor Index**) will be deemed to be the Index.

- (b) If:
- (i) on or prior to any Valuation Date or any other relevant date, the Sponsor announces that it will make a material change in the formula for or the method of calculating the Index or in any other way materially modifies the Index (other than a modification prescribed in that formula or method to maintain the Index in the event of changes in constituent stock and capitalisation and other routine events) (an **Index Modification**); or
  - (ii) on or prior to any Valuation Date, the Sponsor permanently cancels the Index and no Successor Index exists (an **Index Cancellation**); or
  - (iii) on a Valuation Date, the Sponsor fails to calculate and announce the Index, (an **Index Disruption** and, together with an Index Modification and an Index Cancellation, each an **Index Adjustment Event**);

then, the Calculation Agent shall determine if such Index Adjustment Event has a material effect on the Securities and, if so, in the sole and absolute discretion of the Calculation Agent, the Calculation Agent shall either (A) calculate the Official Closing Level using, in lieu of a published level for the Index, the level for the Index as at the Valuation Time on the relevant Valuation Date as determined by the Calculation Agent in accordance with the formula for and method of calculating the Index last in effect prior to that change, failure or cancellation but using only those securities that comprised the Index immediately prior to that Index Adjustment Event (other than those securities that have since ceased to be listed on any relevant Exchange) or (B) the Calculation Agent will select an alternative index using, in the determination of the Calculation Agent, the same or a substantially similar formula for and method of calculation as used in the calculation of the Index or (C) the Securities will be redeemed on the later of the Exchange Business Day immediately prior to the effectiveness of the Index Adjustment Event and the date the Index Adjustment Event is announced by the Sponsor. If Securities are so redeemed the Issuer will pay an amount to each of the Holders which amount shall be the fair market value of a Security on a day selected by the Issuer in its sole and absolute discretion and taking into account the Index Adjustment Event, all as determined by the Calculation Agent in its sole and absolute discretion. Payments will be made in such manner as shall be notified in accordance with Condition 18. Any swap or other hedging transaction cancelled as a result of an Index Adjustment Event will be valued using the formula or method used to calculate the Index in effect immediately prior to such Index Adjustment Event.

- (c) If the level of the Index in relation to a Valuation Date used or to be used by the Calculation Agent to determine the Repayment Amount or whether mandatory early repayment occurs in accordance with Condition 9.1 is subsequently corrected and such correction is published by the Sponsor no later than the second Business Day prior to the Repayment Date and in any such case the Calculation Agent has notified the Issuer within that time, then the level of the Index for that Valuation Date shall be the level of the Index as so corrected.

- (d) The Calculation Agent will notify the Issuer and the Paying Agents of any determination made by it in accordance with sub-paragraphs (b) or (c) of this Condition 8.1 and the action proposed to be taken in relation to that determination. The Paying Agents will notify the Holders of this information as soon as reasonably practicable and in accordance with Condition 18.

The Calculation Agent shall not act as agent or trustee for the Holders. All quotations and determinations given or made by the Calculation Agent in relation to the Securities shall (save in the case of manifest error) be final and binding on the Issuer, the Paying Agents and the Holders. None of the Issuer, the Paying Agents or the Calculation Agent shall have any responsibility to any person for any errors or omissions in (i) the calculation by the Calculation Agent of any amount due in respect of the Securities or (ii) any determination made by the Calculation Agent.

## 8.2 Definitions for Valuation of the Underlying

As used in these Conditions:

**Component Security** means each component security comprised in the EURO STOXX 50<sup>®</sup>.

**Disrupted Day** means in relation to the Index, any Scheduled Trading Day on which:

- (i) the Sponsor fails to publish the level of the EURO STOXX 50<sup>®</sup>;
- (ii) any Related Exchange fails to open for trading during its regular trading session; or
- (iii) a Market Disruption Event has occurred;

The Calculation Agent shall, as soon as reasonably practicable, notify the Issuer of the existence or occurrence of a Disrupted Day on any day that but for the occurrence or existence of a Disrupted Day would have been a Valuation Date and the Issuer shall as soon as practicable notify the investors thereof in accordance with Condition 18. Failure by the Calculation Agent to notify the Issuer of the occurrence of a Disrupted Day will not affect the validity of a determination of the occurrence and effect of that Disrupted Day.

**Early Closure** means the closure on any Exchange Business Day of the relevant Exchange for any Component Security, or any Related Exchange, prior to its Scheduled Closing Time unless an earlier closing time is announced by the Exchange or Related Exchange at least one hour prior to the earlier of:

- (a) the actual closing time for the regular trading session on the Exchange or Related Exchange, as the case may be, on the Exchange Business Day; and
- (b) the submission deadline for orders to be entered into the relevant Exchange or Related Exchange system for execution at the relevant Valuation Time on such Exchange Business Day.

**Exchange Disruption** means any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general to effect transactions in, or obtain market values for:

- (a) any Component Security on the Exchange in respect of such Component Security; or

- (b) futures or options contracts relating to the EURO STOXX 50<sup>®</sup> on any relevant Related Exchange.

**Final Index Level** means, in respect of the Index, the Official Closing Level on the final Valuation Date.

**Index Knock In Day** means each Scheduled Trading Day for the Index which is not a Disrupted Day.

**Index Knock In Level** means the level equal to 70 per cent. of the Start Index Level.

**Index Level**<sub>MER</sub> means, in respect of a Mandatory Early Repayment Amount, the Official Closing Level on the Valuation Date corresponding to such Mandatory Early Repayment Amount as specified in the definition of Mandatory Early Repayment Amount in Condition 9.1.

**Market Disruption Event** means:

- (a) in respect of the Index and a Component Security included in the Index either:
- (i) the occurrence or existence, in respect of any Component Security, of:
    - (A) a Trading Disruption in respect of that Component Security, which the Calculation Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time in respect of the relevant Exchange for that Component Security; or
    - (B) an Exchange Disruption in respect of that Component Security, which the Calculation Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time in respect of the relevant Exchange for that Component Security; or
    - (C) an Early Closure in respect of that Component Security, which the Calculation Agent determines is material;

and the sum of the aggregate of all Component Securities in respect of which a Trading Disruption, an Exchange Disruption or an Early Closure occurs or exists and the X Percentage comprises 20 per cent. or more of the level of the Index; or
  - (ii) the occurrence or existence in respect of futures or options contracts relating to the Index of:
    - (A) a Trading Disruption at any time during the one hour period that ends at the Valuation Time in respect of any Related Exchange;
    - (B) an Exchange Disruption at any time during the one hour period that ends at the Valuation Time in respect of any Related Exchange; or
    - (C) an Early Closure,

in each case in respect of such futures or options contracts and which the Calculation Agent determines is material.

For the purpose of determining whether a Market Disruption Event exists in relation to an Index or in respect of a Component Security at any time, if an event giving rise to a Market Disruption Event occurs in respect of a security included in an Index or in respect of a Component Security, as the case may be, at that time, then the relevant percentage contribution of that security or Component Security, as the case may be, to the level of the relevant Index shall be based on a comparison of:

- (a) the portion of the level of the relevant Index attributable to that security or Component Security, as the case may be; and
- (b) the overall level of the Index using the official opening weightings as published by the Sponsor as part of the market "opening data".

For the avoidance of doubt, a limitation on the hours and number of days of trading resulting from a change in the regular business hours of any Exchange or Related Exchange will not constitute a Market Disruption Event.

**Scheduled Closing Time** means, in respect of an Exchange or Related Exchange and a Scheduled Trading Day, the scheduled weekday closing time of such Exchange or Related Exchange on such Scheduled Trading Day, without regard to after hours or any other trading outside of the regular trading session hours.

**Scheduled Valuation Date** means any original date that, but for the occurrence of an event causing a Disrupted Day, would have been a Valuation Date.

**Start Index Level** means, in respect of the Index, the Official Closing Level on the Strike Date.

**Strike Date** means 25th May, 2007.

**Trading Disruption** means any suspension of or limitation imposed on trading, whether by the relevant Exchange or Related Exchange, as the case may be, or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise, either:

- (a) relating to any Component Security on the Exchange in respect of such Component Security; or
- (b) in futures or options contracts relating to the Index on any Related Exchange.

**Valuation Date** means 13th June, 2008, 25th May, 2009, 25th May, 2010, 25th May, 2011 and 25th May, 2012, provided that if one of those dates is not a Scheduled Trading Day, the relevant Valuation Date shall be the first day which is a Scheduled Trading Day following that date unless, in the opinion of the Calculation Agent, that day is a Disrupted Day.

If the day which would otherwise be the relevant Valuation Date is a Disrupted Day for the Index then the relevant Valuation Date will be the earlier of:

- (a) the first succeeding Scheduled Trading Day that is not a Disrupted Day for the Index;
- (b) the eighth Scheduled Trading Day immediately following the first Disrupted Day; and
- (c) the second Business Day prior to the relevant payment date immediately following the first Disrupted Date.

If the Valuation Date is determined in accordance with either of paragraphs (b) or (c) above and that day is a Disrupted Day for the Index, then the Calculation Agent shall determine the level of the Index as of the Valuation Time on that day in accordance with the formula for and method of calculating the level of the Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange traded or quoted price as of the Valuation Time on that day of each security comprised in the Index, or if an event giving rise to a Disrupted Day has occurred in respect of the relevant security on that day, its good faith estimate of the value for the relevant security as of the Valuation Time on that day.

If the Calculation Agent determines that it is not material that any date which would otherwise be a Valuation Date is:

- (i) not a Scheduled Trading Day in respect of the Index because one or more Related Exchanges relating to the Index is not scheduled to be open (each an **Affected Index**); or
- (ii) a Disrupted Day for the Index solely because any Related Exchange fails to open,

the Calculation Agent shall have the discretion to determine such day to be the relevant Valuation Date (notwithstanding the fact that such date is not a Scheduled Trading Day in respect of the Index because one or more Related Exchanges is not scheduled to be open or is a Disrupted Day solely because any Related Exchange fails to open).

In determining what is "material", the Calculation Agent shall have regard to such circumstances as it in its sole and absolute discretion deems appropriate, which may include (but are not limited to) the effect on the level of such Affected Index of any trading in futures or options contracts on the relevant Related Exchange and the Issuer's hedging arrangements in respect of the Securities.

**Valuation Time** means in relation to the Index:

- (i) for the purposes of determining whether a Market Disruption Event has occurred:
  - (A) in respect of a Component Security, the Scheduled Closing Time on the relevant Exchange; and
  - (B) in respect of any options contracts or futures contracts on the Index the close of trading on the relevant Related Exchange; and
- (ii) in all other circumstances, the time at which the Official Closing Level of the Index is calculated and published by the Sponsor.

If, for the purposes of paragraph (i), the relevant Exchange closes prior to its Scheduled Closing Time, then the Valuation Time shall be the actual closing time of the relevant Exchange.

*The value of the Underlying on the Valuation Dates will be used to calculate the Repayment Amount and any Mandatory Early Repayment Amount. If the value of the Underlying cannot be determined because of a disruption or other event affecting the Exchange or Related Exchange, the method of valuing the Underlying will be as described in this Condition.*

**X Percentage** means, on any day, the per cent. of the Component Securities that are scheduled to be unavailable for trading on the relevant Exchange(s) on that day by virtue of

that day not being a day upon which the relevant Exchange(s) are scheduled to be open for trading for regular trading sessions.

For the purpose of determining the X Percentage, the relevant percentage contribution of that Component Security unavailable for trading shall be based on a comparison of:

- (d) The portion of the level of the Index attributable to that Component Security; and
- (e) The overall level of the Index in each case using the official opening weightings as published by the Sponsor as part of the market "opening data".

## 9. REPAYMENT BEFORE THE REPAYMENT DATE

### 9.1 Mandatory Early Repayment

If the Official Closing Level for the Index on any Valuation Date other than the final Valuation Date is equal to or greater than the Start Index Level, the Issuer will redeem each Security on the immediately following Mandatory Early Repayment Date at the Mandatory Early Repayment Amount. Upon payment of the Mandatory Early Repayment Amount, the Issuer will have no further obligations in respect of the Securities.

The Issuer will as soon as practicable, but in any event not later than the second Business Day prior to the Mandatory Early Repayment Date on which the Securities are to be redeemed, notify the Paying Agents and Holders upon the Securities becoming subject to redemption pursuant to this Condition 9.1.

The **Mandatory Early Repayment Amount** in respect of a Mandatory Early Repayment Date and a Security will be the applicable amount specified below:

Valuation Date	Mandatory Early Repayment Date	Mandatory Early Repayment Amount
13th June, 2008	20th June, 2008	Max [1.095; Index Level <sub>MER</sub> / Start Index Level] x EUR 1,000
25th May, 2009	1st June, 2009	Max [1.19; Index Level <sub>MER</sub> / Start Index Level] x EUR 1,000
25th May, 2010	2nd June, 2010	Max [1.285; Index Level <sub>MER</sub> / Start Index Level] x EUR 1,000
25th May, 2011	1st June, 2011	Max [1.38; Index Level <sub>MER</sub> / Start Index Level] x EUR 1,000

### 9.2 Early Repayment

Subject to the occurrence of a Mandatory Early Repayment Date pursuant to Condition 9.1, the Securities will not be repaid before the Repayment Date, unless one of the following events occurs:

- (a) Illegality, Impossibility and Force Majeure

If, in the Issuer's opinion, it is no longer lawful or it is impossible to issue the Securities or there is any reason why the Issuer cannot, for reasons beyond its control, perform its obligations under the Securities, then the Issuer may cancel the Securities and repay to each Holder an amount equal to the fair market value of the Securities (before any illegality occurred) less any costs incurred by the Issuer (including those for unwinding hedging arrangements it entered into to offset the risks under the Securities). When such amount has been paid, the Securities will be cancelled automatically and no other amount will be payable by the Issuer for the Securities.

(b) Index Adjustment Event

An Index Adjustment Event occurs in respect of which the Calculation Agent elects to redeem the Securities in accordance with Condition 8.1,

(c) Disruption Event

Disruption Event in respect of which the Issuer elects to redeem the Securities in accordance with Condition 13.2.

(d) Purchase

If the Issuer purchases Securities pursuant to Condition 10.1.

### 9.3 Early Repayment Amount

On the Early Repayment Date the Issuer will pay to each Holder of a Security the Early Repayment Amount.

For the purpose of Conditions 8.1, 9.2(a) and 13.2, the **Early Repayment Amount** per Security will be an amount in EUR determined by the Calculation Agent to be equal to the fair market in accordance with Conditions 8.1, 9.2(a) or 13.2, as applicable.

## 10. PURCHASES AND ADDITIONAL ISSUES BY THE ISSUER

### 10.1 Purchases

The Issuer, its affiliates and its subsidiaries may buy back any of the Securities on the open market. If the Issuer or any of its affiliates or subsidiaries buys any of the Securities on the open market, the Issuer, its affiliates or its subsidiaries may hold them or resell them or cancel them.

*The liquidity and/or the price or value of the Securities may be affected if the Issuer buys its own Securities. Please see Parts 1(D) and (E) of Section 1.*

### 10.2 Issuing Additional Securities

The Issuer may from time to time issue additional securities, which will be part of the same Series as the Securities already issued. The Issuer can issue such additional Securities without the consent of any Holders.

*The liquidity and/or the price or value of the Securities may be affected if the Issuer issues additional securities. Please see Part 1 (E) and Part 3(G) of Section 1.*



## 11. EXPIRY OF CLAIMS FOR PAYMENTS

Claims for payment of principal amounts on the Securities will expire ten years after the date that payment is due. Claims for payment of interest amounts on the Securities will expire five years after the date that payment is due. No payment will be made after the applicable expiry date.

## 12. TAXATION AND EXPENSES

Each investor is responsible for paying all taxes and expenses relating to its ownership or transfer of any Securities. If the Issuer is required by law to deduct any amount from a payment to a Holder, the amount payable to that Holder will be the net amount after such deduction and the Issuer will not have any obligation to pay any additional amount to that Holder to make up the deducted amount. The Issuer is not responsible for and has no obligation to pay any tax, duty, withholding or similar payment which may arise from any Holder's ownership or transfer of any Securities. If the Issuer is required to or does in fact pay any such amounts on behalf of a Holder, the Issuer can either reclaim the money from that Holder or hold back amounts due to that Holder until that amount has been recovered by the Issuer.

## 13. DISRUPTIONS

### 13.1 Disruption Event

The Issuer may from time to time enter into transactions with third parties to offset any risk it acquires by issuing the Securities. A **Disruption Event** occurs if the Issuer determines that it has become impossible to establish, maintain, or realise the value of any such transactions that it has entered, or may enter, into. In deciding whether a Disruption Event has occurred, the Issuer may consider the following factors:

- (a) a change in applicable law in any relevant jurisdiction or interpretation of any such relevant law;
- (b) a decline in the number of appropriate third parties with whom to contract or with whom to contract on reasonable terms; or
- (c) a material lack of liquidity in the market for any shares, options or other assets typically used for offsetting such risks.

### 13.2 Consequences of a Disruption Event

If the Issuer determines that a Disruption Event has occurred, the Holders will be given notice in accordance with Condition 18. The Issuer will then have the right to take any of the following actions:

- (a) repay the Securities early by paying to each Holder the an amount equal to the fair market value of the Securities less any expenses of the Issuer and upon such payment, the Securities will be cancelled and the Issuer will have no further obligations in respect of the Securities; or
- (b) make any change to the Conditions that the Issuer considers appropriate to mitigate the effect of the Disruption Event while maintaining the theoretical economic value of the Securities, subject to Condition 15.

## 14. CALCULATIONS

All calculations made by the Calculation Agent are final and binding and the Holders cannot object to such calculations, unless a calculation is a manifest error.

*A manifest error is an error that is obvious from the face of the calculation and includes, for example, a typographical error, such as an incorrect number within a calculation.*

## 15. AMENDMENTS TO THE CONDITIONS

The Issuer may amend these Conditions, without the consent of the Holders, if such change:

- (a) is of a formal, minor or technical nature; or
- (b) is made to correct a manifest error; or
- (c) does not, in the Issuer's reasonable opinion, have a material negative effect on the Holders' interests and (if the Securities are rated) each applicable Rating Agency has confirmed that such change would not result in an adverse change to the credit rating assigned by such Rating Agency to the Securities.

The Issuer will give notice to the Holders of any changes to the Conditions, in accordance with Condition 18. The changes will still be valid if the Issuer fails to give a notice in accordance with Condition 18.

*Condition 15 allows the Issuer to change the Conditions if the change does not have a negative effect on the Holders. A manifest error includes an error that is obvious from the face of the document and includes, for example, a typographical error.*

## 16. SUBSTITUTION OF ISSUER OR CHANGE OF REGISTERED OFFICE

### 16.1 New Issuer

- (a) The Issuer may at any time, without the consent of the Holders, replace itself with any company (the **New Issuer**) if all the following conditions are met:
  - (i) the Issuer gives notice of the replacement to the Holders (in accordance with Condition 18) at least 30 calendar days before the proposed date for the replacement;
  - (ii) the Issuer has made all payments on the Securities when due and payable;
  - (iii) all steps have been taken to ensure that the Securities are legal obligations of the New Issuer;
  - (iv) each stock exchange upon which the Securities are listed has confirmed that the Securities will continue to be listed following the proposed replacement by the New Issuer;
  - (v) each Rating Agency has confirmed that the Securities will have the same rating after the proposed replacement by the New Issuer becomes effective;
  - (vi) if necessary, the New Issuer has appointed a process agent as its agent in England to receive service of process on its behalf in relation to any legal proceedings arising out of or in connection to the Securities; and

- (vii) at the time of such substitution, the Issuer is not required to withhold or deduct any amount from a Holder on account of tax.

*If the Issuer is replaced by a New Issuer, the Securities will no longer be obligations of the Issuer and Holders will not be able to demand payment from the Issuer. Only the New Issuer will be responsible for payment.*

- (b) Each New Issuer may, without the consent of any Holder, implement a further substitution if it complies with Condition 16.1(a) above.

## **16.2 Change of Registered Office**

The Issuer may, upon giving notice to the Holders in accordance with Condition 18, change the office through which it is acting in relation to the Securities. The notice of a change in office must specify the date that such change will take effect.

## **17. AGENTS**

### **17.1 Principal Paying Agent and Local Paying Agents**

The Issuer may end the appointment of any Local Paying Agent and appoint a replacement. The Issuer may not end the appointment of the Principal Paying Agent without first having appointed a replacement. Notice of any change in the Principal Paying Agent or any other Paying Agents will be given to the Holders in accordance with Condition 18.

If the Securities are listed on a stock exchange or publicly offered, there will always be a local paying agent in the countries required by that stock exchange or the country where the Securities are publicly offered.

Calculations made by the Paying Agents are final and binding, unless there is a manifest error.

*A manifest error includes an error that is obvious from the face of the calculation and includes, for example, a typographical error, such as an incorrect number within a calculation.*

### **17.2 Calculation Agent**

- (a) The Issuer may end the appointment of any Calculation Agent and appoint a replacement. Notice of any change in the Calculation Agent will be given to the Holders in accordance with Condition 18.
- (b) Whenever any matter falls to be determined, considered or otherwise decided upon by the Issuer, the Calculation Agent or any other person (including where a matter is to be decided by reference to the Issuer's, the Calculation Agent's or such other person's opinion), unless otherwise stated, that matter shall be determined, considered or otherwise decided upon by the Issuer, the Calculation Agent or such other person, as the case may be, in good faith and in a commercially reasonable manner.

The Calculation Agent shall not act as agent or trustee for the Holders. All quotations and determinations given or made by the Calculation Agent in relation to the Securities shall (save in the case of manifest error) be final and binding on the Issuer, the Agents and the Holders. None of the Issuer, the Agents or the Calculation Agent shall have any responsibility to any person for any errors or omissions in (a) the

calculation by the Calculation Agent of any amount due in respect of the Securities or (b) any determination made by the Calculation Agent.

- (c) The Calculation Agent may, with the consent of the Issuer, delegate any of its responsibilities to an affiliated third party.

### **17.3 Agents' Duties**

The Paying Agents and the Calculation Agent act for the Issuer. They have no duties or responsibilities towards the Holders.

## **18. NOTICES**

Notices to Holders will be valid if delivered to the Clearing System(s) and/or published in a daily newspaper of general circulation in the relevant country of issue. Each notice is deemed to be delivered to the Holders the day after the notice is delivered to the Clearing System(s) or published in the daily newspaper.

If the Securities are listed on a stock exchange, notices will also be published in accordance with the rules of that stock exchange. For Securities listed on the Irish Stock Exchange, notices will be published on the website of the Irish Stock Exchange.

## **19. MEETINGS OF HOLDERS**

There will be no meetings of Holders.

## **20. GOVERNING LAW AND JURISDICTION**

### **20.1 Governing Law**

The law governing the Securities is English law. The terms and conditions of the Securities will be interpreted in accordance with English law.

### **20.2 Jurisdiction**

The courts of England have jurisdiction to settle any disputes which may arise out of or in connection with the Securities. The Issuer will not take proceedings relating to the Securities in any courts outside England. A Holder may take proceedings in any other court of competent jurisdiction.

## **21. RIGHTS OF THIRD PARTIES**

No person has any rights under the Contracts (Right of Third Parties) Act 1999 to enforce any Condition. This does not affect any right or remedy available to a third party apart from that Act.

## **RESPONSIBILITY**

The Issuer accepts responsibility for the information contained in the Prospectus. To the best of the knowledge and belief of the Issuer (having taken all reasonable care to ensure that such is the case) the information contained in the Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

The information in Part E of Section 2 has been extracted from publicly available sources. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is

able to ascertain from publicly available sources, no facts have been omitted which would render the reproduced information inaccurate or misleading.

Acceptance on behalf of the  
Issuer of the terms of the Prospectus

For and on behalf of  
**CITIBANK INTERNATIONAL plc**  
By:

## E INFORMATION RELATING TO THE UNDERLYING

### DESCRIPTION OF THE DOW JONES EURO STOXX 50<sup>®</sup>

#### General

Deutsche Börse, Dow Jones and Co. Inc., SBF-Bourse de Paris and Schweizer Börse have together founded a new company, named STOXX LIMITED ("STOXX"), and created a new family of indices. They consist of four major indices and various sector and regional indices calculated for Western Europe and the Euro zone. The four major indices are:

- (a) Dow Jones STOXX<sup>®</sup>, the European broad index<sup>(1)</sup> (which duplicates the Dow Jones Global Indexes Europe index);
- (b) Dow Jones STOXX 50<sup>®</sup>, the European blue-chip index (a 50-stock index derived from Dow Jones STOXX<sup>®</sup>);
- (c) Dow Jones EURO STOXX<sup>®</sup>, the Euro broad index<sup>(2)</sup> (Dow Jones STOXX excluding those countries not participating in European Economic and Monetary Union); and
- (d) Dow Jones EURO STOXX 50<sup>®</sup>, the Euro blue-chip index (a 50-stock index derived from Dow Jones EURO STOXX<sup>®</sup>) (the "**Dow Jones EURO STOXX 50<sup>®</sup>**").

Notes:

- (1) The European broad index covers companies from Austria, Belgium, Denmark, Finland, France, Germany, Greece, Italy, Ireland, The Netherlands, Norway, Portugal, Spain, Sweden, Switzerland and the United Kingdom. Luxembourg will be added when a continuous data feed becomes available. Other European countries may be added to the European broad index in the future.
- (2) The Euro broad index covers companies from Austria, Belgium, Finland, France, Germany, Italy, Ireland, The Netherlands, Portugal and Spain. Luxembourg will be added when a continuous data feed becomes available. Other countries may be added in the future.

#### Calculation of the Dow Jones EURO STOXX 50<sup>®</sup>

The Dow Jones EURO STOXX 50<sup>®</sup> is capitalisation-weighted and is calculated on both a price- and total-return basis. For the purpose of the determination of any Mandatory Early Repayment Amount and the Repayment Amount, the price-return based index only is relevant. It is calculated in euro in real-time and is currently disseminated every 15 seconds from 9.00 a.m. to 5.45 p.m. (Central European Time).

The Dow Jones EURO STOXX 50<sup>®</sup> is computed on the basis of last prices; a traded price on various exchanges listed below will trigger the calculation of the Dow Jones EURO STOXX 50<sup>®</sup> after the opening trade of a component stock is received.

In the event of a suspension of the quotation during the trading session, the last traded price is used for all subsequent computations. If a quotation is suspended before the trading begins, the adjusted closing price from the previous day is taken for the calculation of the Dow Jones EURO STOXX 50<sup>®</sup>. If there is a stock exchange holiday in one or more countries, the last available stock prices from this exchange will be used for the Dow Jones EURO STOXX 50<sup>®</sup> calculation.

The Dow Jones EURO STOXX 50<sup>®</sup> is based on 31st December, 1991. The base value of the Dow Jones EURO STOXX 50<sup>®</sup> was set at 1,000.

### Relevant Stock Exchange Markets

The following countries and exchange/trading systems are currently used as a source for stock prices for the Dow Jones EURO STOXX 50<sup>®</sup>:

Country	Stock Exchange/Trading System
Austria	Vienna Stock Exchange
Belgium	Euronext Brussels
Finland	Helsinki Stock Exchange
France	Euronext Paris
Germany	Xetra
Greece	Athens Stock Exchange
Ireland	Irish Stock Exchange
Italy	Italian Stock Exchange
Netherlands	Euronext Amsterdam
Portugal	Euronext Lisbon
Spain	SIBE

### Index Composition

Securities are selected for Dow Jones STOXX 50<sup>®</sup> so as to represent the largest and most liquid stocks in the market.

Dow Jones EURO STOXX<sup>®</sup> is a subset of Dow Jones STOXX<sup>®</sup>. Only companies from countries that are part of the European Monetary Union are included in Dow Jones EURO STOXX<sup>®</sup>.

The Dow Jones EURO STOXX 50<sup>®</sup> is a subset of the stocks of 50 companies of the Dow Jones EURO STOXX<sup>®</sup> index with the intent of reflecting the sector leaders.

### Periodic and Ongoing Reviews

Currently the composition of the Dow Jones EURO STOXX 50<sup>®</sup> is reviewed annually, and changes are implemented on the third Friday in September, using market data from the end of July as the basis for the review process. In addition, the Dow Jones EURO STOXX 50<sup>®</sup> is continually reviewed for changes to the index composition necessitated, e.g., by extraordinary corporate actions affecting the component companies.

## Decision-Making Bodies

STOXX's Advisory Committee advises the Supervisory Board on matters relating to the Dow Jones EURO STOXX 50<sup>®</sup>. This committee proposes changes of the composition to the Supervisory Board. It makes recommendations with respect to the accuracy and transparency of the Dow Jones EURO STOXX 50<sup>®</sup> computation. Decisions on the composition and changes in the Dow Jones EURO STOXX 50<sup>®</sup> are reserved to the Supervisory Board.

## Performance of the Dow Jones EURO STOXX 50<sup>®</sup>

The high and low closing values (price-return) for the Dow Jones EURO STOXX 50<sup>®</sup> for 2002, 2003, 2004, 2005 and 2006 are set out below:

	Year ended 31st December, 2002	Year ended 31st December, 2003	Year ended 31st December, 2004	Year ended 31st December, 2005	Year ended 31st December, 2006
High	3,833.09	2,760.66	2,959.71	3,616.33	4,140.66
Low	2,150.27	1,849.64	2,580.04	2,924.01	3,408.02

Source: Sponsor's website: [www.stoxx.com](http://www.stoxx.com)

Set out below is a table showing the high and low official closing values (price return) for the Dow Jones EURO STOXX 50<sup>®</sup>, for the periods indicated:

*The historical performance of the Dow Jones EURO STOXX 50<sup>®</sup> should not be taken as an indication of future performance.*

Month Ended	High	Low
<b>2003</b> January	2,529.86	2,154.53
February	2,280.82	2,058.97
March	2,249.11	1,849.64
April	2,365.97	2,067.23
May	2,389.70	2,229.43
June	2,527.44	2,365.76
July	2,519.79	2,366.86
August	2,593.55	2,436.06
September	2,641.55	2,395.87
October	2,575.04	2,434.63
November	2,657.60	2,568.71
December	2,766.66	2,651.41
<b>2004</b> January	2,896.78	2,782.52
February	2,932.95	2,816.34
March	2,959.71	2,702.05
April	2,905.88	2,787.48
May	2,659.85	2,823.37
June	2,713.29	2,840.04
July	2,806.62	2,640.61
August	2,712.45	2,580.04
September	2,790.67	2,691.67
October	2,834.62	2,734.37
November	2,922.24	2,834.03
December	2,955.11	2,888.02
<b>2005</b> January	2,959.71	2,580.04
February	3,086.95	3,008.85
March	2,942.49	2,854.44
April	3,090.72	2,930.10



<b>Month Ended</b>	<b>High</b>	<b>Low</b>
May	3,096.54	2,949.09
June	3,190.80	3,099.20
July	3,333.05	3,170.06
August	3,370.84	3,224.10
September	3,429.42	3,274.42
October	3,464.23	3,241.14
November	3,471.43	3,312.45
December	3,616.33	3,499.40
<b>2006</b> January	3,532.68	3,691.41
February	3,840.56	3,671.37
March	3,874.61	3,727.96
April	3,888.46	3,770.79
May	3,890.94	3,539.77
June	3,890.94	3,408.02
July	3,710.02	3,492.11
August	3,817.86	3,640.60
September	3,899.41	3,739.70
October	4,027.29	3,975.80
November	4,109.81	3,974.62
December	4,140.66	3,932.09
<b>2007</b> January	4,195.22	4,090.88
February	4,272.32	4,087.12
March	4191.58	3906.15

The official closing level of the Dow Jones EURO STOXX 50<sup>®</sup> on 18th April, 2007 was 4358.95.  
Source: Sponsor's website: [www.stoxx.com](http://www.stoxx.com) and Bloomberg

Current and historical performance information about the Dow Jones EURO STOXX 50<sup>®</sup> can be found on the STOXX website: [www.stoxx.com](http://www.stoxx.com)

## **DISCLAIMER**

*STOXX and Dow Jones have no relationship to the Issuer, other than the licensing of the Dow Jones EURO STOXX 50<sup>®</sup> and the related trademarks for use in connection with the Securities.*

### ***STOXX and Dow Jones do not:***

- *Sponsor, endorse, sell or promote the Securities.*
- *Recommend that any person invest in the Securities or any other securities.*
- *Have any responsibility or liability for or make any decisions about the timing, amount or pricing of Securities.*
- *Have any responsibility or liability for the administration, management or marketing of the Securities.*
- *Consider the needs of the Securities or the owners of the Securities in determining, composing or calculating the Dow Jones EURO STOXX 50<sup>®</sup> or have any obligation to do so.*

***STOXX and Dow Jones will not have any liability in connection with the Securities.***

*Specifically:*

- (a) *STOXX and Dow Jones do not make any warranty, express or implied and disclaim any and all warranty about:*
- (i) *the results to be obtained by the Securities, the owner of the Securities or any other person in connection with the use of the Dow Jones EURO STOXX 50<sup>®</sup> and the data included in the Dow Jones EURO STOXX 50<sup>®</sup>;*
  - (ii) *the accuracy or completeness of the Dow Jones EURO STOXX 50<sup>®</sup> and its data;*
  - (iii) *the merchantability and the fitness for a particular purpose or use of the Dow Jones EURO STOXX 50<sup>®</sup> and its data;*
- (b) *STOXX and Dow Jones will have no liability for any errors, omissions or interruptions in the Dow Jones EURO STOXX 50<sup>®</sup> or its data; and*
- (c) *under no circumstances will STOXX or Dow Jones be liable for any lost profits or indirect, punitive, special or consequential damages or losses, even if STOXX or Dow Jones knows that they might occur.*

*The licensing agreement between the Issuer and STOXX is solely for their benefit and not for the benefit of the owners of the Securities or any other third parties.*

## F SELLING RESTRICTIONS

### 1. GENERAL

The Dealer will agree that it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Securities or possesses or distributes the Prospectus and any other offering material relating to the Securities and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Securities under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and neither the Issuer nor any other Dealer shall have any responsibility therefor.

Neither the Issuer nor the Dealer represents that the Securities may at any time lawfully be sold in compliance with any applicable registrations or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

### 2. EUROPEAN ECONOMIC AREA

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a **Relevant Member State**), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Member State (the **Relevant Implementation Date**) it has not made and will not make an offer of Securities to the public in that Relevant Member State, except that it may, with effect from and including the Relevant Implementation Date, make an offer of Securities to the public in that Relevant Member State:

- (a) in (or in Germany, where the offer starts within) the period beginning on the date of publication of a prospectus in relation to those Securities which has been approved by the competent authority in that Relevant Member State in accordance with the Prospectus Directive or, where appropriate, published in another Member State and notified to the competent authority in that Relevant Member State all in accordance with Article 18 of the Prospectus Directive and ending on the date which is 12 months after the date of such publication;
- (b) at any time to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;
- (c) at any time to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than €43,000,000 and (3) an annual turnover of more than €50,000,000, as shown in its last annual or consolidated accounts; or
- (d) at any time in any other circumstances which do not require the publication by the Issuer of a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an "offer of Securities to the public" in relation to any Securities in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Securities to be offered so as to enable an investor to decide to purchase or subscribe the Securities, as

the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression **Prospectus Directive** means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

### 3. UNITED STATES OF AMERICA

The Securities have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the **Securities Act**) and may not be offered or sold in the United States (as defined in Regulation S under the Securities Act) except to certain persons in offshore transactions in reliance on Regulation S under the Securities Act. In addition, until the expiration of 40 days after the commencement of the issue of the Securities, an offer or sale of the Securities within the United States by any dealer (whether or not participating in the issue of the Securities) may violate the registration requirements of the Securities Act.

### 4. IRELAND

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree that:

- (a) it has not offered or sold and will not offer or sell any Securities, except in conformity with the provisions of the Prospectus (Directive 2003/71/EC) Regulations 2005 and the provisions of the Irish Companies Acts 1963-2006;
- (b) it has not and will not offer or sell any Securities other than in compliance with the provisions of the Irish Market Abuse (Directive 2003/6/EC) Regulations 2005; and
- (c) it will not underwrite the issue of or place the Securities otherwise than in conformity with the provisions of the Irish Investment Intermediaries Act 1995 (as amended), including, without limitation, Sections 9, 23 (including any advertising restrictions made thereunder) and Section 37 (including any codes of conduct issued thereunder) the provisions of the Irish Investor Compensation Act, 1998, including without limitation, Section 21.

## G TAXATION

**PROSPECTIVE PURCHASERS OF THE SECURITIES ARE ADVISED TO CONSULT THEIR OWN ADVISORS AS TO THE TAX CONSEQUENCES, UNDER THE TAX LAWS OF THE COUNTRY OF WHICH THEY ARE RESIDENTS, OF A PURCHASE AND HOLDING OF THE SECURITIES.**

**THE ISSUER WILL NOT BE LIABLE FOR OR OTHERWISE OBLIGED TO PAY ANY STAMP TAXES, TAX, DUTIES OR ANY OTHER PAYMENT WHICH MAY ARISE AS A RESULT OF OWNERSHIP, TRANSFER OR EXERCISE OF ANY SECURITIES.**

### 1. GERMANY

*The following comments are of a general nature and included herein solely for information purposes. These comments are not intended to be, nor should they be construed to be, legal or tax advice. No representation with respect to the consequences to any particular prospective holder of a Note is made hereby. Any prospective holder of a Note should consult their own tax advisers in all relevant jurisdictions.*

*The information contained in this section is not intended as tax advice and does not purport to describe all of the tax considerations that may be relevant to a prospective purchaser of the Securities. It is based upon German tax laws (including tax treaties) and administrative decrees as in effect as of the date hereof, which are subject to change, potentially with retroactive or retrospective effect.*

**PROSPECTIVE PURCHASERS OF THE SECURITIES ARE ADVISED TO CONSULT THEIR OWN ADVISORS AS TO THE TAX CONSEQUENCES OF AN INVESTMENT IN THE SECURITIES.**

#### **Tax Residents**

##### *Speculative securities*

There are good and valid arguments that the Securities held by Private Investors resident in Germany as non-business assets qualify as speculative securities (Sec. 23 German Income Tax Act, Einkommensteuergesetz), because they neither guarantee or grant at the date of issuance (i) a repayment of principal in total or in part (ii) nor any remuneration (especially no interest). If Securities, qualifying as such securities, are sold within one year after the purchase of the Securities the capital gains are taxed as speculative income, if the capital gains from all such private disposals during a calendar year equal or exceed 512 Euro (per individual and year). The amount of the capital gain or loss will be equal to the difference between the sales proceeds or the redemption value paid by the Issuer and the acquisition costs for the Security. The capital gains are taxable at the personal progressive income tax rate of the Investor plus a 5.5 per cent solidarity surcharge thereon.

Consequently, if the Securities are (i) sold within one year after the purchase of the Securities and the capital gains from all such private disposals during a calendar year fall short of 512 Euro (per individual and year) or (ii) sold after one year of the purchase of the Securities, capital gains and losses should be tax exempt.

*The offset of potential losses is restricted.*

Income from the Securities held as business assets is subject to German income tax or the German corporate income tax (in both cases plus solidarity surcharge) and, in addition, trade tax. The offset of losses might be restricted.

#### *Financial innovations*

Should, however, the Securities be classified as financial innovations (Finanzinnovationen) capital gains deriving from the disposal, transfer or redemption of the Securities received by persons who are resident in the Federal Republic of Germany will qualify as interest income and will be subject to German personal or corporate income tax (in both cases plus solidarity surcharge) and, additionally made subject to trade tax if the Securities are held as business assets. The tax base is determined by the balance of the disposal price or redemption price over the issue price or the acquisition costs or the book value.

If the Securities are held as private assets, such interest income is subject to personal income tax rates plus solidarity surcharge thereon. Since 2007 a personal annual exemption (Sparer-Freibetrag) of 750 Euro (1.500 Euro for married couples filing their tax return jointly) is available for the aggregated dividends and savings income including interest income from the Securities. In addition, an individual is entitled to a standard deduction of 51 Euro annually (102 Euro for married couples filing their tax return jointly) in computing the overall investment income unless the expenses involved are demonstrated to have actually exceeded that amount.

Withholding tax arises as follows:

If the Securities are kept or administered in a domestic securities deposit account by a German credit institution or financial services institution (or by a German branch of a foreign institution), a 30 per cent. capital yield tax (**Kapitalertragsteuerabzug**), plus a 5.5 per cent. solidarity surcharge on such tax, will be levied on the positive difference between the purchase price paid by the Noteholder and the selling price or redemption amount, as the case may be, resulting in a total withholding tax charge of 31.65 per cent. However, if such criteria are not fulfilled, if e.g. the Securities are sold or redeemed after a transfer from another securities deposit account, the price difference as the taxable base for the Kapitalertragsteuerabzug and the solidarity surcharge will be substituted by a flat amount of 30 per cent. of the selling price or the redemption price.

If Securities are presented for payment or for credit to an account at the office of a German credit or financial services institution (or to a German branch of a foreign institution), the tax rate for the Kapitalertragsteuerabzug is always 35 per cent. plus solidarity surcharge, resulting in a total tax charge of 36.925 per cent. If the Securities are repaid at maturity or sold prior to maturity under such circumstances, the Kapitalertragsteuerabzug of 35 per cent. plus solidarity surcharge is calculated on 30 per cent. of the selling price or the redemption amount. The Kapitalertragsteuerabzug and the solidarity surcharge are generally not final but will be included in the relevant tax assessment for personal or corporate income tax purposes. The Kapitalertragsteuerabzug and the solidarity surcharge will be credited against the final German tax liability or refunded in excess of the final tax liability.

#### **Non-Tax Residents**

##### *Speculative securities*

Persons who are not tax resident in Germany, are generally not subject to German taxation. However, if the Securities are held as part of a domestic business or with a permanent representative in Germany, the Investor will be taxed the same as German residents subject to a minimum tax rate for individual investors.

##### *Financial innovations*

Should the Securities be classified as financial innovations, in general no German Kapitalertragsteuerabzug plus solidarity surcharge will be levied. In the case of over-the-counter-transactions (payment or credit upon presentation of the Securities at the office of a German credit or financial services institution or at a German branch of a foreign institution), with the exception of transactions entered into by foreign credit or financial services institutions, the 35 per cent. Kapitalertragsteuerabzug plus solidarity surcharge, in total 36.925 per cent. applies. Under certain circumstances a refund might be available.

If according to German tax law the interest income received from the Securities kept or administered by a German credit or financial services institution (or by a German branch of a foreign institution) is effectively connected with a German trade or business of a non-resident, the 30 per cent. Kapitalertragsteuerabzug plus solidarity surcharge are applicable and can be set off against the German personal or corporate income tax liability of the non-resident in a subsequent assessment procedure.

### **Investment Tax Act**

The Securities should not qualify as units in a foreign investment fund in terms of the German Investment Tax Act (Investmentsteuergesetz).

### **Intended Changes by reform of business taxation**

In the course of the intended reform of business taxation, the Federal Government plans to establish a final flat-rate tax on investment income.

According to these plans, from 1 January 2009 a 25 per cent. withholding tax plus solidarity surcharge, in total 26,375 per cent., shall be deducted from the gross income from capital investment. This withholding tax shall generally be final and only be included in the relevant tax assessment upon application, especially if the personal income tax rate lies below 25 per cent.

Capital gains from private disposals shall also be income from capital investment within the above meaning. The one-year holding period shall cease to exist, i.e. capital gains from private disposals shall be taxable income, independent of the period between purchase and disposal or redemption of the Notes. This rule shall apply to capital investments purchased on 1st January, 2009 or later.

The exact taxation of capital income from 1st January, 2009 is still unclear. Up to now, only a draft bill from the Federal Government is available .

## **2. UNITED KINGDOM**

*The following applies only to persons who are the beneficial owners of Securities and is a summary of the Issuer's understanding of current law and practice in the United Kingdom relating only to United Kingdom withholding tax treatment of payments of interest in respect of the Securities. It does not deal with any other United Kingdom taxation implications of acquiring, holding or disposing of Securities. Some aspects do not apply to certain classes of person (such as dealers and persons connected with the Issuer) to whom special rules may apply. Prospective holders of Securities who may be subject to tax in a jurisdiction other than the United Kingdom or who may be unsure as to their tax position should seek their own professional advice.*

### **Payments under the Securities**

The following paragraphs apply to the extent the Issuer makes a payment of interest on the Securities or if the Issuer makes any other payment under the Securities which is regarded as interest for United Kingdom tax purposes.

There are four situations in which the Issuer is able to make payments of interest without withholding or deduction for or on account of United Kingdom income tax:

1. The Issuer, provided that it continues to be a bank within the meaning of section 840A of the Income and Corporation Taxes Act 1988 (the "Act"), and provided that the interest on the Securities is paid in the ordinary course of its business within the meaning of section 349 of the Act, will be entitled to make payments of interest without withholding or deduction for or on account of United Kingdom income tax.
2. Whether or not the Issuer carries on a banking business in the United Kingdom and whether or not the interest is paid in the ordinary course of its business, payments of interest on the Securities may be made without deduction of or withholding on account of United Kingdom income tax provided that the Securities continue to be listed on a "recognised stock exchange" within the meaning of section 841 of the Act. The Irish Stock Exchange is a recognised stock exchange. Under a United Kingdom HM Revenue and Customs interpretation, the Securities will satisfy this requirement if they are admitted to trading on the regulated market of the Irish Stock Exchange. Provided, therefore, that the Securities remain so listed, interest on the Securities will be payable without withholding or deduction on account of United Kingdom tax.
3. Interest on the Securities may also be paid without withholding or deduction on account of United Kingdom tax where interest on the Securities is paid to a person who belongs in the United Kingdom for United Kingdom tax purposes and, at the time the payment is made, the Issuer reasonably believes (and any person by or through whom interest on the Securities is paid reasonably believes) that the beneficial owner is within the charge to United Kingdom corporation tax as regards the payment of interest; provided that HM Revenue and Customs has not given a direction (in circumstances where it has reasonable grounds to believe that the above exemption is not available in respect of such payment of interest at the time the payment is made) that the interest should be paid under deduction of tax.
4. Interest on the Securities may also be paid without withholding or deduction on account of United Kingdom tax where the maturity of the Securities is less than 365 days.

In other cases, an amount must generally be withheld from payments of interest on the Securities on account of United Kingdom income tax at the lower rate (currently 20%). However, where an applicable double tax treaty provides for a lower rate of withholding tax (or for no tax to be withheld) in relation to a holder of Securities, HM Revenue and Customs can issue a notice to the Issuer to pay interest to the holder of Securities without deduction of tax (or for interest to be paid with tax deducted at the rate provided for in the relevant double tax treaty).

### **Information relating to interest payments**

Holders of Securities who are individuals may wish to note that HM Revenue and Customs has power to obtain information (including the name and address of the



beneficial owner of the interest) from any person in the United Kingdom who either pays interest to or receives interest for the benefit of an individual. HM Revenue and Customs also has power to obtain information from any person in the United Kingdom who pays amounts payable on the redemption of Securities which are deeply discounted securities for the purposes of the Income Tax (Trading and Other Income) Act 2005 to or receives such amounts for the benefit of an individual, although HM Revenue and Customs published practice indicates that HM Revenue and Customs will not exercise the power referred to above to require this information where such amounts are paid on or before 5th April, 2007. Such information may include the name and address of the beneficial owner of the amount payable on redemption. Any information obtained may, in certain circumstances, be exchanged by HM Revenue and Customs with the tax authorities of the jurisdiction in which the holder of a Security is resident for tax purposes.

### **3. EU SAVINGS DIRECTIVE**

Under EC Council Directive 2003/48/EC on the taxation of savings income, Member States are required to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other Member State. However, for a transitional period, Belgium, Luxembourg and Austria will instead be required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). A number of non-EC countries and territories, including Switzerland, have adopted similar measures (a withholding system in the case of Switzerland).

**REGISTERED OFFICE OF THE ISSUER**

**Citibank International plc**  
Citigroup Centre  
Canada Square  
Canary Wharf  
London E14 5LB  
Telephone: +44 (0)20 7986 4000

**ARRANGER**

**Citigroup Global Markets Limited**  
Citigroup Centre  
Canada Square  
Canary Wharf  
London E14 5LB

**PRINCIPAL PAYING AGENT AND ISSUING AGENT**

**Citibank N.A.**  
21st Floor, Citigroup Centre  
Canada Square  
Canary Wharf  
London E14 5LB

**LOCAL PAYING AGENTS**

**Citibank International plc**  
1 North Wall Quay  
Dublin 1, Ireland

**Citigroup Global Markets Deutschland AG & Co., KGaA,**  
Reuterweg 16, 60323,  
Frankfurt am Main,  
Germany

**LISTING AGENT**

**Arthur Cox Listing Services Limited**  
Earlsfort Centre  
Earlsfort Terrace  
Dublin 2, Ireland

**LEGAL ADVISERS**

*To the Arranger as to English law*

**Allen & Overy LLP**  
One Bishops Square  
London E1 6AO  
  
Allen & Overy LLP

## COUNTRY SUPPLEMENT - GERMANY

24. April 2007

*The Country Supplement set out below is not a part of the approved Prospectus and was not approved by or filed with any authority. It only contains a non-binding German translation of the following sections: Product Specific Risk Factors, The Conditions, Information regarding the Underlying and Taxation – Federal Republic of Germany as contained in section 2 of the Prospectus dated 24 April 2007 and approved in Ireland with of Citibank International plc with respect to:*

*Up to 30,000 units of EUR 1,000 each of Bonus Express 5 Securities ("Bonus Express Certificate Offensiv 5 ") linked to the Dow Jones EURO STOXX 50® Index due 1st June, 2012  
Series 2007-103  
Issue Date: 1st June, 2007*

*Only the Prospectus contains the binding information with respect to the Securities. The following German translation of the mentioned sections are non-binding convenience translations only.*

*Dieses Country Supplement („Country Supplement“) enthält eine Übersetzung der Abschnitte „Produktspezifische Risikofaktoren“ (Product Specific Risk Factors) „Anleihebedingungen“ (The Conditions), „Informationen bezüglich des Underlying“ (Information regarding the Underlying) und „Steuern in der Bundesrepublik Deutschland“ (Taxation – Federal Republic of Germany) wie sie in der Section 2 des in Irland gebilligten Prospekts vom 24. April 2007 (der „Prospekt“) der Citibank International plc. (die „Emittentin“), bezogen auf die*

*Up to 30,000 units of EUR 1,000 each of Bonus Express 5 Securities ("Bonus Express Certificate Offensiv 5") linked to the Dow Jones EURO STOXX 50® Index due 1st June, 2012  
Series 2007-103  
Issue Date: 1st June, 2007*

*enthalten sind.*

*Ausschließlich der Prospekt enthält die verbindlichen Angaben zu den Schuldverschreibungen. Die deutschsprachigen Fassungen der vorgenannten Textabschnitte*

*sind eine nicht verbindliche Übersetzung und dienen lediglich der Erleichterung des Verständnisses.*

*Zudem enthält dieses Dokument Angaben zu den Verwaltungsstellen.*

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## **DEUTSCHE ÜBERSETZUNG DER PRODUKTSPEZIFISCHEN RISIKOHINWEISE**

### **B      PRODUKTSPEZIFISCHE RISIKOFAKTOREN**

**DIE NACHSTEHEND AUFGEFÜHRTEN RISIKOFAKTOREN STELLEN KEINE VOLLSTÄNDIGE AUFSTELLUNG ALLER FÜR EINE ENTSCHEIDUNG ZUM KAUF ODER EIN HALTEN DER WERTPAPIERE RELEVANTEN ERWÄGUNGEN DAR UND SIND AUCH NICHT ALS SOLCHE ZU VERSTEHEN. BITTE LESEN SIE EBENFALLS ABSCHNITT 1\*. DER RISIKOFAKTOREN IN BEZUG AUF DIE EMITTENTIN UND DAS PROGRAMM ENTHÄLT.**

Potenzielle Anleger sollten vor einer Anlageentscheidung in Bezug auf die Wertpapiere sämtliche in Abschnitt 1\*, in diesem Abschnitt 2\* und ggf. in Abschnitt 3\* gemachten Angaben sowie ihre persönlichen Umstände berücksichtigen. Die Risikofaktoren in diesem Abschnitt 2\* sind eine spezifischere Darstellung der mit einer Anlage in diese Wertpapiere verbundenen produktspezifischen Risiken. Sie sind im Zusammenhang mit den in Abschnitt 1\* dargestellten Risikofaktoren in Bezug auf die Emittentin und das Programm sowie unter Berücksichtigung der persönlichen Umstände zu lesen. Die Umstände, die in den in Abschnitt 1\* und in diesem Abschnitt 2\* aufgeführten Risikofaktoren beschrieben werden, können für sich genommen oder gemeinsam die Rendite der Wertpapiere verringern und zu einem vollständigen oder teilweisen Verlust der Anlage eines Gläubigers in die Wertpapiere führen.

Die in Abschnitt 1 und in diesem Abschnitt 2\* dargestellten Risikofaktoren sind keine vollständige Aufzählung aller Erwägungen im Zusammenhang mit einer Anlage in die Wertpapiere. Möglicherweise existieren weitere Risiken, die potenzielle Anleger berücksichtigen sollten und die für ihre besonderen Umstände oder allgemein relevant sind.

Eine Anlage in die Wertpapiere beinhaltet komplexe Risiken und ist nur für Anleger geeignet, die in der Lage sind (entweder selbst oder mithilfe eines geeigneten Finanz-, Rechts-, oder Steuerberaters oder eines sonstigen geeigneten Beraters), die Chancen und Risiken einer solchen Anlage einzuschätzen und mögliche Verluste aufgrund einer solchen Anlage zu tragen.

*Großgeschriebene Begriffe, die in diesem Teil B verwendet werden, haben die Bedeutung, die ihnen in Teil D zugewiesen wurde.*

#### **1.      Eignung**

Potenzielle Anleger sollten abwägen, ob eine Anlage in die Wertpapiere vor dem Hintergrund ihrer persönlichen Umstände für sie geeignet ist, und sollten ihre Rechts-, Unternehmens- und Steuerberater zu Rate ziehen, um die Folgen einer Anlage in die Wertpapiere zu erörtern und die Anlage selbst beurteilen zu können.

Eine Anlage in die Wertpapiere eignet sich für Anleger, die folgende Eigenschaften aufweisen:

- (a) Sie verfügen über das erforderliche Wissen und die erforderliche Erfahrung in finanziellen und geschäftlichen Angelegenheiten, um die Vorteile und Risiken einer Anlage in die Wertpapiere zu beurteilen;

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\* Der Begriff "Abschnitt" bezieht sich hier auf die Abschnitte (*sections*) im Prospekt. Dieses Country Supplement enthält lediglich Übersetzungen eines Teils der Angaben aus Abschnitt (*section*) 2 des Prospekts, wie auf der Titelseite aufgeführt. Für Abschnitt 1 und 3 des Prospekts sind keine Übersetzungen erhältlich

- (b) Sie haben Zugang zu und Erfahrung im Umgang mit den geeigneten Analysemethoden, um diese Vorteile und Risiken vor dem Hintergrund ihrer Finanzlage zu beurteilen;
- (c) Sie können das wirtschaftliche Risiko einer Anlage in die Wertpapiere auf unbestimmte Dauer eingehen; und
- (d) Ihnen ist bewusst, dass es während eines nicht unerheblichen Zeitraums oder auch gar nicht möglich sein kann, die Wertpapiere zu veräußern.

Potenzielle Anleger in die Wertpapiere sollten auf Grundlage ihrer eigenen Beurteilung und aufgrund der Beratung der von ihnen als notwendig erachteten Berater eine eigene unabhängige Entscheidung zur Anlage in die Wertpapiere und hinsichtlich der Frage treffen, ob die Anlage in die Wertpapiere für sie geeignet oder angemessen ist. Potentielle Anleger in die Wertpapiere sollten (schriftliche oder mündliche) Mitteilungen der Emittentin oder des Dealers oder von deren verbundenen Gesellschaften, leitenden Angestellten oder Beauftragten nicht als Anlageberatung oder Empfehlung zur Anlage in die Wertpapiere auffassen, da Informationen und Erläuterungen hinsichtlich der Wertpapiere nicht als Anlageberatung oder Empfehlung zur Anlage in die Wertpapiere ausgelegt werden dürfen. (Schriftliche oder mündliche) Mitteilungen der Emittentin oder des Dealers oder von deren verbundenen Gesellschaften, leitenden Angestellten oder Beauftragten sind nicht als Versicherung oder Garantie hinsichtlich der zu erwartenden Ergebnisse einer Anlage in die Wertpapier anzusehen.

## **2. Kein Kapitalschutz**

Die Wertpapiere sind nicht kapitalgeschützt und werden am Ende der Laufzeit zum Rückzahlungsbetrag zurückgezahlt, unabhängig davon, ob dieser niedriger als der Ausgabepreis ist. Ein teilweiser Verlust oder ein Totalverlust des eingesetzten Kapitals ist möglich, falls der Abschließende Index-Stand unterhalb des Anfänglichen Index-Standes liegt und der Offizielle Schlusskurs des Index zu irgendeinem Zeitpunkt während der gesamten Laufzeit der Wertpapiere 70 % oder weniger des Anfänglichen Index-Standes beträgt. Bevor potenzielle Investoren eine Anlageentscheidung treffen, sollten sie die mit einer Anlage in die Wertpapiere verbundenen Risiken sorgfältig abwägen.

Potenzielle Anleger können ferner falls die Wertpapiere vor dem Rückzahlungstag zurückgezahlt werden oder Anleger die Wertpapiere vor dem Rückzahlungstag verkaufen einen Betrag erhalten, der niedriger als der Ausgabepreis ist. In diesen Fällen kann der Preis , für den die Wertpapiere verkauft werden können, bzw. der Betrag bei vorzeitiger Rückzahlung möglicherweise geringer sein als der Ausgabepreis.

## **3. Faktoren in Bezug auf den Basiswert**

### *3.1 Indexstand*

Anleger in die Wertpapiere sollten mit Investments in den weltweiten Kapitalmarkt und in Indizes im Allgemeinen vertraut sein. Der Stand des Index basiert auf den Werten der darin enthaltenen Werte. Hierbei sollten Anleger beachten, dass der Stand des Index keine Erträge aus Reinvestitionen in die in ihm enthaltenen Werte berücksichtigt. Anleger sollten sich darüber im Klaren sein, dass globale Entwicklungen der Wirtschaft, Finanzmärkte und Politik maßgeblichen Einfluss auf den Wert der im Index enthaltenen Werte bzw. auf die Entwicklung des Index haben können.

### 3.2 *Dividenden*

Anleger sollten beachten, dass etwaige Dividenden, die an Inhaber von im Index enthaltenen Werten gezahlt werden, nicht an die Emittentin oder an Inhaber der Wertpapiere gezahlt werden. Die Rendite der Wertpapiere berücksichtigt daher keine Zahlungen von Dividenden, die Anlegern zustünden, die direkt in die im Index enthaltenen Werte investiert haben. Folglich könnte die Rendite der Wertpapiere geringer als die Rendite einer Direktinvestition in die im Index enthaltenen Werte sein.

### 3.3 *Marktvolatilität*

Die Marktvolatilität gibt den Grad der Instabilität und erwarteten Instabilität der Wertentwicklung eines Index und der darin enthaltenen Werte wieder. Die Höhe der Marktvolatilität wird weitgehend von den Kursen der Finanzinstrumente beeinflusst, die das Risiko der Marktvolatilität für die Anleger begrenzen sollen. Diese Kurse werden von Angebots- und Nachfragefaktoren auf den Märkten für Optionen und derivative Instrumente bestimmt, die wiederum von der tatsächlichen Marktvolatilität, der erwarteten Marktvolatilität, volkswirtschaftlichen Faktoren und Spekulation beeinflusst werden.

## 4. **Vorzeitige Rückzahlung der Wertpapiere**

### 4.1 *Zwingende Vorzeitige Rückzahlung in Abhängigkeit von der Wertentwicklung des Basiswerts*

Die Wertpapiere werden an einem Zwingenden Vorzeitigen Rückzahlungstag zum Zwingenden Vorzeitigen Rückzahlungsbetrag zurückgezahlt, wenn der Offizielle Schlussstand des Index an einem Bewertungstag (mit Ausnahme des abschließenden Bewertungstages) den Anfänglichen Index-Stand überschreitet oder ihm entspricht. Der Zwingende Vorzeitige Rückzahlungsbetrag wird berechnet, um eine auf eine Jahresrate umgerechnete Rendite in Höhe von 9,50 % p.a. über die Laufzeit der Wertpapiere hinweg zu erreichen. In diesem Fall unterliegen die Inhaber von Wertpapieren einem Wiederanlagerisiko, da sie möglicherweise ihre Anlage in die Wertpapiere nicht durch eine Anlage mit einem vergleichbaren Chance-/Risiko-Profil zum Zeitpunkt des Eintritts einer zwingenden vorzeitigen Rückzahlung ersetzen können.

### 4.2 *Vorzeitige Rückzahlung aus anderen Gründen*

Die Wertpapiere können unter bestimmten in den Anleihebedingungen beschriebenen Umständen (Rückkauf durch die Emittentin, ein Unterbrechungsereignis, eine Indexstörung, oder ein Ereignis, das eine Ungesetzmäßigkeit (*Illegality*), Unmöglichkeit (*Impossibility*) oder Höhere Gewalt (*Force Majeure*) gemäß den Anleihebedingungen darstellt) vorzeitig zurückgezahlt werden. Werden die Wertpapiere vorzeitig zurückgezahlt, wird der vorzeitige Rückzahlungsbetrag von der Berechnungsstelle gemäß den Anleihebedingungen ermittelt und besteht keine Garantie, dass der an die Anleger gezahlte Betrag gleich oder höher als der ursprünglich angelegte Betrag ist.

Gläubiger können von der Emittentin weder Rücknahme noch Kauf von Wertpapieren vor dem Rückzahlungstag verlangen.

### 4.3 *Vorzeitige Rückzahlung könnte die Teilnahme an der Entwicklung des Basiswerts begrenzen*

Werden die Wertpapier vorzeitig zurückgezahlt, ist der Betrag, den die Inhaber der Wertpapier erhalten, auch dann auf den Zwingenden Vorzeitigen Rückzahlungsbetrag bzw. den Vorzeitigen Rückzahlungsbetrag begrenzt, wenn der Index in diesem Zeitraum um mehr als 9,50 % p.a. gestiegen ist. Ferner profitieren die Inhaber der Wertpapiere nicht von etwaigen Steigerungen des Index in dem Zeitraum zwischen der vorzeitigen Rückzahlung und dem Fälligkeitstag.



## **5. Mögliche Interessenkonflikte**

Die Emittentin oder ein mit der Emittentin verbundenes Unternehmen kann für eigene Rechnung oder für Rechnung Dritter Geschäfte mit dem Index oder den darin enthaltenen Werten abschließen. Diese können einen positiven oder einen negativen Einfluss auf die Wertentwicklung des Index und somit der Wertpapiere haben.

## **6. Sekundärmarktrisiken**

Der Arrangeur oder ein mit diesem verbundenes Unternehmen wird voraussichtlich Kurse für einen Sekundärmarkt mit den Wertpapieren stellen, wo Anleger ihre Wertpapiere über eine Verkaufsstelle (*Selling Agent*) an den Arrangeur oder ein mit diesem verbundenes Unternehmen verkaufen können. Es kann jedoch nicht garantiert werden, dass sich tatsächlich ein Sekundärmarkt entwickeln wird. Ein Anleger sollte sich daher darauf einstellen, die Wertpapiere bis zum Rückzahlungstag zu halten. Infolgedessen besteht eines der mit den Wertpapieren verbundenen Risiken in mangelnder Liquidität. Börsennotierte Wertpapiere verfügen nicht notwendigerweise über eine höhere Liquidität als nicht börsennotierte Wertpapiere.

Es ist zu beachten, dass ein Sekundärmarkt sowohl durch rechtliche Beschränkungen in bestimmten Rechtsordnungen als auch durch Kauf bzw. Halten von Wertpapieren durch die Emittentin beeinträchtigt werden kann.

Falls es möglich ist, die Wertpapiere zu verkaufen, so werden diese zum auf dem Markt vorherrschenden Ankaufskurs (*bid price*) verkauft und können einer Transaktionsgebühr unterliegen. Der vorherrschende Ankaufskurs kann von einer Vielzahl von Faktoren, wie etwa Wertentwicklung der zugrunde liegenden Werte, zum Verkaufszeitpunkt vorherrschende Zinssätze, bis zum angegebenen Rückzahlungstag verbleibende Zeit und Bonität der Emittentin, beeinflusst werden. Daher ist es möglich, dass Anleger, die Wertpapiere auf dem Sekundärmarkt verkaufen, einen geringeren Preis als ihre ursprüngliche Anlage erzielen.

## **7. Ermessensspielraum**

Durch die Bedingungen der Wertpapiere wird der Berechnungsstelle ein gewisser Ermessensspielraum bei Feststellungen und Berechnungen in Bezug auf die Indexstände, den Zwingenden Vorzeitigen Rückzahlungsbetrag sowie bei Anpassungen des Index eingeräumt. Auch wenn die Berechnungsstelle bei der Ausübung ihres Ermessens nach Treu und Glauben und auf wirtschaftlich angemessene Weise handeln wird, kann nicht garantiert werden, dass die Ausübung dieses Ermessens sich nicht auf die Wertentwicklung der Wertpapiere bzw. den Eintritt eines Zwingenden Vorzeitigen Rückzahlungstags auswirken wird.

## **8. Einbehalt von auf die Wertpapiere zu zahlenden Beträgen**

Es können Umstände eintreten (z. B. Gesetzesänderungen), deren Folge es sein kann, dass die Emittentin Abzüge hinsichtlich des/der auf ein Wertpapier zu zahlenden Betrags/Beträge aufgrund von Quellensteuern oder andere ähnliche Abzügen vornehmen muss. Sollte dieser Fall eintreten, so erhalten die Anleger einen geringeren als den ursprünglich erwarteten Betrag und die Emittentin wird keine zusätzlichen Beträge an die Anleger zahlen, um den einbehaltenen oder abgezogenen Betrag auszugleichen.

## 9. Ersetzung der Emittentin

Die Emittentin kann jederzeit, ohne dass hierfür eine Zustimmung der Gläubiger erforderlich ist, alle ihre Rechte und Pflichten im Rahmen der Wertpapiere an eine andere Gesellschaft (bei dem es sich nicht um ein verbundenes Unternehmen der Emittentin handeln muss) abtreten oder auf diese übertragen (die **Neue Emittentin**), sofern bestimmte in Bedingung 16.1 (*Neue Emittentin*) dargelegte Bedingungen erfüllt sind. Dazu zählt unter anderem die Bedingung, dass jede der Rating-Agenturen (derzeitige Rating-Agenturen sind S&P und Moody's) bestätigt hat, dass sich das Rating der Wertpapiere auch nach dem wirksamen Eintritt der geplanten Ersetzung durch die Neue Emittentin nicht ändert, und dass die Emittentin den Gläubigern den Wechsel mindestens 30 Tage im Voraus angezeigt hat. Es sei noch einmal darauf hingewiesen, dass die Emittentin berechtigt ist, eine Abtretung ohne die Zustimmung der Gläubiger vorzunehmen. Eine Abtretung kann nur dann erfolgen, wenn die Neue Emittentin zum Zeitpunkt der Abtretung keine Abzüge oder Einbehalte aus steuerlichen Gründen im Rahmen der Anleihebedingungen vornehmen muss. Muss die Neue Emittentin nach der Abtretung an die Neue Emittentin für steuerliche Zwecke Abzüge oder Einbehalte an den Zahlungen an die Gläubiger vornehmen, so verringern sich die Zahlungen an die Gläubiger entsprechend. **Tritt die Emittentin ihre im Rahmen der Wertpapiere bestehenden Pflichten an eine Gesellschaft ab, der kein verbundenes Unternehmen der Citigroup Global Markets Limited oder ihrer verbundenen Unternehmen (die Citigroup-Unternehmen) ist, so ist keines der Citigroup-Unternehmen für die Rückzahlung sowie für sonstige Verpflichtungen der Neuen Emittentin im Rahmen der Wertpapiere verantwortlich.**

## 10. Ratings

Ein Wertpapier-Rating stellt keine Empfehlung für einen Kauf, Verkauf oder das Halten von Wertpapieren dar und kann jederzeit von der jeweiligen Rating-Agentur ausgesetzt, geändert oder zurückgenommen werden. Eine Aussetzung, Änderung oder Rücknahme des Ratings der Wertpapiere kann sich negativ auf den Marktpreis der Wertpapiere auswirken.

# DEUTSCHE ÜBERSETZUNG DER ANLEIHEBEDINGUNGEN

## DIE ANLEIHEBEDINGUNGEN

Der in Kursivschrift wiedergegebene Text in diesem Abschnitt dient lediglich Informationszwecken. Im Falle eines Widerspruchs zwischen dem in Kursivschrift und dem nicht in Kursivschrift wiedergegebenen Text in diesem Abschnitt ist der nicht in Kursivschrift wiedergegebene Text verbindlich.

Der Begriff "Anleger" bzw. "Investor" steht in diesen Anleihebedingungen für jede Person, die wirtschaftlicher Eigentümer der Wertpapiere ist.

### 1. DEFINIERTE BEGRIFFE

In diesen Anleihebedingungen haben die folgenden definierten Begriffe jeweils die im Folgenden angegebene Bedeutung, es sei denn, es wird etwas anderes angegeben:

<b>Verwaltungstellen</b>	Gemäß dem Verwaltungsstellenvertrag ( <i>agency agreement</i> ) hinsichtlich der Wertpapiere bestellte Verwaltungstellen (außer der Berechnungsstelle).
<b>Geschäftstage</b>	Jeder Tag, an dem die Geschäftsbanken und Devisenmärkte in London, Frankfurt und Stuttgart Zahlungen abwickeln und für den allgemeinen Geschäftsbetrieb geöffnet sind (einschließlich Geschäfte mit Devisen und Fremdwährungseinlagen).
<b>Berechnungsstelle</b>	Citigroup Global Markets Limited, Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB, oder ein verbundenes Unternehmen.
<b>Clearing-System(e)</b>	Euroclear Bank S.A./N.V., 1 Boulevard du Roi Albert II, Brüssel B-1210, Belgien und/oder Clearstream Banking, société anonyme, L-2967 Luxembourg und/oder Clearstream, Frankfurt, Neue Börsenstrasse 1, 60487, Frankfurt am Main, Germany.
<b>Clearstream Banking, Frankfurt</b>	Clearstream Banking AG, Neue Börsenstrasse 1, D-60487 Frankfurt am Main, Deutschland.
<b>Dealer</b>	Citigroup Global Markets Limited, Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB.
<b>Stückelung(en)</b>	EUR 1.000.
<b>Vorzeitiger Rückzahlungsbetrag</b>	Siehe Bedingung 9.3.
<b>Vorzeitiger Rückzahlungstag</b>	Der Tag, an dem Wertpapiere gemäß einer Erklärung der Emittentin entweder nach Bedingung 9.2(a) oder 13.2. zur Zahlung fällig sind.

<b>Börse</b>		Jede Wertpapierbörse oder jedes Handelssystem, an der bzw. dem ein Komponenten-Wertpapier (gemäß der Definition in Bedingung 8) nach Feststellung der Berechnungsstelle hauptsächlich gehandelt wird.
<b>Börsenarbeitstag</b>		Jeder Vorgesehene Handelstag, an dem: <ul style="list-style-type: none"> <li>(a) der Sponsor den Stand des Index veröffentlicht; und</li> <li>(b) jede Verbundene Börse während ihrer üblichen Handelszeit für den Handel geöffnet ist, ungeachtet dessen, ob eine Börse oder Verbundene Börse vor ihrem Vorgesehenen Börsenschluss schließt.</li> </ul>
<b>Gläubiger</b>		Siehe Bedingung 2.
<b>Index</b>		Der Dow Jones EURO STOXX 50 <sup>®</sup> Index (.STOXX50E/SX5E) (der <b>EURO STOXX 50<sup>®</sup></b> ), wie vom maßgeblichen Sponsor berechnet und veröffentlicht und vorbehaltlich von Anpassungen gemäß Bedingung 8.1 (der <b>Index</b> ).
<b>Ausgabetag</b>		1. Juni 2007.
<b>Ausgabepreis</b>		EUR 1.030 je Wertpapier (oder 103% vom Nennwert je Stück).
<b>Emissionsvolumen</b>		Bis zu 30.000 Stück von je EUR 1.000.  Das endgültige Emissionsvolumen wird der Zuständigen Aufsichtsbehörde am oder um den Ausgabetag mitgeteilt und auf der website der Irischen Finanzaufsichtsbehörde ( <i>Irish Financial Services Regulatory Authority</i> ) ( <a href="http://www.ifsra.ie">www.ifsra.ie</a> ) veröffentlicht.
<b>Emittentin</b>		Citibank International plc.
<b>Lokale Zahlstelle</b>		Citibank International plc, 1 North Wall Quay, Dublin 1, Irland und Citigroup Global Markets Deutschland AG & Co., KgaA, Reuterweg 16, 60323, Frankfurt am Main, Deutschland.
<b>Obligatorischer Rückzahlungsbetrag</b>	<b>Vorzeitiger</b>	Siehe Bedingung 9.1
<b>Obligatorischer Rückzahlungstag</b>	<b>Vorzeitiger</b>	Siehe Bedingung 9.1
<b>Mindesthandelsgröße</b>		EUR 1.000.
<b>Nettoerlös</b>		Bis zu EUR 30.900.000.

Der endgültige Nettoerlös wird der Zuständigen Aufsichtsbehörde am oder um den Ausgabetag mitgeteilt und auf der website der Irischen Finanzaufsichtsbehörde (*Irish Financial Services Regulatory Authority*) ([www.ifsra.ie](http://www.ifsra.ie)) veröffentlicht.

<b>Nennbetrag pro Stück</b>	EUR 1.000.
<b>Anzahl der Stücke</b>	Tranche: Bis zu 30.000 Serie: Bis zu 30.000
<b>Offizieller Schlussstand</b>	Für jeden Tag der von der Berechnungsstelle festgestellte offizielle Schlussstand des Index.
<b>Hauptzahlstelle</b>	Citibank N.A., Citigroup Centre, 21 Floor Canada Square, Canary Wharf, London E14 5LB.
<b>Rating</b>	Die Wertpapiere werden bei ihrer Begebung voraussichtlich ein Rating von Aaa von Moody's und ein Rating von AA+ von S&P erhalten.
<b>Rating-Agentur</b>	Moody's Investors Service Limited ( <b>Moody's</b> ) und Standard and Poor's Ratings Service ( <b>S&amp;P</b> ), <i>a division of</i> The McGraw-Hill Companies, Inc.
<b>Verbundene Börse</b>	EUREX (eine deutsch-schweizerische Terminbörse), oder eine jegliche Nachfolge-Börse oder ein Nachfolge-Notierungssystem oder eine Ersatz-Börse oder ein Ersatz-Notierungssystem, an der bzw. dem der Handel in den Termin- oder Optionskontrakten hinsichtlich des Index vorübergehend abgewickelt wird (sofern die Berechnungsstelle bestimmt hat, dass die Liquidität in Bezug auf die Termin- oder Optionskontrakte hinsichtlich des Index an dieser vorübergehenden Ersatz-Börse oder diesem Ersatz-Notierungssystem mit der Liquidität an der ursprünglichen Verbundenen Börse vergleichbar ist).
<b>Rückzahlungsbetrag</b>	Siehe Bedingung 6.
<b>Rückzahlungstag</b>	1. Juni 2012 oder, falls dieser Tag kein Geschäftstag ist, der nächstfolgende Geschäftstag.
<b>Vorgesehener Börsenschluss</b>	Für eine Börse oder Verbundene Börse und einen Vorgesehenen Handelstag, der vorgesehene Zeitpunkt des werktäglichen Börsenschlusses an dieser Börse oder Verbundenen Börse am betreffenden Vorgesehenen Handelstag, ohne Berücksichtigung eines nachbörslichen Handels oder ein sonstiger Handels außerhalb der üblichen Handelszeiten.

<b>Vorgesehener Handelstag</b>	Jeder Tag, and dem: <ul style="list-style-type: none"> <li>(a) die Veröffentlichung des Standes des Index durch den Sponsor vorgesehen ist;</li> <li>(b) die Öffnung jeder Verbundenen Börse zum Handel an den üblichen Handelszeiten vorgesehen ist; und</li> <li>(c) der X-Prozentsatz (gemäß der Definition in Bedingung 8) nicht mehr als 20% der Komponenten-Wertpapiere beträgt.</li> </ul>
<b>Wertpapiere</b>	Bis zu 30.000 Bonus Express 5 Wertpapiere ("Bonus Express Zertifikat Offensiv 5") von jeweils Euro 1.000 gebunden an den Dow Jones EURO STOXX 50 <sup>®</sup> Index, fällig am 1. Juni 2012.
<b>Serie</b>	2007-103
<b>Sponsor</b>	Das Unternehmen oder eine Gesellschaft, das bzw. die (i) für die Regeln, Verfahren und Berechnungsmethoden und ggf. für Anpassungen hinsichtlich des Index zuständig ist und (ii) entweder selbst oder durch einen Vertreter den Stand des Index regelmäßig während jedes Vorgesehenen Handelstages bekannt gibt; Sponsor am Ausgabetag ist Stoxx Limited oder ein Nachfolger.
<b>Tranche Nummer</b>	1
<b>Basiswert</b>	Der Index.

## 2. DIE GLÄUBIGER DER WERTPAPIERE

Die Wertpapiere lauten auf den Inhaber. Für jede Serie wird nur eine einzelne Globalurkunde ausgestellt. Die Globalurkunde wird von Clearstream Banking, Frankfurt, verwahrt.

"Gläubiger" der Wertpapiere ist jede Person, die in den Büchern des maßgeblichen Clearing-Systems bzw. der maßgeblichen Clearing-Systeme als Inhaber einer Anzahl von Wertpapieren ausgewiesen wird.

Bei Vorliegen eines Austauschgrunds (wenn Clearstream Banking, Frankfurt oder ein Nachfolger und/oder das bzw. die Clearing-System(e) für einen zusammenhängenden Zeitraum von mehr als 14 Tagen geschlossen sind) wird die Emittentin Vorkehrungen für die Ausgabe der Wertpapiere in Form effektiv verbriefter registrierter Wertpapiere (*definitive registered form*) treffen.

*Siehe Teil 3 (D)-(F) von Abschnitt 1 zur Erläuterung der Art und Weise, in der ein Anleger das Eigentum an seinem Anteil hält.*

### **3. ÜBERTRAGUNG DER WERTPAPIERE**

#### **3.1 Betrag einer Übertragung**

Wertpapiere können nur in Höhe eines Vielfachen der Stückelung übertragen werden.

#### **3.2 Übertragung der Wertpapiere**

Die Wertpapiere sind ausschließlich gemäß geltendem Recht und den Regeln und Verfahren des bzw. der maßgeblichen Clearing-System(e) übertragbar.

*Siehe Teil 3(B) und (F) und Teil 5 von Abschnitt 1 hinsichtlich näherer Angaben.*

### **4. RANG DER WERTPAPIERE**

Jedes Wertpapier steht im gleichen Rang mit den anderen Wertpapieren derselben Serie und allen sonstigen unbesicherten und nicht nachrangigen Verbindlichkeiten der Emittentin. Die Wertpapiere sind unbesicherte und nicht nachrangige Verbindlichkeiten der Emittentin.

*Alle Wertpapiere einer Serie stehen untereinander im gleichen Rang, so dass kein Wertpapier das Recht auf Zahlung vor einem anderen Wertpapier vermittelt. Ist die Emittentin nicht in der Lage, Zahlungen auf die Wertpapiere bei Fälligkeit in voller Höhe zu leisten, so stehen die Zahlungsansprüche aller Gläubiger (und somit mittelbar auch der Anleger) untereinander im gleichen Rang. Das bedeutet, dass der von der Emittentin unter diesen Umständen gegebenenfalls tatsächlich gezahlte Betrag unter allen Gläubiger (und somit mittelbar auch unter den Anlegern) gleichmäßig aufgeteilt wird, so dass jedes Wertpapier einen anteiligen Betrag der tatsächlich gezahlten Summe erhält.*

*Die Zahlungsverbindlichkeiten der Emittentin aus den Wertpapieren sind nicht besichert. Den Gläubigern besicherter Verbindlichkeiten kommen Vermögenswerte zugute, die eigens für besicherte Gläubiger zur Verfügung stehen, falls die Emittentin keine Zahlungen leistet. Da die Wertpapiere nicht besichert sind, haben deren Gläubiger jedoch keinen Anspruch auf den Verkauf des Vermögens der Emittentin, damit hinsichtlich der Wertpapiere fällige Zahlungen geleistet werden können, ohne zuvor andere Schritte gegen die Emittentin zu ergreifen, und u.U. steht für einen solchen Verkauf kein Vermögen zur Verfügung.*

*Darüber hinaus sind die Zahlungsverbindlichkeiten der Emittentin aus den Wertpapieren nicht nachrangig. Nachrangigkeit wirkt sich auf die Zahlungsreihenfolge aus, wobei nachrangige Ansprüche nach nicht nachrangigen befriedigt werden. Ist die Emittentin zahlungsunfähig, so steht der Zahlungsanspruch der Gläubiger der Wertpapiere im Rang weder vor noch nach den Ansprüchen aller sonstigen unbesicherten Gläubiger der Emittentin. Stehen Vermögensgegenstände der Emittentin zur Befriedigung unbesicherter Gläubiger (einschließlich der Gläubiger der Wertpapiere) nach einem Zahlungsausfall zur Verfügung, so hat jeder unbesicherte Gläubiger Anspruch auf einen anteiligen Betrag dieser Vermögensgegenstände. Zunächst werden sämtliche Gläubiger befriedigt, bevor Zahlungen an die Anteilseigner (shareholders) der Emittentin geleistet werden.*

### **5. ZAHLUNGEN**

Die Zahlung des Rückzahlungsbetrages und eines Vorzeitigen Rückzahlungsbetrages oder Zwingenden Vorzeitigen Rückzahlungsbetrages ist an einem Geschäftstag zu leisten. Ist eine Zahlung an einem Tag vorgesehen, der kein Geschäftstag ist, so ist die Zahlung am

nächstfolgenden Geschäftstag zu leisten. Bei einer Verschiebung einer Zahlung aus diesem Grund entsteht kein Anspruch auf Zinsen.

Alle Zahlungen an die Gläubiger erfolgen gemäß geltenden gesetzlichen und aufsichtsrechtlichen Vorschriften und den für diese Geschäftsart üblichen Gepflogenheiten und Konventionen.

## **6. BEI RÜCKZAHLUNG FÄLLIGER BETRAG**

### **6.1 Rückzahlung**

Die Emittentin zahlt jedem Gläubiger eines Wertpapiers den Rückzahlungsbetrag am Rückzahlungstag.

### **6.2 Berechnung des Rückzahlungsbetrages**

Der **Rückzahlungsbetrag** je Wertpapier ist ein Betrag in EUR, der von der Berechnungsstelle entsprechend der nachfolgenden Formel bestimmt wird (auf zwei Dezimalstellen abgerundet):

- (a) sofern der Endgültige Index-Stand des Index dem Anfänglichen Index-Stand entspricht oder diesen überschreitet,  $EUR\ 1.000 \times \text{Max} [1,475; \text{Endgültiger Index-Stand} / \text{Anfänglicher Index-Stand}]$ ;
- (b) sofern:
  - (i) der Endgültige Index-Stand den Anfänglichen Index-Stand unterschreitet und
  - (ii) der Stand des Index in der Zeit vom Bezugstag (ausschließlich) bis zum abschließenden Bewertungstag (einschließlich) zu keinem Zeitpunkt an einem Index-Knock-In-Tag den Offiziellen Schluss-Stand des Index-Knock-In-Stand erreicht oder unterschritten hat:

EUR 1.475; oder

- (c) sofern:
  - (i) der Endgültige Index-Stand den Anfänglichen Index-Stand unterschreitet und
  - (ii) der Stand des Index in der Zeit vom Bezugstag (ausschließlich) bis zum abschließenden Bewertungstag (einschließlich) zu irgendeinem Zeitpunkt an einem Index-Knock-In-Tag den Offiziellen Schluss-Stand des Index-Knock-In-Stand erreicht oder unterschritten hat:

$$EUR\ 1.000 \times \frac{\text{Endgültiger Index - Stand}}{\text{Anfänglicher Index - Stand}}$$

### **6.3 Mitteilung des Rückzahlungsbetrages**

Die Berechnungsstelle teilt der Emittentin den Rückzahlungsbetrag am abschließenden Bewertungstag oder sobald wie möglich danach mit, jedoch spätestens 2 Geschäftstage vor dem Rückzahlungstag.



## 7. ZINSEN

Die Emittentin zahlt keine Zinsen auf die Wertpapiere.

## 8. BESTIMMUNGEN BEZÜGLICH DES BASISWERTS

### 8.1 Anpassungen

*Die Berechnung des Rückzahlungsbetrages und die Bestimmung, ob eine zwingende vorzeitige Rückzahlung, basiert auf der Wertentwicklung des Basiswerts. Es können Ereignisse eintreten, die sich auf die Zusammensetzung des Basiswerts oder die Methode zur Bestimmung der Wertentwicklung des Basiswerts auswirken. Darüber hinaus kann der Basiswert auch wegfallen oder es ist u.U. nicht möglich oder praktikabel, seine Wertentwicklung zu bestimmen. Unter diesen Umständen steht es der Berechnungsstelle frei, die Anleihebedingungen ohne die Zustimmung der Gläubiger abzuändern, um diesen Ereignissen Rechnung zu tragen. Die Berechnungsstelle kann diese Änderungen durchführen, ohne ihre Auswirkungen auf die Gläubiger und/oder die auf die Wertpapiere zu leistenden Zahlungen zu berücksichtigen.*

***Anleger sollten sich darüber im Klaren sein, dass diese Änderungen negative Auswirkungen auf die Anlagen und/oder die auf die Wertpapiere zu leistenden Zahlungen haben können.***

(a) Wird der Index:

- (i) nicht vom Sponsor berechnet und veröffentlicht, sondern von einem von der Berechnungsstelle akzeptierten Nachfolger des Sponsors oder
- (ii) durch einen Nachfolge-Index ersetzt, der nach Feststellung der Berechnungsstelle dieselbe oder eine der bei der Berechnung des Index verwendeten im Wesentlichen vergleichbare Formel und Berechnungsmethode anwendet,

so gilt dieser Index (der **Nachfolge-Index**) jeweils als der Index.

(b) Falls:

- (i) der Sponsor an oder vor einem Bewertungstag oder einem anderen maßgeblichen Tag ankündigt, dass er eine wesentliche Änderung an der Formel oder Methode zur Berechnung des Index vornehmen wird oder eine sonstige wesentliche Änderung an dem Index vornimmt (mit Ausnahme einer in der Formel oder Methode betreffend die Aufrechterhaltung des Index im Falle von Veränderungen der in ihm enthaltenen Aktien, der Kapitalisierung und sonstigen Routinefällen vorgesehenen Änderung) (eine **Index-Änderung**) oder
- (ii) der Sponsor an oder vor einem Bewertungstag den Index dauerhaft einstellt und es keinen Nachfolge-Index gibt (eine **Index-Einstellung**) oder

- (iii) der Sponsor es an einem Bewertungstag unterlässt, den Index zu berechnen und bekannt zu geben (eine **Index-Unterbrechung**; diese und eine Index-Änderung und eine Index-Einstellung jeweils ein **Index-Anpassungsgrund**),

dann stellt die Berechnungsstelle fest, ob ein solcher Index-Anpassungsgrund einen wesentlichen Einfluss auf die Wertpapiere hat und, falls dies der Fall ist, wird die Berechnungsstelle nach alleinigem und freiem Ermessen entweder (A) den Offiziellen Schlusstand berechnen, indem bei Fehlen eines bekannt gegebenen Standes des Index den Stand des Index zum Bewertungszeitpunkt am maßgeblichen Bewertungstag verwendet, wie er von der Berechnungsstelle in Übereinstimmung mit der letzten vor dieser Änderung, Unterlassung oder Einstellung geltenden Formel und Methode für die Berechnung des Index festgestellt wird, jedoch nur anhand derjenigen Werte, aus denen der Index unmittelbar vor diesem Index-Anpassungsgrund bestand (mit Ausnahme denjenigen Werte, die inzwischen nicht mehr an einer maßgeblichen Börse notiert werden) oder (B) einen Alternativ-Index auswählen, der nach Feststellung der Berechnungsstelle dieselbe oder eine der bei der Berechnung des Index verwendeten im Wesentlichen vergleichbare Formel und Berechnungsmethode anwendet, oder (C) die Wertpapiere werden an dem späteren der folgenden Tage zurückgezahlt: dem Börsenarbeitstag unmittelbar vor dem Eintreten des Index-Anpassungsgrundes oder dem Zeitpunkt der Bekanntgabe des Index-Anpassungsgrundes durch den Sponsor. Falls Wertpapiere auf diese Weise zurückgezahlt werden, so zahlt die Emittentin jedem Gläubiger einen Betrag in Höhe des marktgerechten Werts eines Wertpapiers an einem von der Emittentin nach alleinigem und freiem Ermessen ausgewählten Tag und unter Berücksichtigung des Index-Anpassungsgrundes, jeweils wie von der Berechnungsstelle nach alleinigem und freiem Ermessen festgestellt. Die Zahlung erfolgt auf eine gemäß Bedingung 18 mitzuteilende Art und Weise. Jedes Swap- oder sonstige Absicherungsgeschäft, welches aufgrund eines Index-Anpassungsgrundes beendet wird, wird unter Bezugnahme auf die Formel oder Berechnungsmethode des Index, welche unmittelbar vor einem solchen Index-Anpassungsgrund angewendet wurde, bewertet.

- (c) Falls der Stand des Index, der von der Berechnungsstelle zur Festsetzung des Rückzahlungsbetrages oder zur Entscheidung, ob eine zwingende vorzeitige Rückzahlung gemäß Bedingung 9.1 erfolgt, verwendet wird, in Bezug auf einen Bewertungstag nachträglich korrigiert und eine solche Korrektur spätestens am zweiten Geschäftstag vor dem Rückzahlungstag durch den Sponsor veröffentlicht wird und die Berechnungsstelle innerhalb dieses Zeitraumes die Emittentin benachrichtigt hat, so gilt der so korrigierte Stand des Index als der Stand des Index für diesen Bewertungstag.
- (d) Die Berechnungsstelle wird die Emittentin und die Zahlstellen über jede Festsetzung gemäß Absatz (b) oder (c) dieser Bedingung 9.1 und die hinsichtlich dieser Festsetzung geplanten Maßnahmen unterrichten. Die Zahlstellen werden die Gläubiger sobald als praktisch möglich und gemäß Bedingung 18 darüber unterrichten.

Die Berechnungsstelle handelt nicht im Auftrag der Gläubiger oder als deren Treuhänder. Alle Berechnungen und Festsetzungen in Bezug auf die Wertpapiere seitens der Berechnungsstelle sind (außer im Falle offensichtlicher Fehler) für die Emittentin, die Zahlstellen und die Gläubiger endgültig und bindend. Weder die Emittentin noch die Zahlstellen oder die Berechnungsstelle übernehmen die Verantwortung für irgendwelche Fehler oder Unterlassungen (i) bei Berechnungen von Beträgen durch die Berechnungsstelle, die in Bezug auf die Wertpapiere fällig sind oder (ii) bei von der Berechnungsstelle vorgenommenen Festsetzungen.

## 8.2 Definitionen für die Bewertung des Basiswertes

In diesen Anleihebedingungen haben die folgenden Begriffe jeweils die folgende Bedeutung:

**Komponenten-Wertpapier** steht für jeden Wert, der Bestandteil des EURO STOXX 50<sup>®</sup> ist.

**Unterbrechungstag** steht in Bezug auf den Index für jeden Vorgesehenen Handelstag, an dem:

- (i) der Sponsor den Stand des EURO STOXX 50<sup>®</sup> nicht veröffentlicht;
- (ii) eine Verbundene Börse während ihrer üblichen Handelszeit nicht für den Handel geöffnet ist oder
- (iii) eine Marktstörung eingetreten ist.

Die Berechnungsstelle wird die Emittentin sobald als angemessen möglich von dem Eintritt oder dem Bestehen eines Unterbrechungstages an einem Tag, der ohne den Eintritt oder das Bestehen eines Unterbrechungstages ein Bewertungstag gewesen wäre, unterrichten und die Emittentin wird die Anleger hierüber sobald als möglich gemäß Bedingung 18 unterrichten. Die Unterlassung einer solchen Anzeige eines Unterbrechungstages gegenüber der Emittentin durch die Berechnungsstelle hat keine Auswirkungen auf die Wirksamkeit der Feststellung des Eintritts und die Wirkung eines solchen Unterbrechungstages.

**Vorzeitiger Börsenschluss** steht für den Handelsschluss der maßgeblichen Börse hinsichtlich eines Komponenten-Wertpapiers oder einer Verbundenen Börse an einem Börsenarbeitstag vor dem Vorgesehenen Börsenschluss, es sei denn, ein solcher früherer Handelsschluss wird von der Börse oder Verbundenen Börse mindestens eine Stunde vor dem früheren der beiden folgenden Zeitpunkte angekündigt:

- (a) dem eigentlichen Handelsschluss für die übliche Handelszeit an der Börse bzw. Verbundenen Börse am betreffenden Börsenarbeitstag;
- (b) dem letztmöglichen Zeitpunkt für die Abgabe von Orders im System der Börse oder Verbundenen Börse zur Ausführung zum Bewertungszeitpunkt am betreffenden Börsenarbeitstag.

**Börsenstörung** steht für ein Ereignis (außer einem Vorzeitigen Börsenschluss), das die allgemeine Fähigkeit der Marktteilnehmer:

- (a) Transaktionen mit Komponenten-Wertpapieren an der Börse für das betreffende Komponenten-Wertpapier zu tätigen oder dort Marktkurse für dieses einzuholen oder
- (b) Transaktionen mit Termin- oder Optionskontrakten hinsichtlich des EURO STOXX 50<sup>®</sup> an einer maßgeblichen Verbundenen Börse zu tätigen oder dort Marktkurse für diese Kontrakte einzuholen

nach dem Ermessen der Berechnungsstelle stört oder beeinträchtigt.

**Endgültiger Index-Stand** steht in Bezug auf den Index für den Offiziellen Schlusstand am letzten Bewertungstag.

**Index-Knock-In-Tag** steht für jeden Vorgesehenen Handelstag für den Index, der kein Unterbrechungstag ist.

**Index-Knock-In-Stand** steht für einen Stand in Höhe von 70% des Anfänglichen Index-Stands.

Index-Stand<sub>MER</sub> steht in Bezug auf einen Zwingenden Vorzeitigen Rückzahlungsbetrag für den Offiziellen Schlusstand am Bewertungstag, der dem Zwingenden Vorzeitigen Rückzahlungsbetrag entspricht, wie in der Definition von Zwingender Vorzeitiger Rückzahlungsbetrag in Klausel 9.1 näher dargelegt.

**Marktstörung** steht:

- (a) in Bezug auf den Index und ein darin enthaltenes Komponenten-Wertpapier entweder:
  - (i) in Bezug auf ein Komponenten-Wertpapier, für den Eintritt oder das Andauern:
    - (A) einer Handelsstörung in Bezug auf das Komponenten-Wertpapier, die von der Berechnungsstelle, zu einem Zeitpunkt während des einstündigen Zeitraums unmittelbar vor dem maßgeblichen Bewertungszeitpunkt an der maßgeblichen Börse für dieses Komponenten-Wertpapier, als wesentlich angesehen wird;
    - (B) einer Börsenstörung in Bezug auf das Komponenten-Wertpapier, die von der Berechnungsstelle, zu einem Zeitpunkt während des einstündigen Zeitraums unmittelbar vor dem maßgeblichen Bewertungszeitpunkt an der maßgeblichen Börse für dieses Komponenten-Wertpapier, als wesentlich angesehen wird; oder
    - (C) eines Vorzeitigen Börsenschlusses in Bezug auf das Komponenten-Wertpapier, der von der Berechnungsstelle als wesentlich angesehen wird;

und die Gesamtsumme von allen Komponenten-Wertpapieren, für die eine Handelsstörung, eine Börsenstörung oder ein Vorzeitiger Börsenschluss eintritt oder anhält, und dem X-Prozentsatz entspricht mindestens 20% des Indexstandes; oder

- (ii) in Bezug auf Termin- oder Optionskontrakte bezüglich des Index, für das Eintreten oder Andauern:
  - (A) einer Handelsstörung, zu einem Zeitpunkt während des einstündigen Zeitraums unmittelbar vor dem Bewertungszeitpunkt an einer Verbundene Börse;
  - (B) einer Börsenstörung, zu einem Zeitpunkt während des einstündigen Zeitraums unmittelbar vor dem Bewertungszeitpunkt an einer Verbundene Börse; oder
  - (C) eines Vorzeitigen Börsenschlusses,

jeweils in Bezug auf die betreffenden Termin- oder Optionskontrakte und wie jeweils von der Berechnungsstelle als wesentlich bestimmt.

Folgendes gilt für die Bestimmung, ob zu einem bestimmten Zeitpunkt eine Marktstörung in Bezug auf einen Index oder ein Komponenten-Wertpapier besteht: Tritt hinsichtlich eines in einem Index enthaltenen Werts bzw. eines Komponenten-Wertpapiers ein Ereignis ein, das zu einer Marktstörung führt, so ergibt sich der betreffende prozentuale Anteil dieses Werts bzw. Komponenten-Wertpapiers am Stand des Index aus einem Vergleich zwischen:

- (a) dem auf diesen Wert bzw. Komponenten-Wertpapier entfallenden Anteil des Standes des jeweiligen Index und
- (b) dem Gesamtstand des Index unter Heranziehung der offiziellen Eröffnungsgewichtungen, wie sie vom Sponsor als ein Teil des Markts "*opening data*" veröffentlicht werden.

Zur Klarstellung: eine Einschränkung der Handelszeiten und der Anzahl der Handelstage infolge einer Änderung der regulären Geschäftszeiten einer Börse oder Verbundenen Börse stellt keine Marktstörung dar.

**Vorgesehener Börsenschluss** steht in Bezug auf eine Börse oder Verbundene Börse und einen Vorgesehenen Handelstag für den vorgesehenen Zeitpunkt des werktäglichen Börsenschlusses an dieser Börse oder Verbundenen Börse an diesem Vorgesehenen Handelstag, wobei ein nachbörslicher Handel oder ein sonstiger Handel außerhalb der üblichen Handelszeiten nicht berücksichtigt wird.

**Vorgesehener Bewertungstag** steht für einen Tag, der ursprünglich ohne den Eintritt eines zu einem Unterbrechungstag führenden Ereignisses ein Bewertungstag gewesen wäre.

**Anfänglicher Index-Stand** steht in Bezug auf den Index für den Offiziellen Schlusstand am Bezugstag.

**Bezugstag** ist der 25. Mai 2007.

**Handelsstörung** steht für eine seitens der maßgeblichen Börse bzw. Verbundenen Börse oder anderweitig bestimmte Aussetzung oder Einschränkung des Handels, sei es aufgrund von Preisschwankungen über die von der jeweiligen Börse oder Verbundenen Börse zugelassenen Grenzen hinaus oder aus sonstigen Gründen, entweder:

- (a) hinsichtlich von Komponenten-Wertpapieren an der Börse für das betreffende Komponenten-Wertpapier; oder
- (b) bei Termin- oder Optionskontrakten in Bezug auf den Index an einer Verbundenen Börse.

**Bewertungstag** steht für den 13. Juni 2008, den 25. Mai 2009, 25. Mai 2010, 25. Mai 2011 und den 25. Mai 2012; falls ein solcher Tag kein Vorgesehener Handelstag ist, ist der betreffende Bewertungstag der nächstfolgende Vorgesehene Handelstag, es sei denn, dieser Tag ist nach Ansicht der Berechnungsstelle ein Unterbrechungstag.

Ist der Tag, der anderenfalls ein Bewertungstag wäre, ein Unterbrechungstag für einen Index, dann fällt der betreffende Bewertungstag auf den frühesten der folgenden Tage:

- (a) der nächstfolgende Vorgesehene Handelstag, der kein Unterbrechungstag für den Index ist;
- (b) der achte Vorgesehene Handelstag unmittelbar nach dem ersten Unterbrechungstag; und
- (c) der zweite Geschäftstag vor dem betreffenden Zahlungstag unmittelbar nach dem ersten Unterbrechungstag.

Wird der Bewertungstag entweder gemäß vorstehendem Absatz (b) oder (c) bestimmt und ist dieser Tag ein Unterbrechungstag für den Index, so bestimmt die Berechnungsstelle den Stand des Index zum Bewertungszeitpunkt an diesem Tag gemäß der letzten vor Eintritt des ersten Unterbrechungstages geltenden Formel und Methode für die Berechnung des Index anhand des Börsenpreises jedes einzelnen im Index enthaltenen Werts zum Bewertungszeitpunkt an diesem Tag oder, wenn an diesem Tag ein zu einem Unterbrechungstag führendes Ereignis in Bezug auf den jeweiligen Wert eingetreten ist, anhand ihrer nach Treu und Glauben vorgenommenen Schätzung des Wertes des jeweiligen Werts zum Bewertungszeitpunkt an diesem Tag.

Bestimmt die Berechnungsstelle, dass es nicht erheblich ist, dass ein Tag, der eigentlich ein Bewertungstag wäre:

- (i) kein Vorgesehener Handelstag in Bezug auf den Index ist, weil die Öffnung einer oder mehrerer Verbundener Börsen für den Index nicht vorgesehen ist (jeweils ein **Betroffener Index**) oder
- (ii) ein Unterbrechungstag für den Index ist, nur weil eine Verbundene Börse nicht geöffnet ist,

so kann die Berechnungsstelle in ihrem Ermessen bestimmen, dass dieser Tag der maßgebliche Bewertungstag ist (ungeachtet dessen, dass dieser Tag kein Vorgesehener Handelstag für den Index ist, weil die Öffnung einer oder mehrerer Verbundener Börsen nicht vorgesehen ist oder er ein Unterbrechungstag ist, nur weil eine Verbundene Börse nicht geöffnet ist).

Bei der Bestimmung dessen, was "erheblich" ist, zieht die Berechnungsstelle diejenigen Umstände heran, die nach ihrem alleinigen und freien Ermessen geeignet sind, u.a. die Auswirkungen eines Handels mit Termin- und Optionskontrakten an der maßgeblichen Verbundenen Börse auf den Stand des Betroffenen Index und die Absicherungsgeschäfte der Emittentin hinsichtlich der Wertpapiere.

**Bewertungszeitpunkt** bezeichnet in Bezug auf den Index:

- (i) für die Zwecke der Feststellung, ob eine Marktstörung eingetreten ist:
  - (A) in Bezug auf ein Komponenten-Wertpapier, den Vorgesehenen Börsenschluss an der betreffenden Börse;
  - (B) in Bezug auf Termin- und Optionskontrakte auf diesen Index, den Handelsschluss an der betreffenden Verbundenen Börse; und
- (ii) in allen anderen Fällen die Zeit, zu der der Offizielle Schlusstand des Index vom Sponsor berechnet und veröffentlicht wird.

Falls für die Zwecke von Absatz (i) die betreffende Börse vor ihrem jeweiligen Vorgesehenen Börsenschluss schließt, ist der tatsächliche Zeitpunkt des Börsenschlusses an der betreffenden Börse der Bewertungszeitpunkt.

*Der Wert des Basiswerts an den Bewertungstagen wird zur Berechnung des Rückzahlungsbetrages und eines etwaigen Zwingenden Vorzeitigen Rückzahlungsbetrages verwendet. Kann Wert des Basiswerts infolge einer Unterbrechung, einer Störung oder eines sonstigen die Börse oder Verbundene Börse betreffenden Ereignisses nicht bestimmt werden, so wird der Basiswert nach dem in dieser Bedingung der Anleihebedingungen beschriebenen Verfahren bewertet.*

**X-Prozentsatz** steht an einem beliebigen Tag für den Prozentsatz der Komponenten-Wertpapiere, für die vorgesehen ist, dass sie an der/den jeweiligen Börse(n) aus dem Grund nicht gehandelt werden können, weil dieser Tag kein Tag ist, an dem die Öffnung der jeweiligen Börse(n) zum Handel an den üblichen Handelszeiten vorgesehen ist.

Folgendes gilt für die Bestimmung des X-Prozentsatzes: der betreffende prozentuale Anteil des Komponenten-Wertpapiers, der nicht gehandelt werden kann, ergibt sich aus einem Vergleich von:

- (a) dem auf dieses Komponenten-Wertpapier entfallenden Anteils des Standes des Index mit
- (b) dem Gesamtstand des Index, jeweils unter Heranziehung der offiziellen Eröffnungsgewichtungen, wie sie vom Sponsor als ein Teil der des Markets "opening data" veröffentlicht werden.

## **9. RÜCKZAHLUNG VOR DEM RÜCKZAHLUNGSTAG**

### **9.1 Zwingende Vorzeitige Rückzahlung**

Sofern der Offizielle Schlusstand des Index an einem Bewertungstag (außer dem abschließenden Bewertungstag) dem Anfänglichen Index-Stand entspricht oder ihn überschreitet, wird die Emittentin die Wertpapiere am unmittelbar nachfolgenden Zwingenden Vorzeitigen Rückzahlungstag zum Zwingenden Vorzeitigen Rückzahlungsbetrag zurückzahlen. Mit Zahlung dieses Betrages hat die Emittentin keine weiteren Verpflichtungen in Bezug auf die Wertpapiere.

Die Emittentin wird die Zahlstellen und die Gläubiger schnellstmöglich, in keinem Fall jedoch später als am zweiten Geschäftstag vor dem Zwingenden Vorzeitigen

Rückzahlungstag, über die von der Rückzahlung gemäß dieser Bedingung 9.1 betroffenen Wertpapiere unterrichten.

Der **Zwingende Vorzeitige Rückzahlungsbetrag** ist in Bezug auf einen Zwingenden Vorzeitigen Rückzahlungstag und ein Wertpapier der entsprechende nachstehend aufgeführte Betrag:

<b>Bewertungstag</b>	<b>Zwingender Vorzeitiger Rückzahlungstag</b>	<b>Zwingender Vorzeitiger Rückzahlungsbetrag</b>
13. Juni 2008	20. Juni 2008	Max [1,095; Index- Stand <sub>MER</sub> /Anfänglicher Index-Stand] x EUR 1.000
25. Mai 2009	1. Juni 2009	Max [1,19; Index- Stand <sub>MER</sub> /Anfänglicher Index-Stand] x EUR 1.000
25. Mai 2010	2. Juni 2010	Max [1,285; Index- Stand <sub>MER</sub> /Anfänglicher Index-Stand] x EUR 1.000
25. Mai 2011	1. Juni 2011	Max [1,38; Index- Stand <sub>MER</sub> /Anfänglicher Index-Stand] x EUR 1.000

## 9.2 Vorzeitige Rückzahlung

Vorbehaltlich des Eintretens eines Zwingenden Vorzeitigen Rückzahlungstages gemäß Bedingung 9.1 werden die Wertpapiere nicht vor dem Rückzahlungstag zurückgezahlt, es sei denn, eines der folgenden Ereignisse tritt ein:

(a) Ungesetzmäßigkeit, Unmöglichkeit oder Höhere Gewalt

Ist es nach Auffassung der Emittentin nicht mehr länger rechtlich zulässig oder ist es unmöglich geworden, die Wertpapiere zu begeben, oder ist es der Emittentin aus Gründen, die sich ihrer Kontrolle entziehen, nicht möglich, ihre Verpflichtungen im Rahmen der Wertpapiere zu erfüllen, so ist die Emittentin berechtigt, die Wertpapiere zu entwerten und an die Gläubiger einen Betrag in Höhe des Marktwerts der Wertpapiere (vor Eintreten einer Ungesetzmäßigkeit) abzüglich Kosten, die der Emittentin entstanden sind (einschließlich Kosten für die Auflösung von Hedging-Arrangements, die sie zur Absicherung der Risiken im Rahmen der Wertpapiere eingegangen ist) zu zahlen. Nach Zahlung dieses Betrags werden die Wertpapiere automatisch entwertet und sind von der Emittentin keine weiteren Beträge in Bezug auf die Wertpapiere mehr zu zahlen.

(b) Index-Anpassungsgrund

Das Vorliegen eines Index-Anpassungsgrunds, hinsichtlich dessen die Berechnungsstelle sich für eine Rückgabe der Wertpapiere gemäß Bedingung 8.1 entscheidet.



- (c) Unterbrechungsereignis

Ein Unterbrechungsereignis, hinsichtlich dessen die Berechnungsstelle sich für eine Rückzahlung der Wertpapiere gemäß Bedingung 13.2 entscheidet.

- (d) Kauf

Die Emittentin kauft Wertpapiere gemäß Bedingung 10.1.

### **9.3 Vorzeitiger Rückzahlungsbetrag**

Am Vorzeitigen Rückzahlungstag zahlt die Emittentin an jeden Gläubiger von Wertpapieren einen Betrag in Höhe des Vorzeitigen Rückzahlungsbetrags.

Für die Zwecke der Bedingungen 8.1, 9.2(a) und 13.2 ist der **Vorzeitige Rückzahlungsbetrag** je Wertpapier ein Betrag in EUR, den die Berechnungsstelle als den gerechten Marktwert gemäß der Bedingung 8.1 bzw. 9.2(a) bzw. 13.2 festlegt.

## **10. KÄUFE UND ZUSÄTZLICHE EMISSIONEN DURCH DIE EMITTENTIN**

### **10.1 Käufe**

Die Emittentin, mit der Emittentin verbundene Unternehmen und Tochtergesellschaften der Emittentin können Wertpapiere auf dem freien Markt zurückkaufen und diese anschließend halten, weiterverkaufen oder entwerten.

*Rückkäufe von Wertpapieren durch die Emittentin können möglicherweise die Liquidität und/oder den Kurs oder Wert der Wertpapiere beeinträchtigen. Siehe Teil 1(D) und (E) in Abschnitt 1.*

### **10.2 Emission zusätzlicher Wertpapiere**

Die Emittentin kann zusätzliche Wertpapiere begeben, die Bestandteil derselben Serie sind, wie die bereits begebenen Wertpapiere. Die Emittentin kann dies ohne die Zustimmung der Gläubiger tun.

*Die Emission zusätzlicher Wertpapiere durch die Emittentin kann möglicherweise die Liquidität und/oder den Kurs oder Wert der Wertpapiere beeinträchtigen. Siehe Teil 1(E) und 3(G) in Abschnitt 1.*

## **11. VERFALLEN VON ZAHLUNGSANSPRÜCHEN**

Ansprüche auf Zahlung von Kapitalbeträgen auf die Wertpapiere verfallen zehn Jahre nach Fälligkeit der Zahlung. Ansprüche auf Zahlung von Zinsbeträgen auf die Wertpapiere verfallen fünf Jahre nach Fälligkeit. Nach dem jeweiligen Verfalltag werden keine Zahlungen mehr geleistet.

## **12. BESTEUERUNG UND ABGABEN**

Jeder Anleger ist für die Zahlung sämtlicher Steuern und Abgaben im Zusammenhang mit seinem Eigentum an Wertpapieren oder der Übertragung von Wertpapieren verantwortlich. Ist die Emittentin zum Abzug eines Betrages von einer Zahlung an einen Gläubiger gesetzlich verpflichtet, so ist der an den Gläubiger zu zahlende Betrag der nach dem Abzug verbleibende Nettobetrag. Die Emittentin ist nicht verpflichtet, zum Ausgleich

des Abzugs einen zusätzlichen Betrag zu zahlen. Die Emittentin ist nicht für Steuern, Abgaben oder vergleichbare Zahlungen, die aufgrund des Eigentums eines Gläubigers an Wertpapieren oder aufgrund der Übertragung von Wertpapieren durch einen Gläubiger anfallen, verantwortlich und ist nicht zu deren Zahlung verpflichtet. Wird die Zahlung eines solchen Betrages von der Emittentin verlangt oder leistet die Emittentin die Zahlung eines solchen Betrages, so kann sie den Betrag entweder vom Gläubiger zurückverlangen oder von an den Gläubiger zu zahlenden Beträgen einbehalten, bis sie den Betrag zurückerlangt hat.

## **13. UNTERBRECHUNGEN**

### **13.1 Unterbrechungsereignis**

Die Emittentin kann zum Ausgleich von Risiken, die sie durch die Emission der Wertpapiere übernimmt, Transaktionen mit Dritten abschließen. Ein **Unterbrechungsereignis** liegt vor, wenn die Emittentin feststellt, dass es unmöglich geworden ist, den Wert einer solchen Transaktion, die sie abgeschlossen hat oder möglicherweise abschließen wird, festzustellen, aufrechtzuerhalten oder zu realisieren. Bei der Entscheidung darüber, ob ein Unterbrechungsereignis vorliegt, kann die Emittentin die folgenden Faktoren berücksichtigen:

- (a) Änderungen von Gesetzen oder deren Auslegung in einer maßgeblichen Rechtsordnung;
- (b) Abnahme der Anzahl geeigneter dritter Parteien, mit denen Transaktionen abgeschlossen bzw. zu angemessenen Bedingungen abgeschlossen werden können;
- (c) ein wesentlicher Mangel an Liquidität auf dem Markt für Aktien, Optionen oder sonstige Geschäfte, die üblicherweise zum Ausgleich solcher Risiken verwendet werden.

### **13.2 Folgen von Unterbrechungsereignissen**

Stellt die Emittentin fest, dass ein Unterbrechungsereignis vorliegt, werden die Gläubiger davon gemäß Bedingung 18 in unterrichtet. Die Emittentin ist in diesem Fall berechtigt, die folgenden Maßnahmen zu ergreifen:

- (a) Rückzahlung der Wertpapiere durch Zahlung eines Betrages in Höhe des gerechten Marktwerts (*fair market value*) der Wertpapiere abzüglich Auslagen der Emittentin an die einzelnen Gläubiger. Nach einer solchen Zahlung werden die Wertpapiere entwertet und hat die Emittentin keine weiteren Verpflichtungen in Bezug auf die Wertpapiere; oder
- (b) Änderungen an den Anleihebedingungen nach Maßgabe von Bedingung 15, die die Emittentin für angemessen hält, um die Auswirkungen des Unterbrechungsereignisses unter Beibehaltung des theoretischen wirtschaftlichen Wertes der Wertpapiere abzuschwächen.

## **14. BERECHNUNGEN**

Sämtliche von der Berechnungsstelle durchgeführten Berechnungen sind endgültig und verbindlich. Die Gläubiger können den Berechnungen, mit Ausnahme von offenkundigen Fehlern, nicht widersprechen.

*Offenkundige Fehler sind Fehler, die bei oberflächlicher Betrachtung der Berechnung offensichtlich sind, beispielsweise Tippfehler wie etwa falsche Zahlen in der Berechnung.*

## **15. ÄNDERUNGEN AN DEN ANLEIHEBEDINGUNGEN**

Die Emittentin kann ohne die Zustimmung der Gläubiger Änderungen an diesen Anleihebedingungen vornehmen, sofern sie

- (a) formeller, unbedeutender oder technischer Art sind,
- (b) der Korrektur offenkundige Fehler dienen, oder
- (c) nach billiger Auffassung der Emittentin keine wesentliche nachteilige Auswirkung auf die Interessen der Gläubiger haben und (sofern die Wertpapiere von einer Rating-Agentur bewertet werden) alle maßgeblichen Rating-Agenturen bestätigt haben, dass die Veränderung sich nicht nachteilig auf das Rating der Wertpapiere durch die Rating-Agenturen auswirkt.

Die Emittentin teilt den Gläubigern gemäß Bedingung 18 jegliche Änderungen an den Anleihebedingungen mit. Die Änderungen sind auch dann gültig, wenn die Emittentin die Mitteilung gemäß Bedingung 18 unterlässt.

*Bedingung 15 gestattet der Emittentin, Änderungen an den Anleihebedingungen vorzunehmen, falls diese keine nachteiligen Auswirkungen auf die Gläubiger haben. Offenkundige Fehler sind Fehler, die bei oberflächlicher Betrachtung des Dokuments offensichtlich sind, wie etwa Tippfehler.*

## **16. ERSETZUNG DER EMITTENTIN ODER VERLEGUNG DES SITZES**

### **16.1 Neue Emittentin**

- (a) Die Emittentin kann ohne die Zustimmung der Gläubiger jederzeit eine beliebige Gesellschaft als Nachfolgerin (eine "**Neue Emittentin**") einsetzen, sofern sämtliche der folgenden Bedingungen erfüllt werden:
  - (i) die Emittentin setzt die Gläubiger (gemäß Bedingung 18) mindestens 30 Kalendertage vor dem beabsichtigten Austauschtermin von dem Austausch in Kenntnis;
  - (ii) die Emittentin hat alle Zahlungen auf die Wertpapiere bei Fälligkeit geleistet;
  - (iii) es sind sämtliche Maßnahmen ergriffen worden, um sicherzustellen, dass die Wertpapiere rechtsverbindliche Pflichten der Neuen Emittentin darstellen;
  - (iv) sämtliche Börsen, an denen die Wertpapiere notiert sind, haben bestätigt, dass nach dem beabsichtigten Austausch der Emittentin die Wertpapiere dort weiterhin notiert bleiben;
  - (v) sämtliche Rating-Agenturen haben bestätigt, dass die Wertpapiere nach dem beabsichtigten Austausch der Emittentin über dasselbe Rating verfügen werden;

- (vi) die Neue Emittentin hat, sofern erforderlich, einen Zustellungsbevollmächtigten in England benannt, der in ihrem Auftrag Zustellungen in Bezug auf Rechtstreitigkeiten, die im Zusammenhang mit den Wertpapieren entstehen, entgegennimmt; und
- (vii) zum Zeitpunkt der Ersetzung ist die Emittentin nicht zur Einbehaltung oder zum Abzug eines Betrages von einem Gläubiger aus Steuergründen verpflichtet.

*Wird die Emittentin durch eine Neue Emittentin ersetzt, stellen die Wertpapiere keine Verpflichtungen der Emittentin mehr dar und die Gläubiger können keine Zahlung von der Emittentin verlangen. Nur die Neue Emittentin ist dann für Zahlungen verantwortlich.*

- (b) Jede Neue Emittentin kann ohne die Zustimmung der Gläubiger eine weitere Ersetzung vornehmen, sofern sie die Bestimmungen der vorstehenden Bedingung 16.1(a) einhält.

## **16.2 Verlegung des Sitzes**

Die Emittentin ist nach Mitteilung an die Gläubiger gemäß Bedingung 18 zur Änderung des Hauptsitzes, von dem aus sie in Bezug auf Wertpapiere handelt, berechtigt. Die Mitteilung über eine Verlegung des Sitzes muss das Datum enthalten, ab dem die Verlegung wirksam wird.

## **17. VERWALTUNGSSTELLEN**

### **17.1 Hauptzahlstelle und Lokale Zahlstellen**

Die Emittentin kann die Beauftragung einer Lokalen Zahlstelle beenden und eine Nachfolgerin ernennen. Die Emittentin ist nicht berechtigt, die Beauftragung der Hauptzahlstelle zu beenden, ohne zuvor eine neue Hauptzahlstelle ernannt zu haben. Die Gläubiger werden von Änderungen der Hauptzahlstelle oder sonstiger Zahlstellen gemäß Bedingung 18 unterrichtet.

Sind die Wertpapiere an einer Börse notiert oder werden die Wertpapiere öffentlich angeboten, so wird es stets eine Zahlstelle vor Ort in den Ländern geben, in denen dies die betreffende Börse verlangt oder in denen die Wertpapiere öffentlich angeboten werden.

Von den Zahlstellen durchgeführte Berechnungen sind, von offenkundigen Fehlern abgesehen, endgültig und verbindlich.

*Offenkundige Fehler sind Fehler, die bei oberflächlicher Betrachtung der Berechnung offensichtlich sind, beispielsweise Tippfehler wie etwa falsche Zahlen in einer Berechnung.*

### **17.2 Berechnungsstelle**

- (a) Die Emittentin kann die Beauftragung einer Berechnungsstelle beenden und eine Nachfolgerin ernennen. Die Gläubiger werden von Änderungen der Berechnungsstelle gemäß Bedingung 18 unterrichtet.
- (b) Ist im Hinblick auf eine jede Angelegenheit von der Emittentin, der Berechnungsstelle oder von einer sonstigen Person eine Feststellung, Bewertung

oder sonstige Entscheidung vorzunehmen (einschließlich solcher Angelegenheiten, die unter Einbeziehung der Auffassung der Emittentin, der Berechnungsstelle oder einer sonstige Person zu entscheiden sind), so ist, soweit in diesem Prospekt nichts anderes festgelegt ist, jegliche Feststellung, Bewertung oder sonstige Entscheidung in Bezug auf diese Angelegenheit durch die Emittentin, die Berechnungsstelle bzw. eine sonstige Person nach Treu und Glauben und auf wirtschaftlich angemessene Weise und nach ihrem alleinigen und freien Ermessen vorzunehmen.

Die Berechnungsstelle handelt nicht im Auftrag der Gläubiger oder als deren Treuhänder. Alle Berechnungen und Festsetzungen in Bezug auf die Schuldverschreibungen seitens der Berechnungsstelle sind für die Emittentin, die Beauftragten Stellen und die Gläubiger (außer im Falle offenkundiger Fehler) endgültig und verbindlich. Weder die Emittentin noch die Verwaltungsstellen oder die Berechnungsstelle sind verantwortlich für Fehler oder Unterlassungen (a) bei Berechnungen durch die Berechnungsstelle von Beträgen, die im Rahmen der Wertpapiere fällig sind, oder (b) bei von der Berechnungsstelle vorgenommenen Festsetzungen.

- (c) Die Berechnungsstelle kann mit der Zustimmung der Emittentin jede ihrer Verantwortlichkeiten auf mit ihr verbundene dritte Parteien übertragen.

### **17.3 Pflichten der Verwaltungsstellen**

Die Zahlstellen und die Berechnungsstelle handeln für die Emittentin. Sie haben keine Pflichten oder Verantwortlichkeiten gegenüber den Gläubigern.

## **18. MITTEILUNGEN**

Mitteilungen an die Gläubiger sind gültig, wenn sie an das Clearing-System bzw. die Clearing-Systemen abgegeben werden und/oder in einer Tageszeitung mit allgemeiner Verbreitung im Land der Emission veröffentlicht werden. Jede Mitteilung gilt einen Tag nach Mitteilung an das/die Clearing-System(e) bzw. der Veröffentlichung in der Tageszeitung den Gläubigern als zugegangen.

Sind die Wertpapiere an einer Börse notiert, werden Mitteilungen ebenfalls gemäß den Bestimmungen dieser Börse veröffentlicht. Für Wertpapiere, die an der Irish Stock Exchange notiert sind, werden Mitteilungen auf der website der Irish Stock Exchange veröffentlicht.

## **19. VERSAMMLUNGEN DER GLÄUBIGER**

Es finden keine Versammlungen der Gläubiger statt.

## **20. ANWENDBARES RECHT UND GERICHTSSTAND**

### **20.1 Anwendbares Recht**

Die Wertpapiere unterliegen englischem Recht. Die Bedingungen der Wertpapiere werden nach englischem Recht ausgelegt.

## 20.2 Gerichtsstand

Für Rechtsstreitigkeiten aus oder im Zusammenhang mit den Wertpapieren sind die Gerichte von England zuständig. Die Emittentin wird außerhalb Englands keine Klage in Bezug auf die Wertpapiere einreichen. Gläubiger können Klagen vor anderen zuständigen Gerichten einreichen.

## 21. RECHTE DRITTER

Kein Dritter verfügt nach dem *Contracts (Right of Third Parties) Act 1999* über Rechte zur Durchsetzung einer Bedingung. Dies betrifft keine Rechte oder Ansprüche dritter Parteien aufgrund anderer Vorschriften.

## VERANTWORTLICHKEIT

Die Emittentin übernimmt die Verantwortung für in diesem Prospekt gemachten Angaben. Nach bestem Wissen der Emittentin (die alle angemessenen Anstrengungen unternommen hat, um dies sicherzustellen) entsprechen die Angaben in diesem Prospekt den Tatsachen und lassen nichts aus, was die Bedeutung der Angaben beeinflussen könnte.

Die Angaben in Teil E in Abschnitt 2 stammen aus öffentlich zugänglichen Quellen. Die Emittentin bestätigt, dass die Angaben sorgfältig wiedergegeben wurden und, soweit ihr dies bekannt ist und soweit sie dies anhand öffentlich zugänglicher Quellen überprüfen kann, sind keine Tatsachen ausgelassen worden, die dazu führen würden, dass die Angaben ungenau oder irreführend sind.

Annahme der Bedingungen des Prospekts im Namen der Emittentin

Für und im Namen der  
**CITIBANK INTERNATIONAL plc**  
Gez.:

## DEUTSCHE ÜBERSETZUNG DER BESCHREIBUNG DES BASISWERTES

### E INFORMATIONEN ZUM BASISWERT

#### BESCHREIBUNG DES DOW JONES EURO STOXX 50®

##### Allgemeines

Die Deutsche Börse, Dow Jones and Co. Inc., SBF-Bourse de Paris und die Schweizer Börse haben gemeinsam ein neues Unternehmen unter der Firma STOXX LIMITED ("STOXX") gegründet und eine neue Index-Familie entwickelt. Diese besteht aus vier großen Indizes und mehreren Branchen-Indizes und regionalen Indizes, die für Westeuropa und die Eurozone berechnet werden.

Die vier großen Indizes sind:

- (a) Dow Jones STOXX®, der europäische marktweite Index<sup>(1)</sup> (der den Dow Jones Global Indexes Europe Index nachbildet);
- (b) Dow Jones STOXX 50®, der Europäische Blue-Chip-Index (ein 50 Aktienwerte umfassender, von Dow Jones STOXX® abgeleiteter Index);
- (c) Dow Jones EURO STOXX®, der marktweite Euro-Index<sup>(2)</sup> (Dow Jones STOXX ohne die Länder, die nicht der europäischen Wirtschafts- und Währungsunion angehören); und
- (d) Dow Jones EURO STOXX 50®, der Euro Blue-Chip-Index (ein 50 Aktienwerte umfassender, von Dow Jones STOXX® abgeleiteter Index) (der "**Dow Jones EURO STOXX 50®**").

Anmerkungen:

- (1) Der europäische marktweite Index umfasst Unternehmen aus Österreich, Belgien, Dänemark, Finnland, Frankreich, Deutschland, Griechenland, Italien, Irland, den Niederlanden, Norwegen, Portugal, Spanien, Schweden, der Schweiz und dem Vereinigten Königreich. Luxemburg wird aufgenommen, sobald ein kontinuierlicher Datenfluss zur Verfügung steht. Künftig können auch weitere europäische Länder in den europäischen marktweiten Index aufgenommen werden.
- (2) Der marktweite Euro-Index umfasst Unternehmen aus Österreich, Belgien, Finnland, Frankreich, Deutschland, Italien, Irland, den Niederlanden, Portugal und Spanien. Luxemburg wird aufgenommen, sobald ein kontinuierlicher Datenfluss zur Verfügung steht. Künftig können auch weitere Länder aufgenommen werden.

#### Berechnung des Dow Jones EURO STOXX 50®

Der Dow Jones EURO STOXX 50® wird bezüglich der Kapitalisierung gewichtet und wird sowohl auf Basis der Gesamterträge (*Total Return*) als auch auf Basis der Kursentwicklung (*Price Return*) berechnet. Zur Ermittlung eines Zwingenden Vorzeitigen Rückzahlungsbetrages und des Rückzahlungsbetrages ist ausschließlich der auf der Kursentwicklung basierende Index maßgeblich. Er wird in Echtzeit in Euro berechnet und derzeit alle 15 Sekunden von 9.00 Uhr bis 17.45 Uhr (MEZ) veröffentlicht.

Der Dow Jones EURO STOXX 50® wird auf der Basis der jeweils letzten Kurse berechnet; ein an verschiedenen nachstehend aufgeführten Börsen gehandelter Kurs löst die Berechnung des Dow Jones EURO STOXX 50® nach Eingang des Eröffnungskurses eines Index-Wertpapiers aus.

Wird die Notierung während der Handelszeiten ausgesetzt, so wird der zuletzt gehandelte Kurs für alle folgenden Berechnungen herangezogen. Wird eine Notierung vor Handelsbeginn ausgesetzt, so wird der angepasste Schlusskurs des Vortages zur Berechnung des Dow Jones EURO STOXX 50<sup>®</sup> angesetzt. An Börsenfeiertagen in einem oder mehreren Ländern werden die letzten an den entsprechenden Börsen verfügbaren Aktienkurse zur Berechnung des Dow Jones EURO STOXX 50<sup>®</sup> verwendet.

Der Basistermin für den Dow Jones EURO STOXX 50<sup>®</sup> ist der 31.12.1991. Der Basiswert des Dow Jones EURO STOXX 50<sup>®</sup> beträgt 1.000.

### **Maßgebliche Börsenplätze**

Die folgenden Länder und Börsen/Handelssysteme werden als Quellen für die Aktienkurse im Dow Jones EURO STOXX 50<sup>®</sup> herangezogen:

<b>Land</b>	<b>Börse/Handelssysteme</b>
Österreich	Wiener Börse
Belgien	Euronext Brüssel
Finnland	Börse Helsinki
Frankreich	Euronext Paris
Deutschland	Xetra
Griechenland	Börse Athen
Irland	Irish Stock Exchange
Italien	Italienische Börse
Niederlande	Euronext Amsterdam
Portugal	Euronext Lissabon
Spanien	SIBE

### **Zusammensetzung des Index**

Die Wertpapiere für den Dow Jones STOXX 50<sup>®</sup> werden so ausgewählt, dass sie die größten und liquidesten Aktien am Markt repräsentieren.

Der Dow Jones EURO STOXX<sup>®</sup> ist eine Teilmenge des Dow Jones STOXX<sup>®</sup>. Der Dow Jones EURO STOXX<sup>®</sup> setzt sich ausschließlich aus Unternehmen aus Ländern der Europäischen Währungsunion zusammen.

Der Dow Jones EURO STOXX 50<sup>®</sup> ist eine Teilmenge, die aus den Aktien der 50 Unternehmen im Dow Jones EURO STOXX<sup>®</sup> Index besteht und die Branchenführer widerspiegeln soll.

### **Regelmäßige und fortlaufende Überprüfung**



Derzeit wird die Zusammensetzung des Dow Jones EURO STOXX 50<sup>®</sup> jährlich überprüft. Änderungen werden ggf. am dritten Freitag im September umgesetzt, wobei die Überprüfung anhand von Marktdaten von Ende Juli erfolgt. Darüber hinaus wird der Dow Jones EURO STOXX 50<sup>®</sup> kontinuierlich auf Änderungen an der Indexzusammensetzung hin überprüft, die beispielsweise aufgrund von gesellschaftsrechtlichen Maßnahmen, die die enthaltenen Unternehmen betreffen, erforderlich werden können.

### Entscheidungsgremien

Das Advisory Committee von STOXX berät das Supervisory Board zu Fragen bezüglich des Dow Jones EURO STOXX 50<sup>®</sup>. Das Committee unterbreitet dem Supervisory Board Vorschläge zu Änderungen der Zusammensetzung. Es spricht Empfehlungen aus hinsichtlich der Genauigkeit und Transparenz der Berechnung des Dow Jones EURO STOXX 50<sup>®</sup>. Entscheidungen über die Zusammensetzung und etwaige Änderungen des Dow Jones EURO STOXX 50<sup>®</sup> bleiben dem Supervisory Board vorbehalten.

### Kursentwicklung des Dow Jones EURO STOXX 50<sup>®</sup>

Nachstehend werden die Höchst- und Tiefststände der Schlusswerte (*Price Return*) für den Dow Jones EURO STOXX 50<sup>®</sup> für die Jahre 2002, 2003, 2004, 2005 und 2006 aufgeführt:

	<u>Jahr zum 31. Dezember 2002</u>	<u>Jahr zum 31. Dezember 2003</u>	<u>Jahr zum 31. Dezember 2004</u>	<u>Jahr zum 31. Dezember 2005</u>	<u>Jahr zum 31. Dezember 2006</u>
Höchstwert	3.833,09	2.760,66	2.959,71	3.616,33	4.140,66
Tiefstwert	2.150,27	1.849,64	2.580,04	2.924,01	3.408,02

Quelle: Internetseite des Sponsors: [www.stoxx.com](http://www.stoxx.com)

In der Nachstehenden Tabelle werden die Höchst- und Tiefststände der Schlusswerte (*Price Return*) für den Dow Jones EURO STOXX 50<sup>®</sup> für die benannten Zeiträume aufgeführt.

**Die historische Entwicklung des Dow Jones EURO STOXX 50<sup>®</sup> sollte nicht als Indikation für zukünftige Entwicklungen angesehen werden.**

<b>Monatsende</b>	<b>Höchstwert</b>	<b>Tiefstwert</b>
<b>2003</b> Januar	2.529,86	2.154,53
Februar	2.280,82	2.058,97
März	2.249,11	1.849,64
April	2.365,97	2.067,23
Mai	2.389,70	2.229,43
Juni	2.527,44	2.365,76
Juli	2.519,79	2.366,86
August	2.593,55	2.436,06
September	2.641,55	2.395,87
Oktober	2.575,04	2.434,63
November	2.657,60	2.568,71
Dezember	2.766,66	2.651,41
<b>2004</b> Januar	2.896,78	2.782,52
Februar	2.932,95	2.816,34
März	2.959,71	2.702,05
April	2.905,88	2.787,48
Mai	2.659,85	2.823,37
Juni	2.713,29	2.840,04
Juli	2.806,62	2.640,61

Monatsende	Höchstwert	Tiefswert
August	2.712,45	2.580,04
September	2.790,67	2.691,67
Oktober	2.834,62	2.734,37
November	2.922,24	2.834,03
Dezember	2.955,11	2.888,02
<b>2005</b> Januar	2.959,71	2.580,04
Februar	3.086,95	3.008,85
März	2.942,49	2.854,44
April	3.090,72	2.930,10
Mai	3.096,54	2.949,09
Juni	3.190,80	3.099,20
Juli	3.333,05	3.170,06
August	3.370,84	3.224,10
September	3.429,42	3.274,42
Oktober	3.464,23	3.241,14
November	3.471,43	3.312,45
Dezember	3.616,33	3.499,40
<b>2006</b> Januar	3.532,68	3.691,41
Februar	3.840,56	3.671,37
März	3.874,61	3.727,96
April	3.888,46	3.770,79
Mai	3.890,94	3.539,77
Juni	3.890,94	3.408,02
Juli	3.710,02	3.492,11
August	3.817,86	3.640,60
September	3.899,41	3.739,70
Oktober	4.027,29	3.975,80
November	4.109,81	3.974,62
Dezember	4.140,66	3.932,09
<b>2007</b> Januar	4.195,22	4.090,88
Februar	4.272,32	4.087,12
March	4.191,58	3.906,15

Der amtliche Schlussstand des Dow Jones EURO STOXX 50<sup>®</sup> am 18. April 2007 betrug 4.358,95.

Quelle: Internetseite des Sponsors: [www.stoxx.com](http://www.stoxx.com) und Bloomberg

Angaben zur aktuellen und historischen Entwicklung des Dow Jones EURO STOXX 50<sup>®</sup> können auf der Website von STOXX abgerufen werden: [www.stoxx.com](http://www.stoxx.com).

## HAFTUNGSAUSSCHLUSS

*STOXX und Dow Jones stehen abgesehen von der Lizenzierung des Dow Jones EURO STOXX 50<sup>®</sup> zur Nutzung im Zusammenhang mit den Wertpapieren in keiner Beziehung zur Emittentin.*

### **STOXX und Dow Jones**

- *sponsern, unterstützen, verkaufen oder bewerben die Wertpapiere nicht;*
- *empfehlen niemandem eine Anlage in die Wertpapiere oder in andere Wertpapiere;*
- *übernehmen keine Verantwortung und haften nicht für die zeitlichen Aspekte, die Anzahl oder die Preisfindung der Wertpapiere;*

- übernehmen keine Verantwortung und haften nicht für die Verwaltung, das Management oder die Vermarktung der Wertpapiere;
- berücksichtigen bei der Ermittlung, Zusammenstellung oder Berechnung des Dow Jones EURO STOXX 50<sup>®</sup> nicht die Erfordernisse der Wertpapiere oder der Inhaber der Wertpapier und sind dazu nicht verpflichtet.

***STOXX und Dow Jones haften in keiner Weise im Zusammenhang mit den Wertpapieren.***

*Insbesondere:*

- (a) übernehmen STOXX und Dow Jones weder ausdrücklich noch implizit Gewährleistungen gleich welcher Art in Bezug auf:
  - (i) Ergebnisse, die die von den Wertpapieren abgebildet werden, die von den Inhabern von Wertpapieren oder andere Personen im Zusammenhang mit der Nutzung des Dow Jones EURO STOXX 50<sup>®</sup> und der darin enthaltenen Daten übernommen werden;
  - (ii) Richtigkeit und Vollständigkeit des Dow Jones EURO STOXX 50<sup>®</sup> und der darin enthaltenen Daten;
  - (iii) Markttauglichkeit und Eignung für einen bestimmten Zweck oder eine bestimmte Verwendung des Dow Jones EURO STOXX 50<sup>®</sup> und der darin enthaltenen Daten;
- (b) haften STOXX und Dow Jones nicht für Fehler, Auslassungen oder Unterbrechungen des Dow Jones EURO STOXX 50<sup>®</sup> oder der darin enthaltenen Daten;
- (c) haften STOXX und Dow Jones unter keinen Umständen für entgangenen Gewinn oder mittelbare Schäden, besondere Schäden oder Folgeschäden bzw. Schäden, die aus zu leistenden Strafzahlungen herrühren; dies gilt auch für den Fall, dass STOXX oder Dow Jones bekannt war, dass solche Schäden auftreten können.

*Die Lizenzvereinbarung zwischen der Emittentin und STOXX wird ausschließlich zugunsten der Vertragsparteien und nicht zugunsten Dritter geschlossen.*

## **DEUTSCHE ÜBERSETZUNG DER DARSTELLUNG DER BESTEUERUNG IN DEUTSCHLAND**

### **ZUSÄTZLICHE SPEZIFISCHE DARSTELLUNG DER BESTEUERUNG IN DEUTSCHLAND**

Die nachstehende Erörterung steuerlicher Aspekte ist allgemeiner Natur und dient ausschließlich der Information. Die Ausführungen ersetzen keine rechtliche oder steuerliche Beratung und können auch nicht als solche ausgelegt werden. Im Hinblick auf die steuerlichen Folgen für einzelne Inhaber von Schuldverschreibungen wird keine Zusicherung gegeben.

Die Informationen im nachfolgenden Abschnitt dürfen nicht als steuerliche Beratung verstanden werden und versuchen nicht, alle möglichen steuerlichen Überlegungen zu beschreiben, die für einen Kaufinteressenten von Bedeutung sein können. Die Ausführungen basieren auf den deutschen Steuergesetzen (einschließlich Steuerabkommen) und den Verwaltungsanweisungen zur derzeitigen Rechtslage. Diese können sich jederzeit ändern, auch mit rückwirkendem Effekt.

**POTENTIELLEN ANLEGERN WIRD DAHER GERATEN, IHREN EIGENEN STEUERLICHEN BERATER ÜBER DIE KONSEQUENZEN ZU KONSULTIEREN, DIE AUS EINER INVESTITION IN DIE SCHULDVERSCHREIBUNGEN FOLGEN.**

#### **Steuerinländer**

##### *Spekulationsinstrumente*

Es sprechen gute Argumente dafür, dass die Schuldverschreibungen, die von privaten in Deutschland ansässigen Investoren im Privatvermögen gehalten werden als Spekulationsinstrumente (§ 23 Einkommensteuergesetz) qualifizieren, weil sie im Emissionszeitpunkt weder (i) eine vollständige noch eine teilweise Rückzahlung des Investments noch (ii) irgendeine Vergütung (insbesondere keine Zinsen) gewähren oder garantieren. Werden diese Schuldverschreibungen innerhalb eines Jahres nach Anschaffung der Schuldverschreibungen verkauft, so sind die Einkünfte hieraus zu versteuern, wenn die Einkünfte aus allen solchen Verkäufen innerhalb eines Jahres den Betrag von 512 Euro (pro Person und Jahr) erreichen oder überschreiten. Der Betrag dieser Einkünfte errechnet sich aus der Differenz zwischen dem Veräußerungserlös bzw. dem Rückzahlungsbetrag, den der Emittent zahlt, und den Anschaffungskosten der Schuldverschreibungen. Diese Einkünfte sind mit dem persönlichen progressiven Steuersatz des Investors zuzüglich 5,5 Prozent Solidaritätszuschlag hierauf zu versteuern.

Konsequenterweise, wenn die Schuldverschreibungen (i) innerhalb eines Jahres nach der Anschaffung der Schuldverschreibungen veräußert werden und die Einkünfte aus allen solchen Verkäufen innerhalb eines Jahres weniger als 512 Euro (pro Person und Jahr) betragen oder (ii) nach Ablauf eines Jahres nach Anschaffung der Schuldverschreibungen veräußert werden, sind die Einkünfte hieraus steuerbefreit.

Der Abzug eventueller Verluste ist beschränkt.

Einkünfte aus Schuldverschreibungen, die im Betriebsvermögen gehalten werden, unterliegen der Einkommen- oder Körperschaftsteuer (jeweils zuzüglich Solidaritätszuschlag) und zusätzlich der Gewerbesteuer. Der Abzug eventueller Verluste kann beschränkt sein.

### *Finanzinnovationen*

Sollten die Schuldverschreibungen jedoch als Finanzinnovationen zu qualifizieren sein, qualifizieren Gewinne aus der Veräußerung, Abtretung oder Einlösung der Schuldverschreibungen als Kapitalerträge und unterliegen stets der deutschen Einkommen- oder Körperschaftsteuer (jeweils zuzüglich Solidaritätszuschlag) und, wenn die Schuldverschreibungen in einem Betriebsvermögen gehalten werden, zusätzlich der Gewerbesteuer. Die Bemessungsgrundlage errechnet sich als die Differenz von Anschaffungskosten bzw. Buchwert und Veräußerungspreis oder Rückgabepreis.

Werden die Schuldverschreibungen im Privatvermögen gehalten, unterliegen die oben beschriebenen Zinseinkünfte der Einkommensteuer nach den persönlichen Einkommensteuersätzen zuzüglich Solidaritätszuschlag hierauf. Ab 2007 steht ein jährlicher persönlicher Sparer-Freibetrag von 750 Euro (1.500 Euro für Ehepaare, die zusammen veranlagt werden) für die gesamten Einkünfte aus Kapitalvermögen inklusive der Zinseinkünfte aus den Schuldverschreibungen zur Verfügung. Zusätzlich kann eine natürliche Person eine Werbungskostenpauschale in Höhe von jährlich 51 Euro (102 Euro für Ehepaare, die zusammen veranlagt werden) bei der Berechnung der Gesamteinkünfte aus Kapitalvermögen geltend machen, falls nicht höhere Werbungskosten nachgewiesen werden können.

Kapitalertragsteuer wird wie folgt erhoben:

Wenn die Schuldverschreibungen in einem inländischen Wertpapierdepot eines deutschen Kreditinstituts oder Finanzdienstleistungsinstituts (bzw. in der inländischen Niederlassung eines ausländischen Instituts) verwahrt oder verwaltet werden, wird ein Kapitalertragsteuerabzug von 30% zuzüglich des Solidaritätszuschlags von 5,5% hierauf, insgesamt also ein Abzug von 31,65%, auf die positive Differenz zwischen dem Entgelt für den Erwerb und dem Veräußerungspreis oder Einlösungsbetrag der Schuldverschreibungen erhoben. Wenn die Voraussetzungen nicht erfüllt sind, die Schuldverschreibungen beispielsweise nach einem Wertpapierdepotwechsel verkauft oder zurückgeben werden, wird der Unterschiedsbetrag als Bemessungsgrundlage für die Kapitalertragsteuer und den Solidaritätszuschlag durch eine Pauschale von 30% des Veräußerungspreises oder Rückgabebetrags ersetzt.

Wenn die Schuldverschreibungen gegen Zahlung oder Gutschrift bei einem deutschen Kredit- oder Finanzdienstleistungsinstitut (bzw. in der inländischen Niederlassung eines ausländischen Instituts) eingelöst werden, beträgt der Kapitalertragsteuerabzug 35% zuzüglich Solidaritätszuschlag, insgesamt also 36,925%. Werden die Schuldverschreibungen unter diesen Umständen bei Endfälligkeit eingelöst oder vorher veräußert, wird der Kapitalertragsteuerabzug von 35% zuzüglich Solidaritätszuschlag auf der pauschalen Bemessungsgrundlage von 30% des Veräußerungspreises oder Rückgabebetrags berechnet.

Die pauschale Abzugsbesteuerung mit Kapitalertragsteuer und Solidaritätszuschlag ist im allgemeinen nicht endgültig, sondern wird bei der Veranlagung zur Einkommen- oder Körperschaftsteuer einbezogen. Die Kapitalertragsteuer und der Solidaritätszuschlag werden auf die endgültige deutsche Steuerschuld angerechnet und - im Falle einer Überzahlung - zurückerstattet.

### **Steuerausländer**

#### *Spekulationsinstrumente*

Personen, die nicht steuerlich in Deutschland ansässig sind, unterliegen grundsätzlich nicht der deutschen Besteuerung. Werden die Schuldverschreibungen jedoch in einer inländischen Betriebsstätte oder durch einen ständigen Vertreter in Deutschland gehalten, wird der

Steuerausländer genauso wie ein in Deutschland ansässiger Investor, vorbehaltlich einer Mindestbesteuerung für private Investoren, besteuert.

#### *Finanzinnovation*

Sollten die Schuldverschreibungen als Finanzinnovationen zu qualifizieren sein, wird im allgemeinen kein deutscher Kapitalertragsteuerabzug zuzüglich Solidaritätszuschlag erhoben. Bei sog. Tafelgeschäften (Zahlung oder Gutschrift der Kapitalerträge gegen Aushändigung der Schuldverschreibungen bei einem deutschen Kredit- oder Finanzdienstleistungsinstitut bzw. der inländischen Niederlassung eines ausländischen Instituts) - mit Ausnahme von solchen, die von ausländischen Kredit- oder Finanzdienstleistungsinstituten getätigt werden - wird ein Kapitalertragsteuerabzug in Höhe von 35% zuzüglich Solidaritätszuschlag, mithin 36,925% erhoben. Unter Umständen können die Kapitalertragsteuer und der Solidaritätszuschlag erstattet werden.

Stehen die Kapitalerträge aus den Schuldverschreibungen, die in einem Wertpapierdepot eines deutschen Kredit- oder Finanzdienstleistungsinstituts (bzw. in der inländischen Niederlassung eines ausländischen Instituts) verwahrt oder verwaltet werden, nach deutschem Steuerrecht effektiv mit einem deutschen Gewerbe oder Geschäft eines Steuerausländers in Verbindung, wird der Kapitalertragsteuerabzug in Höhe von 30% zuzüglich Solidaritätszuschlag erhoben und im nachfolgenden Veranlagungsverfahren auf die deutsche Einkommensteuer- oder Körperschaftsteuerschuld des Steuerausländers angerechnet.

#### **Investmentsteuergesetz**

Die Schuldverschreibungen sollten nicht als Anteile an einem Vermögen im Sinne des Investmentsteuergesetzes gelten.

#### **Geplante Änderungen durch die Unternehmensteuerreform**

Im Rahmen der Unternehmensteuerreform plant die Bundesregierung, eine so genannte Abgeltungsteuer auf Kapitalerträge einzuführen.

Einkünfte aus dem Kapitalvermögen sollen nach diesen Plänen ab dem 1.1.2009 einem Quellensteuerabzug in Höhe von 25 % zuzüglich Solidaritätszuschlag, mithin insgesamt 26,375 %, auf die Bruttoerträge unterliegen. Dieser Steuerabzug soll im Allgemeinen abgeltende Wirkung haben, eine Einbeziehung in die Veranlagung soll nur noch auf Antrag erfolgen, namentlich wenn der persönliche Steuersatz des Anlegers niedriger als 25 % ist.

Auch Erlöse aus privaten Veräußerungsgeschäften sollen zu den Einkünften aus Kapitalvermögen in diesem Sinne gehören. Die Jahresfrist soll wegfallen, d.h. Gewinne aus privaten Veräußerungsgeschäften sollen unabhängig von der Haltedauer beim Anleger besteuert werden. Diese Regelung soll für Kapitalanlagen gelten, die ab dem 1.1.2009 erworben werden.

Die genaue Ausgestaltung der Besteuerung von Kapitalerträgen ab dem 1.1.2009 steht noch nicht fest. Zur Zeit liegt lediglich ein Gesetzesentwurf der Bundesregierung vor.

## **VERWALTUNGSSTELLEN**

### **SITZ DER EMITTENTIN**

**Citibank International plc**  
Citigroup Centre  
Canada Square  
Canary Wharf  
London E14 5LB  
Telephone: +44 (0)20 7986 4000

### **ARRANGEUR**

**Citigroup Global Markets Limited**  
Citigroup Centre  
Canada Square  
Canary Wharf  
London E14 5LB

### **HAUPTZAHLSTELLE UND EMISSIONSSTELLE**

**Citibank N.A.**  
21st Floor, Citigroup Centre  
Canada Square  
Canary Wharf  
London E14 5LB

### **LOKALE ZAHLSTELLEN**

**Citibank International plc**  
1 North Wall Quay  
Dublin 1, Ireland

**Citigroup Global Markets Deutschland AG & Co., KGaA,**  
Reuterweg 16, 60323,  
Frankfurt am Main,  
Germany

### **LISTING AGENT**

**Arthur Cox Listing Services Limited**  
Earlsfort Centre  
Earlsfort Terrace  
Dublin 2, Ireland

# **EQUITY FIRST PRODUCT PROGRAMME**

## **SUMMARY**

### **Citibank International plc**

**Up to 30,000 units of EUR 1,000 each of Bonus Express 5 Securities ("Bonus Express Certificate Offensiv 5") linked to the Dow Jones EURO STOXX 50<sup>®</sup> Index due 1st June, 2012**

**Series 2007-103**

**Issue Date: 1st June, 2007**

### **Arranger**

**Citigroup Global Markets Limited**

## **SUMMARY OF A PROSPECTUS FOR THE ISSUANCE OF SECURITIES**

**THIS DOCUMENT COMPRISES A SUMMARY NOTE FOR THE PURPOSES OF ARTICLE 5.3 OF DIRECTIVE 2003/71/EC AND, WHEN READ IN CONJUNCTION WITH SECTION 1 (DATED 11TH SEPTEMBER, 2006), SECTION 2 AND SECTION 3 (IF APPLICABLE), CONSTITUTES A PROSPECTUS FOR THE PURPOSES OF DIRECTIVE 2003/71/EC FOR THE ISSUANCE OF SECURITIES BY CITIBANK INTERNATIONAL plc UNDER THE EQUITY FIRST PRODUCT PROGRAMME**

**Date of Approval: 24th April, 2007**



*This summary is intended to give you an overview of details in relation to the Issuer and the Securities. This summary must be read as an introduction to the Prospectus and any decision to invest in any Securities should be based on a consideration of this Prospectus as a whole, including the documents incorporated by reference. Following the implementation of the relevant provisions of the Prospectus Directive in each member state of the European Economic Area, no civil liability will attach to the Responsible Person in any member state in respect of this summary, including any translation of this summary, unless it is misleading, inaccurate or inconsistent when read together with other parts of the Prospectus. Where a claim relating to information contained in the Prospectus is brought before a court in a member state of the European Economic Area, the plaintiff may, under the national legislation of the member state where the claim is brought, be required to bear the costs of translating the Prospectus before the legal proceedings are initiated.*

## **1. Introduction**

### **1.1 The Issuer**

Citibank International plc (the **Issuer**) is a bank incorporated in the United Kingdom and authorised by the Financial Services Authority under the Financial Services and Markets Act 2000.

The Issuer is part of Citigroup Inc., a diversified global financial services holding company whose businesses provide a broad range of services to consumer and corporate customers in more than 100 countries. The Issuer, which forms one of the five divisions which together make up Citigroup, engages in the provision of international corporate and investment banking, private banking and asset management and consumer banking services through its various divisions and a branch network in the United Kingdom and continental Europe. The Issuer has branches in Austria, Belgium, Denmark, Finland, France, Greece, Ireland, Italy, Luxembourg, Madeira, The Netherlands, Norway, Portugal, Spain and Sweden as well as the United Kingdom.

### **1.2 The Programme**

The debt securities will be obligations of the Issuer under its Equity First Product Programme (the **Programme**).

The Programme has been designed to allow debt securities of many types to be issued, including debt securities whose repayment terms may be linked to a number of different underlyings. These underlyings may include funds, shares, baskets of shares, share indices or other types of share performance indicators. These other "share performance indicators" might include such things as share portfolios based on a particular trading strategy, an industry sector or portfolios with particular geographically based weightings and could include features that change the composition of the portfolio depending on the performance of those shares over time.

The debt securities will be represented by a global security, whereby one certificate is issued in respect of an entire series of debt securities. Citigroup Global Markets Limited, as Arranger, will facilitate transfers of interests representing the global security within and between the international clearing systems (Euroclear and/or Clearstream, Luxembourg) and the relevant domestic clearing systems, including those in The Netherlands, Germany, Austria, Italy and Switzerland. These interests will be credited to the account that a Selling Agent, with whom an investor has made appropriate arrangements, holds with one of the clearing systems.

The Programme is rated Aaa by Moody's Investors Service Limited (**Moody's**) and AA+ by Standard and Poor's Ratings Service, a division of The McGraw-Hill Companies Inc. (**S&P**).

The Issuer has issued Section 1 of this Prospectus dated 11th September, 2006 which describes the Issuer and provides general information about offers of debt securities by the Issuer under the Programme. Section 1 has been approved by the Irish Financial Services Regulatory Authority in its capacity as competent authority (the **Competent Authority**).

## 2. The Securities

### 2.1 *Investment objectives in respect of the Securities*

This Series of debt securities offered pursuant to the Prospectus (the **Securities**) are designed to offer a potential return equivalent to an annualised rate of up to 9.5 per cent. Potential investors are likely to have the view that the Index will have only a moderate increase over the life of the Securities of no more than 9.5 per cent. per annum on average over the holding period and that the Index will not fall by 30 per cent. or more at any time between 25th May, 2007 (the **Strike Date**) and the Final Valuation Date, as defined below.

In addition, if on any of 13th June, 2008, 25th May, 2009, 25th May, 2010, 25th May, 2011 the official closing level of the Index is equal to or greater than the official closing level of the Index on the Strike Date, then the Securities will automatically redeem early with payment made to holders equivalent to an effective annualised return of 9.5 per cent.

### 2.2 *The Index*

The Securities are linked to the performance of the Dow Jones EURO STOXX 50<sup>®</sup> (.STOXX50E/SX5E) (the **EURO STOXX 50<sup>®</sup>**) (the **Index**).

The EURO STOXX 50<sup>®</sup> is a European blue-chip index made up of 50 stocks derived from the Dow Jones STOXX<sup>®</sup>. Securities are selected for EURO STOXX 50<sup>®</sup> so as to represent the largest and most liquid stocks in the market. Only companies from countries that have adopted the Euro as their official currency are included in EURO STOXX 50<sup>®</sup>.

### 2.3 *Repayment at maturity*

If there has been no mandatory early repayment of the Securities, then the actual amount repaid per Security will be dependent upon the official closing level of the Index on 25th May, 2012 (as adjusted if such day is a disrupted day, the **Final Valuation Date**) compared to the official closing level on the Strike Date (**the Start Index Level**). The amount to be repaid will be:

- (a) If the official closing level on the Final Valuation Date (**the Final Index Level**) is equal to or greater than the Start Index Level, for each Security investors will receive:

EUR 1,000 x Max [1.475; Final Index Level / Start Index Level].

- (b) If the Final Index Level is below the Start Index Level but the official closing level of the Index has not at any time during the life of the Securities been at or below 70 per cent. of the Start Index Level, for each Security investors will receive:

EUR 1,475.

- (c) If the Final Index Level is below the Start Index Level and the official closing level of the Index has at any time during the life of the Securities been at or below 70 per cent. of the Start Index Level, for each Security investors will receive:

$$EUR 1,000 \times \left( \frac{\text{Final Index Level}}{\text{Start Index Level}} \right)$$

## 2.4 *Mandatory early repayment*

**Mandatory Early Repayment** will occur if the official closing level of the Index on any of 13th June, 2008, 25th May, 2009, 25th May, 2010, 25th May, 2011 (the **Index Level<sub>MER</sub>**) (as may be adjusted if any such day is a disrupted day) is equal to or greater than the Start Index Level. If this happens, the Issuer will automatically redeem the Securities and the holder will receive the following amounts per Security:

<b>Date</b>	<b>Amount</b>
13th June, 2008	Max [1.095; Index Level <sub>MER</sub> / Start Index Level] x EUR 1,000
25th May, 2009	Max [1.19; Index Level <sub>MER</sub> / Start Index Level] x EUR 1,000
25th May, 2010	Max [1.285; Index Level <sub>MER</sub> / Start Index Level] x EUR 1,000
25th May, 2011	Max [1.38; Index Level <sub>MER</sub> / Start Index Level] x EUR 1,000

## 2.5 *Early Repayment for other reasons*

The Securities may be repaid prior to maturity in certain other circumstances, including, the following:

- (a) repurchase by the Issuer;
- (b) the occurrence of a Disruption Event in respect of transactions entered into by the Issuer with third parties in connection with the Securities;
- (c) an index adjustment event; or
- (d) the occurrence of an event that constitutes an illegality, impossibility or force majeure.

If the Securities are repaid early for one of these reasons, the early repayment amount per Security will be an amount as determined by Citigroup Global Markets Limited in its capacity as calculation agent (the **Calculation Agent**).

## 2.6 *Rating*

The Securities are expected, on issue, to be assigned a rating of Aaa by Moody's and AA+ by S&P. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigned rating agency. A suspension, change or withdrawal of the rating assigned to the Securities may adversely affect the market price of the Securities.

## 2.7 *Listing*

Application has been made to the Competent Authority for Section 2 of this Prospectus dated 24th April, 2007 to be approved and application will be made to the Irish Stock Exchange for the Securities to be admitted to the Official List and to trading on its regulated market. Application will also be made for the Securities to be listed and included on each of the regulated unofficial market of the Stuttgart Stock Exchange (*Freiverkehr*) and the regulated unofficial market of the Frankfurt Stock Exchange (*Freiverkehr*).

## 2.8 *Fees and expenses*

An initial distribution fee will be paid by the Issuer to the distributors of the Securities out of the proceeds of the Securities, and listing fees will be paid to the Irish Stock Exchange.

## 3. **Risk factors**

*Prospective investors should understand the risks of investing in the Securities before they make their investment decision. They should make their own independent decision to invest in any Securities and as to whether an investment in the Securities is appropriate or proper for them based upon their own judgement and upon financial, legal, accounting, tax and other advice from such appropriately qualified professional independent advisors as they consider necessary.*

There are certain risks associated with Securities issued under the Programme which prospective investors should consider. These include the following:

- The Securities are not guaranteed; upon an insolvency of the Issuer holders of the Securities will be paid after preferred obligations (for example, secured creditors). No other party is responsible for payments in respect of the Securities if the Issuer does not pay the original amount invested or fails to pay any return to the investors.
- There is no guarantee that a secondary market in the Securities will develop. An investor should therefore be prepared to hold the Securities until the maturity date which is 1st June, 2012.
- If it is possible to sell the Securities, they would be sold for the prevailing bid price in the market. It is possible that an investor selling Securities in the secondary market may receive a price less than his initial investment.

In addition, there are certain other risks associated with this Series of Securities due to their particular characteristics. These include the following:

- The Securities do not provide for any principal protection and the amount that will be repaid at maturity may be less than the amount originally invested.
- The Securities may be repaid early. In the case of mandatory early repayment the holders of the Securities are subject to a reinvestment risk as they may not be able to replace their investment in the Securities with an investment with a similar profile of chances and risks. If the Securities are repaid early for a reason other than mandatory early redemption, there is no guarantee that the amount repaid to investors will be equal to or higher than the amount they originally invested.

Prospective investors should therefore consider the Securities and their characteristics carefully to determine whether an investment in these Securities is appropriate in their particular circumstances.

Investment in these Securities is only suitable for investors which, among other things, have the requisite knowledge and experience in financial and business matters. Investors should be familiar with investments in global capital markets and with indices generally as these are some of the things that will directly affect the return investors will receive on their money.

#### **4. Taxation**

Purchasers and/or sellers of Securities may be required to pay stamp taxes and/or other taxes or duties in accordance with the laws and practices of the country in which Securities are either purchased, sold or transferred. Such taxes may be in addition to the purchase price of each Security.

The Issuer will not be liable for or otherwise obliged to pay any stamp taxes, tax, duties or any other payment which may arise as a result of ownership, transfer or exercise of any Securities.

Potential investors are advised to consult their own tax advisors as to the tax consequences of transactions involving the Securities.

# **EQUITY FIRST PRODUCT PROGRAMME**

## **ZUSAMMENFASSUNG**

**Citibank International plc**

**Bis zu 30.000 Bonus Express 5 Wertpapiere ("Bonus Express Zertifikat Offensiv 5") von jeweils Euro 1.000 gebunden an den Dow Jones EURO STOXX 50<sup>®</sup> Index, fällig am 1. Juni 2012**

**Serie 2007-103**

**Ausgabetag: 1. Juni 2007**

**Arrangeur**

**Citigroup Global Markets Limited**

### **ZUSAMMENFASSUNG EINES WERTPAPIEREMISSIONSPROSPEKTES**

**DIESES DOKUMENT ENTHÄLT EINE ZUSAMMENFASSUNG IM SINNE VON ARTIKEL 5.3 DER RICHTLINIE 2003/71/EG UND STELLT, IN VERBINDUNG MIT ABSCHNITT 1 (VOM 11. SEPTEMBER 2006), ABSCHNITT 2 UND ABSCHNITT 3 (FALLS ANWENDBAR), EINEN PROSPEKT IM SINNE DER RICHTLINIE 2003/71/EG FÜR DIE WERTPAPIEREMISSION DURCH DIE CITIBANK INTERNATIONAL plc IM RAHMEN DES EQUITY FIRST PRODUCT PROGRAMME DAR**

**Datum der Billigung: 24. April 2007**

*Diese Zusammenfassung soll einen Überblick über Angaben zur Emittentin und deren Wertpapieren geben. Diese Zusammenfassung ist als Einleitung zum Prospekt zu verstehen und jede Entscheidung zur Anlage in Wertpapiere sollte auf die Prüfung des gesamten Prospekts, einschließlich der durch Verweis einbezogenen Dokumente, gestützt werden. Nach der Umsetzung der maßgeblichen Bestimmungen der Prospekttrichtlinie (Richtlinie 2003/71/EG) in den Mitgliedstaaten des Europäischen Wirtschaftsraumes kann die Verantwortliche Person (Responsible Person) in diesen Mitgliedstaaten zivilrechtlich auf der Basis dieser Zusammenfassung einschließlich einer Übersetzung haftbar gemacht werden, jedoch nur soweit diese Zusammenfassung irreführend, unrichtig oder widersprüchlich ist, wenn sie zusammen mit anderen Teilen des Prospekts gelesen wird. Für den Fall, dass vor einem Gericht in einem Mitgliedstaat des Europäischen Wirtschaftsraumes Ansprüche auf Grund der in dem Prospekt enthaltenen Informationen geltend gemacht werden, kann der Kläger in Anwendung der einzelstaatlichen Rechtsvorschriften des Mitgliedstaats, in dem die Ansprüche geltend gemacht werden, die Kosten für die Übersetzung des Prospekts vor Prozessbeginn zu tragen haben.*

## **1. Einleitung**

### **1.1 Die Emittentin**

Die Citibank International plc (die **Emittentin**) ist eine im Vereinigten Königreich eingetragene Bank, die über die Autorisierung (*authorisation*) der Financial Services Authority im Rahmen des Financial Services and Markets Act 2000 verfügt.

Die Emittentin gehört zur Citigroup Inc., einer breit aufgestellten, weltweit agierenden Finanzdienstleistungs-Holding, deren Geschäftsbereiche in mehr als 100 Ländern eine umfangreiche Dienstleistungspalette für Privat- und Geschäftskunden anbieten. Die Emittentin, die einen der fünf Bereiche darstellt, die zusammen die Citigroup bilden, erbringt über ihre verschiedenen Geschäftsbereiche und ihr Zweigstellennetzwerk im Vereinigten Königreich und im übrigen Europa internationale Dienstleistungen in den Bereichen Corporate und Investment Banking, Private Banking sowie in der Vermögensverwaltung und im Privatkundenbereich. Die Emittentin verfügt über Zweigstellen und Niederlassungen in Österreich, Belgien, Dänemark, Finnland, Frankreich, Griechenland, Irland, Italien, Luxemburg, Madeira, den Niederlanden, Norwegen, Portugal, Spanien und Schweden sowie im Vereinigten Königreich.

### **1.2 Das Programm**

Bei den Schuldtiteln wird es sich um Verpflichtungen der Emittentin im Rahmen ihres Equity First Product Programme (das **Programm**) handeln.

Das Programm wurde konzipiert, um die Ausgabe von Schuldtiteln unterschiedlichster Art zu ermöglichen, einschließlich von Schuldtiteln, deren Rückzahlungsbedingungen an eine Reihe unterschiedlicher Bezugswerte gebunden sein können. Diese Bezugswerte können Fonds, Aktien, Aktienkörbe, Aktienindizes sowie sonstige Arten von Wertentwicklungsindikatoren von Aktien umfassen. Diese sonstigen „Wertentwicklungsindikatoren von Aktien“ können unter Umständen beispielsweise Aktienportfolios umfassen, die auf einer bestimmten Handelsstrategie basieren, oder einem Industriesektor sowie Portfolios mit bestimmten geographisch ausgerichteten Gewichtungen, und sie können unter Umständen Charakteristika beinhalten, welche die Zusammensetzung des Portfolios in Abhängigkeit von der Wertentwicklung dieser Aktien im Verlauf der Zeit ändern.

Die Schuldtitel werden im Rahmen einer Globalurkunde verbrieft, wobei ein Zertifikat für eine gesamte Serie von Schuldtiteln ausgegeben wird. Als Arrangeur ermöglicht die Citigroup Global Markets Limited die Übertragung von Ansprüchen, die in der Globalurkunde verbrieft sind, innerhalb und zwischen den internationalen Clearing-Systemen (Euroclear und/oder Clearstream, Luxemburg) und den entsprechenden nationalen Clearing-Systemen, einschließlich derjenigen in den Niederlanden, Deutschland, Österreich, Italien und der Schweiz. Diese Anteile werden auf einem

Konto gutgeschrieben, das eine Verkaufsstelle, mit der ein Anleger entsprechende Vereinbarungen getroffen hat, bei einem dieser Clearing-Systeme unterhält.

Das Programm wurde von Moody's Investors Service Limited (**Moody's**) mit Aaa eingestuft und mit AA+ durch den Rating-Service von Standard and Poor's, eines Geschäftsbereichs der The McGraw-Hill Companies Inc. (**S&P**).

Die Emittentin hat Abschnitt 1 dieses Prospektes datiert auf den 11. September 2006 herausgegeben, worin die Emittentin beschrieben wird und allgemeine Informationen über Angebote von Schuldtiteln im Rahmen des Programms durch die Emittentin. Abschnitt 1 wurde von der irischen Finanzaufsichtsbehörde, der Irish Financial Services Regulatory Authority, als zuständiger Aufsichtsbehörde genehmigt (die **Zuständige Aufsichtsbehörde**).

## 2. Die Wertpapiere

### 2.1 *Anlageziele der Wertpapiere*

Die vorliegende Serie von Schuldtiteln, die gemäß dem Prospekt angeboten werden (die Wertpapiere), wurde konzipiert, um eine potenzielle jährliche Rendite in Höhe von bis zu 9,50% anzubieten (Potenzielle Investoren sollten davon ausgehen, dass der Index während der Laufzeit der Wertpapiere, nur moderat (nicht mehr als durchschnittlich 9,50% pro Jahr, während die Wertpapiere gehalten werden) ansteigt und nicht um 30% oder mehr im Zeitraum zwischen dem 25. Mai 2007 (dem **Bezugstag**) und dem Endgültigen Bewertungstag, wie nachfolgend definiert, fällt).

Darüber hinaus werden die Wertpapiere automatisch vorzeitig zurückgezahlt, wenn der offizielle Schlussstand des Index am 13. Juni 2008, am 25. Mai 2009, am 25. Mai 2010 oder am 25. Mai 2011 gleich oder größer dem offiziellen Schlussstand des Index am Bezugstag ist, wobei die Gläubiger in diesem Fall eine Zahlung in Höhe einer effektiven Jahresrendite von 9,50% erhalten.

### 2.2 *Der Index*

Die Wertpapiere sind an die Wertentwicklung des Dow Jones EURO STOXX 50<sup>®</sup> (.STOXX50E/SX5E) (der **EURO STOXX 50<sup>®</sup>**) (der **Index**) gebunden.

Der EURO STOXX 50<sup>®</sup> ist ein europäischer Blue Chip-Index, bestehend aus 50 aus dem Dow Jones STOXX<sup>®</sup> abgeleiteten Aktien. Die Aktien werden dergestalt für den EURO STOXX 50<sup>®</sup> ausgewählt, dass sie die größten und liquidesten Aktien des Marktes abbilden. Es werden ausschließlich solche Unternehmen in den EURO STOXX 50<sup>®</sup> aufgenommen, die aus Ländern stammen, welche den Euro als ihre offizielle Währung übernommen haben.

### 2.3 *Rückzahlung bei Endfälligkeit*

Sofern keine zwingende vorzeitige Rückzahlung der Wertpapiere erfolgt ist, hängt der tatsächlich pro Wertpapier zurückzuzahlende Betrag vom offiziellen Schlussstand des Index am 25. Mai 2012 (der **Endgültige Bewertungstag**, gegebenenfalls angepasst, falls es sich bei diesem Tag um einen Unterbrechungstag handelt) im Vergleich zum offiziellen Schlussstand am Bezugstag ab (der **Anfängliche Index-Stand**). Der zurückzuzahlende Betrag beläuft sich wie folgt:

- (a) Ist der offizielle Schlussstand zum Endgültigen Bewertungstag (der **Endgültige Index-Stand**) größer als der Anfängliche Index-Stand oder entspricht diesem, so erhält der Anleger pro Wertpapier folgendes:

Euro 1.000 x Max [1,475; Endgültiger Index-Stand/Anfänglicher Index-Stand]



- (b) Ist der Endgültige Index-Stand niedriger als der Anfängliche Index-Stand, ohne dass der offizielle Schlussstand des Index dabei jedoch zu irgendeinem Zeitpunkt während der Laufzeit der Wertpapiere 70% oder weniger des Anfänglichen Index-Stands betragen hat, so erhält der Anleger pro Wertpapier einen Betrag in Höhe von

EUR 1.475.

- (c) Ist der Endgültige Index-Stand niedriger als der Anfängliche Index-Stand und hat der offizielle Schlussstand des Index zu irgendeinem Zeitpunkt während der Laufzeit der Wertpapiere 70% oder weniger des Anfänglichen Index-Stands betragen, so erhalten die Anleger für jedes Wertpapier einen Betrag in Höhe von:

$$EUR 1.000 \times \left( \frac{\text{Endgültiger Index - Stand}}{\text{Anfänglicher Index - Stand}} \right)$$

## 2.4 **Zwingende vorzeitige Rückzahlung**

Eine **Zwingende Vorzeitige Rückzahlung** erfolgt dann, wenn der offizielle Schlussstand des Index am 13. Juni 2008, am 25. Mai 2009, am 25. Mai 2010 oder am 25. Mai 2011 (der **Index-Stand<sub>MER</sub>**) (jeweils gegebenenfalls angepasst, wenn es sich dabei um einen Unterbrechungstag handelt) dem Anfänglichen Index-Stand entspricht oder größer als dieser ist. Ist dies der Fall, so zahlt die Emittentin die Wertpapiere automatisch zurück und die Gläubiger erhalten pro Wertpapier die folgenden Beträge:

<b>Zeitpunkt</b>	<b>Betrag</b>
13. Juni 2008	Max [1,095; Index-Stand <sub>MER</sub> /Anfänglicher Index-Stand] x EUR 1.000
25. Mai 2009	Max [1,19; Index-Stand <sub>MER</sub> /Anfänglicher Index-Stand] x EUR 1.000
25. Mai 2010	Max [1,285; Index-Stand <sub>MER</sub> /Anfänglicher Index-Stand] x EUR 1.000
25. Mai 2011	Max [1,38; Index-Stand <sub>MER</sub> /Anfänglicher Index-Stand] x EUR 1.000

## 2.5 **Vorzeitige Rückzahlung aus anderen Gründen**

Die Wertpapiere können unter bestimmten anderen Umständen ebenfalls vor ihrer Endfälligkeit zurückgezahlt werden. Dazu zählen:

- (a) Rückkauf durch die Emittentin;
- (b) Eintritt eines Unterbrechungsereignisses im Hinblick auf Transaktionen, welche die Emittentin mit Dritten in Verbindung mit den Wertpapieren abgeschlossen hat;
- (c) ein Indexanpassungsereignis;
- (d) Eintritt eines Ereignisses, welches Ungesetzmäßigkeit, Unmöglichkeit oder höhere Gewalt (*Force Majeure*) darstellt.

Sollten die Wertpapiere aus einem der vorgenannten Gründe vorzeitig zurückgezahlt werden, so wird der Betrag der vorläufigen Rückzahlung pro Wertpapier ein von der Citigroup Global Markets Limited in ihrer Eigenschaft als Berechnungsstelle (die "**Berechnungsstelle**") bestimmter ein Betrag sein.

## 2.6 **Rating**

Es wird davon ausgegangen, dass die Wertpapiere bei ihrer Ausgabe von Moody's ein Rating von Aaa und von S&P ein Rating von AA+ erhalten werden. Ein Wertpapier-Rating stellt keine Empfehlung für einen Kauf, Verkauf oder das Halten von Wertpapieren dar und kann jederzeit von der jeweiligen Rating-Agentur ausgesetzt, geändert oder zurückgenommen werden. Eine Aussetzung, Änderung oder Rücknahme des Ratings der Wertpapiere kann sich negativ auf den Marktpreis der Wertpapiere auswirken.

## 2.7 **Börsennotierung**

Ein Antrag auf Billigung wurde für Abschnitt 2 des vorliegenden Prospektes mit Datum vom 24. April 2007 bei der Zuständigen Behörde gestellt und es wird ein Antrag auf Zulassung der Wertpapiere zur *Official List* und zum Handel am geregelten Markt der irischen Börse (*Irish Stock Exchange*) bei dieser gestellt werden. Die Einbeziehung und Notierung der Wertpapiere in den Handel im Freiverkehr der Stuttgarter Wertpapierbörse und in den Handel im Freiverkehr der Frankfurter Wertpapierbörse wird beantragt werden.

## 2.8 **Gebühren und Kosten**

Die Emittentin wird an die Vertriebsstellen der Wertpapiere eine anfängliche Vertriebsgebühr aus dem Erlös der Wertpapiere zahlen, und die Notierungsgebühren werden an die irische Börse (*Irish Stock Exchange*) gezahlt.

## 3. **Risikofaktoren**

***Potentielle Anleger sollten die Risiken verstehen, die mit einer Anlage in die Wertpapiere verbunden sind, bevor sie ihre Anlageentscheidung treffen. Sie sollten ihre eigene unabhängige Entscheidung bezüglich einer Anlage in die Wertpapiere sowie hinsichtlich der Geeignetheit und Angemessenheit einer Anlage in die Wertpapiere für sie auf der Grundlage ihrer eigenen Beurteilung und der von ihnen für erforderlich gehaltenen finanziellen, rechtlichen, buchhalterischen, steuerlichen und sonstigen Beratung seitens geeignet qualifizierter, professioneller und unabhängiger Berater treffen.***

Es bestehen in Zusammenhang mit den im Rahmen des Programms ausgegebenen Wertpapieren bestimmte Risiken, die potentielle Anleger beachten sollten. Dazu zählen Folgende:

- Es besteht keine Garantie für die Wertpapiere, bei einer Insolvenz der Emittentin werden die Inhaber der Wertpapiere erst nach vorrangigen Verbindlichkeiten ausbezahlt (z.B. gesicherte Gläubiger (*secured creditors*)). Falls die Emittentin den ursprünglich investierten Betrag nicht zurückzahlt oder keine Erträge an die Anleger zahlt, ist keine andere Partei für Zahlungen hinsichtlich der Wertpapiere verantwortlich.
- Es gibt keine Garantie, dass sich ein Sekundärmarkt für die Wertpapiere entwickelt. Anleger sollten sich daher darauf einstellen, die Wertpapiere bis zum Zeitpunkt ihrer Endfälligkeit, d.h. bis zum 1. Juni 2012, zu halten.
- Sollte es möglich sein, die Wertpapiere zu verkaufen, so würden diese zum vorherrschenden Angebotspreis (*bid price*) am Markt verkauft. Es ist dabei möglich, dass ein Anleger, der Wertpapiere auf dem Sekundärmarkt verkauft, einen Preis erzielt, der niedriger ist als seine ursprüngliche Investition.

Darüber hinaus bestehen in Zusammenhang mit der vorliegende Serie von Wertpapieren bestimmte weitere durch ihre speziellen Merkmale bedingte Risiken. Darunter fallen:

- Die Wertpapiere sehen keinen Kapitalschutz vor und der bei Endfälligkeit zurückzuzahlende Betrag kann niedriger sein als der ursprünglich investierte Betrag.
- Die Wertpapiere können vorzeitig zurückgezahlt werden. Im Falle einer zwingenden vorzeitigen Rückzahlung unterliegen die Inhaber der Wertpapiere einem Wiedieranlagerisiko, da sie unter Umständen nicht in der Lage sind, ihre Anlage in die Wertpapiere durch eine Investition mit vergleichbaren Chancen und Risiken zu ersetzen. Werden die Wertpapiere aus einem anderen Grund als einer zwingenden vorzeitigen Rückzahlung vorzeitig zurückgezahlt, so gibt es keine Garantie, dass der an die Anleger zurückgezahlte Betrag dem ursprünglich investierten Betrag entspricht oder größer als dieser ist.

Potentielle Anleger sollten sich daher mit den Wertpapieren und ihren Merkmalen sorgsam auseinandersetzen, um sich darüber klar zu werden, ob eine Anlage in diese Wertpapiere angesichts ihrer individuellen Umstände für sie geeignet und angemessen ist.

Eine Anlage in die Wertpapiere ist nur für solche Anleger geeignet, die u.a. über das erforderliche Wissen und die erforderliche Erfahrung in finanziellen und geschäftlichen Angelegenheiten verfügen. Anleger sollten mit Investitionen an den globalen Kapitalmärkten vertraut sein sowie mit Indizes im allgemeinen, da es sich dabei um Faktoren handelt, die einen direkten Einfluss auf die Rendite haben werden, welche die Anleger auf ihr Geld erhalten werden.

#### **4. Steuern**

Erwerber und/oder Verkäufer der Wertpapiere müssen unter Umständen Stempelsteuern und/oder sonstige Steuern, Abgaben oder Gebühren gemäß den Rechtsvorschriften und Gewohnheiten der Länder zahlen, in denen die Wertpapiere erworben, verkauft oder übertragen werden. Diese Steuern und Abgaben können zusätzlich zum Kaufpreis des jeweiligen Wertpapiers anfallen.

Die Emittentin haftet nicht für Stempelsteuern, Steuern, Abgaben oder sonstige Zahlungen, die unter Umständen aufgrund des Eigentums oder Besitzes bzw. der Übertragung von Wertpapieren oder der Verfügung über Wertpapiere anfallen, und ist auch ansonsten nicht zu deren Zahlung verpflichtet.

Potentiellen Anlegern wird angeraten, ihre eigenen Steuerberater im Hinblick auf steuerliche Folgen aus Transaktionen zu konsultieren, welche die Wertpapiere betreffen.

**EQUITY FIRST PRODUCT PROGRAMME**  
**SECTION 1**

**Citibank International plc**

**Arranger**

**Citigroup Global Markets Limited**

**SECTION 1 OF A PROSPECTUS FOR THE ISSUANCE OF SECURITIES**

**THIS DOCUMENT COMPRISES A REGISTRATION DOCUMENT FOR THE PURPOSES OF ARTICLE 5.3 OF DIRECTIVE 2003/71/EC AND, WHEN READ IN CONJUNCTION WITH SECTION 2, SECTION 3 (IF APPLICABLE) AND THE SUMMARY (IF APPLICABLE), CONSTITUTES A PROSPECTUS FOR THE PURPOSES OF DIRECTIVE 2003/71/EC FOR THE ISSUANCE OF SECURITIES BY CITIBANK INTERNATIONAL plc**

**Dated: 11th September, 2006**

## THE PROSPECTUS

The Prospectus for each product will be comprised of up to four Sections that you as an investor will receive for a particular product. These Sections should be read together. The details of the specific product (the **Securities**) to which this Prospectus relates are set out in Section 2.

This document is Section 1 of the Prospectus and comprises a registration document for the purposes of Article 5.3 of Directive 2003/71/EC (the **Prospectus Directive**). When read together, Section 1, Section 2, Section 3 (if applicable) and the Summary (if applicable) of this Prospectus, will constitute a prospectus for the purposes of the Prospectus Directive.

The date of Section 1 of this Prospectus is 11th September, 2006. Section 1 will be updated annually.

SECTION	NAME OF SECTION	PURPOSE
Section 1	The Issuer and General Legal and Regulatory Information	Contains a description of the Programme, a description of the Issuer and financial information in relation to the Issuer, general risk factors and general taxation and selling restrictions sections.
Section 2	Product Description	Contains a full description of the terms and conditions of the product that is being offered, product selling restrictions and information in respect of taxation.
Section 3	Country Supplement	Sets out country specific information required in relation to each country in which products are being offered.  <i>(There may not be a Section 3 for a particular product.)</i>
Summary	Summary	Contains a summary of the essential characteristics and risks associated with the Issuer and the product being issued.  <i>(There may not be a Summary for a particular product where the Securities have a minimum denomination of €50,000 (or if the currency is not euro, its equivalent in such currency))</i>

## IMPORTANT

**THIS DOCUMENT IS IMPORTANT. BEFORE YOU PURCHASE ANY OF THE SECURITIES DESCRIBED IN THIS PROSPECTUS YOU SHOULD ENSURE THAT YOU FULLY UNDERSTAND THE NATURE OF YOUR INVESTMENT, THE RISKS INVOLVED AND YOUR OWN PERSONAL CIRCUMSTANCES. IF YOU ARE IN ANY DOUBT ABOUT THE CONTENTS OF THIS PROSPECTUS YOU SHOULD TAKE FINANCIAL, LEGAL, ACCOUNTING, TAX AND OTHER ADVICE FROM AN APPROPRIATELY QUALIFIED PROFESSIONAL INDEPENDENT ADVISOR.**

### **Suitability of Investment**

*An investment in the Securities is only suitable for you if you (either alone or with the help of an appropriate financial or other advisor) are able to assess the merits and risks of such an investment and have sufficient resources to be able to bear any losses that may result from such an investment.*

### **Responsibility for Section 1 of this Prospectus**

*The Issuer (the **Responsible Person**) accepts responsibility for the information in Section 1 of this Prospectus. To the best of the knowledge and belief of the Issuer (which has taken all reasonable care to ensure that this is the case), the information in Section 1 of this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information. The Arranger is not responsible for and does not accept liability for the accuracy or completeness of the information contained in Section 1 of this Prospectus.*

### **Distribution of this Prospectus and Selling Restrictions**

*The distribution of this Prospectus and the offering or purchase of the Securities may be restricted in certain jurisdictions. If you receive a copy of this Prospectus you may not treat this Prospectus as constituting an offer, invitation or solicitation to you to subscribe for any Securities unless, in the relevant jurisdiction, such an offer, invitation or solicitation could lawfully be made to you without compliance with any registration or other legal requirement. If you wish to apply for the opportunity to purchase any Securities, it is your duty to inform yourself of, and to observe, all applicable laws and regulations of any relevant jurisdiction. In particular, you should inform yourself as to the legal requirements of so applying, and any applicable exchange control regulations and taxes in the countries of your respective citizenship, residence or domicile. For a description of certain restrictions on the sale and transfer of the Securities, please see "Selling Restrictions" in Section 2 of this Prospectus. Other restrictions may apply depending on your particular circumstances.*

*Any investment decision with respect to the Securities must be made only on the basis of the information contained in this Prospectus. Any further information or representation given or made by any Selling Agent or other person in respect of the Issuer or any Securities should be disregarded, and accordingly must not be relied upon. Neither the delivery of this Prospectus, nor the offer, issue or sale of any Securities shall, under any circumstances, constitute a representation that the information given in this Prospectus is correct as of any time subsequent to the date of this Prospectus. Statements made in this Prospectus are based on the applicable law and practice in force as at the date of issue of this Prospectus and are subject to change.*

### **U.S. Securities Act**

*The Securities have not been and will not be registered under the U.S. Securities Act of 1933, as amended, and may not be offered or sold within the United States or to U.S. persons except pursuant to an exemption to such law.*

### **Price Stabilisation**

*In connection with the issue and distribution of any Series of Securities, the Dealer (if any) named as the Stabilising Manager in the applicable Product Description or any person acting on behalf of it may over-allot Securities (provided that, in the case of any Series of Securities to be admitted to trading on the Irish Stock Exchange, the aggregate principal amount of Securities allotted does not exceed 105 per cent. of the aggregate principal amount of the relevant Series) or effect transactions with a view to supporting the market price of the Securities of such Series at a level higher than that which might otherwise prevail. However, there may be no obligation on the Stabilising Manager or any person acting on behalf of it to do this. Such stabilisation action may commence on or after the date on which adequate public disclosure of the terms of the offer of the relevant Series of Securities is made and, if commenced, may be discontinued at any time and must be brought to an end on the earlier of (a) the date that is 30 days after the issue date of the relevant Series of Securities and (b) the date that is 60 days after the date of the allotment of the relevant Series of Securities.*

### **Approval and Listing**

*Application has been made to the Irish Financial Services Regulatory Authority as competent authority under Directive 2003/71/EC (the **Competent Authority**) for this Section 1 of the Prospectus to be approved. Such approval relates only to Securities which are to be admitted to trading on the regulated market of the Irish Stock Exchange, or on other markets which are regulated markets for the purposes of Directive 93/22/EEC, or which are to be offered to the public in any Member State of the European Economic Area. Application may be made to the Irish Stock Exchange for specific Securities being issued under the Programme to be admitted to the Irish Stock Exchange's Official List and to trading on its regulated market. For a description of certain factors affecting when and where Securities will be listed, please see Part 2(C) in this Section 1 of the Prospectus.*

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## 1. RISK FACTORS

**THE CONSIDERATIONS SET OUT BELOW ARE OF A GENERAL NATURE. THEY ARE NOT, AND ARE NOT INTENDED TO BE, A COMPLETE LIST OF ALL CONSIDERATIONS THAT ARE RELEVANT WHEN DECIDING TO PURCHASE OR HOLD THE SECURITIES.**

**Anyone considering the purchase of any Securities should read this Prospectus (and, in particular, the Risk Factors in this Section 1 and the Risk Factors in Section 2) to understand some of the risks involved in buying these Securities. An investor considering purchasing any Securities should read carefully and be familiar with the terms and conditions of these Securities and should consider the suitability of buying these Securities in light of individual financial and other circumstances.**

**The Securities are not guaranteed by the Arranger and the Arranger does not have, nor will it have, any obligations in respect of the Securities. The Securities are obligations of the Issuer which will be treated equally in all respects with each other (including in order of payment).**

**The value of Securities rises and falls and consequently Securities may drop in value and investors may lose some or all of their investment.**

**Please consider all risks carefully before investing in any Securities and consult your professional independent financial advisor and legal, accounting, tax and other advisor with respect to any investment in the Securities.**

### **(A) WHAT FACTORS AFFECT ABILITY OF THE ISSUER TO FULFIL ITS OBLIGATIONS?**

The Securities are not guaranteed. The Securities are the obligation of the Issuer only (whose long term senior debt is rated Aa1 by Moody's, AA by S&P and AA+ by Fitch) and no other person or entity. Upon insolvency of the Issuer, holders of the Securities will be paid at the same time as holders of other unsecured obligations of the Issuer and will be paid after preferred obligations (for example, secured creditors). If the Issuer is unable to repay amounts due to Holders, each Holder will be treated equally with all other holders who own unsecured securities issued by the Issuer. No other party (including Citigroup Inc.) is responsible for payments in respect of the Securities if the Issuer does not repay the original amount invested or fails to pay any return to the investors. If you purchase Securities, you are therefore relying on the creditworthiness of the Issuer as you will only recover any investment in the Securities to the extent that the Issuer is able to repay those amounts.

The Issuer's creditworthiness and ability to fulfil its obligations in respect of the Securities are affected by general economic conditions and other business conditions. Due to the nature of the Issuer's business at any time, the Issuer's assets will include securities and other financial assets (including loans made to customers) whose value may fluctuate from time to time. Unforeseen fluctuations will affect the credit of the Issuer and its ability to make payments may be affected. These risks include:

- market risk;
- trading price risk;
- non-trading price risk;
- liquidity risk;
- credit risk (including exposure to bad debts); and
- operational risk.

**(B) CONFLICTS OF INTEREST**

The Issuer engages in various transactions in relation to the Securities in addition to issuing them. There may be a conflict between the interests of the Issuer and those of the investors. These other actions of the Issuer may have a negative impact on the value of the investors' investment and the Issuer takes no responsibility for this.

**(C) IS THERE A MINIMUM CAPITAL RETURN ON THE SECURITIES?**

Some of the Securities may be "principal protected" and in this case each investor is entitled to repayment of a specified minimum principal amount if the investor holds the Security until the Repayment Date, as long as the Issuer is able to pay such amounts. If the Securities are principal protected and an investor sells the Securities prior to the Repayment Date or in certain circumstances if the Securities are repaid early, the full initial investment may not be recovered. Investors in Securities that are not principal protected are not entitled to repayment of a minimum principal amount. The value of the Securities can fluctuate and there is no guarantee that the value of the Securities will increase or that they will retain their value.

**(D) CAN THE ISSUER REPAY THE SECURITIES BEFORE THEIR STATED MATURITY?**

The Issuer does have limited rights to repay the Securities earlier than the specified Repayment Date. For some Securities, the Issuer's right to repay the Securities can be exercised at any time or the Issuer may repay the Securities on the occurrence of a specified trigger event. In some cases, the investors will not be entitled to the interest amount (if any) which would have been payable if the Securities had not been repaid early.

**(E) WILL I BE ABLE TO SELL MY SECURITIES?**

It is expected that the Arranger or an affiliate will make a secondary market in the Securities, where an investor can sell their Securities via a Selling Agent to the Arranger or an affiliate. However, there is no guarantee that a secondary market will develop. An investor should therefore be prepared to hold the Securities until their Repayment Date. Consequently, one of the risks associated with the Securities is a lack of liquidity. Securities listed or quoted on an exchange will not necessarily be more liquid than Securities not listed or quoted on an exchange.

Please note that a secondary market can be affected by both legal restrictions in certain jurisdictions and by the Issuer purchasing or holding any Securities.

**(F) WHAT WILL BE THE PRICE OF THE SECURITIES?**

If it is possible to sell the Securities, they would be sold for the prevailing bid price in the market. The prevailing bid price may be affected by several factors including the performance of the underlying, prevailing interest rates at the time of sale, the time left before the stated Repayment Date and the creditworthiness of the Issuer. It is therefore possible that any investor selling Securities in the secondary market may receive a price less than his initial investment.

**(G) ARE THERE ANY TAXES OR DUTIES TO PAY?**

Potential purchasers or sellers of the Securities should be aware that stamp duties or taxes may have to be paid in accordance with the laws and practices of the country where the Securities are transferred. Investors should refer to Section 2 of this Prospectus for more specific information on the possible tax consequences of holding the Securities. Tax laws could change and the tax treatment in respect of the Securities could change over the life of a Security. Every potential purchaser of the Securities should consult his own tax advisors in order to understand fully the tax implications specific to his investment in any Security.

**(H) WHAT IS CURRENCY RISK?**

The currency of the underlying may be different from the currency of the Securities. Fluctuations of foreign currency exchange rates during the life of the Securities may have an impact on the value of the underlying and on the value of the Securities. Currency fluctuations may result in the investors being unable to recover their initial investment in the Securities.

**(I) ARE THERE PRODUCT SPECIFIC RISK FACTORS**

A description of certain product-specific risks involved in investing in a particular type of Securities is set out in Section 2 of the Prospectus. These risk factors may be different for different types of Securities. Consequently, investors who choose to invest in a variety of Securities being issued under the Programme should not assume familiarity with product-specific risk factors and should carefully consider the risk factors for different types of Securities in which they invest.

Risk factors are designed to set out the financial risks associated with an investment in particular Securities in order to assist an investor in assessing the suitability or otherwise of a particular investment.

## 2. DESCRIPTION OF THE PROGRAMME

This description is intended to give you an overview of details in relation to the Issuer and also details in relation to the types of products that you may purchase. This description must be read as an introduction to Section 1 of this Prospectus and any decision to invest in any Securities should be based on a consideration of this Prospectus as a whole, including the documents incorporated by reference.

### (A) INTRODUCTION

The Securities will be obligations of Citibank International plc (the Issuer) under its Equity First Product Programme (the **Programme**).

The Issuer is a bank incorporated in the United Kingdom and authorised by the Financial Services Authority under the Financial Services and Markets Act 2000.

The Issuer is part of Citigroup Inc., a diversified global financial services holding company whose businesses provide a broad range of services to consumer and corporate customers in more than 100 countries. The Issuer engages in the provision of international corporate and investment banking, private banking and wealth management and consumer banking services through its various divisions and a branch network in the United Kingdom and continental Europe. The Issuer has branches in Austria, Belgium, Denmark, Finland, France, Greece, Ireland, Italy, Luxembourg, Madeira, The Netherlands, Norway, Portugal, Spain and Sweden as well as the United Kingdom.

### (B) WHAT TYPES OF PRODUCTS THE ISSUER WILL ISSUE

Under the Programme, the Issuer may issue different types of debt securities whose repayment terms may be linked to a number of different "underlyings". These underlyings may include funds, shares, baskets of shares, share indices or other types of share performance indicators. These other "share performance indicators" might include such things as share portfolios based on a particular trading strategy, an industry sector or portfolios with particular geographically based weightings and could include features that change the composition of the portfolio depending on the performance of those shares over time.

In addition, some of these Securities might have different ways of calculating the amount of interest payable (if any) and/or the amount of the initial investment that is returned to investors at the end of the term of the Securities.

The particular terms of a Security will be set out in the Prospectus that will be provided to investors prior to any investment in particular Securities. A description of how the Prospectus for each type of Security will be presented is set out on the first page of this Section 1 but it is important that you obtain, read and understand Section 2 of the Prospectus for each type of Security in which you are considering an investment as this will be the only place where all the full terms of that type of Security, and some of the risks associated with investing in that type of Security, are set out.

The Programme has been designed to allow Securities of many types to be issued. Some of the Securities will be simple and some will be more complicated; some Securities will be short-term investments and others will be longer-term investments, but all of the Securities will have been specifically designed by our team of professional structuring experts to give you a wide choice of specialist products.

### (C) LISTING AND RATING

Application has been made to the Competent Authority for Section 1 of the Prospectus (which relates to all types of Securities that the Issuer is able to offer under the Programme rather than the conditions of any specific Securities) to be approved.

Application may be made to the Irish Stock Exchange and/or other European stock exchanges for specific Securities being issued under the Programme to be admitted to the relevant stock exchange's Official List and to trading on its regulated market. However, not all Securities will be listed. Whether or not Securities are listed and where Securities are listed will depend upon the type of Security that is being sold and investor demand. Investors will find confirmation in relation to the Stock Exchange (if any) on which a Security is listed by reading the Product Description in Section 2 that relates to the particular Security in which they are considering an investment. For so long as Securities are listed on the Irish Stock Exchange, there will be a paying agent in Ireland. The Dublin office of Citibank International plc is the initial paying agent in Ireland.

A reference in this Prospectus to Securities issued under the Programme being listed on a stock exchange means that the Securities have been both admitted to trading on the stock exchange's regulated market and listed on the stock exchange. A stock exchange's regulated market is a regulated market for the purpose of the Investment Services Directive 93/22/EEC.

The Programme is rated Aa1 by Moody's Investors Service Limited (**Moody's**) and AA by Standard and Poor's Ratings Service, a division of The McGraw-Hill Companies Inc. (**S&P**).

The Securities issued under the Programme may be rated by both Moody's and S&P. Investors will find confirmation as to whether or not the Security they are investing in is rated, and what level of rating will be assigned by each applicable Rating Agency, in Section 2 of the Prospectus relating to that Security. A rating should not act as a recommendation to investors to invest in a particular type of Security and may be changed, suspended or withdrawn at any time.

#### **(D) DENOMINATIONS AND SUBSCRIPTION AMOUNTS**

The denomination of a Security will be set out in Section 2 of the Prospectus. The minimum denomination of a Security admitted to trading on a European Economic Area stock exchange, or offered to the public in a member state of the European Economic Area in circumstances which require the publication of a prospectus under the Prospectus Directive, will be EUR 1,000 (or, if the Security is denominated in a currency other than EUR, the equivalent amount in that other currency).

The amount that you may invest in any type of Security will be set out in Section 2 of the Prospectus. There may be, for example, a minimum amount that you have to invest in order to purchase a type of Security.

#### **(E) PAYMENTS**

Each type of Security purchased will have a different Repayment Date. This is the future date on which it is anticipated that your capital investment will be repaid (although there may be occasions when the Repayment Amount may be repaid prior to the Repayment Date and investors should review Section 2 of the Prospectus as to when these occasions might occur). The Repayment Date will be set out in Section 2 of the Prospectus along with full details of the Repayment Amount due on maturity and/or the way that this will be calculated. It should be noted that under the specific terms of some products the Repayment Amount may have the potential to be less than the amount initially invested.

Products that bear interest (either simple interest or interest calculated by reference to an underlying) will also have interest payment dates. These will be clearly set out in Section 2 of the Prospectus with further details.

#### **(F) FORM AND SETTLEMENT**

The Securities will be represented by a global security, whereby one certificate is issued in respect of an entire series of Securities. Citigroup, as Arranger, will facilitate transfers of interests representing the global security within and between the international clearing systems (Euroclear and/or Clearstream, Luxembourg) and the relevant domestic clearing systems, including those in The Netherlands, Germany, Austria, Italy

and Switzerland. These interests will be credited to the account that a Selling Agent, with whom an investor has made appropriate arrangements, holds with one of the clearing systems.

Investors should refer to the section on "Purchase, Holding and Transfer of Securities" in this Section 1 of the Prospectus for further details.

Upon the occurrence of an exchange event (when any of Clearstream Banking, Frankfurt or its successor(s) and/or the Clearing Systems are closed for a consecutive period of more than 14 days) arrangements will be made by the Issuer, at such a time, for the Securities to be issued in definitive registered form. Investors should refer to "General Taxation" in this Section of the Prospectus for additional information.

#### **(G) FEES AND EXPENSES**

Fees and expenses may be incurred by investors in relation to the purchase, holding, transfer and sale of Securities. A description of fees and expenses (if any) will be disclosed in Section 2 of the Prospectus, but investors should ask their Selling Agent to confirm details of any fees, expenses, commissions or other costs. Investors should understand not only the financial risks involved in investing in Securities, but also any fees, expenses or commissions that might be borne by them as part of their investment.

#### **(H) TAXATION**

Information in relation to the tax consequences of investing in particular Securities will be set out in Section 2 of the Prospectus. Additional information in relation to the tax consequences of investing in particular Securities in a particular jurisdiction will be set out in Section 3 of the Prospectus (if Section 3 is required for the particular Securities).

Investors should ensure that they obtain such independent tax advice in relation to investing in particular Securities from such advisors as they consider necessary.

### **3. COMMONLY ASKED QUESTIONS ABOUT THE PROGRAMME**

#### **(A) HOW MUCH OF AN INVESTMENT IS AT RISK?**

Some of the Securities will guarantee a minimum Repayment Amount on the Repayment Date for those Securities. Other Securities will put the investors' investment at risk in whole or in part so that they may receive an amount less than their original investment or lose their entire investment. The product terms and conditions will make it clear whether, and in what circumstances, an investor's investment is at risk. If the terms of a particular product provide that an investor's entire investment could be lost, an investor should only invest in the Securities if they are willing to accept that risk.

Each potential investor should also note that any return received on the Securities could be lower than any interest that investor could have earned by investing in a simple fixed rate product (like a bank or building society account) paying the prevailing market rate.

Therefore, some Securities may not be suitable for a potential investor who would prefer a lower risk investment.

#### **(B) WHO CAN THE SECURITIES BE PURCHASED BY AND SOLD TO?**

A potential purchaser must have an account with a Selling Agent before that purchaser can hold an interest in the Securities. This requirement may restrict who may purchase the Securities. Sales of Securities are restricted to people who hold an appropriate account enabling his interest in the Securities to be recorded.

#### **(C) CAN THE SECURITIES BE USED AS SECURITY FOR A LOAN?**

As the Securities are represented by global securities held by Clearstream Banking, Frankfurt, an investor's ability to use its interest in the Securities as security in favour of a third party may be restricted.

#### **(D) WHO ARE THE "HOLDERS"?**

The expression "Holders" refers to those who are shown in the records of the Clearing Systems as the holder of an amount of Securities. Accordingly, only those who have an account at a Clearing System will be Holders and only Holders have direct rights against the Issuer. Holders do not include investors who own Securities indirectly (for example through a Selling Agent). Investors hold only the beneficial interests in the Securities and do not have direct rights against the Issuer.

#### **(E) HOW IS OWNERSHIP OF THE SECURITIES RECORDED?**

An investor will not receive a certificate representing his interest. Each series of Securities will be issued in the form of a global security with one global security representing all of the Holders' interests. Each global security will be deposited at Clearstream Banking, Frankfurt. Each of the Selling Agents will hold an interest in the Securities through a clearing system on behalf of the investors.

#### **(F) WHAT DOES AN INVESTOR HAVE TO DO TO EXERCISE HIS RIGHTS IN RESPECT OF THE SECURITIES?**

Investors' rights relating to the Securities are governed by the procedures of the relevant Clearing Systems. Only the Holders of the Securities can exercise any right to early repayment of the Securities. An investor wanting any such right to early repayment to be exercised on his behalf must contact his Selling Agent through which he holds his interest for details of how to give notice.



The investor should ensure proper and timely instructions are given to the Selling Agent requesting that it notify the Holder to exercise the repayment right on his behalf.

**(G) IS THERE A LIMIT ON THE AMOUNT OF SECURITIES THE ISSUER WILL ISSUE FOR EACH SERIES?**

There is no limit on the number or total amount of Securities the Issuer can issue for any Series. The Issuer can issue a series of Securities at any time without giving investors notice or obtaining their consent. Any additional Securities issued by the Issuer will rank equally with all existing Securities issued by the Issuer.

**(H) WHAT ARE INDEX-LINKED SECURITIES?**

Some Securities will be index-linked which means that the amount of principal and/or interest payable will be calculated by reference to securities issued by other entities and which are included in an index (of which there are many types - the most familiar being the S&P 500 and the FTSE 100).

An index is an imaginary portfolio of securities representing a particular market or portion of it. Each index has its own calculation methodology and is usually expressed in terms of a change from a base value. Therefore the percentage changes in an index are more important than the actual numeric value. Indices are used as a tool for tracking market trends. Technically, it is not possible to invest in an index; rather you invest in a security which attempts to track the index as closely as possible.

The issuer of a security that is a component of an index will not be involved in the offer or sale of the related Securities and will have no obligations to the Holders or beneficial owners of the Securities. Actions by the issuer of an underlying security may have a negative impact on the value of Securities and/or the amounts payable. An index could be volatile; the value of the index could change significantly (either an increase or a decrease) over a short period of time. Because the amount payable on a Security is often calculated on a fixed date or over a fixed short period of time, a volatile index could increase the risk that the return on the Securities will suffer a negative impact if the index value fluctuates.

Information in relation to the index (if the Security is index-linked) or indices if the Securities are linked to more than one index is set out in Section 2 of this Prospectus.

**(I) HOW ARE PAYMENTS MADE?**

The Issuer will make payments of interest by paying the total amount payable to the Clearing System(s) in accordance with the rules and policies of the Clearing System(s).

The Clearing System will credit the appropriate amount to the account of each Holder (which may include Selling Agents), in accordance with its rules and policies.

The Issuer has no obligation to make payments directly to investors in Securities. Each investor in the Securities must look to its Selling Agent for payments on such investor's Securities.

If a date specified for payment is not a business day, the Issuer will make the relevant payment on the first following day that is a business day. On these occasions, the payment will be treated as if it were made on the original specified date for payment and will not be considered a late payment. Accordingly, the Issuer will not pay an additional interest amount for the postponement. The term Business Days is defined in Section 2 of this Prospectus.

#### 4. ISSUER INFORMATION

##### (A) CITIBANK INTERNATIONAL PLC

##### (i) OVERVIEW

The Issuer is a bank authorised in the conduct of its banking activities by the Financial Services Authority under the Financial Services and Markets Act 2000. Its business is made up of three primary areas:

- providing wealth management and alternative investment services;
- providing personal banking services to its consumer customers; and
- international corporate and investment banking.

It operates these businesses through various divisions and an extensive branch network in the United Kingdom and throughout continental Europe.

The Issuer has branches in Austria, Belgium, Denmark, Finland, France, Greece, Ireland, Italy, Luxembourg, Madeira, The Netherlands, Norway, Portugal, Spain and Sweden as well as the United Kingdom.

##### (ii) HISTORY AND INCORPORATION

The Issuer was incorporated with limited liability in England and Wales on 21st December, 1972 under the Companies Act 1985 for a variety of banking and finance related purposes set out in clause 4 of the Issuer's Memorandum of Association. The Issuer was incorporated as Citicorp International Bank Limited with registration number 1088249. The Issuer assumed its current name on 1st March, 1993.

##### (iii) LARGER GROUP STRUCTURE

The Issuer is a wholly controlled subsidiary of Citibank, N.A. and is ultimately a subsidiary of Citigroup Inc., which is incorporated in the United States of America. Citigroup Inc. is a diversified global financial services holding company for the Citigroup family of companies that together have some 300,000 employees in 100 countries. Citigroup Inc. has total assets as at 31st December, 2005 of approximately U.S.\$1.49 trillion and a market capitalisation of approximately U.S.\$240 billion. On 17th July, 2006, Citigroup Inc. announced its second quarter earnings for 2006 and reported net income of U.S.\$5.26 billion on total revenues of U.S.\$22.2 billion. The rights of Citibank, N.A. as a shareholder of the Issuer are contained in the articles of association of the Issuer and the Issuer will be managed by its directors in accordance with those articles and with the provisions of English law.

Further information about Citigroup Inc. and its businesses can be found on its website at [www.citigroup.com](http://www.citigroup.com). The address of this website is provided for information purposes only and the content of the website does not form part of this Prospectus.

##### (iv) SHARE CAPITAL

As at 30th June, 2006, the share capital of the Issuer was as follows:

<u>Authorised</u>	<u>Number</u>
Sterling ordinary shares of £1 each	1,876,846,755
US Dollar ordinary shares of \$1 each	<u>600,000,000</u>

**Issued and fully paid**

	£
Sterling ordinary shares of £1 each	1,505,932,079

As of 30th June, 2006, the share capital of the Issuer did not include any partly paid shares.

There has been no material change in the capitalisation or indebtedness of the Issuer since 30th June, 2006.

All of the Sterling ordinary shares issued by the Issuer are held by Citibank Investments Limited and there are no minority shareholders. There are no arrangements in place relating to the exercise of the rights attaching to the Sterling ordinary shares issued by the Issuer.

**(v) AUTHORISATION**

The initial establishment and subsequent update of this Programme and the issue of Securities under it was duly authorised by the Issuer's Board of Directors on 12th October, 2004.

**(vi) USE OF PROCEEDS**

The net proceeds of each issue of Securities are expected to be used by the Issuer (i) to invest in bonds and/or derivatives that will enable the Issuer to meet its payment obligations in respect of the Securities and (ii) to pay the fees and expenses incurred in the issuance of the Securities and the maintenance of the Programme. The proceeds may also be used to finance the Issuer's ongoing business activities, which may include refinancing existing indebtedness or lending proceeds externally to its customers or internally to other Citigroup entities. If there is intended to be a different use for the net proceeds of a particular issue of Securities, this will be set out in Section 2 of the Prospectus.

**(B) FINANCIAL AND MANAGEMENT INFORMATION****(i) BOARD OF DIRECTORS**

The Issuer has an independent Board of Directors. The Directors of the Issuer are:

<b>Name</b>	<b>Occupation</b>
W.J. Mills	Chairman and Chief Executive
M. S. Klein	Executive Director and Deputy Chairman
Sir Winfried F.W. Bischoff	Executive Director
D.C. Bushnell	Non-Executive Director
C.A.A. Covell	Executive Director
M.L. Hay	Executive Director
S.H. Long	Non-Executive Director

The business address of each Director of the Issuer in his capacity as such is Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB.

All of the Directors are resident in the United Kingdom except M.S. Klein who is resident in the United States.

A.M. Gaulter is the Company Secretary.

None of the Directors has any notifiable conflict of interest between their duties as a director of the Issuer and their private interests or other duties.

**(ii) AUDIT COMMITTEE**

The Citigroup Europe Audit Committee (the **Audit Committee**) is a sub-committee of the Board of the Issuer.

The Audit Committee's functions in respect of the Issuer include ensuring the compliance by the Issuer with legal and regulatory requirements and reviewing the integrity of internal controls and risk management systems, reviewing the financial statements of the Issuer and the independent auditors' report in respect of those financial statements and monitoring the role and effectiveness of the independent auditors.

The members of the Audit Committee are:

Stephen Long	Chair and Non-Executive Director
David Bushell	Non-Executive Director
David Challen	Adviser
Charles Covell	Executive Director
Nicholas Lyall	Non-Executive Director
Sarvesh Sarup	Executive

The Issuer is in compliance with the applicable corporate governance regime of England and Wales, its country of incorporation and principal place of business.

**(iii) MATERIAL ADVERSE CHANGE**

There has been no material adverse change in the consolidated financial position or prospects of the Issuer since 31st December, 2005.

**(iv) LITIGATION**

Save as disclosed herein, there are no pending or threatened governmental, legal or arbitration proceedings which may have, or have had during the 12 months prior to the date of this Prospectus, individually or in the aggregate, a significant effect on the financial position or profitability of the Issuer and, to the best knowledge of the Issuer, no such proceedings are threatened or contemplated.

At the beginning of 2004, the Estate Representative of Global Crossing brought an adversary proceeding against the Issuer, together with various other financial institutions that participated in certain loan syndicates, as part of Global Crossing's bankruptcy proceeding in the U.S. Bankruptcy Court for the Southern District of New York. The claim forming the basis of the adversary proceeding generally alleges that the repayment of two loans by two Global Crossing entities constituted fraudulent conveyances, and that the financial institutions, by participating in those repayments, aided and abetted breaches of fiduciary duty by the officers and directors of Global Crossing, Ltd. and Global Crossing North America. The 12 defendants include the Issuer, which was allegedly the facility agent on one of the loans for which the borrower was a Global Crossing U.K. affiliate. Global Crossing allegedly made an intercompany transfer of funds from a later loan to facilitate the repayments of the loan to the Global Crossing U.K. affiliate. The claim seeks as

damages all amounts each defendant received in connection with the repayments of the loans (as the Issuer is alleged to be the facility agent on the U.K. loan, it is not alleged to have received any amount in connection with repayment of either loan), as well as "in excess of \$1 billion" dollars jointly and severally against all defendants on the aiding and abetting claim.

The Issuer is attempting to be excluded from this lawsuit on the basis that it was included on a list of financial institutions to be exempted from claims of this nature under an agreement binding on the Estate Representative. Additionally, the Issuer joined all of the other defendants in filing a motion to dismiss the claim on other grounds on 28th May, 2004. As at 1st September, 2006, the motion to dismiss the case in its entirety is still pending. The Issuer continues to be a named defendant.

**(v) CREDIT RATING**

The Issuer's long term senior debt is rated Aa1 by Moody's, AA by S&P and AA+ by Fitch Ratings Ltd.

**(vi) FINANCIAL STATEMENTS**

The Issuer's consolidated financial statements for the year ended 31st December, 2005 were approved by the Directors at a board meeting held on 31st March, 2006.

The consolidated audited financial statements of the Issuer for 31 December 2004 and 31 December 2005, which have been submitted and filed with the Irish Stock Exchange, shall be deemed incorporated in, and to form part of, this Registration Document.

The auditors of the Issuer are KPMG Audit plc (**KPMG**), Chartered Accountants and Registered Auditor of 8 Salisbury Square, London EC4Y 8BB. The auditor employees of KPMG are members of the Institute of Chartered Accountants in England and Wales. KPMG have been the auditors of the Issuer for the last four years. In each of the last three years, KPMG have audited the Issuer's consolidated financial statements without qualification and in accordance with Auditing Standards issued by the Auditing Practices Board. KPMG have no material interest in the Issuer.

**(vii) NOTICES AND AVAILABLE DOCUMENTS**

(a) Notices with regard to the Securities will be given by the Issuer, so long as any Securities are listed on the Irish Stock Exchange and the Irish Stock Exchange so requires, by publication on the Irish Stock Exchange website and in one daily newspaper of wide circulation in the Republic of Ireland (which is expected to be the *Irish Times*).

(b) For so long as Securities are capable of being issued under the Programme, physical copies of the following documents (and an English translation of any document not originally in English) will, when published, be available free of charge from the registered office of the Issuer and the specified office of the Paying Agent in Ireland:

- (i) the most recent Memorandum and Articles of Association of the Issuer;
- (ii) the publicly available audited Annual Report and Financial Statements of the Issuer for the last two financial years;
- (iii) the Programme Agreement and the Agency Agreement (which contains the form of global security);
- (iv) a copy of this Prospectus;

- (v) any future updates of, or supplements to, this Prospectus and any documents incorporated in such documents by reference; and
  - (vi) the Product Description (Section 2 of this Prospectus) and any Summary produced for each Series of Securities.
- (c) Except as described in (a) and (b) immediately above, the Issuer does not intend to provide post issuance information.

## **5. PURCHASE, HOLDING AND TRANSFER OF SECURITIES**

### **(A) SUMMARY**

The Programme has been established to enable the Issuer to issue Securities to retail investors in a number of European countries. In order to enable the transfer of Securities to retail investors in European jurisdictions, Citigroup, as Arranger, will facilitate transfers of interests in the Securities from the Clearing Systems to each of the various domestic clearing systems, as well as subsequent cross-market transfers, in order that investors can, through an appropriate Selling Agent, hold interests in the Securities of the same Series whether they reside in Italy, Germany, Austria, Switzerland, The Netherlands or any other European country.

### **(B) HOW TO INVEST**

Applications for the purchase of Securities may be made by a prospective investor through any broker, financial advisor, bank, financial intermediary or other suitable agent, including any distributor appointed by the Arranger (each a **Selling Agent**). Prospective investors, if they do not already have these arrangements in place, will need to ensure that such arrangements are in place with an appropriate Selling Agent. Citibank can provide these services in most jurisdictions and investors should make enquiries of their local Citibank branch for further details.

Pursuant to anti-money laundering regulations, prospective investors who are not an existing client of a Selling Agent may be required by their Selling Agent to complete an anti-money laundering form and to provide further evidence of identification in advance of applying to purchase any Securities.

Each prospective investor should ascertain from its Selling Agent when that Selling Agent will require receipt of cleared funds from its clients in respect of applications for the purchase of a particular issue of Securities and the manner in which payment should be made to the Selling Agent.

Each Selling Agent may impose different arrangements relating to the purchase of Securities and prospective investors should contact the Selling Agents directly for further information concerning such arrangements.

There may be circumstances in which the number of applications received by the Issuer from prospective investors exceeds the amount of Securities being issued. In these circumstances, the Issuer reserves the right, in its absolute discretion, to decline in whole or in part an application for any issue of Securities. Accordingly, an applicant may, in certain circumstances, not be issued the number of (or any) Securities for which it has applied.

### **(C) OFFER PERIOD**

The offer period during which applications may be made for the Securities of a Series is set out in Section 2 of this Prospectus.

### **(D) HOW SECURITIES WILL BE HELD**

The Securities of each Series will be represented by a global security that will be deposited with Clearstream Banking, Frankfurt, on the Issue Date as specified in Section 2 of the Prospectus. Each global security will be held by Clearstream Banking, Frankfurt until maturity or its earlier redemption.

Interests representing a global security may be transferred through Euroclear and/or Clearstream, Luxembourg, two large international clearing systems for securities. Euroclear and Clearstream, Luxembourg each hold interests in securities for participating organisations (such as the domestic clearing systems) and facilitate the clearance and settlement between the respective participants through electronic book-entry changes in the accounts of such participants, thus eliminating the need for physical movement

of the global security. The appropriate Common Code and ISIN for each Series allocated by Clearstream Banking, Frankfurt will be specified in Section 2 of the Prospectus. If the Securities are to clear through an additional or alternative clearing system, the appropriate information will be specified in Section 2 of the Prospectus.

The interests in each global security will be monitored by Citigroup as Arranger. Citigroup, acting in such capacity, will arrange for the relevant interests in the global security to be credited to the accounts held by the Selling Agents with the various domestic clearing systems, including the systems operated by SIS SegInterSettle AG (SegInterSettle) in Switzerland, Clearstream Banking, Frankfurt (Clearstream AG) in Germany, Osterreichische Kontrollbank (OeKB) in Austria, Euroclear, Netherlands (Euroclear, Netherlands) in The Netherlands and Monte Titoli S.p.A (Monte Titoli) in Italy, to allow trading in such interests to occur in each of the domestic clearing systems. However, there is no obligation on Citigroup or any Selling Agent to make any such arrangements and prospective investors should confirm such matters in respect of each issue of Securities with their Selling Agent of choice.

#### **(E) FEES**

Prospective investors should note that they may be required to pay certain fees, commissions or charges for custodial, transfer and clearing services charged by the relevant Clearing System(s) and/or the relevant Selling Agent for the purchase, holding, transfer or redemption of Securities. Prospective investors should contact the Selling Agents for full details of these fees, commissions or charges that may, directly or indirectly, be passed on to the customer.

#### **(F) CANCELLATION**

The Issuer reserves the right, in its sole and absolute discretion, to terminate an offer period in respect of any proposed issue of Securities prior to the advertised end of the relevant offer period or alternatively to extend the offer period. The Issuer similarly has discretion to withdraw, cancel or modify the offer of any issue of Securities without notice to prospective investors.

In the event that Securities are not issued for any reason, no application monies shall be payable by prospective investors to the Issuer (either directly or indirectly through a Selling Agent) in respect of such Securities. Prospective investors should contact their Selling Agent for details of the arrangements for the return of application monies in such circumstances.

The Issuer will not have any responsibility for, or liability arising out of, the relationship between prospective investors and their respective Selling Agents and clearing system operators, including, without limitation, in respect of arrangements concerning the return of monies by such persons to their clients.

#### **(G) LISTING AGENT**

Arthur Cox Listing Services Limited is acting solely in its capacity as listing agent for the Issuer in connection with the Securities and is not itself seeking admission of the Securities to the official list of the Irish Stock Exchange or to trading on the Irish Stock Exchange for the purposes of the Prospectus Directive.



## **6. GENERAL SELLING RESTRICTIONS**

Each Dealer will agree that it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Securities or possesses or distributes the Prospectus and any other offering material relating to the Securities and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Securities under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and neither the Issuer nor any other Dealer shall have any responsibility therefor.

Subject as provided above, each Dealer will agree, unless prohibited by applicable law, either to furnish each person to whom it offers, sells or delivers Securities a copy of the Prospectus (as then amended or supplemented) or (unless delivery of the Prospectus is required by applicable law) inform each such person that a copy thereof (as then amended or supplemented) will be made available upon request. No Dealer is authorised to give any information or to make any representation not contained in the Prospectus or any other information which the Issuer may provide to each Dealer.

With regard to each Series of Securities, the relevant Dealers will be required to comply with such other restrictions as the Issuer and such Dealers shall agree and as shall be set out in Section 2 of this Prospectus.

## **7. GENERAL TAXATION**

Purchasers and/or sellers of Securities may be required to pay stamp taxes and/or other taxes or duties in accordance with the laws and practices of the country in which Securities are either purchased, sold or transferred. Such taxes may be in addition to the purchase price of each Security.

The Issuer will not be liable for or otherwise obliged to pay any stamp taxes, tax, duties or any other payment which may arise as a result of ownership, transfer or exercise of any Securities.

Potential investors should note that if any of Clearstream Banking, Frankfurt and/or the Clearing System(s) are closed for a consecutive period of more than 14 days, the Issuer shall issue replacement Securities in definitive registered form. Transfers of any such registered Securities may give rise to a charge to United Kingdom stamp duty reserve tax and/or United Kingdom stamp duty.

Potential investors are advised to consult their own tax advisors as to the tax consequences of transactions involving the Securities.

**REGISTERED OFFICE OF THE ISSUER**

**Citibank International plc**  
Citigroup Centre  
Canada Square  
Canary Wharf  
London E14 5LB  
Telephone +44 (0)20 7986 4000

**ARRANGER**

**Citigroup Global Markets Limited**  
Citigroup Centre  
Canada Square  
Canary Wharf  
London E14 5LB

**PRINCIPAL PAYING AGENT AND ISSUING AGENT**

**Citibank N.A.**  
P.O. Box 18055  
5 Carmelite Street  
London EC4Y 0PA

**LOCAL PAYING AGENT**

**Citibank International plc**  
1 North Wall Quay  
Dublin 1  
Ireland

Refer to Section 2 for any additional Local Paying Agent.

**LEGAL ADVISERS**

*To the Arranger as to English law*

**Allen & Overy LLP**  
One New Change  
London EC4M 9QQ

**IRISH LISTING AGENT**

**Arthur Cox Listing Services Limited**  
Earlsfort Centre  
Earlsfort Terrace  
Dublin 2  
Ireland

**EQUITY FIRST PRODUCT PROGRAMME**  
**SECTION 1**

**Citibank International plc**

**Arranger**

**Citigroup Global Markets Limited**

**SECTION 1 OF A PROSPECTUS FOR THE ISSUANCE OF SECURITIES**

**THIS DOCUMENT COMPRISES A REGISTRATION DOCUMENT FOR THE PURPOSES OF ARTICLE 5.3 OF DIRECTIVE 2003/71/EC AND, WHEN READ IN CONJUNCTION WITH SECTION 2, SECTION 3 (IF APPLICABLE) AND THE SUMMARY (IF APPLICABLE), CONSTITUTES A PROSPECTUS FOR THE PURPOSES OF DIRECTIVE 2003/71/EC FOR THE ISSUANCE OF SECURITIES BY CITIBANK INTERNATIONAL plc**

**Dated: 11th September, 2006**

## THE PROSPECTUS

The Prospectus for each product will be comprised of up to four Sections that you as an investor will receive for a particular product. These Sections should be read together. The details of the specific product (the **Securities**) to which this Prospectus relates are set out in Section 2.

This document is Section 1 of the Prospectus and comprises a registration document for the purposes of Article 5.3 of Directive 2003/71/EC (the **Prospectus Directive**). When read together, Section 1, Section 2, Section 3 (if applicable) and the Summary (if applicable) of this Prospectus, will constitute a prospectus for the purposes of the Prospectus Directive.

The date of Section 1 of this Prospectus is 11th September, 2006. Section 1 will be updated annually.

SECTION	NAME OF SECTION	PURPOSE
Section 1	The Issuer and General Legal and Regulatory Information	Contains a description of the Programme, a description of the Issuer and financial information in relation to the Issuer, general risk factors and general taxation and selling restrictions sections.
Section 2	Product Description	Contains a full description of the terms and conditions of the product that is being offered, product selling restrictions and information in respect of taxation.
Section 3	Country Supplement	Sets out country specific information required in relation to each country in which products are being offered.  <i>(There may not be a Section 3 for a particular product.)</i>
Summary	Summary	Contains a summary of the essential characteristics and risks associated with the Issuer and the product being issued.  <i>(There may not be a Summary for a particular product where the Securities have a minimum denomination of €50,000 (or if the currency is not euro, its equivalent in such currency))</i>

## IMPORTANT

**THIS DOCUMENT IS IMPORTANT. BEFORE YOU PURCHASE ANY OF THE SECURITIES DESCRIBED IN THIS PROSPECTUS YOU SHOULD ENSURE THAT YOU FULLY UNDERSTAND THE NATURE OF YOUR INVESTMENT, THE RISKS INVOLVED AND YOUR OWN PERSONAL CIRCUMSTANCES. IF YOU ARE IN ANY DOUBT ABOUT THE CONTENTS OF THIS PROSPECTUS YOU SHOULD TAKE FINANCIAL, LEGAL, ACCOUNTING, TAX AND OTHER ADVICE FROM AN APPROPRIATELY QUALIFIED PROFESSIONAL INDEPENDENT ADVISOR.**

### **Suitability of Investment**

*An investment in the Securities is only suitable for you if you (either alone or with the help of an appropriate financial or other advisor) are able to assess the merits and risks of such an investment and have sufficient resources to be able to bear any losses that may result from such an investment.*

### **Responsibility for Section 1 of this Prospectus**

*The Issuer (the **Responsible Person**) accepts responsibility for the information in Section 1 of this Prospectus. To the best of the knowledge and belief of the Issuer (which has taken all reasonable care to ensure that this is the case), the information in Section 1 of this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information. The Arranger is not responsible for and does not accept liability for the accuracy or completeness of the information contained in Section 1 of this Prospectus.*

### **Distribution of this Prospectus and Selling Restrictions**

*The distribution of this Prospectus and the offering or purchase of the Securities may be restricted in certain jurisdictions. If you receive a copy of this Prospectus you may not treat this Prospectus as constituting an offer, invitation or solicitation to you to subscribe for any Securities unless, in the relevant jurisdiction, such an offer, invitation or solicitation could lawfully be made to you without compliance with any registration or other legal requirement. If you wish to apply for the opportunity to purchase any Securities, it is your duty to inform yourself of, and to observe, all applicable laws and regulations of any relevant jurisdiction. In particular, you should inform yourself as to the legal requirements of so applying, and any applicable exchange control regulations and taxes in the countries of your respective citizenship, residence or domicile. For a description of certain restrictions on the sale and transfer of the Securities, please see "Selling Restrictions" in Section 2 of this Prospectus. Other restrictions may apply depending on your particular circumstances.*

*Any investment decision with respect to the Securities must be made only on the basis of the information contained in this Prospectus. Any further information or representation given or made by any Selling Agent or other person in respect of the Issuer or any Securities should be disregarded, and accordingly must not be relied upon. Neither the delivery of this Prospectus, nor the offer, issue or sale of any Securities shall, under any circumstances, constitute a representation that the information given in this Prospectus is correct as of any time subsequent to the date of this Prospectus. Statements made in this Prospectus are based on the applicable law and practice in force as at the date of issue of this Prospectus and are subject to change.*

### **U.S. Securities Act**

*The Securities have not been and will not be registered under the U.S. Securities Act of 1933, as amended, and may not be offered or sold within the United States or to U.S. persons except pursuant to an exemption to such law.*

### **Price Stabilisation**

*In connection with the issue and distribution of any Series of Securities, the Dealer (if any) named as the Stabilising Manager in the applicable Product Description or any person acting on behalf of it may over-allot Securities (provided that, in the case of any Series of Securities to be admitted to trading on the Irish Stock Exchange, the aggregate principal amount of Securities allotted does not exceed 105 per cent. of the aggregate principal amount of the relevant Series) or effect transactions with a view to supporting the market price of the Securities of such Series at a level higher than that which might otherwise prevail. However, there may be no obligation on the Stabilising Manager or any person acting on behalf of it to do this. Such stabilisation action may commence on or after the date on which adequate public disclosure of the terms of the offer of the relevant Series of Securities is made and, if commenced, may be discontinued at any time and must be brought to an end on the earlier of (a) the date that is 30 days after the issue date of the relevant Series of Securities and (b) the date that is 60 days after the date of the allotment of the relevant Series of Securities.*

### **Approval and Listing**

*Application has been made to the Irish Financial Services Regulatory Authority as competent authority under Directive 2003/71/EC (the **Competent Authority**) for this Section 1 of the Prospectus to be approved. Such approval relates only to Securities which are to be admitted to trading on the regulated market of the Irish Stock Exchange, or on other markets which are regulated markets for the purposes of Directive 93/22/EEC, or which are to be offered to the public in any Member State of the European Economic Area. Application may be made to the Irish Stock Exchange for specific Securities being issued under the Programme to be admitted to the Irish Stock Exchange's Official List and to trading on its regulated market. For a description of certain factors affecting when and where Securities will be listed, please see Part 2(C) in this Section 1 of the Prospectus.*

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## 1. RISK FACTORS

**THE CONSIDERATIONS SET OUT BELOW ARE OF A GENERAL NATURE. THEY ARE NOT, AND ARE NOT INTENDED TO BE, A COMPLETE LIST OF ALL CONSIDERATIONS THAT ARE RELEVANT WHEN DECIDING TO PURCHASE OR HOLD THE SECURITIES.**

**Anyone considering the purchase of any Securities should read this Prospectus (and, in particular, the Risk Factors in this Section 1 and the Risk Factors in Section 2) to understand some of the risks involved in buying these Securities. An investor considering purchasing any Securities should read carefully and be familiar with the terms and conditions of these Securities and should consider the suitability of buying these Securities in light of individual financial and other circumstances.**

**The Securities are not guaranteed by the Arranger and the Arranger does not have, nor will it have, any obligations in respect of the Securities. The Securities are obligations of the Issuer which will be treated equally in all respects with each other (including in order of payment).**

**The value of Securities rises and falls and consequently Securities may drop in value and investors may lose some or all of their investment.**

**Please consider all risks carefully before investing in any Securities and consult your professional independent financial advisor and legal, accounting, tax and other advisor with respect to any investment in the Securities.**

### **(A) WHAT FACTORS AFFECT ABILITY OF THE ISSUER TO FULFIL ITS OBLIGATIONS?**

The Securities are not guaranteed. The Securities are the obligation of the Issuer only (whose long term senior debt is rated Aa1 by Moody's, AA by S&P and AA+ by Fitch) and no other person or entity. Upon insolvency of the Issuer, holders of the Securities will be paid at the same time as holders of other unsecured obligations of the Issuer and will be paid after preferred obligations (for example, secured creditors). If the Issuer is unable to repay amounts due to Holders, each Holder will be treated equally with all other holders who own unsecured securities issued by the Issuer. No other party (including Citigroup Inc.) is responsible for payments in respect of the Securities if the Issuer does not repay the original amount invested or fails to pay any return to the investors. If you purchase Securities, you are therefore relying on the creditworthiness of the Issuer as you will only recover any investment in the Securities to the extent that the Issuer is able to repay those amounts.

The Issuer's creditworthiness and ability to fulfil its obligations in respect of the Securities are affected by general economic conditions and other business conditions. Due to the nature of the Issuer's business at any time, the Issuer's assets will include securities and other financial assets (including loans made to customers) whose value may fluctuate from time to time. Unforeseen fluctuations will affect the credit of the Issuer and its ability to make payments may be affected. These risks include:

- market risk;
- trading price risk;
- non-trading price risk;
- liquidity risk;
- credit risk (including exposure to bad debts); and
- operational risk.

**(B) CONFLICTS OF INTEREST**

The Issuer engages in various transactions in relation to the Securities in addition to issuing them. There may be a conflict between the interests of the Issuer and those of the investors. These other actions of the Issuer may have a negative impact on the value of the investors' investment and the Issuer takes no responsibility for this.

**(C) IS THERE A MINIMUM CAPITAL RETURN ON THE SECURITIES?**

Some of the Securities may be "principal protected" and in this case each investor is entitled to repayment of a specified minimum principal amount if the investor holds the Security until the Repayment Date, as long as the Issuer is able to pay such amounts. If the Securities are principal protected and an investor sells the Securities prior to the Repayment Date or in certain circumstances if the Securities are repaid early, the full initial investment may not be recovered. Investors in Securities that are not principal protected are not entitled to repayment of a minimum principal amount. The value of the Securities can fluctuate and there is no guarantee that the value of the Securities will increase or that they will retain their value.

**(D) CAN THE ISSUER REPAY THE SECURITIES BEFORE THEIR STATED MATURITY?**

The Issuer does have limited rights to repay the Securities earlier than the specified Repayment Date. For some Securities, the Issuer's right to repay the Securities can be exercised at any time or the Issuer may repay the Securities on the occurrence of a specified trigger event. In some cases, the investors will not be entitled to the interest amount (if any) which would have been payable if the Securities had not been repaid early.

**(E) WILL I BE ABLE TO SELL MY SECURITIES?**

It is expected that the Arranger or an affiliate will make a secondary market in the Securities, where an investor can sell their Securities via a Selling Agent to the Arranger or an affiliate. However, there is no guarantee that a secondary market will develop. An investor should therefore be prepared to hold the Securities until their Repayment Date. Consequently, one of the risks associated with the Securities is a lack of liquidity. Securities listed or quoted on an exchange will not necessarily be more liquid than Securities not listed or quoted on an exchange.

Please note that a secondary market can be affected by both legal restrictions in certain jurisdictions and by the Issuer purchasing or holding any Securities.

**(F) WHAT WILL BE THE PRICE OF THE SECURITIES?**

If it is possible to sell the Securities, they would be sold for the prevailing bid price in the market. The prevailing bid price may be affected by several factors including the performance of the underlying, prevailing interest rates at the time of sale, the time left before the stated Repayment Date and the creditworthiness of the Issuer. It is therefore possible that any investor selling Securities in the secondary market may receive a price less than his initial investment.

**(G) ARE THERE ANY TAXES OR DUTIES TO PAY?**

Potential purchasers or sellers of the Securities should be aware that stamp duties or taxes may have to be paid in accordance with the laws and practices of the country where the Securities are transferred. Investors should refer to Section 2 of this Prospectus for more specific information on the possible tax consequences of holding the Securities. Tax laws could change and the tax treatment in respect of the Securities could change over the life of a Security. Every potential purchaser of the Securities should consult his own tax advisors in order to understand fully the tax implications specific to his investment in any Security.

**(H) WHAT IS CURRENCY RISK?**

The currency of the underlying may be different from the currency of the Securities. Fluctuations of foreign currency exchange rates during the life of the Securities may have an impact on the value of the underlying and on the value of the Securities. Currency fluctuations may result in the investors being unable to recover their initial investment in the Securities.

**(I) ARE THERE PRODUCT SPECIFIC RISK FACTORS**

A description of certain product-specific risks involved in investing in a particular type of Securities is set out in Section 2 of the Prospectus. These risk factors may be different for different types of Securities. Consequently, investors who choose to invest in a variety of Securities being issued under the Programme should not assume familiarity with product-specific risk factors and should carefully consider the risk factors for different types of Securities in which they invest.

Risk factors are designed to set out the financial risks associated with an investment in particular Securities in order to assist an investor in assessing the suitability or otherwise of a particular investment.

## 2. DESCRIPTION OF THE PROGRAMME

This description is intended to give you an overview of details in relation to the Issuer and also details in relation to the types of products that you may purchase. This description must be read as an introduction to Section 1 of this Prospectus and any decision to invest in any Securities should be based on a consideration of this Prospectus as a whole, including the documents incorporated by reference.

### (A) INTRODUCTION

The Securities will be obligations of Citibank International plc (the Issuer) under its Equity First Product Programme (the **Programme**).

The Issuer is a bank incorporated in the United Kingdom and authorised by the Financial Services Authority under the Financial Services and Markets Act 2000.

The Issuer is part of Citigroup Inc., a diversified global financial services holding company whose businesses provide a broad range of services to consumer and corporate customers in more than 100 countries. The Issuer engages in the provision of international corporate and investment banking, private banking and wealth management and consumer banking services through its various divisions and a branch network in the United Kingdom and continental Europe. The Issuer has branches in Austria, Belgium, Denmark, Finland, France, Greece, Ireland, Italy, Luxembourg, Madeira, The Netherlands, Norway, Portugal, Spain and Sweden as well as the United Kingdom.

### (B) WHAT TYPES OF PRODUCTS THE ISSUER WILL ISSUE

Under the Programme, the Issuer may issue different types of debt securities whose repayment terms may be linked to a number of different "underlyings". These underlyings may include funds, shares, baskets of shares, share indices or other types of share performance indicators. These other "share performance indicators" might include such things as share portfolios based on a particular trading strategy, an industry sector or portfolios with particular geographically based weightings and could include features that change the composition of the portfolio depending on the performance of those shares over time.

In addition, some of these Securities might have different ways of calculating the amount of interest payable (if any) and/or the amount of the initial investment that is returned to investors at the end of the term of the Securities.

The particular terms of a Security will be set out in the Prospectus that will be provided to investors prior to any investment in particular Securities. A description of how the Prospectus for each type of Security will be presented is set out on the first page of this Section 1 but it is important that you obtain, read and understand Section 2 of the Prospectus for each type of Security in which you are considering an investment as this will be the only place where all the full terms of that type of Security, and some of the risks associated with investing in that type of Security, are set out.

The Programme has been designed to allow Securities of many types to be issued. Some of the Securities will be simple and some will be more complicated; some Securities will be short-term investments and others will be longer-term investments, but all of the Securities will have been specifically designed by our team of professional structuring experts to give you a wide choice of specialist products.

### (C) LISTING AND RATING

Application has been made to the Competent Authority for Section 1 of the Prospectus (which relates to all types of Securities that the Issuer is able to offer under the Programme rather than the conditions of any specific Securities) to be approved.

Application may be made to the Irish Stock Exchange and/or other European stock exchanges for specific Securities being issued under the Programme to be admitted to the relevant stock exchange's Official List and to trading on its regulated market. However, not all Securities will be listed. Whether or not Securities are listed and where Securities are listed will depend upon the type of Security that is being sold and investor demand. Investors will find confirmation in relation to the Stock Exchange (if any) on which a Security is listed by reading the Product Description in Section 2 that relates to the particular Security in which they are considering an investment. For so long as Securities are listed on the Irish Stock Exchange, there will be a paying agent in Ireland. The Dublin office of Citibank International plc is the initial paying agent in Ireland.

A reference in this Prospectus to Securities issued under the Programme being listed on a stock exchange means that the Securities have been both admitted to trading on the stock exchange's regulated market and listed on the stock exchange. A stock exchange's regulated market is a regulated market for the purpose of the Investment Services Directive 93/22/EEC.

The Programme is rated Aa1 by Moody's Investors Service Limited (**Moody's**) and AA by Standard and Poor's Ratings Service, a division of The McGraw-Hill Companies Inc. (**S&P**).

The Securities issued under the Programme may be rated by both Moody's and S&P. Investors will find confirmation as to whether or not the Security they are investing in is rated, and what level of rating will be assigned by each applicable Rating Agency, in Section 2 of the Prospectus relating to that Security. A rating should not act as a recommendation to investors to invest in a particular type of Security and may be changed, suspended or withdrawn at any time.

#### **(D) DENOMINATIONS AND SUBSCRIPTION AMOUNTS**

The denomination of a Security will be set out in Section 2 of the Prospectus. The minimum denomination of a Security admitted to trading on a European Economic Area stock exchange, or offered to the public in a member state of the European Economic Area in circumstances which require the publication of a prospectus under the Prospectus Directive, will be EUR 1,000 (or, if the Security is denominated in a currency other than EUR, the equivalent amount in that other currency).

The amount that you may invest in any type of Security will be set out in Section 2 of the Prospectus. There may be, for example, a minimum amount that you have to invest in order to purchase a type of Security.

#### **(E) PAYMENTS**

Each type of Security purchased will have a different Repayment Date. This is the future date on which it is anticipated that your capital investment will be repaid (although there may be occasions when the Repayment Amount may be repaid prior to the Repayment Date and investors should review Section 2 of the Prospectus as to when these occasions might occur). The Repayment Date will be set out in Section 2 of the Prospectus along with full details of the Repayment Amount due on maturity and/or the way that this will be calculated. It should be noted that under the specific terms of some products the Repayment Amount may have the potential to be less than the amount initially invested.

Products that bear interest (either simple interest or interest calculated by reference to an underlying) will also have interest payment dates. These will be clearly set out in Section 2 of the Prospectus with further details.

#### **(F) FORM AND SETTLEMENT**

The Securities will be represented by a global security, whereby one certificate is issued in respect of an entire series of Securities. Citigroup, as Arranger, will facilitate transfers of interests representing the global security within and between the international clearing systems (Euroclear and/or Clearstream, Luxembourg) and the relevant domestic clearing systems, including those in The Netherlands, Germany, Austria, Italy

and Switzerland. These interests will be credited to the account that a Selling Agent, with whom an investor has made appropriate arrangements, holds with one of the clearing systems.

Investors should refer to the section on "Purchase, Holding and Transfer of Securities" in this Section 1 of the Prospectus for further details.

Upon the occurrence of an exchange event (when any of Clearstream Banking, Frankfurt or its successor(s) and/or the Clearing Systems are closed for a consecutive period of more than 14 days) arrangements will be made by the Issuer, at such a time, for the Securities to be issued in definitive registered form. Investors should refer to "General Taxation" in this Section of the Prospectus for additional information.

#### **(G) FEES AND EXPENSES**

Fees and expenses may be incurred by investors in relation to the purchase, holding, transfer and sale of Securities. A description of fees and expenses (if any) will be disclosed in Section 2 of the Prospectus, but investors should ask their Selling Agent to confirm details of any fees, expenses, commissions or other costs. Investors should understand not only the financial risks involved in investing in Securities, but also any fees, expenses or commissions that might be borne by them as part of their investment.

#### **(H) TAXATION**

Information in relation to the tax consequences of investing in particular Securities will be set out in Section 2 of the Prospectus. Additional information in relation to the tax consequences of investing in particular Securities in a particular jurisdiction will be set out in Section 3 of the Prospectus (if Section 3 is required for the particular Securities).

Investors should ensure that they obtain such independent tax advice in relation to investing in particular Securities from such advisors as they consider necessary.

### **3. COMMONLY ASKED QUESTIONS ABOUT THE PROGRAMME**

#### **(A) HOW MUCH OF AN INVESTMENT IS AT RISK?**

Some of the Securities will guarantee a minimum Repayment Amount on the Repayment Date for those Securities. Other Securities will put the investors' investment at risk in whole or in part so that they may receive an amount less than their original investment or lose their entire investment. The product terms and conditions will make it clear whether, and in what circumstances, an investor's investment is at risk. If the terms of a particular product provide that an investor's entire investment could be lost, an investor should only invest in the Securities if they are willing to accept that risk.

Each potential investor should also note that any return received on the Securities could be lower than any interest that investor could have earned by investing in a simple fixed rate product (like a bank or building society account) paying the prevailing market rate.

Therefore, some Securities may not be suitable for a potential investor who would prefer a lower risk investment.

#### **(B) WHO CAN THE SECURITIES BE PURCHASED BY AND SOLD TO?**

A potential purchaser must have an account with a Selling Agent before that purchaser can hold an interest in the Securities. This requirement may restrict who may purchase the Securities. Sales of Securities are restricted to people who hold an appropriate account enabling his interest in the Securities to be recorded.

#### **(C) CAN THE SECURITIES BE USED AS SECURITY FOR A LOAN?**

As the Securities are represented by global securities held by Clearstream Banking, Frankfurt, an investor's ability to use its interest in the Securities as security in favour of a third party may be restricted.

#### **(D) WHO ARE THE "HOLDERS"?**

The expression "Holders" refers to those who are shown in the records of the Clearing Systems as the holder of an amount of Securities. Accordingly, only those who have an account at a Clearing System will be Holders and only Holders have direct rights against the Issuer. Holders do not include investors who own Securities indirectly (for example through a Selling Agent). Investors hold only the beneficial interests in the Securities and do not have direct rights against the Issuer.

#### **(E) HOW IS OWNERSHIP OF THE SECURITIES RECORDED?**

An investor will not receive a certificate representing his interest. Each series of Securities will be issued in the form of a global security with one global security representing all of the Holders' interests. Each global security will be deposited at Clearstream Banking, Frankfurt. Each of the Selling Agents will hold an interest in the Securities through a clearing system on behalf of the investors.

#### **(F) WHAT DOES AN INVESTOR HAVE TO DO TO EXERCISE HIS RIGHTS IN RESPECT OF THE SECURITIES?**

Investors' rights relating to the Securities are governed by the procedures of the relevant Clearing Systems. Only the Holders of the Securities can exercise any right to early repayment of the Securities. An investor wanting any such right to early repayment to be exercised on his behalf must contact his Selling Agent through which he holds his interest for details of how to give notice.



The investor should ensure proper and timely instructions are given to the Selling Agent requesting that it notify the Holder to exercise the repayment right on his behalf.

**(G) IS THERE A LIMIT ON THE AMOUNT OF SECURITIES THE ISSUER WILL ISSUE FOR EACH SERIES?**

There is no limit on the number or total amount of Securities the Issuer can issue for any Series. The Issuer can issue a series of Securities at any time without giving investors notice or obtaining their consent. Any additional Securities issued by the Issuer will rank equally with all existing Securities issued by the Issuer.

**(H) WHAT ARE INDEX-LINKED SECURITIES?**

Some Securities will be index-linked which means that the amount of principal and/or interest payable will be calculated by reference to securities issued by other entities and which are included in an index (of which there are many types - the most familiar being the S&P 500 and the FTSE 100).

An index is an imaginary portfolio of securities representing a particular market or portion of it. Each index has its own calculation methodology and is usually expressed in terms of a change from a base value. Therefore the percentage changes in an index are more important than the actual numeric value. Indices are used as a tool for tracking market trends. Technically, it is not possible to invest in an index; rather you invest in a security which attempts to track the index as closely as possible.

The issuer of a security that is a component of an index will not be involved in the offer or sale of the related Securities and will have no obligations to the Holders or beneficial owners of the Securities. Actions by the issuer of an underlying security may have a negative impact on the value of Securities and/or the amounts payable. An index could be volatile; the value of the index could change significantly (either an increase or a decrease) over a short period of time. Because the amount payable on a Security is often calculated on a fixed date or over a fixed short period of time, a volatile index could increase the risk that the return on the Securities will suffer a negative impact if the index value fluctuates.

Information in relation to the index (if the Security is index-linked) or indices if the Securities are linked to more than one index is set out in Section 2 of this Prospectus.

**(I) HOW ARE PAYMENTS MADE?**

The Issuer will make payments of interest by paying the total amount payable to the Clearing System(s) in accordance with the rules and policies of the Clearing System(s).

The Clearing System will credit the appropriate amount to the account of each Holder (which may include Selling Agents), in accordance with its rules and policies.

The Issuer has no obligation to make payments directly to investors in Securities. Each investor in the Securities must look to its Selling Agent for payments on such investor's Securities.

If a date specified for payment is not a business day, the Issuer will make the relevant payment on the first following day that is a business day. On these occasions, the payment will be treated as if it were made on the original specified date for payment and will not be considered a late payment. Accordingly, the Issuer will not pay an additional interest amount for the postponement. The term Business Days is defined in Section 2 of this Prospectus.

#### 4. ISSUER INFORMATION

##### (A) CITIBANK INTERNATIONAL PLC

##### (i) OVERVIEW

The Issuer is a bank authorised in the conduct of its banking activities by the Financial Services Authority under the Financial Services and Markets Act 2000. Its business is made up of three primary areas:

- providing wealth management and alternative investment services;
- providing personal banking services to its consumer customers; and
- international corporate and investment banking.

It operates these businesses through various divisions and an extensive branch network in the United Kingdom and throughout continental Europe.

The Issuer has branches in Austria, Belgium, Denmark, Finland, France, Greece, Ireland, Italy, Luxembourg, Madeira, The Netherlands, Norway, Portugal, Spain and Sweden as well as the United Kingdom.

##### (ii) HISTORY AND INCORPORATION

The Issuer was incorporated with limited liability in England and Wales on 21st December, 1972 under the Companies Act 1985 for a variety of banking and finance related purposes set out in clause 4 of the Issuer's Memorandum of Association. The Issuer was incorporated as Citicorp International Bank Limited with registration number 1088249. The Issuer assumed its current name on 1st March, 1993.

##### (iii) LARGER GROUP STRUCTURE

The Issuer is a wholly controlled subsidiary of Citibank, N.A. and is ultimately a subsidiary of Citigroup Inc., which is incorporated in the United States of America. Citigroup Inc. is a diversified global financial services holding company for the Citigroup family of companies that together have some 300,000 employees in 100 countries. Citigroup Inc. has total assets as at 31st December, 2005 of approximately U.S.\$1.49 trillion and a market capitalisation of approximately U.S.\$240 billion. On 17th July, 2006, Citigroup Inc. announced its second quarter earnings for 2006 and reported net income of U.S.\$5.26 billion on total revenues of U.S.\$22.2 billion. The rights of Citibank, N.A. as a shareholder of the Issuer are contained in the articles of association of the Issuer and the Issuer will be managed by its directors in accordance with those articles and with the provisions of English law.

Further information about Citigroup Inc. and its businesses can be found on its website at [www.citigroup.com](http://www.citigroup.com). The address of this website is provided for information purposes only and the content of the website does not form part of this Prospectus.

##### (iv) SHARE CAPITAL

As at 30th June, 2006, the share capital of the Issuer was as follows:

<u>Authorised</u>	<u>Number</u>
Sterling ordinary shares of £1 each	1,876,846,755
US Dollar ordinary shares of \$1 each	<u>600,000,000</u>

**Issued and fully paid**

	£
Sterling ordinary shares of £1 each	1,505,932,079

As of 30th June, 2006, the share capital of the Issuer did not include any partly paid shares.

There has been no material change in the capitalisation or indebtedness of the Issuer since 30th June, 2006.

All of the Sterling ordinary shares issued by the Issuer are held by Citibank Investments Limited and there are no minority shareholders. There are no arrangements in place relating to the exercise of the rights attaching to the Sterling ordinary shares issued by the Issuer.

**(v) AUTHORISATION**

The initial establishment and subsequent update of this Programme and the issue of Securities under it was duly authorised by the Issuer's Board of Directors on 12th October, 2004.

**(vi) USE OF PROCEEDS**

The net proceeds of each issue of Securities are expected to be used by the Issuer (i) to invest in bonds and/or derivatives that will enable the Issuer to meet its payment obligations in respect of the Securities and (ii) to pay the fees and expenses incurred in the issuance of the Securities and the maintenance of the Programme. The proceeds may also be used to finance the Issuer's ongoing business activities, which may include refinancing existing indebtedness or lending proceeds externally to its customers or internally to other Citigroup entities. If there is intended to be a different use for the net proceeds of a particular issue of Securities, this will be set out in Section 2 of the Prospectus.

**(B) FINANCIAL AND MANAGEMENT INFORMATION****(i) BOARD OF DIRECTORS**

The Issuer has an independent Board of Directors. The Directors of the Issuer are:

<b>Name</b>	<b>Occupation</b>
W.J. Mills	Chairman and Chief Executive
M. S. Klein	Executive Director and Deputy Chairman
Sir Winfried F.W. Bischoff	Executive Director
D.C. Bushnell	Non-Executive Director
C.A.A. Covell	Executive Director
M.L. Hay	Executive Director
S.H. Long	Non-Executive Director

The business address of each Director of the Issuer in his capacity as such is Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB.

All of the Directors are resident in the United Kingdom except M.S. Klein who is resident in the United States.

A.M. Gaulter is the Company Secretary.

None of the Directors has any notifiable conflict of interest between their duties as a director of the Issuer and their private interests or other duties.

**(ii) AUDIT COMMITTEE**

The Citigroup Europe Audit Committee (the **Audit Committee**) is a sub-committee of the Board of the Issuer.

The Audit Committee's functions in respect of the Issuer include ensuring the compliance by the Issuer with legal and regulatory requirements and reviewing the integrity of internal controls and risk management systems, reviewing the financial statements of the Issuer and the independent auditors' report in respect of those financial statements and monitoring the role and effectiveness of the independent auditors.

The members of the Audit Committee are:

Stephen Long	Chair and Non-Executive Director
David Bushell	Non-Executive Director
David Challen	Adviser
Charles Covell	Executive Director
Nicholas Lyall	Non-Executive Director
Sarvesh Sarup	Executive

The Issuer is in compliance with the applicable corporate governance regime of England and Wales, its country of incorporation and principal place of business.

**(iii) MATERIAL ADVERSE CHANGE**

There has been no material adverse change in the consolidated financial position or prospects of the Issuer since 31st December, 2005.

**(iv) LITIGATION**

Save as disclosed herein, there are no pending or threatened governmental, legal or arbitration proceedings which may have, or have had during the 12 months prior to the date of this Prospectus, individually or in the aggregate, a significant effect on the financial position or profitability of the Issuer and, to the best knowledge of the Issuer, no such proceedings are threatened or contemplated.

At the beginning of 2004, the Estate Representative of Global Crossing brought an adversary proceeding against the Issuer, together with various other financial institutions that participated in certain loan syndicates, as part of Global Crossing's bankruptcy proceeding in the U.S. Bankruptcy Court for the Southern District of New York. The claim forming the basis of the adversary proceeding generally alleges that the repayment of two loans by two Global Crossing entities constituted fraudulent conveyances, and that the financial institutions, by participating in those repayments, aided and abetted breaches of fiduciary duty by the officers and directors of Global Crossing, Ltd. and Global Crossing North America. The 12 defendants include the Issuer, which was allegedly the facility agent on one of the loans for which the borrower was a Global Crossing U.K. affiliate. Global Crossing allegedly made an intercompany transfer of funds from a later loan to facilitate the repayments of the loan to the Global Crossing U.K. affiliate. The claim seeks as

damages all amounts each defendant received in connection with the repayments of the loans (as the Issuer is alleged to be the facility agent on the U.K. loan, it is not alleged to have received any amount in connection with repayment of either loan), as well as "in excess of \$1 billion" dollars jointly and severally against all defendants on the aiding and abetting claim.

The Issuer is attempting to be excluded from this lawsuit on the basis that it was included on a list of financial institutions to be exempted from claims of this nature under an agreement binding on the Estate Representative. Additionally, the Issuer joined all of the other defendants in filing a motion to dismiss the claim on other grounds on 28th May, 2004. As at 1st September, 2006, the motion to dismiss the case in its entirety is still pending. The Issuer continues to be a named defendant.

**(v) CREDIT RATING**

The Issuer's long term senior debt is rated Aa1 by Moody's, AA by S&P and AA+ by Fitch Ratings Ltd.

**(vi) FINANCIAL STATEMENTS**

The Issuer's consolidated financial statements for the year ended 31st December, 2005 were approved by the Directors at a board meeting held on 31st March, 2006.

The consolidated audited financial statements of the Issuer for 31 December 2004 and 31 December 2005, which have been submitted and filed with the Irish Stock Exchange, shall be deemed incorporated in, and to form part of, this Registration Document.

The auditors of the Issuer are KPMG Audit plc (**KPMG**), Chartered Accountants and Registered Auditor of 8 Salisbury Square, London EC4Y 8BB. The auditor employees of KPMG are members of the Institute of Chartered Accountants in England and Wales. KPMG have been the auditors of the Issuer for the last four years. In each of the last three years, KPMG have audited the Issuer's consolidated financial statements without qualification and in accordance with Auditing Standards issued by the Auditing Practices Board. KPMG have no material interest in the Issuer.

**(vii) NOTICES AND AVAILABLE DOCUMENTS**

(a) Notices with regard to the Securities will be given by the Issuer, so long as any Securities are listed on the Irish Stock Exchange and the Irish Stock Exchange so requires, by publication on the Irish Stock Exchange website and in one daily newspaper of wide circulation in the Republic of Ireland (which is expected to be the *Irish Times*).

(b) For so long as Securities are capable of being issued under the Programme, physical copies of the following documents (and an English translation of any document not originally in English) will, when published, be available free of charge from the registered office of the Issuer and the specified office of the Paying Agent in Ireland:

- (i) the most recent Memorandum and Articles of Association of the Issuer;
- (ii) the publicly available audited Annual Report and Financial Statements of the Issuer for the last two financial years;
- (iii) the Programme Agreement and the Agency Agreement (which contains the form of global security);
- (iv) a copy of this Prospectus;

- (v) any future updates of, or supplements to, this Prospectus and any documents incorporated in such documents by reference; and
  - (vi) the Product Description (Section 2 of this Prospectus) and any Summary produced for each Series of Securities.
- (c) Except as described in (a) and (b) immediately above, the Issuer does not intend to provide post issuance information.

## **5. PURCHASE, HOLDING AND TRANSFER OF SECURITIES**

### **(A) SUMMARY**

The Programme has been established to enable the Issuer to issue Securities to retail investors in a number of European countries. In order to enable the transfer of Securities to retail investors in European jurisdictions, Citigroup, as Arranger, will facilitate transfers of interests in the Securities from the Clearing Systems to each of the various domestic clearing systems, as well as subsequent cross-market transfers, in order that investors can, through an appropriate Selling Agent, hold interests in the Securities of the same Series whether they reside in Italy, Germany, Austria, Switzerland, The Netherlands or any other European country.

### **(B) HOW TO INVEST**

Applications for the purchase of Securities may be made by a prospective investor through any broker, financial advisor, bank, financial intermediary or other suitable agent, including any distributor appointed by the Arranger (each a **Selling Agent**). Prospective investors, if they do not already have these arrangements in place, will need to ensure that such arrangements are in place with an appropriate Selling Agent. Citibank can provide these services in most jurisdictions and investors should make enquiries of their local Citibank branch for further details.

Pursuant to anti-money laundering regulations, prospective investors who are not an existing client of a Selling Agent may be required by their Selling Agent to complete an anti-money laundering form and to provide further evidence of identification in advance of applying to purchase any Securities.

Each prospective investor should ascertain from its Selling Agent when that Selling Agent will require receipt of cleared funds from its clients in respect of applications for the purchase of a particular issue of Securities and the manner in which payment should be made to the Selling Agent.

Each Selling Agent may impose different arrangements relating to the purchase of Securities and prospective investors should contact the Selling Agents directly for further information concerning such arrangements.

There may be circumstances in which the number of applications received by the Issuer from prospective investors exceeds the amount of Securities being issued. In these circumstances, the Issuer reserves the right, in its absolute discretion, to decline in whole or in part an application for any issue of Securities. Accordingly, an applicant may, in certain circumstances, not be issued the number of (or any) Securities for which it has applied.

### **(C) OFFER PERIOD**

The offer period during which applications may be made for the Securities of a Series is set out in Section 2 of this Prospectus.

### **(D) HOW SECURITIES WILL BE HELD**

The Securities of each Series will be represented by a global security that will be deposited with Clearstream Banking, Frankfurt, on the Issue Date as specified in Section 2 of the Prospectus. Each global security will be held by Clearstream Banking, Frankfurt until maturity or its earlier redemption.

Interests representing a global security may be transferred through Euroclear and/or Clearstream, Luxembourg, two large international clearing systems for securities. Euroclear and Clearstream, Luxembourg each hold interests in securities for participating organisations (such as the domestic clearing systems) and facilitate the clearance and settlement between the respective participants through electronic book-entry changes in the accounts of such participants, thus eliminating the need for physical movement

of the global security. The appropriate Common Code and ISIN for each Series allocated by Clearstream Banking, Frankfurt will be specified in Section 2 of the Prospectus. If the Securities are to clear through an additional or alternative clearing system, the appropriate information will be specified in Section 2 of the Prospectus.

The interests in each global security will be monitored by Citigroup as Arranger. Citigroup, acting in such capacity, will arrange for the relevant interests in the global security to be credited to the accounts held by the Selling Agents with the various domestic clearing systems, including the systems operated by SIS SegInterSettle AG (SegInterSettle) in Switzerland, Clearstream Banking, Frankfurt (Clearstream AG) in Germany, Oesterreichische Kontrollbank (OeKB) in Austria, Euroclear, Netherlands (Euroclear, Netherlands) in The Netherlands and Monte Titoli S.p.A (Monte Titoli) in Italy, to allow trading in such interests to occur in each of the domestic clearing systems. However, there is no obligation on Citigroup or any Selling Agent to make any such arrangements and prospective investors should confirm such matters in respect of each issue of Securities with their Selling Agent of choice.

#### **(E) FEES**

Prospective investors should note that they may be required to pay certain fees, commissions or charges for custodial, transfer and clearing services charged by the relevant Clearing System(s) and/or the relevant Selling Agent for the purchase, holding, transfer or redemption of Securities. Prospective investors should contact the Selling Agents for full details of these fees, commissions or charges that may, directly or indirectly, be passed on to the customer.

#### **(F) CANCELLATION**

The Issuer reserves the right, in its sole and absolute discretion, to terminate an offer period in respect of any proposed issue of Securities prior to the advertised end of the relevant offer period or alternatively to extend the offer period. The Issuer similarly has discretion to withdraw, cancel or modify the offer of any issue of Securities without notice to prospective investors.

In the event that Securities are not issued for any reason, no application monies shall be payable by prospective investors to the Issuer (either directly or indirectly through a Selling Agent) in respect of such Securities. Prospective investors should contact their Selling Agent for details of the arrangements for the return of application monies in such circumstances.

The Issuer will not have any responsibility for, or liability arising out of, the relationship between prospective investors and their respective Selling Agents and clearing system operators, including, without limitation, in respect of arrangements concerning the return of monies by such persons to their clients.

#### **(G) LISTING AGENT**

Arthur Cox Listing Services Limited is acting solely in its capacity as listing agent for the Issuer in connection with the Securities and is not itself seeking admission of the Securities to the official list of the Irish Stock Exchange or to trading on the Irish Stock Exchange for the purposes of the Prospectus Directive.



## **6. GENERAL SELLING RESTRICTIONS**

Each Dealer will agree that it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Securities or possesses or distributes the Prospectus and any other offering material relating to the Securities and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Securities under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and neither the Issuer nor any other Dealer shall have any responsibility therefor.

Subject as provided above, each Dealer will agree, unless prohibited by applicable law, either to furnish each person to whom it offers, sells or delivers Securities a copy of the Prospectus (as then amended or supplemented) or (unless delivery of the Prospectus is required by applicable law) inform each such person that a copy thereof (as then amended or supplemented) will be made available upon request. No Dealer is authorised to give any information or to make any representation not contained in the Prospectus or any other information which the Issuer may provide to each Dealer.

With regard to each Series of Securities, the relevant Dealers will be required to comply with such other restrictions as the Issuer and such Dealers shall agree and as shall be set out in Section 2 of this Prospectus.

## **7. GENERAL TAXATION**

Purchasers and/or sellers of Securities may be required to pay stamp taxes and/or other taxes or duties in accordance with the laws and practices of the country in which Securities are either purchased, sold or transferred. Such taxes may be in addition to the purchase price of each Security.

The Issuer will not be liable for or otherwise obliged to pay any stamp taxes, tax, duties or any other payment which may arise as a result of ownership, transfer or exercise of any Securities.

Potential investors should note that if any of Clearstream Banking, Frankfurt and/or the Clearing System(s) are closed for a consecutive period of more than 14 days, the Issuer shall issue replacement Securities in definitive registered form. Transfers of any such registered Securities may give rise to a charge to United Kingdom stamp duty reserve tax and/or United Kingdom stamp duty.

Potential investors are advised to consult their own tax advisors as to the tax consequences of transactions involving the Securities.

**REGISTERED OFFICE OF THE ISSUER**

**Citibank International plc**  
Citigroup Centre  
Canada Square  
Canary Wharf  
London E14 5LB  
Telephone +44 (0)20 7986 4000

**ARRANGER**

**Citigroup Global Markets Limited**  
Citigroup Centre  
Canada Square  
Canary Wharf  
London E14 5LB

**PRINCIPAL PAYING AGENT AND ISSUING AGENT**

**Citibank N.A.**  
P.O. Box 18055  
5 Carmelite Street  
London EC4Y 0PA

**LOCAL PAYING AGENT**

**Citibank International plc**  
1 North Wall Quay  
Dublin 1  
Ireland

Refer to Section 2 for any additional Local Paying Agent.

**LEGAL ADVISERS**

*To the Arranger as to English law*

**Allen & Overy LLP**  
One New Change  
London EC4M 9QQ

**IRISH LISTING AGENT**

**Arthur Cox Listing Services Limited**  
Earlsfort Centre  
Earlsfort Terrace  
Dublin 2  
Ireland