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Moscow

### **Citibank launches first in Russia Indexed Deposit linked to Dow Jones Industrial Average with no upper income threshold**

**Russian consumers seeking potentially higher investment returns as compared with time deposits but not wishing to risk their principal by investing directly in stocks and shares can now access overseas stock markets growth through the inaugural Russian Indexed Deposit with no upper income threshold from ZAO Citibank, a member of Citigroup, a preeminent global financial services company.**

The Russian Indexed Deposit is denominated in Russian Roubles; the placement term has been set at six months; the minimum deposit amount is RUB100.000 with 100% principal protection at maturity, and is linked to the performance of the Dow Jones Industrial Average Index. The subscription is open from May 25, 2005 till June 15, 2005.

The Indexed Deposit with no upper income threshold is a Market Linked Deposit (MLD). This allows investor to make a cash deposit for a specified minimum amount of time with the safety of deposited funds at maturity, and provides access to potential higher earnings.

The market factor for a MLD can be any commonly recognized market index, eg stock index, oil or any other commodity index, etc. In this case, it is the Dow Jones Industrial Average, a leading US index introduced in the USA back in spring of 1896.

The Indexed Deposit with a floating rate linked to Dow Jones Industrial Average is therefore a standard cash deposit, yet gives the customer a number of important advantages:

- guarantees a 100% return of the principal;
- provides access to a potential significantly larger income compared to an ordinary deposit. In this case, Indexed Deposit has no upper income limit;
- provides the customer with access to the US stock market, while the customer does not have to make direct investments, avoiding the investment-related risks;
- at maturity the customer will receive the principal deposit amount plus earnings to be determined in line with the performance of the index;
- guarantees minimum income, which, in this case, is 0.05% p.a. of the deposit amount;
- provides choice for the investors. The basic offer is the Indexed Deposit to rise; however, major customers can subscribe to the Indexed Deposit for a fall. Generally, the bank does not impose any tough restrictions on the Indexed Deposits. Their terms are flexible and can be adjusted to the customer's needs.

Rajive Chadha, ZAO Citibank Consumer Bank Head, says: "This latest launch demonstrates the growing maturity of the consumer investment market here in Russia and the fact that we can continue to use the global expertise of Citigroup to offer Russian consumers top quality banking products and services as the market develops. Citibank has a unique experience of structured investment products in many countries around the world. Since we launched our market-leading Wealth Management service in Russia in 2003 we have used this expertise to increase our portfolio of investment choices for customers."

Any Citibank client can file a request for the US Dow Jones Industrial Average-linked Russia Unlimited Income Indexed Deposit placement through any Citibank branches in Moscow and St-Petersburg, or make an appointment with Citibank's investment advisor by filling out a request form available on Citibank's web-site: [www.citibank.ru](http://www.citibank.ru). For further details on the product please call: in Moscow +7 (495) 775 75 75; St-Petersburg : +7 (812) 336 75 75.