



Citibank (China) Co., Ltd.

Portfolio CNY Mortgage Loan LPR Migration Notice

Dear Customers,

Thanks for banking with the Citibank China.

According to PBOC Notice [2019] No.30, we hereby inform you that we will, with effect from March 1st, 2020, launch LPR migration on portfolio CNY mortgage loan as below:

1. Migration Scope

The portfolio CNY mortgage loan with floating rate priced at PBOC benchmark rate, including Home Mortgage Loan and Home Equity Loan.

2. Migration Rules

- a. The CNY mortgage loan pricing mechanism as agreed in the original Mortgage Loan Agreement will be converted to 5Y LPR + X bps (X bps can be negative). **The X bps is equal to the difference between the latest customer pricing and 5Y LPR published by National Interbank Funding Center in December 2019 (4.8%). No pricing will be adjusted after migration, and the X bps will be fixed during the remaining term of the loan contract.**
- b. The CNY mortgage loan pricing mechanism will be only converted once and cannot be converted again after migration.
- c. For your floating rate mortgage loan, the repricing tenor as agreed in the original Mortgage loan agreement will be **adjusted to 1 year**. Details are subject to the bank notice.

3. Migration Timeline



- a. If you have any outstanding CNY mortgage loan with us¹, the loan benchmark rate will be migrated to LPR by batch starting from March 1st 2020, the relevant terms of the mortgage loan agreement will be adjusted accordingly. An advice will be sent to you in due course under which you will be informed of the updated terms (i.e. new pricing mechanism, new repricing tenor and new repricing day) applicable to your mortgage loan.
- b. This LPR migration is expected to be completed on August 31, 2020. You will be informed if any changes.

If you have any queries about the above mentioned migration, please communicate with us before **June 30th 2020** by our 24-hour Customer Services Hotline.

A notification of LPR migration will be sent to you through either SMS, Wechat or letter. If you have any other queries, please don't hesitate to call our 24-hour Customer Services Hotline. **Citibank 24-hour Customer Services Hotline 400-821-1880. If you are overseas, please call (+86)-(20)-3880-1267.**

Thanks for your attention.

Citibank (China) Co., Ltd
March 2nd, 2020

¹ For those portfolio CNY mortgage loans with LPR pricing mechanism and maturity day less than 1 year are not include in the scope of migration.

The Chinese version shall apply and prevail in case of any discrepancies between English & Chinese Version.