

## Citibank Charges/ Exchange Rates

As you are considering payment into an overseas account it may help you to have some background information on our arrangements with our banking supplier Citibank. Some information regarding possible charges is listed below.

### Charges:

Citibank buys foreign currencies in bulk at times when their experts believe they are getting the best rate possible. In turn, when they purchase any currency in bulk they get better and more competitive rates for buying a higher quantity.

Our current agreement with Citibank is that a standard 2% foreign currency transaction charge will be applied to all payments and levied to the member.

However, when a payment is due to be processed it is possible that the foreign currency used for the transaction has been purchased on a different date. Therefore, the market rate received when purchasing the foreign currency originally is the rate applied to the payment plus 2%. As a result, you cannot derive a comparison between the rates that Citibank use and for example, the rates available on various media on any particular day.

Citibank do not charge a handling fee under the current contract.

### Additional Fees:

**1. Intermediary/ Correspondent bank charges** – charge deducted by the correspondent/partner bank

Citibank can help minimize intermediary and foreign bank charges in some instances by using its own branch network and not a network of foreign banks, who may apply charges such as transaction or handling fees.

**2. Beneficiary bank charges** – charge by member's bank when processing an incoming foreign payment

In most cases, Citibank accesses the local clearing house system e.g. BACS in Britain. This means that payments are identified as a domestic item and not a foreign payment. This may reduce the incidence of beneficiary bank charges, but it is important to note that any fees incurred as a result of any third party charges will be payable by the member.

I hope that the above will be helpful, however the information contained in this document is for background only and we strongly recommend that you consult an Independent Financial Advisor before making a final decision.

