

# 4 Year Capital at Risk Autocallable Barrier Notes Linked to Ordinary Shares

## PRODUCT BROCHURE –

## MARKETING MATERIAL PREPARED IN CONNECTION WITH A PUBLIC OFFERING OF NOTES IN HUNGARY

### Investors Seek / Can Accept

Investors in the Notes have exposure towards two companies: [Cisco Systems Inc. \(CSCO UW Equity\)](#) and [Akamai Technologies Inc \(AKAM UW Equity\)](#).

The return on the Notes depends on the performance of the shares of these two shares, however investors do not participate in the direct performance of these shares.

The Notes offer a potential return equivalent to 9.5% per year of the nominal value of the Notes (excluding transaction fees) under favourable conditions. Please see page 2 for an illustration of how the observations/redemptions are intended to work.

**Early termination / autocall feature:** The Notes have a full investment term of four years. However, an early termination (“autocall”) may occur depending on the closing price of the underlying shares on the Annual Autocall Observation Dates.

**Investor’s capital is at risk.** The Notes are not capital protected at maturity and investors may lose some or all of their initial investment. Investors will lose at least some of their initial investment if the Final Price of any of the underlying shares is below 60% of their Initial Price. Investors could lose 100% of their investment if the Final Price of any of the underlying shares is 0.

**Counterparty risk:** Investors are exposed to the credit risk of the Issuer and the Guarantor. If the Issuer and Guarantor were to become insolvent or unable to meet their payment obligations, investors may lose some or all of their investment and any returns due, irrespective of the performance of the underlying shares.

### Overview

The return on an initial investment is dependent on the performance of the two underlying shares: [Cisco Systems Inc. \(CSCO UW Equity\)](#) and [Akamai Technologies Inc \(AKAM UW Equity\)](#). Investors in the Notes will hold the view that the price of both shares will be at or above their respective Autocall Barrier Prices on any of the Annual Autocall Observation Dates, or above their respective Final Redemption Barrier Prices on the Final Valuation Date, per the table below.

### Potential for Early Termination

If, on any Annual Autocall Observation Date, both underlying shares close at or above their respective Autocall Barrier Price, the Notes will terminate early and investors will receive a fixed capital growth payment (the “**Autocall Payment Amount**”) equivalent to 9.5% per year (excluding transaction fees). The potential Autocall Payment Amount rises each year and the Autocall Barrier Price declines, as reflected in the following table:

Term	Annual Autocall Observation Date (or, in the case of the final row, the Final Valuation Date)	Autocall Barrier Price (or, in the case of the final row, the Final Redemption Barrier Price)		Autocall Payment Amount (or, in the case of the final row, the Final Redemption Amount)
		CSCO UW Equity	AKAM UW Equity	
<u>1<sup>st</sup> Term (12 Months)</u>	<u>28 September 2020</u>	<u>100.00%<sup>1</sup></u>	<u>100.00%<sup>1</sup></u>	<u>109.5%<sup>2</sup></u>
<u>2nd Term (24 Months)</u>	<u>27 September 2021</u>	<u>95.00%<sup>1</sup></u>	<u>95.00%<sup>1</sup></u>	<u>119.0%<sup>2</sup></u>
<u>3<sup>rd</sup> Term (36 Months)</u>	<u>27 September 2022</u>	<u>90.00%<sup>1</sup></u>	<u>90.00%<sup>1</sup></u>	<u>128.5%<sup>2</sup></u>
<u>4<sup>th</sup> Term (48 Months)</u>	<u>27 September 2023</u>	<u>85.00%<sup>1</sup></u>	<u>85.00%<sup>1</sup></u>	<u>138.0%<sup>2</sup></u>

1. Of the Initial Price of the relevant underlying shares. This is determined on the Initial Valuation Date.

2. Excluding transaction fees.

INVESTMENT PRODUCT: NOT A DEPOSIT | NO BANK GUARANTEE | NO GOVERNMENT GUARANTEE | MAY LOSE VALUE

This material has been prepared for marketing purposes in connection with a public offer of Notes in Hungary. It is provided to potential investors for information only and is non-binding. **It should be read in conjunction with the relevant Issuer Underlying Linked Notes Base Prospectus dated 25 January 2019 and any supplements thereto (the “Prospectus”) and the related final terms in respect of these Notes (the “Final Terms”) (the Prospectus and the Final Terms, together, the “Offering Document”) and the relevant Key Information Document (KID), which outline the specific product terms and describe certain risks.** These documents have been published in connection with the public offering of the Notes and are available to potential investors for inspection and downloading on the website of MKB Bank ZRT ([www.mkb.hu](http://www.mkb.hu)), the relevant Authorised Offeror / Distributor of the Notes in Hungary. Investors should seek clarification and advice from their financial advisor and ensure they understand the product prior to making an investment. The information included in this marketing communication is generic in nature and makes no consideration towards the personal circumstances, needs or understanding of readers and potential investors.

## Key Facts

Underlying Shares	<u>CSCO UW Equity and AKAM UW Equity</u>	
Issuer	Citigroup Global Markets Funding Luxembourg S.C.A. ("CGMFL"), with a guarantee by Citigroup Global Markets Limited	
Offer	Public Offer in Hungary	
ISIN	XS2047532887	
Issue Price	100%	
Nominal Value of each Note	<u>EUR 1,000</u>	
Subscription Period	<u>9 September 2019 – 27 September 2019 (15:00)</u>	
Initial Valuation Date	<u>27 September 2019</u>	
Annual Autocall Observation Date(s)	<u>1: 28 Sept 2020</u>	<u>3: 27 Sept 2022</u>
	<u>2: 27 Sept 2021</u>	<u>4: 27 Sept 2023</u>
Initial Price of Shares	Closing price of each Underlying Share on Initial Valuation Date	
Final Price of Shares	Closing price of each Underlying Share on Final Valuation Date	
Early Termination Payment Dates	<u>1: 13 Oct 2020</u> <u>2: 12 Oct 2021</u>	<u>3: 11 Oct 2022</u> <u>4: 11 Oct 2023</u>
Autocall Barrier Price as % of Initial Price	<u>1: 100.0%</u> <u>2: 95.0%</u>	<u>3: 90.0%</u> <u>4: 85.0%</u>
Final Valuation Date	<u>27 Sept 2023</u>	
Maturity Date	<u>11 Oct 2023</u>	
Payment at Maturity (If note does not Terminate Early)	<ul style="list-style-type: none"> <li>If the Final Prices of both shares are equal to or above the Final Redemption Barrier Price (i.e. 85% of Initial Price): Initial investment + <u>38%</u>; OR</li> <li>If the Final Prices of both shares are equal to or above <u>60%</u> of Initial Price and at least one of the shares is below the Final Redemption Barrier Price: Initial investment only; OR</li> <li>If the Final Price of either share is below <u>60%</u> of Initial Price, capital is at risk and investors will lose at least some of their initial investment. The amount returned to investors will be directly linked to the performance of the worst performing underlying share and will equal (i) the nominal amount multiplied by (ii) the Final Level of the worst performing underlying share divided by (iii) its Initial Price. In such a scenario, investors could lose up to 100% of their initial investment amount.</li> </ul>	
Fees	<p>Please speak to your banker/advisor for details on fees and charges. Investors should be aware that Citigroup and its affiliates, and other third parties that may be involved in this transaction may make or receive a fee, commission or other compensation in connection with the purchase and sale of the Notes, hedging activities related to the Notes and other roles involved in the transaction. The Issuer will pay to the distributor up to <u>4.00%</u> of the total value of the Notes as a distribution fee. The distributor may charge investors an additional fee or other costs. Investors must note that the market value of the Notes will be net of such fees and other compensation. Early termination of the Notes by the holder thereof may also involve payment by such holder of the Notes of applicable fees and other compensation.</p>	

## At Maturity

If the Notes have not terminated early, the Notes will mature in the fourth year (on 11 October 2023, i.e. the Maturity Date) and the amount returned to investors will be determined as follows:

- **100% of their initial investment amount plus a return of 38%** if the Final Prices of both shares are equal to or above their respective Final Redemption Barrier Price (i.e. 85% of their Initial Price) on the Final Valuation Date; OR
- **100% of their initial investment amount** if the Final Prices of both shares are equal to or above 60% of their Initial Price on the Final Valuation Date and at least one of the shares is below the Final Redemption Barrier Price; OR
- **An amount between 0% and 59.99% of their initial investment amount** if the Final Price of **either** share is below 60% of its Initial Price. In such a scenario, the investor's capital is at risk, and the amount returned to the investor will be directly linked to the final performance of the worst performing underlying share. The amount returned will be equal to (i) the nominal amount multiplied by (ii) the Final Price of the worst performing underlying share divided by (iii) its Initial Price. The investor may be exposed to currency risk if the denomination of the shares differs to that of their original investment and/or domestic currency.

## How do the observations / redemption work?

Investment Start Date

(i.e. Issue Date): 11 Oct 2019

Investor's

Return

### 1<sup>st</sup> Autocall Observation: 28 Sept 2020

Have both shares closed at or above the Autocall Barrier Price (100% of Initial Price)?

Initial Investment  
+ 9.5%

YES

NO

### 2<sup>nd</sup> Autocall Observation: 27 Sept 2021

Have both shares closed at or above the Autocall Barrier Price (95% of Initial Price)?

Initial Investment  
+ 19%

YES

NO

### 3<sup>rd</sup> Autocall Observation: 27 Sept 2022

Have both shares closed at or above the Autocall Barrier Price (90% of Initial Price)?

Initial Investment  
+ 28.5%

YES

NO

### Final Valuation Date: 27 Sept 2023

Have both shares closed at or above the Final Redemption Barrier Price (85% of Initial Price)?

Initial investment  
+ 38%

YES

NO

Have both shares closed at or above 60% of Initial Price?

Initial investment  
only

YES

NO

If the Final Price of either share has closed below 60% of the Initial Price, the investor's capital is at risk, and investors will lose some or all of their initial investment. For illustration. Excluding transaction fees.

- If the price of both CSCO UW Equity and CSCO UW Equity on the Annual Autocall Observation Date is at or above the Autocall Barrier Price, **the Notes will terminate early.**
- Investors receive their initial investment plus the relevant capital growth amount.
- If the closing price of either share is below the Autocall Barrier Price, the Note does not terminate and will continue onto the next Annual Autocall Observation Date up to the Final Valuation Date.

- At Maturity (the Final Valuation Date) the final performance of the shares determines the investor's return on their initial investment.

**Potential investors should note that:**

The product is intended to be offered to retail investors who:

- 1. Have the ability to make an informed investment decision through sufficient knowledge and understanding of the product and its specific risks and rewards, with experience of investing in and/or holding a number of similar products providing a similar market exposure, either independently or through professional advice;
- 2. Seek capital growth, expect the movement in the underlying shares to perform in a way that generates a favourable return, have an investment horizon of the recommended holding period specified in the Key Information Document (KID) and understand that the product may terminate early;
- 3. Can accept the risk that the issuer or guarantor could fail to pay or perform its obligations under the product and they are able to bear a total loss of their investment; and
- 4. Are willing to accept a level of risk to achieve potential returns that is consistent with the summary risk indicator, specified in the KID.

The product is not intended to be offered to retail investors who do not fulfil these criteria.

**Sensitivity Analysis at Maturity**

The following scenarios may help investors to understand the potential return of the Notes should they not have terminated early. They are provided for illustrative purposes only, do not purport to give any indication of how the Note may perform in the future and are not a reliable indicator of future performance. Indicative returns should not be taken as any limitation on the maximum possible loss or gain.

The scenario analysis does not take into consideration any tax implications or fees. The below assumes that the Notes have not terminated early on any previous Annual Autocall Observation Date and illustrates the capital growth (loss) investors may expect as a percentage of the initial investment, payable at Maturity based on the indicative performance of the worst performing underlying share.

<u>Final Price of the Worst Performing Underlying Share, as a Percentage of Initial Price</u>	<u>Investor's Expected Return, as a Percentage of the Initial Investment, if Notes are not Terminated Early Due to Early Termination / Autocall</u>
<u>150%</u>	<u>138.00%</u>
<u>140%</u>	<u>138.00%</u>
<u>130%</u>	<u>138.00%</u>
<u>120%</u>	<u>138.00%</u>
<u>110%</u>	<u>138.00%</u>
<u>100%</u>	<u>138.00%</u>
<u>90%</u>	<u>138.00%</u>
<u>85%</u>	<u>138.00%</u>
<u>80%</u>	<u>100.00%</u>
<u>70%</u>	<u>100.00%</u>
<u>60%</u>	<u>100.00%</u>
<u>59%</u>	<u>59.00%</u>
<u>50%</u>	<u>50.00%</u>
<u>40%</u>	<u>40.00%</u>
<u>30%</u>	<u>30.00%</u>
<u>20%</u>	<u>20.00%</u>
<u>10%</u>	<u>10.00%</u>
<u>0%</u>	<u>0.00%</u>

## Risk Factors

The description of the investment risks that follows is not, and does not purport to be, exhaustive. Investors should make sure they understand these Notes and their associated risks before making the decision to invest. A more complete description of the risk factors can be found within the Offering Document for the Notes which is available on the website of the distributor as specified on page 1. In the event of any inconsistencies between this marketing material and the Offering Document, the Offering Document shall prevail.

**Market Risk** - Investors in the Notes should have prior experience of equity markets and of products featuring embedded derivatives, or should take steps to familiarize themselves with these products. Various factors may influence the market value of the Notes, including, but not limited to the performance of any underlying between the Initial Valuation Date and the Final Valuation Date, levels of volatility in the underlying markets and the implied future direction of these. Changes to any of these factors, remaining life to maturity and the credit quality of the Issuer, will affect secondary market prices for the Notes.

**Credit Risk** - Investors assume full credit risk of the Issuer, who is responsible for making the payments of the Notes and the Guarantor who has guaranteed all payments due under the Notes. This means that should the Issuer and/or the Guarantor become insolvent or fail in any way investors may not receive back any of their investment monies, nor even their initial investment amount. The profitability of the Guarantor's businesses, and in turn, its ability to meet its obligations under the guarantee, may be affected by global and local economic conditions, such as the levels and liquidity of the global financial and other asset markets, the absolute and relative level and volatility of interest rates and equity prices, investor sentiment, market confidence, inflation, and the availability and cost of credit.

**Risk of Loss of Initial Investment** - At Maturity, investors will receive less than their initial investment if, on the Final Valuation Date, the Final Price of any of the underlying shares is below 60% of their Initial Price. If the Final Price of any underlying share is 0%, investors will lose all of their initial investment.

**Liquidity Risk** - The Notes may have a long time period to maturity. Investors should be aware that there are no automatic rights of cancellation or withdrawal available to them. This means that unless the investor is able to sell their Notes on any secondary market the money invested in the Notes will not be available for the full period to maturity. Citi will endeavour to make a secondary market in these Notes, but does not guarantee that a secondary market will exist. Investors seeking to liquidate/sell positions in these Notes prior to the stated Maturity Date may receive substantially less than their original purchase price.

**Early Sale Risk** - During the life of the Notes, investors may be able to sell the Notes on the secondary market subject to liquidity conditions. If the secondary market price exceeds the initial investment there is the potential to realise a profit prior to maturity by selling the Notes. The secondary market price will reflect a number of factors including interest rates, volatility and issuer buy-back levels on the date on which an investor wants to sell the Notes. As a result, there can be no assurance that a selling Note holder will receive a price equal to or in excess of the amount initially invested.

**Reinvestment Risk** - If the Notes are redeemed early in accordance with the early termination / autocall feature, the amount received by the relevant holders will be limited to the relevant Autocall Payment Amount and no further amount shall be payable in respect of such Notes. In this case, investors will be subject to a reinvestment risk, as they may not be able to replace their investment in such Notes with an investment that has a similar profile of potential returns and risks as the relevant Notes.

**Event Risk** - The terms of the notes also provide that if certain exceptional events occur (1) adjustments may be made to the notes and/or (2) the issuer may terminate the product early. These events are specified in the Offering Document and principally relate to the underlyings, the Notes and the Issuer. The return (if any) you receive on such early termination is likely to be different from the scenarios described herein and may be less than the amount you invested.

**Suitability Risk** - Investors should determine whether an investment in the Notes is appropriate to their particular circumstances and should consult with their own independent advisers to determine the consequences of an investment in the Notes and to arrive at their own evaluation of the investment.

**Currency Risk** - If the Notes are denominated in a currency other than the investor's normal currency of account, changes in exchange rates may have an adverse effect on the value of their investment in the normal currency of account. This may cause a loss of principal.

The securities are subject to investment risks, in particular the risk of loss of your capital invested. The securities are not insured by any government agency, nor is it a deposit or other insured obligation.

This communication has been issued by Citigroup Global Markets Limited (registered number 1763297), which has its registered office at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB, UK and which is authorised in the UK by the Prudential Regulation Authority and regulated in the UK by the Financial Conduct Authority and the Prudential Regulation Authority (together, the “UK Regulator”).

This communication is provided for information purposes only and does not constitute a recommendation, an offer or a solicitation to buy or to sell securities. This communication may relate to matters that are (i) not regulated by the UK Regulator, and/or (ii) not subject to the protections of the UK’s Financial Services and Markets Act 2000 and/or the UK’s Financial Services Compensation Scheme. This communication is not intended for distribution to, or to be used by, any person or entity in any jurisdiction in which such distribution or use would be contrary to law or regulation. The distribution of securities in certain jurisdictions may be restricted and accordingly it is your responsibility to satisfy yourself as to compliance with all relevant laws and regulations in connection with any application to subscribe for securities.

This communication is provided on the understanding that (i) we are not acting as your agent, fiduciary or advisor, and (ii) you are not relying on us for advice or recommendations of any kind, meaning (iii) we are not managing your accounts and we do not have any power over your accounts, and (iv) you have sufficient knowledge and experience to be able to understand the risks involved in investing in securities and will seek independent advice where you consider this is necessary in order to ensure that you have identified and understood fully all relevant risks and considerations. The information in this communication is not based on your individual circumstances and is not an assessment of suitability for you of the securities. We do not provide financial, tax or legal advice. Where you are acting as an advisor or agent, you should evaluate this communication in light of the circumstances applicable to your principal and the scope of your authority.

To the extent permitted by applicable law, no liability is accepted for any loss arising (whether direct or consequential) from any use of the information contained in this communication. Although all information has been obtained from, and is based upon, sources believed to be reliable, it may be incomplete or condensed and its accuracy cannot be guaranteed. Any decision to purchase securities should be based upon the information contained in the Offering Document and the Key Information Document (KID). This communication is qualified in its entirety by such Offering Document. Please refer to the “Risk Factors” sections of such Offering Document for a discussion of certain factors to be considered in connection with an investment in the securities.

We may have long or short positions or actively trade in financial instruments identical to or economically related to the securities that are being offered, either for our own account (including for the purpose of hedging derivative contracts and market making) or on behalf of our customers. We may also submit estimates, prices, rates or values to data sources which publish indices or benchmarks, and these submissions may have an impact on the level of any such index or benchmark, and we will make these submissions without regard to the interests of investors in any other financial instrument. These activities may result in conflicts of interest for us, and although we have adopted policies and procedures designed to mitigate these potential conflicts of interest, these conflicts of interest may, directly or indirectly, affect the value (either positively or negatively) of the securities.

Please kindly note that the Offering Document relating to the public offer of the Notes in Hungary, prepared in the English language and the Hungarian translation of the summary of the Final Terms, are available at the website of MKB Bank Zrt. ([www.mkb.hu](http://www.mkb.hu)), the bank responsible for the distribution of the Notes. Please read them carefully before making your investment decision. Before making your investment decision, please prudently consider the subject, risks and charges of your investment, the account management fees and charges that might arise from investment and be aware of the risks related to the Products. The content of this document cannot be regarded as an investment proposal, recommendation, invitation to tender, investment advice or tax advice and no claims may be enforced against either MKB Bank Zrt. or the Issuer (and the Guarantor) based on this document. MKB Bank Zrt. acts as a distributor of the Products. The total credit risk of the issuer (and the guarantor, if any) is borne by the investor, i.e. the investor’s claim arising from the Products for payment of principal and interest /yield may only be enforced against these institutions and may not be enforced against the distributor MKB Bank Zrt. The Products are not term deposits so they are not covered by state guarantee. This information can be regarded as commercial communication pursuant to Act CXX of 2001 on the Capital Market.

In the event of any discrepancies between: (i) the English language version; and (ii) the Hungarian translation, of any of the documents referred to above, or any dispute regarding the interpretation of any provision of: (i) the English language version; and/or (ii) the Hungarian translation of any of the documents referred to above, the English language version of such document(s) shall prevail and questions of interpretation shall be addressed solely in the English language.

Any securities which are the subject of this communication have not been and will not be registered under the United States Securities Act of 1933, as amended (the “US Securities Act”) or any United States securities law, and may not be offered or sold within the United States or to, or for the account or benefit of, any US person, except pursuant to an exemption from, or in a financial product or transaction not subject to, the registration requirements of the US Securities Act. The Company will not be registered under the United States Investment Company Act of 1940, as amended.

References in this communication to “we” shall mean Citigroup Global Markets Limited and/or any of its affiliates and references to “us” shall be construed accordingly.

© 2019 Citigroup Global Markets Limited. All rights reserved. Citi and Citi and Arc Design are trade marks and service marks of Citigroup Inc. or its affiliates and are used and registered throughout the world.