Raiffeisen Certificates

Effective as of 1 December 2022 Raiffeisen Centrobank AG has transferred its certificates business to Raiffeisen Bank International AG including (i) all associated rights and obligations, and (ii) the legal position as issuer of existing securities, i.e. outstanding securities issued by Raiffeisen Centrobank AG. Therefore, as of 1 December 2022, Raiffeisen Bank International AG constitutes the issuer of and the debtor under the securities referred to in the product brochure.

Please be aware that the product brochure reflects the legal situation at the date of its creation and does not contain any updated information about the issuer.

# 8.25% EUROPE REVERSE CONVERTIBLE BOND

ESG

**INVESTMENT PRODUCT** WITHOUT CAPITAL PROTECTION
REVERSE CONVERTIBLE BOND

- Underlyings: Infineon Technologies AG, ING Groep NV and Sanofi Aventis S.A.
- 8.25% fixed annual interest rate
- Redemption of the nominal value or physical delivery of shares
- Barrier at 59% of the underlying price of each share
- Full market risk if barrier is violated, issuer risk
- Further information on opportunities/risks on the following pages
- Term of 2 years

Raiffeisen Centrobank ZERTIFIKATE AWARD AUSTRIA 2020 OVERALL WINNER

Certificates by

Raiffeisen CENTROBANK

# ATTRACTIVE FIXED INTEREST RATE ABOVE MARKET LEVEL

## In short:

The 8.25% Europe Reverse Convertible Bond provides for an attractive fixed interest rate: the interest amount is paid out annually, regardless of the performance of the three underlying shares. Whether the nominal amount is paid out at the end of the term or whether physical delivery of shares takes place depends on the performance of the underlying shares. In case of physical delivery of shares at maturity, the share with the worst performance is delivered.

This certificates complies with RCB's sustainability standard. For further information please click here: www.rcb.at/en/sustainability

**KEY FACTS**

| | |
|---|---|
| **Issuer*** | Raiffeisen Centrobank AG |
| **Offer** | continuous issuing |
| **ISIN** | AT0000A2SUW0 |
| **Issue price** | 100% |
| **Nominal value** | EUR 1,000 |
| **Subscription period**[1] | Sep 21, 2021 - Oct 18, 2021 |
| **Initial valuation date** | Oct 19, 2021 |
| **Issue value date** | Oct 20, 2021 |
| **Final valuation date** | Oct 17, 2023 |
| **Maturity date** | Oct 20, 2023 |
| **Strike** | Closing price of each share at the initial valuation date |
| **Barrier** | 59% of the respective strike |
| **Observation** | daily (closing price) |
| **Observation period** | Oct 20, 2021 - Oct 17, 2023 |
| **Fixed interest rate** | 8.25% annually |
| **Interest rate payout dates** | Oct 10, 2022; Oct 20, 2023 |
| **Amount of shares** | = (nominal value/strike) |
| **Redemption** | If the daily closing prices of the three underlying shares always quote above the respective barrier of 59% during the observation period, or if the closing prices of each shares quote at or above their respective strike at the final valuation date, the certificate is redeemed at 100% of the nominal value. Otherwise, physical delivery of shares is effected according to the amount predefined. Redemption is dependent on the solvency of RCB*. |
| **Listing** | Vienna, Frankfurt, Stuttgart |
| **Quotes** | www.rcb.at |

* Raiffeisen Centrobank AG is a 100% owned subsidiary of Raiffeisen Bank International AG – rating of RBI: www.rbinternational.com/ir/ratings

1 Early closing or extension of the subscription period is within the sole discretion of Raiffeisen Centrobank AG.

Attractive yields in a low interest rate environment, partial protection against price slumps and a short term are convincing arguments for many investors. The new **8.25% Europe Reverse Convertible Bond** combines all these features in one product. The investment product without capital protection provides a fixed annual interest payment of 8.25% with a partial protection up to the barrier of 59% of the starting value as safety mechanism. The certificate has a term of two years. Further details regarding opportunities and risks are listed on the next page.

### SHARE BASKET

The **share basket** of the Reverse Convertible Bond consists of three heavyweights of the European economy:

- The German group **Infineon Technologies AG** is a leading global producer of semiconductor solutions. The company focuses on energy efficiency, mobility and security.
- **ING Groep N.V.** is a Dutch bancassurance service provider headquartered in Amsterdam. In Austria, the company is best known for its ING-DiBa brand.
- **Sanofi Aventis S.A.** is a French pharmaceutical group formed in 2004 by the merger of Sanofi-Synthélabo and Aventis. One of the largest pharmaceutical groups in the world in terms of sales.

### FUNCTIONALITY

Reverse Convertible Bonds have a predefined **maturity date**, a **fixed interest rate** and a **strike,** set at the initial valuation date. Moreover, **Reverse Convertible Bonds** issued by Raiffeisen Centrobank AG are equipped with a **barrier** set below the **strike**, which serves as an additional safety mechanism. These parameters remain unchanged during the term. The interest rate, which is above market level, provides investors with an attractive yield if the Reverse Convertible Bond is redeemed at 100% of the nominal value. In case of **physical delivery of the shares**, the interest amount mitigates or may even overcompensate the loss incurred from the delivery of shares.

At the initial valuation date, the closing prices of the three underlying shares are fixed as strikes and the number of shares for potential physical delivery is determined. Additionally, the respective barriers (59% of each respective strike) are set.

- **The fixed interest rate** of 8.25% is paid out annually regardless of the performance of the three underlying shares (equals two times EUR 82.5 per nominal value during the term).
- **Redemption** of the nominal value at the end of the term depends on the performance of the three underlying shares. During the observation period the closing prices of the shares are compared with their respective barrier on a daily basis.

### DEFINED NUMBER OF SHARES

The number of shares to be delivered is determined as follows: **Number of shares = nominal value/starting value**
Usually this does not result in whole numbers. Due to the fact that shares are traded in whole numbers only, in the event of physical delivery the residual value is paid out in cash (=cash settlement) according to the market value: **Fraction of the shares x closing price of the share at the final valuation date = cash settlement**

The 8.25% Europe Reverse Convertible Bond provides for **physical delivery** of shares. In the most unfavourable case, the investor gets delivered the worst performing share in the amount predefined.

### RELEVANT STOCK EXCHANGE

| | |
|---|---|
| Infineon Tech.: | XETRA Frankfurt |
| ING Groep NV: | Euronext Amsterdam |
| Sanofi Aventis S.A.: | Euronext Paris |

### SUITED MARKET EXPECTATION

| declining | sideways | rising |
|---|---|---|

### YOUR INVESTMENT HORIZON

| < 3 years | 3 to 5 years | > 5 years |
|---|---|---|

### NOTE

The referenced opportunities and risks represent a selection of the most important facts regarding the product.

You are about to purchase a product that is not easy and difficult to understand.

For further information see the Base Prospectus (including possible amendments) – approved by the Austrian Financial Market Authority (FMA), deposited at the Oesterreichische Kontrollbank AG and published at www.rcb.at/en/securitiesprospectus (we recommend reading the prospectus before making an investment decision) – in the key information document and among „Customer Information and Regulatory Issues" at www.rcb.at/en/customerinformation

At the final valuation date, **one of the following scenarios** will apply:

### SCENARIO 1: All shares quoted daily ABOVE their barrier

If the daily closing prices of Infineon Technologies AG, ING Groep NV **AND** Sanofi Aventis S.A. are on each day of the observation period **above the barrier of 59%** of their respective strike during the observation period, **redemption** is effected **at 100% of the nominal value**. Provided that none of the three shares ever closes 41% or more below its respective strike, investors obtain the nominal amount of EUR 1,000 at the maturity date. This amount represents the maximum payout.

### SCENARIO 2: Barrier was TOUCHED/UNDERCUT by at least one of the shares

If the closing price of **ONE** or **MORE** of the shares (Infineon Technologies AG, ING Groep NV, Sanofi Aventis S.A.) is at or below the respective barrier of 59% during the observation period, the investor will only receive the worst performing share (percentage change from strike to closing price at the final valuation date) in the **amount predefined at the initial valuation date** instead of a redemption of the nominal value. The difference to the next whole number is paid out. If the closing prices of all three shares are at or above their respective strike price on the last valuation date - despite the occurrence of a barrier event - the investor will receive the nominal value of EUR 1,000 at the end of the term. Even if the barrier was touched or undercut, this amount represents the maximum payout.

**EXAMPLE – assumption:** if the initial valuation date had been September 9, 2021

| SHARE | STRIKE* 100% | BARRIER 59% | NUMBER OF SHARES (NOMINAL VALUE / STRIKE) |
|---|---|---|---|
| Infineon Technologies AG | EUR 36.715 | EUR 21.6619 | 27.2368 shares |
| ING Groep NV | EUR 11.696 | EUR 6.906 | 85.4993 shares |
| Sanofi Aventis S.A. | EUR 83.310 | EUR 49.1529 | 12.0034 shares |

*** ... exemplary strike in relation to the closing price of the respective share on September 9, 2021.**
Source: Reuters IFXGn.DE (ISIN: DE0006231004), INGA.AS (ISIN: NL0011821202), SASY.PA (ISIN: FR0000120578)

## OPPORTUNITIES

- **Attractive fixed interest rate:** The fixed annual interest amount (8.25% p.a.) is paid out regardless of the performance of the three underlying shares.
- **Safety buffer:** Attractive yield in sideways moving and slightly decreasing markets due to the partial protection against falling prices down to the barrier of 59%
- **Flexibility:** Tradability on the secondary market, no management fees

## RISKS

- **Barrier violation:** If the respective barrier is touched or undercut by the closing price of at least one of the three shares, the investor is entirely subject to market risk, without any protective mechanism. In case of physical delivery, the market value of the delivered shares will be below the nominal amount. Close to the barrier, there can be disproportionate price movements of the reverse convertible bond.
- **Limited yield opportunity:** The opportunity for yields is in any case limited to the fixed interest rate (2 x 8.25% during the term). Investors do not participate in price increases of the underlyings beyond their respective strikes.
- **Issuer risk / Bail-in:** Certificates are not covered by the Deposit Protection Scheme. Investors are exposed to the risk that Raiffeisen Centrobank AG might be unable to fulfil its payment obligations in respect of the described financial instrument such as in the event of insolvency (issuer risk) or an official directive (Bail-in). A total loss of the capital invested is possible.

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The complete information for all financial instruments described in this advertisement as well as the sole legal basis for potential transactions in one of the described financial instruments is the Base Prospectus (including any possible supplements) which has been approved by the Austrian Financial Market Authority (FMA) in connection with the corresponding Final Terms of the described financial instruments. The approved Base Prospectus (including any possible supplements) and the respective Final Terms have been deposited at the Oesterreichische Kontrollbank AG as the notification office. The approval of the Base Prospectus should not be construed as an endorsement of the financial instrument described herein by the FMA. Additional information on the financial instruments described herein may also be obtained from the respective key information documents (KIDs) that are available for download free of charge on the website of Raiffeisen Centrobank AG (www.rcb.at) by entering the International Securities Identification Number (ISIN) of the respective financial instrument.

Unless otherwise explicitly expressed in any of the cited documents above, no measures have been taken in any national legal system which should permit a public offering of the products described therein.

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Certificates are risky instruments of wealth investment. Should the price of the respective underlying instrument of a certificate develop adversely, an investor may lose part or all of his or her invested capital. Certificates react more strongly or weakly to changes of the price of the underlying instrument depending on a number of factors (e.g. volatility or correlation of the underlying instruments, interest, dividends, remaining term, changes in foreign exchange rates) and do not move simultaneously with the underlying.

Under certain circumstances the issuer is authorized to redeem the certificates prior to the agreed repayment date.

Issuer Risk/Creditor Participation ("bail-in"): Any payments during or at the end of the term of the certificates depend on the solvency of the issuer ("issuer risk"). Investors are therefore exposed to the risk that Raiffeisen Centrobank AG might be unable to fulfil its payment obligations in respect of the described financial instrument such as in the event of insolvency ("issuer risk") or an official directive ("bail-in"). The resolution authority may also issue such an order before any insolvency proceedings if the issuer is judged to be in crisis. Under these circumstances the resolution authority has wide-ranging powers to take action (so-called "bail-in instruments"). For example, it can reduce the claims of investors in respect of the described financial instruments to zero, terminate the described financial instruments, or convert them into shares of the issuer and suspend investors' rights. More detailed further information is available at www.rcb.at/en/basag. A total loss of the invested capital is possible.

Past performance is no reliable indicator of future results. Please refer to the Base Prospectus for additional disclosures on risks as well as further information.

The information presented does not constitute binding tax advice. Tax treatment of investments is dependent on the personal situation of the investor and may be subject to change. As regards tax treatment and impact on the investor's individual tax situation, the investor is advised to consult with a tax advisor. This report is based on the knowledge the persons preparing the document have obtained up to the date of creation. Please note that the legal situation may change due to legislative amendments, tax directives, opinions of financial authorities, jurisdiction etc.

The price of the Reverse Convertible Bond is dependent on the underlying's price. Adverse performances of the underlying may cause price fluctuations of the Reverse Convertible Bond. If the Reverse Convertible Bond is sold, there is the risk to incur a substantial loss or even a total loss of the invested capital ("market risk"). The Reverse Convertible is subject to several influencing factors and need not develop simultaneously to and in accordance with the underlying's performance. Such influencing factors include e.g. intensity of the underlying's price fluctuations (volatility), interest rates, solvency of the issuer or remaining term. If the Reverse Convertible Bond is sold prior to the end of the term, there is the risk to incur a partial or even total loss of the invested capital (price performance). Dividends and similar rights associated with the underlying are taken into account when structuring the Reverse Convertible Bond and are not paid out.

Certificates issued by RCB are no financial products as defined in the Regulation (EU) 2019/2088

Supervisory Authorities: Austrian Financial Market Authority (FMA), Austrian National Bank, European Central Bank within the Single Supervisory Mechanism (SSM). Imprint according to the Austrian Media Act: Media Owner and Publisher is Raiffeisen Centrobank AG I Member of RBI Group I Am Stadtpark 9, 1030 Vienna/ Austria.

Further information may be obtained from the consultant at your local bank, on the Internet at **www.rcb.at** or on the product hotline of Raiffeisen Centrobank AG: **+43 1/51520 - 484**.

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