

PHARMA STOCKS BOND

INVESTMENT PRODUCT WITH CAPITAL PROTECTION
GUARANTEE CERTIFICATE

- OPPORTUNITY FOR AN ANNUAL INTEREST RATE OF 4%
- STOCK BASKET AS UNDERLYING:
ASTRAZENECA PLC, NOVARTIS AG AND SANOFI SA
- 100% CAPITAL PROTECTION AT THE END OF THE TERM
- OPPORTUNITIES/RISKS ON THE FOLLOWING PAGES
- 8 YEAR TERM



Guarantee Certificates by



**Raiffeisen
CENTROBANK**

ATTRACTIVE INTEREST OPPORTUNITY, CAPITAL PROTECTION

In short:

Raiffeisen Centrobank's Guarantee Certificate Pharma Stocks Bond provides investors with the annual opportunity to obtain an interest rate of 4%. The performance of the three underlying shares determines whether the interest amount will be paid out. In case of a negative performance the capital protection of 100% applies at the end of the term (June 2024).

KEY FACTS

Issuer	Raiffeisen Centrobank AG
Guarantor*	Raiffeisen Centrobank AG
ISIN	AT0000A1N979
Issue price	100% plus 3% issue surcharge within the subscription period
Nominal value	EUR 1,000
Subscr. period ¹	Aug 5 - Sep 9, 2016
Initial valuation date	Sep 12, 2016
Issue value date	Sep 13, 2016
Final valuation date	Sep 11, 2024
Maturity date	Sep 16, 2024
Capital protection	100% (end of term)
Interest rate opportunity	4% annually
Starting value	closing price of each share at the initial valuation date
Observation	annually (closing price) on the respective valuation date
Annual valuation dates	Sep 11, 2017; Sep 11, 2018; Sep 11, 2019; Sep 11, 2020; Sep 13, 2021; Sep 12, 2022; Sep 11, 2023; Sep 11, 2024
Interest rate payout dates	Sep 14, 2017; Sep 14, 2018; Sep 16, 2019; Sep 16, 2020; Sep 16, 2021; Sep 15, 2022; Sep 14, 2023; Sep 16, 2024
Redemption	The certificate is redeemed at 100% of the nominal value at the maturity date. (redemption is dependant on the solvency of Raiffeisen Centrobank*).
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.

Currently there is hardly any sector demonstrating such a dynamic performance as the **pharmaceutical and healthcare sector**. The increasingly aging society reveals a demographic change in numerous industrialised and threshold countries. As a result investors have been focusing more and more on innovative pharmaceutical companies. In line with this trend Raiffeisen Centrobank has issued the **Pharma Stocks Bond**.

The underlying stock basket consists of three blue chips of the pharmaceutical industry: **AstraZeneca PLC, Novartis AG and Sanofi SA**. Investors who expect these blue chips to perform stably can realize their market opinion with an investment in the **Pharma Stocks Bond** Guarantee Certificate. The certificate with full capital protection at the end of the term is suited to security-oriented investors who want to capitalize on a sideways moving or slightly rising market. Taking the issue surcharge of 3% during the subscription period into account, the maximum return comes up to 3.56% p.a. Further details regarding opportunities and risks are presented on the following page. The certificate's term is eight years.

FUNCTIONALITY

At the initial valuation date, the **starting values of all three underlying shares** (closing price of each share) are determined. During the observation period, the **current closing price** of each share is compared with its respective starting value at each annual valuation date. One of the following **two scenarios** will occur:

SCENARIO 1: All three shares quote AT or ABOVE their respective starting value at the annual valuation date

Provided that the closing prices of AstraZeneca PLC, Novartis AG **AND** Sanofi SA are at or above their respective starting value at the annual valuation date, the investor obtains the interest rate of 4% (equals EUR 40 per EUR 1,000 nominal value). Investors have the opportunity to obtain the interest rate of 4% again in the following years of the term.

SCENARIO 2: ONE or MULTIPLE underlying shares quote BELOW their respective starting value at the annual valuation date

In case the closing price of one share or multiple shares quotes below the respective starting value at the current annual valuation date, no interest will be paid out for the respective year. However, investors have the opportunity to obtain the interest rate of 4% again in the following years of the term, and can still benefit from a positive share performance.

At the end of the term the investment is 100% capital protected by Raiffeisen Centrobank, i.e. during the term price fluctuations may occur, but investors obtain at least 100% of the nominal value at the end of the term.



Please note that past performances do not allow any inferences to be made about future performances of the underlying indices.

TAXATION

Exempt from EU withholding tax

For EU citizens not tax-liable in Austria revenue obtained with the Certificate is not subject to EU withholding tax. Exemption from EU withholding tax is based on current legislation and cannot be guaranteed for the full term of the product.

YOUR EXPECTED MARKET TREND

declining sideways rising

YOUR INVESTMENT HORIZON

1-2 years 3-4 years 5-6 years >6 years

NOTE

The mentioned opportunities and risks display a summary of the most important facts regarding the product.

For further information see the prospectus (including possible changes and additions) – approved by the Austrian Financial Market Authority, deposited at the Oesterreichische Kontrollbank AG and published on: www.rcb.at/securitiesprospectus

OPPORTUNITIES

- **Yield opportunity in sideways moving markets:**
Even with sideways moving or slightly increasing prices of the three underlying shares investors can generate a solid yield.
- **100% capital protection at the end of the term:**
The Guarantee Certificate Pharma Stocks Bond is 100% capital protected at the end of the term (September 2024), i.e. the investor obtains at least the nominal value.
- **Secondary market:**
Flexibility through tradability on the secondary market, no management fees

RISKS

- **No yield when shares perform negatively**
In case the performance of at least one of the three underlying shares is negative at the annual valuation date, the investor obtains no interest rate in the respective year of the term.
- **Price fluctuations during the term:**
During the term the price of the certificate may drop below 100%, the capital protection takes effect exclusively at the end of the term.
- **Issuer risk:**
Redemption is dependent on the solvency of Raiffeisen Centrobank AG (issuer risk). In case of insolvency of the issuer the investor may incur a total loss.

DISCLAIMER

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During the term the market price of the certificate may drop below 100% of the issue price due to price fluctuations. The capital guarantee of 100% nominal value exclusively applies to the maturity date. The market price of the certificate needs not develop simultaneously to the market price of the underlying during the term. During the term the market price of the certificate is subject to various influencing factors such as volatility, coupon rate, credit rating of the issuer and time to maturity date. Redemption or repayment of the certificate at maturity is dependent on the solvency of the issuer. Further information – see Prospectus.

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

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Further information may be obtained from the consultant at your local bank, on the Internet at www.rcb.at or through the product hotline of Raiffeisen Centrobank: **+43 (0)1 51 520 - 484**.

Your Contacts at Raiffeisen Centrobank AG, A-1015 Vienna, Tegetthofstrasse 1:

Product Hotline	Ph.: +43 1/51 520 - 484	produkte@rcb.at
Heike Arbler (Head of Structured Products)	Ph.: +43 1/51 520 - 407	heike.arbler@rcb.at
Philipp Arnold	Ph.: +43 1/51 520 - 469	philipp.arnold@rcb.at
Roman Bauer	Ph.: +43 1/51 520 - 384	roman.bauer@rcb.at
Walter Friehsinger	Ph.: +43 1/51 520 - 392	walter.friehsinger@rcb.at
Anna Gaszynska	Ph.: +43 1/51 520 - 404	anna.gaszynska@rcb.at
Marianne Koegel	Ph.: +43 1/51 520 - 482	marianne.koegel@rcb.at
Jaroslav Kysela	Ph.: +43 1/51 520 - 481	jaroslav.kysela@rcb.at
Thomas Mairhofer	Ph.: +43 1/51 520 - 395	thomas.mairhofer@rcb.at
Aleksandar Makuljevic	Ph.: +43 1/51 520 - 385	aleksandar.makuljevic@rcb.at
Monika Mustikova	Ph.: +43 1/51 520 - 387	monika.mrustikova@rcb.at
Stefan Neubauer	Ph.: +43 1/51 520 - 486	stefan.neubauer@rcb.at
Premysl Placek	Ph.: +43 1/51 520 - 394	premysl.placek@rcb.at
Clemens Puehringer	Ph.: +43 1/51 520 - 391	clemens.puehringer@rcb.at
Ludwig Schweighofer	Ph.: +43 1/51 520 - 460	ludwig.schweighofer@rcb.at
Thomas Stagl	Ph.: +43 1/51 520 - 351	thomas.stagl@rcb.at
Alexander Unger	Ph.: +43 1/51 520 - 478	alexander.unger@rcb.at
Martin Vonwald	Ph.: +43 1/51 520 - 338	martin.vonwald@rcb.at



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