

7.2% GERMANY PROTECT REVERSE CONVERTIBLE BOND

INVESTMENT PRODUCT WITHOUT CAPITAL PROTECTION
REVERSE CONVERTIBLE BOND

- 7.2% fixed annual interest rate
- Share basket as underlying: E.ON SE, Deutsche Lufthansa AG and Siemens AG
- Barrier at 59% of each share
- Redemption of the nominal value or physical delivery of the shares
- Market risk, issuer risk
- Further opportunities and risks on the following pages
- Term of 2 years



Certificates by



ATTRACTIVE FIXED INTEREST RATE ABOVE MARKET

In short:

The 7.2% Germany Protect Reverse Convertible Bond provides an attractive fixed interest rate: the interest amount is paid out annually, regardless of the performance of the underlying shares. At the end of the term, depending on the performance of the shares, either the nominal value is paid out or the shares are delivered.

KEY FACTS

Issuer*	Raiffeisen Centrobank AG
Offer	continuous issuing
ISIN	AT0000A219G5
Issue price	100%
Nominal value	EUR 1,000
Subscription period ¹	May 18 - Jun 15, 2018
Initial valuation date	Jun 18, 2018
Issue value date	Jun 19, 2018
Final valuation date	Jun 16, 2020
Maturity date	Jun 19, 2020
Strike	closing price of each share at the initial valuation date
Barrier	59% of the respective strike
Observation	daily (closing price)
Observation period	Jun 19, 2018 - Jun 16, 2020
Fixed interest rate	7.2% annually
Interest rate payout dates	Jun 19, 2019, Jun 19, 2020
Amount of shares	= (nominal value/strike)
Redemption	If the daily closing prices of all three shares (E.ON SE, Deutsche Lufthansa AG, Siemens AG) always quote above the barrier of 59% of the respective strike during the observation period, or if the closing prices of all shares quote at or above their respective strike at the final valuation date, the certificate is redeemed at 100% of the nominal value. 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 investors. The new **7.2% Germany Protect Reverse Convertible Bond** combines all these features in one product. The investment product without capital protection provides a fixed annual interest payment of 7.2% and a barrier of 59% as a safety mechanism. The certificate has a term of two years. Further details regarding opportunities and risks are listed on the next page.

THE SHARE BASKET

The **share basket** of the Protect Reverse Convertible Bond consists of three German blue chips:

- The German energy group **E.ON SE** provides both renewable as well as traditional ways of power generation for its core markets Germany, Sweden and CEE.
- **Deutsche Lufthansa AG** is considered the largest European airline company in terms of annual passenger traffic. In German-speaking countries it is mainly known for its airlines Lufthansa, Austrian Airlines and SWISS. The Cologne-based company is a member of the German benchmark index DAX®.
- The German technology group **Siemens AG**, headquartered in Munich, operates in the energy, healthcare, infrastructure and urban development industry.

FUNCTIONALITY

Reverse Convertible Bonds have a predefined **maturity date**, a **fixed interest rate** and a **strike**, set at the initial valuation date. Moreover, **Protect 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 the market level, provides investors with an attractive profit opportunity if the Protect 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 amount of shares is determined. Additionally, the **respective barriers** (59% of each respective strike) are set.

- **THE FIXED INTEREST RATE** of 7.2% is paid out annually regardless of the performance of the three underlying shares (equals 2 x EUR 72 per nominal value).
- **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.

SHARE BASKET: 7.2% GERMANY PROTECT REVERSE CONVERTIBLE BOND

E.ON SE

Deutsche Lufthansa AG

Siemens AG

The 7.2% Germany Protect Reverse Convertible Bond provides for physical delivery of the shares. In the least favourable of cases, the investor gets the worst performing share delivered.

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

SCENARIO 1: All three shares quoted DAILY ABOVE their barrier

If the daily closing prices of E.ON SE, Deutsche Lufthansa **and** Siemens are always above their respective **barrier of 59%** 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 barrier of 59% of the respective strike is touched or undercut by the closing price of **one or more** of the underlying shares (E.ON SE, Deutsche Lufthansa and Siemens) during the observation period, the investor gets the worst performing share (percentage performance from strike to closing price at the final valuation date) in the **amount predefined at the issue date**. The difference to the nearest whole number is paid out. If the closing prices of all shares quote at or above their strike at the final valuation date, the investor obtains 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.

TAXATION

Subject to KES^tSubject to foreigner KES^t

Please note that the legal situation may change due to legislative amendments, tax directives, opinions of financial authorities, jurisdiction etc. Tax treatment is generally subject to the personal circumstances of the investor and is subject to future change.

EXAMPLE – assumption: if the initial valuation date had been May 4, 2018

SHARE	STRIKE* 100%	BARRIER 59%	NUMBER OF SHARES (NOMINAL VALUE / STRIKE)
E.ON SE	EUR 9.4670	EUR 5.5855	105.6301 shares
Lufthansa AG	EUR 25.1500	EUR 14.8385	39.7614 shares
Siemens AG	EUR 109.1400	EUR 64.3926	9.1625 shares

* ... exemplary strike in relation to the closing price of the respective share on May 4, 2018.
Source: Reuters: EONGn.DE (ISIN: DE000ENAG999), LHAG.DE (ISIN: DE0008232125), SIEGn.DE (ISIN: DE0007236101)

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.

For further information see the Base Prospectus (including possible changes and additions)

– approved by the Austrian Financial Market Authority (FMA), deposited at the Oesterreichische Kontrollbank AG and published at www.rcb.at/en/securitiesprospectus as well as the key information document of the presented product, also available at www.rcb.at

OPPORTUNITIES

- **Attractive fixed interest rate:**
The fixed annual interest amount (2 x 7.2%) is paid out regardless of the performance of the three underlying shares.
- **Safety buffer:**
Attractive yield in sideways moving and slightly decreasing markets through the partial protection against falling prices until the barrier of 59%
- **Secondary market:**
Flexibility through tradability on the secondary market, no management fees

RISKS

- **Barrier violation:**
If the barrier of the Protect Reverse Convertible Bond is touched and/or undercut by the closing price of at least one of the three underlying shares, the investor is entirely subject to share risk, without any protective mechanism.
- **Limited yield opportunity:**
The opportunity for yields is in any case limited by the fixed interest rate (2 x 7.2%). Investors do not participate in price increases of the underlyings beyond the strike.
- **Issuer risk:**
Redemption is dependent on the solvency of Raiffeisen Centrobank AG (issuer risk) or an official directive (bail-in). In case of insolvency of the issuer, the investor may incur a total loss.

DISCLAIMER

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Structured securities 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. Structured securities 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.

Issuer Risk/Creditor Participation ("bail-in"): Any payments for structured securities during the term or at the end of the term depend on the solvency of the issuer (issuer risk). Investors are exposed to the risk that Raiffeisen Centrobank AG as an issuer might be unable to fulfil its obligations in respect of the described financial instruments, such as in the event of insolvency (inability to pay/over-indebtedness) or a legal order to initiate resolution measures. 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. A total loss of the capital invested is possible. More detailed information is available at www.rcb.at/en/basag. Under certain circumstances, the issuer has the right to redeem the certificate prior to the maturity date. A total loss of the capital invested 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.

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