

7% USA PROTECT REVERSE CONVERTIBLE BOND

INVESTMENT PRODUCT WITHOUT CAPITAL PROTECTION
REVERSE CONVERTIBLE BOND

- Underlyings: Apple Inc., AT&T Inc. and Microsoft Corp.
- 7% fixed annual interest rate
- Redemption of the nominal value or physical delivery of shares
- Barrier at 59% 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



Certificates by



**Raiffeisen
CENTROBANK**

ATTRACTIVE FIXED INTEREST RATE ABOVE MARKET LEVEL

In short:

The 7% USA Protect 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 (Apple Inc., AT&T Inc. and Microsoft Corp.). At the end of the term, depending on the performance of the shares, either the nominal value is paid out or shares are delivered.

KEY FACTS

Issuer*	Raiffeisen Centrobank AG
Offer	continuous issuing
ISIN	AT0000A29T72
Issue price	100%
Nominal value	EUR 1,000
Subscription period ¹	Sep 5, 2019 - Oct 3, 2019
Initial valuation date	Oct 4, 2019
Issue value date	Oct 7, 2019
Final valuation date	Oct 4, 2021
Maturity date	Oct 7, 2021
Strike	Closing price of each share at the initial valuation date
Barrier	59% of the respective strike
Observation	daily (closing price)
Observation period	Oct 7, 2019 - Oct 4, 2021
Fixed interest rate	7% annually
Interest rate payout dates	Oct 7, 2020; Oct 7, 2021
Amount of shares	= (nominal value * Exchange rate at Final valuation date) / strike
Redemption	If the daily closing prices of the three underlying shares (Apple Inc., AT&T Inc. and Microsoft Corp.) 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.rbiinternational.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 **7% USA 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% 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 Protect Reverse Convertible Bond consists of three heavyweights of the US-American economy:

- California-based multinational technology group **Apple Inc.** is active in hardware and software development and is known for products such as the iPhone or iPad.
- The Texas-based **AT & T Inc.** is the largest telecommunications company in the world and the leading mobile and fixed line operator in the United States.
- The international software and hardware manufacturer **Microsoft Corp.** based in Washington is best known for its Windows operating system and its Office software suite.

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 market level, provides investors with an attractive yield 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 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 7% is **paid out** annually regardless of the performance of the three underlying shares (equals two times EUR 70.00 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.

UNDERLYINGS 7% USA PROTECT REVERSE CONVERTIBLE BOND

Apple Inc.

AT&T Inc.

Microsoft Corp.

The 7% USA Protect Reverse Convertible Bond provides for **physical delivery** of shares. In the most unfavourable case, the investor gets the worst performing share in the amount predefined delivered.

TAXATION

Subject to KES^t

Subject 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.

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 Apple Inc., AT&T Inc. and Microsoft Corp. are always above their **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 (Apple Inc., AT&T Inc., Microsoft Corp.) during the observation period, the investor receives 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**. The number of shares delivered will depend on the **USD exchange rate on the last valuation date**. Therefore, the nominal value is multiplied by the EUR/USD exchange rate at the final valuation date and divided by the strike (predefined at the initial valuation date) of the worst performing share. The difference to the next whole number is paid out. If the closing prices of all shares quote at or above their strikes 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.

EXAMPLE – assumption: if the initial valuation date had been August 22, 2019 and the EUR/USD exchange rate at the final valuation date is 1.10

SHARE	STRIKE 100 %*	BARRIER 59 %	EUR/USD EXCHANGE R.	NUMBER OF SHARES (Nominal value x Exchange Rate/Strike)
Apple Inc.	USD 212.46	USD 125.3514	1.10	EUR 1,000* 1.10 /USD 212.46 = 5.1774
AT&T Inc.	USD 35.39	USD 20.8801	1.10	EUR 1,000* 1.10 /USD 35.39 = 31.0822
Microsoft	USD 137.78	USD 81.2902	1.10	EUR 1,000* 1.10 /USD 137.78 = 7.9837

* ... exemplary strike in relation to the closing price of the respective share on August 22, 2019.

Source: Reuters AAPL.OQ (ISIN: US0378331005), T.N (ISIN: US00206R1023), MSFT.OQ (ISIN: US5949181045)

OPPORTUNITIES

Attractive fixed interest rate:

The fixed annual interest amount (7% 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.

Limited yield opportunity:

The opportunity for yields is in any case limited to the fixed interest rate (2 x 7% during the term). Investors do not participate in price increases of the underlyings beyond their respective strikes.

Currency risk:

In case of a barrier violation, the number of shares delivered will depend on the exchange rate on the final valuation date.

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.

DISCLAIMER

In spite of all possible care taken, the data contained in this marketing communication are provided purely as non-binding information. This marketing communication constitutes neither investment advice, an offer or a recommendation nor an invitation to execute a transaction. The information contained in this marketing communication is generic and no consideration is given to the personal circumstances of potential investors. The information contained in this marketing communication substitutes neither the necessary individual investment advice for the purchase or sale of investments nor shall any investment decision be taken on the basis of this document. This marketing communication has not been prepared in accordance with legal requirements designed to promote the independence of investment research and is not subject to the prohibition on dealing ahead of the dissemination of investment research.

The sole legal basis for all financial instruments described in this marketing communication is the Base Prospectus (including any possible supplements or amendments) which has been approved by the Austrian Financial Market Authority (FMA) in connection with the corresponding Final Terms of the financial instruments. The approved Base Prospectus (including any possible supplements or amendments) has been deposited at the Oesterreichische Kontrollbank AG. The approval of the Base Prospectus by the FMA should not be understood as an endorsement of the financial instruments described herein by the FMA. These documents as well as further information are provided on the website of Raiffeisen Centrobank AG at www.rcb.at/en/securitiesprospectus or www.rcb.at. Additional information on the financial instruments described herein may also be obtained from the respective key information documents that are available for download on the website of Raiffeisen Centrobank AG (www.rcb.at). 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. Raiffeisen Centrobank AG explicitly excludes any liability in relation to the correctness, appropriateness and completeness of the information presented herein. 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 of 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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