

# 6.5% AUSTRIA PLUS REVERSE CONVERTIBLE BOND

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

- Underlyings:  
Erste Group Bank AG and OMV AG
- 6.5% fixed annual interest rate
- Redemption of the nominal value or physical delivery of shares
- Barrier at 60% of each share
- Observation only at the final valuation date
- 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 6.5% Austria Plus Reverse Convertible Bond provides for an attractive fixed interest rate: the interest amount is paid out annually, regardless of the performance of the two underlying shares (Erste Group Bank AG and OMV AG). 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	AT0000A2J6G7
Issue price	100%
Nominal value	EUR 1,000
Subscription period <sup>1</sup>	Sep 15, 2020 - Oct 14, 2020
Initial valuation date	Oct 15, 2020
Issue value date	Oct 16, 2020
Final valuation date	Oct 12, 2022
Maturity date	Oct 17, 2022
Strike	Closing price of each share at the initial valuation date
Barrier	60% of the respective strike
Barrier observation	only at the final valuation date (closing prices)
Fixed interest rate	6.5% annually
Interest rate payout dates	Oct 16, 2021; Oct 16, 2022
Amount of shares	= (nominal value/strike)
Redemption	If the closing prices of the two underlying shares Erste Group Bank AG and OMV AG quote above the respective barrier of 60% 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	<a href="http://www.rcb.at">www.rcb.at</a>

\* Raiffeisen Centrobank AG is a 100% owned subsidiary of Raiffeisen Bank International AG – rating of RBI: [www.rbiinternational.com/ir/ratings](http://www.rbiinternational.com/ir/ratings)

<sup>1</sup> 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 **6.5% Austria Plus Reverse Convertible Bond** combines all these features in one product. The investment product without capital protection provides for a fixed annual interest payment of 6.5% with a barrier of 60% of the starting value as safety mechanism. The barrier observation takes place only at the final valuation date. 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 two Austrian blue chips:

- **Erste Group Bank AG** is one of the largest financial services providers in Central- and Eastern Europe. The bank's core business lies within in the retail segment specialized on the Central and Eastern European regions.
- **OMV AG** is an integrated oil and gas company, active both in the up- and downstream businesses. OMV has a balanced international upstream portfolio while its downstream oil and gas business features a European footprint.

### FUNCTIONALITY

Reverse Convertible Bonds have a predefined **maturity date**, a **fixed interest rate** and a **strike**, set at the initial valuation date. Moreover, **Plus Reverse Convertible Bonds** are equipped with a **barrier only active at the end of the term**, set below the **strike**. These parameters remain unchanged during the term. The interest rate, which is above market level, provides investors with an attractive yield if the Plus Reverse Convertible Bond is redeemed at 100% of the nominal value. In case of **physical delivery of 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 two underlying shares are fixed as **strikes** and the number of shares for potential physical delivery is determined. Additionally, the **respective barriers** (60% of each respective strike) are set.

- **The fixed interest rate** of 6.5% is **paid out** annually regardless of the performance of the two underlying shares (equals two times EUR 65 per nominal value during the term).
- **Redemption** of the nominal value at the end of the term depends on the performance of the two underlying shares. At the final valuation date, the closing prices of the shares are compared with their respective barrier.

## 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 6.5% Austria Plus 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.

**Plus Reverse Convertible Bond:** with the 6.5% Austria Plus Reverse Convertible Bond the barrier is only observed at the final valuation date.

## RELEVANT STOCK EXCHANGE

Erste Group Bank AG: Vienna Stock Exchange

OMV AG: Vienna Stock Exchange

## 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](http://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](http://www.rcb.at/en/customerinformation)

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

### SCENARIO 1: The closing price of all two shares quoted ABOVE their barrier on the final valuation date

If the closing prices of Erste Group Bank AG **AND** OMV AG are always above their **barrier of 60%** of their respective strike at the final valuation date, **redemption** is effected **at 100% of the nominal value**. Provided that none of the two shares closes 40% or more below their respective strike on final valuation date, 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 on the final valuation date

If the barrier of 60% of the respective strike is touched or undercut by the closing price of **one** or **both** of the underlying shares (Erste Group Bank AG, OMV AG) at the final valuation date, 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 difference to the next whole number is paid out.

**EXAMPLE – assumption:** if the initial valuation date had been September 1, 2020

SHARE	STRIKE* 100%	BARRIER 60%	NUMBER OF SHARES (NOMINAL VALUE / STRIKE)
Erste Group Bank AG	EUR 20.38	EUR 12.228	49.0677 shares
OMV AG	EUR 27.18	EUR 16.308	36.7918 shares

\* ... exemplary strike in relation to the closing price of the respective share on Sep 1, 2020.  
source: Reuters ERST.VI (ISIN: AT0000652011), OMV.VI (ISIN: AT0000743059)

## OPPORTUNITIES

- **Attractive fixed interest rate:**  
The fixed annual interest amount (6.5% p.a.) is paid out regardless of the performance of the two 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 60% (observation only at the final valuation date)
- **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 two shares at the final valuation date, 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 6.5% 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 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](http://www.rcb.at/en/securitiesprospectus) or [www.rcb.at](http://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](http://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. 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 Bond 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.

**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](http://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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