

USD 7.5% USA PLUS+ PROTECT REVERSE CONVERTIBLE BOND

INVESTMENT PRODUCT WITHOUT CAPITAL PROTECTION
REVERSE CONVERTIBLE BOND

- Underlyings: Apple Inc., AT&T Inc. and Microsoft Corp.
- 7.5% fixed annual interest rate
- Redemption of the nominal value or physical delivery of shares
- Barrier at 59% 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 USD 7.5% USA Plus+ 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	AT0000A2AKK4
Issue price	100%
Nominal value	USD 1,000
Subscription period ¹	Sep 25, 2019 - Oct 25, 2019
Initial valuation date	Oct 28, 2019
Issue value date	Oct 29, 2019
Final valuation date	Oct 25, 2021
Maturity date	Oct 29, 2021
Strike	Closing price of each share at the initial valuation date
Barrier	59% of the respective strike
Observation	on final valuation date only
Fixed interest rate	7.5% annually
Interest rate payout dates	Oct 29, 2020; Oct 29, 2021
Amount of shares = nominal value/strike	
Redemption	If the closing prices of the three underlying shares (Apple Inc., AT&T Inc. and Microsoft Corp.) quote above the respective barrier of 59% 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	Frankfurt
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 **USD 7.5% USA Plus+ Protect Reverse Convertible Bond** combines all these features in one product. The investment product without capital protection provides a fixed annual interest payment of 7.5% 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 7.5% is **paid out** annually regardless of the performance of the three underlying shares (equals two times EUR 75.00 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. At the end of the term the closing prices of the shares are compared with their respective barrier.

UNDERLYINGS USD 7.5% USA PLUS+ PROTECT REVERSE CONVERTIBLE BOND

Apple Inc.

AT&T Inc.

Microsoft Corp.

The USD 7.5% USA Plus+ 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.

Plus+ Protect Reverse Convertible Bond: with the USD 7.5% USA Plus+ Protect Reverse Convertible Bond the barrier is solely observed at the final valuation date.

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 ABOVE their barrier at the final valuation date

If the closing prices of Apple Inc., AT&T Inc. AND Microsoft Corp. are above the **barrier of 59%** of their respective strike at the final valuation date, **redemption is effected at 100% of the nominal value**. Provided that none of the three shares closes 41% or more below its respective strike at the end of the term, investors obtain the nominal amount of USD 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 at the final valuation date

If the barrier of 59% of the respective strike is touched or undercut by the closing price of **one or more** of the shares (Apple Inc., AT&T Inc., Microsoft Corp.) 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 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 USD 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 17, 2019

SHARE	STRIKE 100 %*	BARRIER 59 %	NUMBER OF SHARES (Nominal value / strike)
Apple Inc.	USD 220.70	USD 130.2130	4.5310 shares
AT&T Inc.	USD 37.16	USD 21.9244	26.9107 shares
Microsoft	USD 137.39	USD 81.0601	7.2786 shares

* ... exemplary strike in relation to the closing price of the respective share on September 17, 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 (7.5% 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% (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 three shares at 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 7.5% 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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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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