

29 April 2015

Final Terms

RAIFFEISEN ZENTRALBANK ÖSTERREICH AKTIENGESELLSCHAFT

CZK 270,000,000 4.80 per cent. Subordinated Notes due 4 May 2025

Series: 2, Tranche 1

Issue Date: **4 May 2015**

issued pursuant to the

EUR 5,000,000,000 Debt Issuance Programme

Important Notice

These Final Terms have been prepared for the purpose of Article 5 (4) of the Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003, as amended, and must be read in conjunction with the Debt Issuance Programme Prospectus pertaining to the Programme dated 30 September 2014 and the supplements dated 16 March 2015 and 27 April 2015 (the "**Prospectus**"). The Prospectus and any supplement thereto are available for viewing in electronic form on the website of the Luxembourg Stock Exchange (www.bourse.lu) and on the website of RAIFFEISEN ZENTRALBANK ÖSTERREICH AKTIENGESELLSCHAFT (www.rzb.at) and copies may be obtained from RAIFFEISEN ZENTRALBANK ÖSTERREICH AKTIENGESELLSCHAFT, Am Stadtpark 9, 1030 Vienna, Austria. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of the Prospectus as so supplemented and these Final Terms.

Terms not otherwise defined herein shall have the meanings specified in the Terms and Conditions, as set out in the Prospectus (the "**Terms and Conditions**").

The Terms and Conditions shall be completed and specified by the information contained in Part I of these Final Terms. The completed and specified provisions of the relevant Option I of the Terms and Conditions of the Notes (Replication Conditions) as set out in Part I. of these Final Terms represent the conditions applicable to the relevant Series of Notes (the "**Conditions**"). If and to the extent the Conditions deviate from the Terms and Conditions, the Conditions shall prevail. If and to the extent the Conditions deviate from other terms contained in this document, the Conditions shall prevail.

Part I.: TERMS AND CONDITIONS

The Terms and Conditions applicable to the Subordinated Notes (the "**Conditions**") are as set out below.

This Series of Notes is issued pursuant to an agency agreement, dated 30 September 2014, and made between Raiffeisen Zentralbank Österreich Aktiengesellschaft and Deutsche Bank Aktiengesellschaft as fiscal and paying agent (the "**Fiscal Agent**", which expression shall include any successor fiscal agent), Raiffeisen Bank International AG as Austrian fiscal and paying agent (the "**Austrian Fiscal Agent**", which expression shall include any successor Austrian fiscal agent) (together with the Fiscal Agent and the Austrian Fiscal Agent, each the "**Paying Agent**", which expression shall include any successor and additional paying agent) (the "**Agency Agreement**").

§ 1

CURRENCY, DENOMINATION, FORM, CERTAIN DEFINITIONS

(1) *Currency; Denomination.* This Series of Subordinated Notes (the "**Notes**") of RAIFFEISEN ZENTRALBANK ÖSTERREICH AKTIENGESELLSCHAFT (the "**Issuer**") is being issued in Czech Koruna ("**CZK**"), (the "**Specified Currency**") in the aggregate principal amount of **CZK 270,000,000** (in words: Two hundred and seventy million Czech Koruna) and is divided into 90 Notes in the denomination of CZK 3,000,000 (the "**Specified Denomination**").

(2) *Form.* The Notes are being issued in bearer form and are represented by one or more global notes (each a "**Global Note**").

(3) *Permanent Global Note.* The Notes are represented by a permanent Global Note (the "**Permanent Global Note**") without interest coupons. The Permanent Global Note shall be signed by authorised signatories of the Issuer and shall be authenticated by or on behalf of the Austrian Fiscal Agent. Definitive Notes and interest coupons will not be issued.

(4) *Clearing System.* The Global Note will be kept in custody by or on behalf of the Clearing System until all obligations of the Issuer under the Notes have been satisfied. "**Clearing System**" means Oesterreichische Kontrollbank Aktiengesellschaft, Am Hof 4, Strauchgasse 1-3, 1011 Vienna, Austria and any successor in such capacity.

(5) *Conditions.* "**Conditions**" means these Terms and Conditions of the Notes.

(6) *Holder of Notes.* "**Holder**" means any holder of a proportionate co-ownership or other beneficial interest in the Notes.

§ 2

STATUS

Status. The obligations under the Notes constitute unsecured and subordinated obligations of the Issuer ranking *pari passu* among themselves and *pari passu* with all other subordinated obligations of the Issuer. In the event of the liquidation or insolvency of the Issuer, the obligations under the Notes may be satisfied only after the non-subordinated claims of creditors have been satisfied so that in any such event no amounts shall be payable in respect of the Notes until the claims of all senior creditors of the Issuer shall have been satisfied in full. No Holder may set off his claims arising under the Notes against any claims of the Issuer. No contractual security may be provided, and will not at any time in the future be provided by the Issuer or any other person to secure rights of the Holders under the Notes. No subsequent agreement may limit the subordination pursuant to this § 2 or amend the Maturity Date in respect of the Notes to any earlier date.

Note to the Holders:

In respect of the Status reference is made to the higher risk for Subordinated Notes of a regulatory

allocation of losses by the write-down or conversion of liabilities in the context of the implementation of the Federal Act on the Recovery and Resolution of Banks ("**BaSAG**") as more fully described in the risk factor entitled "Resolution tools and powers of the resolution authority under the Federal Act on the Recovery and Resolution of Banks ("**BaSAG**")", including the write-down or conversion of equity and debt (bail-in), may severely affect the rights of Holders and may result in a total loss of investment and expected returns".

§ 3 INTEREST

(1) *Rate of Interest and Interest Payment Dates.* The Notes shall bear interest on their aggregate principal amount at the rate of 4.80 per cent. *per annum* from (and including) 4 May 2015 to (but excluding) the Maturity Date (as defined in § 5(1)). Interest shall be payable in arrears on 4 May in each year (each such date, an "**Interest Payment Date**").

The first payment of interest shall be made on 4 May 2016.

(2) *Accrual of Interest.* The Notes shall cease to bear interest as from the expiry of the day preceding their due date for redemption. If the Issuer shall fail to redeem the Notes when due, interest shall continue to accrue on the outstanding aggregate principal amount of the Notes beyond the due date until the actual redemption of the Notes at the default rate of interest established by law¹. This does not affect other rights that might be available to the Holders.

(3) *Calculation of Interest for Partial Periods.* If interest is required to be calculated for a period of less than one year, such interest shall be calculated on the basis of the Day Count Fraction (as defined below).

(4) *Day Count Fraction.* "**Day Count Fraction**" means, in respect of the calculation of an amount of interest on any Note for any period of time (the "**Calculation Period**"):

the number of days in the Calculation Period divided by 360, (the number of days to be calculated on the basis of a year of 360 days with twelve 30-day months (unless (A) the last day of the Calculation Period is the 31st day of a month but the first day of the Calculation Period is a day other than the 30th or 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30-day month, or (B) the last day of the Calculation Period is the last day of the month of February in which case the month of February shall not be considered to be lengthened to a 30-day month)).

§ 4 PAYMENTS

(1) (a) *Payment of Principal.* Payment of principal in respect of Notes shall be made, subject to subparagraph (2) below, to the Clearing System or to its order for credit to the accounts of the relevant account holders of the Clearing System upon presentation and surrender of the Global Note representing the Notes at the time of payment at the specified office of the Austrian Fiscal Agent outside the United States.

(b) *Payment of Interest.* Payment of interest on Notes shall be made, subject to subparagraph (2), to the Clearing System or to its order for credit to the relevant account holders of the Clearing System. Payments of interest may be made only outside of the United States.

(2) *Manner of Payment.* Subject to applicable fiscal and other laws and regulations, payments of amounts due in respect of the Notes shall be made in the Specified Currency.

(3) *United States.* For purposes of subparagraph (1) of this § 4, "**United States**" means the United

⁽¹⁾ The default rate of interest established by Austrian laws amounts to 4% per year between entrepreneurs and consumers (non-entrepreneurs) according to section 1000 para. 1 of the Austrian General Civil Code and amounts to 9.2 percentage points above the basis rate of interest between entrepreneurs according to section 456 of the Austrian Commercial Code.

States of America (including the States thereof and the District of Columbia) and its possessions (including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and Northern Mariana Islands).

(4) *Discharge*. The Issuer shall be discharged by payment to, or to the order of, the Clearing System.

(5) *Payment Business Day*. If the date for payment of any amount in respect of any Notes is not a Payment Business Day, then the Holders shall not be entitled to payment until the next such day and shall not be entitled to further interest or other payment in respect of such delay. "**Payment Business Day**" means a day (other than a Saturday or a Sunday) (i) on which the Clearing System settles payments, and (ii) on which commercial banks and foreign exchange markets settle payments in Prague.

(6) *References to Principal and Interest*. Reference in these Conditions to principal in respect of the Notes shall be deemed to include, as applicable: the Final Redemption Amount of the Notes and any premium and any other amounts which may be payable under or in respect of the Notes. Reference in these Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any Additional Amounts which may be payable under § 7.

(7) *Deposit of Principal and Interest*. The Issuer may deposit with the Commercial Court Vienna (*Handelsgericht Wien*) or any other competent court principal or interest not claimed by Holders within twelve months after the Maturity Date, even though such Holders may not be in default of acceptance of payment. If and to the extent that the deposit is effected and the right of withdrawal is waived, the respective claims of such Holders against the Issuer shall cease.

§ 5 REDEMPTION

(1) *Redemption at Maturity*. Unless previously redeemed in whole or in part or purchased and cancelled, the Notes shall be redeemed at their Final Redemption Amount on 4 May 2025 (the "**Maturity Date**"). The "**Final Redemption Amount**" in respect of each Note shall be 100 per cent. per Specified Denomination.

(2) *Early Redemption for Reasons of Taxation*. If as a result of any change in, or amendment to, the laws or regulations of the Republic of Austria or any political subdivision or taxing authority thereto or therein affecting taxation or the obligation to pay duties of any kind, or any change in, or amendment to, an official interpretation or application of such laws or regulations, which amendment or change is effective on or after the date on which the last tranche of this series of Notes was issued and such change or amendment was not reasonably foreseeable for the Issuer on the issue date of the Notes, the Issuer is required to pay Additional Amounts (as defined in § 7 herein) on the next succeeding Interest Payment Date (as defined in § 3 (1)), and this obligation cannot be avoided by the use of reasonable measures available to the Issuer, the Notes may be redeemed, in whole but not in part, at the option of the Issuer, upon not more than 60 days' nor less than 30 days' prior notice of redemption given to the Austrian Fiscal Agent and, in accordance with § 10 to the Holders, at their Early Redemption Amount (as defined in § 5 (4)), together with interest (if any) accrued to (but excluding) the date fixed for redemption.

However, no such notice of redemption may be given (i) earlier than 90 days prior to the earliest date on which the Issuer would be obligated to pay such Additional Amounts where a payment in respect of the Notes then due, or (ii) if at the time such notice is given, such obligation to pay such Additional Amounts or make such deduction or withholding does not remain in effect.

Any such notice shall be given in accordance with § 10. It shall be irrevocable, must specify the date fixed for redemption and must set forth a statement in summary form of the facts constituting the basis for the right of the Issuer so to redeem.

The provisions shall only apply to the extent that the inclusion of this condition as a term of the Notes shall not result in the Notes being excluded from the inclusion in Own Funds of the Issuer or being qualified as Own Funds of lower quality for the purposes of the Relevant Rules.

Any redemption of the Notes shall be subject to the compliance of the Issuer with the Relevant Rules (as defined below) and the Issuer having received the prior approval from the Competent Authority, if so

required by the Relevant Rules (the "**Redemption Conditions**"). "**Competent Authority**" means the Austrian Financial Markets Authority or any successor entity or such other governmental authority which has responsibility for bank supervision for capital adequacy purposes of the Issuer.

(3) *Early Redemption for Regulatory Reasons.* Following the occurrence of a Capital Disqualification Event and upon fulfilment of the Redemption Conditions (as defined in § 5 (2)), the Issuer may upon prior notice of redemption given to the Austrian Fiscal Agent and, in accordance with § 10 to the Holders, redeem all, but not some only, of the Notes at their Early Redemption Amount (as defined in § 5 (4)), together with accrued interest (but excluding) to the date fixed for such redemption. Such notice may not be given later than 90 days following the occurrence of such Capital Disqualification Event.

"**Capital Disqualification Event**" means as a result of any amendment to or change in the Relevant Rules that was not reasonably foreseeable by the Issuer on the date of issuance, the outstanding aggregate principal amount of the Notes is fully excluded from inclusion in Own Funds of the Issuer or is qualified as Own Funds of lower quality provided that such exclusion is not a result of any applicable limits on the amount of Own Funds.

"**Own Funds**" have the respective meanings given to them in the Relevant Rules (as defined below), as applicable to the Issuer from time to time.

"**Relevant Rules**" means, at any time, the laws regulations, rules and requirements relating to capital adequacy then in effect and applicable to the Issuer as amended from time to time.

(4) *Early Redemption Amount.* For purposes of subparagraph (2) and subparagraph (3) of this § 5, the Early Redemption Amount of a Note shall be the Final Redemption Amount.

§ 6

AUSTRIAN FISCAL AGENT AND PAYING AGENT

(1) *Appointment; Specified Offices.* The initial Fiscal Agent or Austrian Fiscal Agent and Paying Agent and their respective initial specified offices are:

Austrian Fiscal Agent: Raiffeisen Bank International AG
 Am Stadtpark 9
 1030 Vienna
 Austria

Paying Agent: Raiffeisen Bank International AG
 Am Stadtpark 9
 1030 Vienna
 Austria

The Austrian Fiscal Agent and the Paying Agent reserve the right at any time to change their respective specified offices to some other specified office in the same city.

(2) *Variation or Termination of Appointment.* The Issuer reserves the right at any time to vary or terminate the appointment of the Austrian Fiscal Agent or any Paying Agent and to appoint another fiscal agent or additional or other paying agents. The Issuer shall at all times maintain a fiscal agent. Any variation, termination, appointment or change shall only take effect (other than in the case of insolvency, when it shall be of immediate effect) after not less than 30 nor more than 45 days' prior notice thereof shall have been given to the Holders in accordance with § 10.

(3) *Agents of the Issuer.* The Austrian Fiscal Agent and the Paying Agent act solely as agents of the Issuer and do not have any obligations towards or relationship of agency or trust to any Holder.

§ 7
TAXATION

All amounts payable in respect of the Notes shall be made without withholding or deduction for or on account of any present or future taxes or duties of whatever nature imposed or levied by way of withholding or deduction at source by or on behalf of the Republic of Austria or any political subdivision or any authority thereof or therein having power to tax unless such withholding or deduction is required by law. In such event, the Issuer shall pay such additional amounts (the "**Additional Amounts**") as shall be necessary in order that the net amounts received by the Holders, after such withholding or deduction shall equal the respective amounts which would otherwise have been receivable in the absence of such withholding or deduction; except that no such Additional Amounts shall be payable on account of any taxes or duties which:

- (a) are payable by any person acting as custodian bank or collecting agent on behalf of a Holder, or otherwise in any manner which does not constitute a deduction or withholding by the Issuer from payments of principal or interest made by it, or
- (b) are payable by reason of the Holder having, or having had, some personal or business connection with the Republic of Austria and not merely by reason of the fact that payments in respect of the Notes are, or for purposes of taxation are deemed to be, derived from sources in, or are secured in, the Republic of Austria, it being understood that the German advanced interest income tax (*Zinsabschlagsteuer*) and the solidarity surcharge (*Solidaritätszuschlag*) imposed thereon as well as the Austrian withholding tax on investment income (*Kapitalertragsteuer*) as in effect from time to time, or any future taxes or surcharges substituting the foregoing, are taxes falling under this clause (b), in respect of which, accordingly, no additional amounts will be payable, or
- (c) are deducted or withheld pursuant to (i) any European Union Directive or Regulation concerning the taxation of interest income, or (ii) any international treaty or understanding relating to such taxation and to which the Republic of Austria or the European Union is a party, or (iii) any provision of law implementing, or complying with, or introduced to conform with, such Directive, Regulation, treaty or understanding, or
- (d) are deducted or withheld by a paying agent and such deduction or withholding could be avoided if payments could be made by another paying agent without such deduction or withholding, or
- (e) are imposed on or in respect of any payment made in respect of a Note pursuant to Sections 1471 to 1474 of the U.S. Internal Revenue Code of 1986, as amended and the regulations promulgated thereunder ("**FATCA**"), any intergovernmental agreement implementing FATCA, any law, regulation or other official guidance enacted by the Republic of Austria implementing such intergovernmental agreement, or any agreement between the Issuer and the United States or any authority thereof implementing FATCA, or
- (f) are payable by reason of a change in law that becomes effective more than 30 days after the relevant payment becomes due, or is duly provided for and notice thereof is published in accordance with § 10, whichever occurs later.

§ 8
PRESENTATION PERIOD

The presentation period for obligations of the Issuer shall be (i) ten years from the due date with respect to principal, and (ii) three years from the due date with respect to interest.

§ 9
FURTHER ISSUES, PURCHASES AND CANCELLATION

(1) *Further Issues*. The Issuer may from time to time, without the consent of the Holders, issue further Notes having the same terms and conditions as the Notes in all respects (or in all respects except for the issue date, interest commencement date and/or issue price) so as to form a single Series with the Notes.

(2) *Purchases*. The Issuer may at any time, in accordance with the provisions of the Relevant Rules (as defined

in § 5 (3)), in particular in relation to any prior approval requirement of the Competent Authority, (i) purchase Notes in the open market or otherwise and at any price and (ii) hold, resell or surrender such purchased Notes to the Austrian Fiscal Agent for cancellation.

(3) *Cancellation.* All Notes redeemed in full shall be cancelled forthwith and may not be reissued or resold.

§ 10 NOTICES

(1) *Publication.* All notices concerning the Notes shall be published on the website of the Issuer (www.rzb.at). Any notice so given will be deemed to have been validly given on the third day following the date of such publication.

(2) *Form of Notice.* Notices to be given by any Holder shall be made by means of a written declaration to be sent together with an evidence of the Holder's entitlement in accordance with § 12 (3) to the Austrian Fiscal Agent. Such notice may be given through the Clearing System in such manner as the Austrian Fiscal Agent and the Clearing System may approve for such purpose.

§ 11 RESOLUTIONS OF HOLDERS, TRUSTEE

(1) Amendments to the Terms and Conditions by Resolution of the Holders. Provided such amendments do not impair the regulatory requirements for qualification of the Subordinated Notes as Tier 2 capital pursuant to the Relevant Rules and hence do not, in particular, enhance the seniority of the Notes, reduce their maturity, increase the level of interest payments or accelerate interest payments these Terms and Conditions may be amended by mutual consent of the Issuer and a majority resolution of the Holders. The Holders may pass a majority resolution in a meeting of Holders called and published in accordance with § 10 at least 10 Business Days before the meeting. A majority resolution requires the consent of Holders representing at least 75% of the total principal amount for which votes were cast at the meeting. A duly passed majority resolution shall be binding upon all Holders.

(2) Austrian Trustee Act. The competent court may appoint a trustee in accordance with the Austrian Trustee Act 1874 (Kuratorenengesetz 1874) to represent the interest of the Holders in accordance with the provisions of the Austrian Trustee Act 1874 (Kuratorenengesetz 1874).

§ 12 APPLICABLE LAW, PLACE OF JURISDICTION AND ENFORCEMENT

(1) *Applicable Law.* The Notes, as to form and content, and all rights and obligations of the Holders and the Issuer, shall be governed by Austrian law.

(2) *Submission to Jurisdiction.* The court competent for commercial matters in Vienna, Inner City, Austria shall have non-exclusive jurisdiction for any action or other legal proceedings ("**Proceedings**") arising out of or in connection with the Notes.

(3) *Enforcement.* Any Holder of Notes may in any Proceedings against the Issuer, or to which such Holder and the Issuer are parties, protect and enforce in his own name his rights arising under such Notes on the basis of (i) a statement issued by the Custodian with whom such Holder maintains a securities account in respect of the Notes (a) stating the full name and address of the Holder, (b) specifying the aggregate principal amount of Notes credited to such securities account on the date of such statement and (c) confirming that the Custodian has given written notice to the Clearing System containing the information pursuant to (a) and (b), and (ii) a copy of the Note in global form certified as being a true copy by a duly authorised officer of the Clearing System or a depository of the Clearing System, without the need for production in such proceedings of the actual records or the global note representing the Notes. For purposes of the foregoing, "**Custodian**" means any bank or other financial institution of recognised standing authorised to engage in securities custody business with which the Holder maintains a securities account in respect of the Notes and includes the Clearing System. Each Holder may, without prejudice to the foregoing, protect and enforce his rights under the Notes also in any

other way which is permitted in the country in which the Proceedings are initiated.

§ 13
LANGUAGE

These Terms and Conditions are written in the English language only.

Part II.: OTHER INFORMATION

A. Essential information

Interests of Natural and Legal Persons involved in the Issue/Offer

- Other interest (specify) than those described in the Prospectus under "Interests of Natural and Legal Persons involved in the Issue/Offer"

Eurosystem eligibility

Intended to be held in a manner which would allow Eurosystem eligibility No

B. Information concerning the securities to be offered/admitted to trading

Securities Identification Numbers

Common Code

ISIN Code

AT0000A1E5F7

German Securities Code

Any other securities number

Yield to final maturity

4.80 per cent.

Resolutions, authorisations and approvals by virtue of which the Notes will be created

Resolution of the Managing Board of 24 November 2014 and of the Supervisory Board of 9 December 2014 for the issuance of debt instruments in the business year 2015 and Resolution of the Managing Board of 23 April 2015 for the issuance of the Notes

C. Placing and underwriting

Name and address of the co-ordinator(s) of the global offer and of single parts of the offer and, to the extent known to the Issuer or the offeror, or the placers in the various countries where the offer takes place

Raiffeisen Bank International AG
Am Stadtpark 9
1030 Vienna

Method of distribution

- Non-syndicated
 Syndicated

Subscription Agreement

Date of Subscription Agreement

Material features of the Subscription Agreement

Management Details including form of commitment

Dealer / Management Group (specify)

Raiffeisen Bank International AG

- Firm commitment

No firm commitment / best efforts arrangements

Commissions

Management/Underwriting Commission (specify)

Selling Concession (specify)

Stabilising Dealer(s)/Manager(s)

None

D. Listing and admission to trading

No

- Luxembourg
 - Regulated Market "*Bourse de Luxembourg*"
 - Euro MTF (the exchange regulated market operated by Luxembourg Stock Exchange)
- Vienna
 - Second Regulated Market
 - Third Market (MTF)
- Other

Date of admission

Estimate of the total expenses related to admission to trading

Issue Price

100 per cent.

E. Additional Information

Rating

THIRD PARTY INFORMATION

With respect to any information included herein and specified to be sourced from a third party (i) the Issuer confirms that any such information has been accurately reproduced and as far as the Issuer is aware and is able to ascertain from information available to it from such third party, no facts have been omitted, the omission of which would render the reproduced information inaccurate or misleading and (ii) the Issuer has not independently verified any such information and accepts no responsibility for the accuracy thereof.

RAIFFEISEN ZENTRALBANK ÖSTERREICH AKTIENGESELLSCHAFT
