

TRANSLATION FROM GERMAN ORIGINAL

Draft of the

Redemption Plan

Concerning the Redemption of Participation Capital

of Raiffeisen Bank International AG

("Participation Capital 2008/2009")

pursuant to sec. 26b of the Austrian Banking Act

(*Bankwesengesetz, BWG*)

Pursuant to sec. 103q No. 14 of the BWG in conjunction with sec. 26b of the BWG and (by analogy) sec. 2 para. 3 of the Austrian Reorganization Act (*Umwandlungsgesetz, UmwG*) in conjunction with sec. 220 of the Austrian Stock Corporation Act (*Aktiengesetz, AktG*), the management board of Raiffeisen Bank International AG ("**RBI**" or the "**Company**"), of Am Stadtpark 9, 1030 Vienna, entered into the commercial register of the Commercial Court of Vienna under FN 122119 m, issues the following

Draft of the

Redemption Plan

1. Contemplated redemption; regulatory framework

- 1.1 On the basis of the "Terms and Conditions of the Raiffeisen Participation Capital 2008/2009 of Raiffeisen Zentralbank Österreich Aktiengesellschaft ("Participation Capital 2008/2009")" ("**PC Terms**"), Raiffeisen Zentralbank Österreich Aktiengesellschaft ("**RZB**" or the "**Issuer**"), of Am Stadtpark 9, 1030 Vienna, entered into the commercial register of the Commercial Court of Vienna under FN 58882 t, issued participation capital totaling EUR 2,500,000,000 (hereinafter the "**Participation Capital 2008/2009**"). Of this issue, some shareholders of RZB and/or its subsidiaries and investees (collectively the "**Offerors**") as of the value date of December 30, 2008 subscribed to EUR 750,000,000 ("**Tranche 1**"), comprised of 3 series of EUR 250,000,000 each, and the Republic of Austria as of the value date April 6, 2009 subscribed to EUR 1,750,000,000 ("**Tranche 2**"), comprised of 7 series of EUR 250,000,000 each. The issue of the Participation Capital 2008/2009 is thus subdivided into a total of ten series in the nominal value of EUR 250,000,000 each. The Offerors placed series 1 and 2 of the Participation Capital 2008/2009, thus participation capital in the nominal value of EUR 500,000,000, with private and institutional investors by public offering.
- 1.2 The Participation Capital 2008/2009 was transferred to RBI by way of universal succession on October 10, 2010, through the demerger of the "Corporate Customers" business unit of RZB for the purpose of absorption by Cembra Beteiligungs AG ("**Cembra**"), of Am Stadtpark 9, 1030 Vienna, (formerly) entered into the commercial register of the Commercial Court of Vienna under FN 125395 f, and the subsequent merger of Cembra with and into RBI, and is composed as follows:
 - "Participation Capital 2008/2009", 250,000 units in the nominal value of EUR 1,000 each,

ISIN AT0000A0DF21; subscribed to by the Offerors and placed by them with private and institutional investors by public offering.

- "Participation Capital 2008/2009", 250,000 units in the nominal value of EUR 1,000 each,
ISIN AT0000A0DF39; subscribed to by the Offerors and placed by them with private and institutional investors by public offering.
- "Participation Capital 2008/2009", 250,000 units in the nominal value of EUR 1,000 each,
ISIN AT0000A0DF47; subscribed to by the Offerors.
- "Participation Capital 2008/2009", 250,000 units in the nominal value of EUR 1,000 each,
ISIN AT0000A0D8V0; subscribed to by the Republic of Austria on the basis of the Austrian Financial Market Stabilization Act (*Finanzmarktstabilitätsgesetz, FinStaG*) (Federal Law Gazette I 136/2008, as amended) and the agreement in principle (*Grundsatzvereinbarung*), concluded between the Republic of Austria, represented by the Federal Minister of Finance, and the Issuer on March 27, 2009 ("Agreement in Principle").
- "Participation Capital 2008/2009", 250,000 units in the nominal value of EUR 1,000 each,
ISIN AT0000A0D8W8; subscribed to by the Republic of Austria on the basis of the FinStaG (Federal Law Gazette I 136/2008, as amended) and the Agreement in Principle.
- "Participation Capital 2008/2009", 250,000 units in the nominal value of EUR 1,000 each,
ISIN AT0000A0D8X6; subscribed to by the Republic of Austria on the basis of the FinStaG (Federal Law Gazette I 136/2008, as amended) and the Agreement in Principle.
- "Participation Capital 2008/2009", 250,000 units in the nominal value of EUR 1,000 each,
ISIN AT0000A0D8Y4; subscribed to by the Republic of Austria on the basis of the FinStaG (Federal Law Gazette I 136/2008, as amended) and the Agreement in Principle.
- "Participation Capital 2008/2009", 250,000 units in the nominal value of EUR 1,000 each,

ISIN AT0000A0D8Z1; subscribed to by the Republic of Austria on the basis of the FinStaG (Federal Law Gazette I 136/2008, as amended) and the Agreement in Principle.

- "Participation Capital 2008/2009", 250,000 units in the nominal value of EUR 1,000 each,
ISIN AT0000A0D907; subscribed to by the Republic of Austria on the basis of the FinStaG (Federal Law Gazette I 136/2008, as amended) and the Agreement in Principle.
- "Participation Capital 2008/2009", 250,000 units in the nominal value of EUR 1,000 each,
ISIN AT0000A0D915; subscribed to by the Republic of Austria on the basis of the FinStaG (Federal Law Gazette I 136/2008, as amended) and the Agreement in Principle.

- 1.3 Until December 31, 2013, the redemption of participation capital was regulated by sec. 102a of the BWG. For systemic reasons, sec. 102a of the BWG became sec. 26b of the BWG and was revised, by Federal Law Gazette I 184/2013. Pursuant to sec. 103q No. 14 of the BWG, sec. 26b of the BWG is applicable to participation capital (sec. 23 para. 4 of the BWG as amended prior to Federal Law Gazette I No. 184/2013) issued before December 31, 2011, in the period from January 1, 2014 through December 31, 2021.
- 1.4 Pursuant to sec. 26b para. 2 second sentence in conjunction with para. 1 of the BWG in conjunction with § 4 para. 7 of the articles of association as applicable, the management board of RBI is authorized to redeem the entire participation capital or the participation capital of individual tranches already distinguished upon issuance, with the consent of the supervisory board and taking into account the issuing terms, within five years after the entry of the relevant amendment to the articles of association into the commercial register (September 7, 2011); partial redemption of the participation capital of individual issues or tranches shall be permitted if equal treatment of the beneficiaries of participation capital is warranted.
- 1.5 Due to a change in the regulatory framework, it will no longer be possible in the future to fully recognize participation capital as Common Equity Tier 1.
- 1.6 On February 13, 2014, the management board of the Company therefore adopted the basic resolution to exercise the authorization pursuant to § 4 para. 7 of the articles of association as applicable and to resolve the redemption of the entire outstanding Participation Capital 2008/2009 by way of application of sec. 26b of the BWG in

conjunction with sec. 2 para. 3 of the UmwG (by analogy), probably on March 14, 2014.

- 1.7 Pursuant to sec. 26b para. 1, fourth sentence, of the BWG, approval by the Republic of Austria need not be obtained, because it is intended to redeem the entire participation capital.
- 1.8 RBI is a stock corporation under Austrian law with its registered office in Vienna, Austria, and a credit institution pursuant to sec. 1 para. 1 of the BWG. The RBI shares are listed for trading on the Official Market of the Vienna Stock Exchange. The Participation Capital 2008/2009 is not listed for trading on any stock exchange or on any multilateral trading facility (MTF). The requirements under sec. 26b para. 3, first sentence, of the BWG are therefore not met.
- 1.9 The redemption of the Participation Capital 2008/2009 is based on the Company's audited interim financial statements as of September 30, 2013 as closing balance sheet, by way of application by analogy of sec. 220 para. 3 of the AktG.

2. Participation capital affected by the redemption

- 2.1 On the basis of the Company's interim financial statements as of September 30, 2013 as closing balance sheet bearing an unqualified auditor's opinion, the redemption under sec. 26b of the BWG is to comprise the entire Participation Capital 2008/2009 totaling EUR 2,500,000,000, thus a total of 2,500,000 participation certificates (*Partizipationsscheine*) in the nominal value of EUR 1,000 each, pursuant to the PC Terms, issued in 10 series.
- 2.2 The Company has not issued any other participation capital in addition to the Participation Capital 2008/2009.
- 2.3 The entire Participation Capital 2008/2009 is to be redeemed and adequately compensated. The principle of equal treatment under sec. 26b para. 1 of the BWG is therefore fully complied with.

3. Cash compensation and consequences of redemption

- 3.1 Pursuant to sec. 26b para. 4 of the BWG, the Company must grant the beneficiaries of the Participation Capital 2008/2009 adequate cash compensation. The provisions of sec. 2 para. 3 of the UmwG must be applied by analogy as regards the reports to be drawn up, the audits and the legal remedies available to beneficiaries entitled to compensation. Pursuant to the clause "Issuer's right to repayment" of the PC Terms,

the adequate cash compensation corresponds to the nominal value, i.e. EUR 1,000 per participation certificate.

- 3.2 The participation dividend for the business year 2013 is due for payment at the same time as the dividends for the business year 2013 due on the shares of the Company; according to the PC Terms it amounts to 8% per year of the nominal value of the participation certificate. From January 1, 2014 until the date of effectiveness of the redemption (probably on March 15, 2014), a *pro rata temporis* participation dividend will be paid if and to the extent that such distribution is sufficiently covered by the annual profits (after changes in reserves) for the business year 2014 and is not opposed by statutory provisions or an enforcement measure taken by the Austrian Financial Market Authority (or any other regulatory authority of relevance for the Company). According to the PC Terms, the *pro rata temporis* participation dividend for the business year 2014 amounts to 8.50% per year of the nominal value of the participation certificate. The *pro rata temporis* participation dividend is due for payment at the same time as the dividends for the business year 2014 due on the shares of the Company.
- 3.3 Upon announcement of the resolution by the management board and the supervisory board on the redemption, probably on March 15, 2014, the entire Participation Capital 2008/2009 is considered redeemed pursuant to sec. 26b para. 6 of the BWG. The holders of the participation certificates are therefore exclusively entitled to cash compensation (sec. 26b para. 6 of the BWG).
- 3.4 The cash compensation for the participation capital is to be paid out as of the value date of March 18, 2014. Any change of the mentioned dates will be published.
- 3.5 Pursuant to sec. 26b para. 8 of the BWG, participation capital must generally be redeemed against the net profits arising from the annual balance sheet or against an unappropriated reserve, but it may also be redeemed if capital of the same or of a better quality is supplied as substitute. By the increase of the Company's capital concluded as of February 12, 2014, capital of a better quality within the meaning of sec. 26b para. 8 of the BWG in the amount of EUR 2,778,006,549 was supplied as substitute.

4. Trustee

RZB is to be appointed trustee under sec. 26b para. 7 of the BWG in respect of amounts to compensate beneficiaries of the Participation Capital 2008/2009 to be redeemed which cannot be credited to an account or in respect of which the beneficiary does not make any arrangement.

5. Special rights (sec. 220 para. 2 No. 6 of the AktG)

No special rights or other rights within the meaning of sec. 220 para. 2 No. 6 of the AktG shall be granted either to shareholders or to holders of debentures or profit participation rights. No measures within the meaning of sec. 220 para. 2 No. 6 in conjunction with sec. 226 para. 3 of the AktG shall be taken.

6. Special benefits (sec. 220 para. 2 No. 7 of the AktG)

6.1 Neither the members of the management board of RBI nor the members of the supervisory board of RBI, nor an auditor of financial statements, bank auditor, redemption auditor or any other auditor of RBI or any company participating in the redemption shall be granted any special benefits pursuant to sec. 220 para. 2 No. 7 of the AktG.

6.2 The reasonable fees payable to the redemption auditor for the redemption audit pursuant to sec. 220b of the AktG (by analogy) do not constitute a special benefit as defined in sec. 220 para. 2 No. 7 of the AktG.

7. Condition precedent

The coming into force of the Redemption Plan shall be subject to the condition precedent of the permission by the Financial Market Authority provided for in sec. 26b para. 1 of the BWG in conjunction with Article 77 of Regulation (EU) No. 575/2013 being granted. Should the condition precedent not have occurred by March 15, 2014, at the latest, the value date provided for in clause 3.4 of the Redemption Plan shall be deferred to the second banking day following the occurrence of the condition precedent.

8. Judicial review of the adequacy of cash compensation

8.1 Within a period of at least one month to be applied by analogy pursuant to sec. 26b para. 4 of the BWG and sec. 2 para. 3 of the UmwG in conjunction with sec. 221a of the AktG, the management board of RBI, prior to its own resolution and the resolution by the supervisory board on the redemption, will timely file the draft of the Redemption Plan with the commercial register after review by the supervisory board and publish a reference to such filing in the official gazette "*Amtsblatt zur Wiener Zeitung*". In addition, by way of application by analogy of the mentioned provisions, (i) the draft of the Redemption Plan, (ii) the report by the management board on the redemption, (iii) the audit report by the court-appointed redemption auditor, (iv) the

report by the supervisory board on the review of the redemption, and (v) the annual financial statements and management reports and the corporate governance reports for the last three business years, (vi) the interim financial statements as of September 30, 2013 as closing balance sheet as well as (vii) the semi-annual financial report 2013 will be available at the Company's registered office for inspection by the shareholders and the holders of participation capital and made accessible on the Company's website at (www.rbinternational.com/ir/participationcapital) during that period.

- 8.2 The resolution by the management board on the redemption based on the authorization granted pursuant to § 4 para. 7 of the articles of association will be published in the official gazette "*Amtsblatt zur Wiener Zeitung*" in accordance with the articles of association and the issuing terms, also notifying the commercial register. Upon announcement of the resolution, the Participation Capital 2008/2009 is considered redeemed pursuant to sec. 26b para. 6 of the BWG.
- 8.3 To safeguard their respective right to receive adequate cash compensation, the beneficiaries of the Participation Capital 2008/2009 may have reviewed by court, within one month of announcement of the resolution by the management board and the supervisory board (see clause 7.2 of the Redemption Plan), the calculation of the cash compensation for the participation capital to be redeemed.
- 8.4 By way of application by analogy of the provisions of merger and reorganization law, the respective beneficiary of the Participation Capital 2008/2009 may initiate a procedure for judicial review of the adequacy of the cash compensation for the Participation Capital 2008/2009 to be redeemed. Such procedure will take place by way of application by analogy of sections 225c *et. seq.* of the AktG. The procedure must be initiated with the court having jurisdiction at the registered office of the Company, i.e. the Commercial Court of Vienna, of Marxergasse 1a, 1030 Vienna. The procedure must be conducted by way of application by analogy of sec. 225e of the AktG. To safeguard the rights of beneficiaries who did not file an application for judicial review, a joint representative would have to be appointed pursuant to sections 225 *et seq.* of the AktG in case such procedure is initiated.

9. Costs

All costs in relation to the redemption of the Participation Capital 2008/2009 will be borne by the Company.

Vienna,

Raiffeisen Bank International AG

The management board

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Karl Sevelda

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Martin Grill

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Johann Strobl

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Klemens Breuer

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Aris Bogdaneris

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Peter Lennkh