

# **Demerger Report**

**of the Supervisory Board of**

**Raiffeisen Centrobank AG**

**Am Stadtpark 9**

**1030 Vienna**

**FN 117507 f**

**concerning the demerger of the division "Certificates and Equity  
Trading" of Raiffeisen Centrobank AG by way of absorption by**

**Raiffeisen Bank International AG**

**in accordance with the Demerger and Acquisition Agreement**

## I. Introduction

### 1. Raiffeisen Centrobank AG

The transferring Raiffeisen Centrobank AG has the legal form of an Austrian stock corporation and is an Austrian credit institution with its registered office and central administration in Vienna and its business address at Am Stadtpark 9, 1030 Vienna, registered in the commercial register of the Commercial Court of Vienna under FN 117507 f (hereinafter also referred to as "**RCB**" or the "**assigning company**"). RCB is primarily active in the business areas of Digital Retail, structured products and Trading & Treasury.

RCB has issued 655,000 no-par value shares. Accordingly, the share capital amounts to EUR 47,598,850.00.

### 2. Raiffeisen Bank International AG

The acquiring Raiffeisen Bank International AG has the legal form of an Austrian stock corporation and is an Austrian credit institution. It has its registered office and head office in Vienna and its business address at Am Stadtpark 9, 1030 Vienna, registered in the commercial register of the Commercial Court of Vienna under FN 122119 m (hereinafter also referred to as "**RBI**" or the "**acquiring company**").

RBI operates in the commercial and investment banking sector.

RBI has issued 328,939,621 no-par value shares. Accordingly, the share capital amounts to EUR 1,003,265,844.05.

All shares of the assigning company RCB are directly held by RBI as the acquiring company.

## **II. Subject matter of the report**

RCB intends to demerge its division Certificats and Equity Trading by way of absorption by Raiffeisen Bank International AG pursuant to the Demerger Act (Spaltungsgesetz – SpaltG), applying Article VI of the Reorganisation Tax Act (Umgründungssteuergesetz – UmgrStG) in accordance with the provisions of the Demerger and Acquisition Agreement. Pursuant to Point 3.1 of the Demerger and Acquisition Agreement, a granting of shares to the acquiring company is omitted, because the acquiring company is the sole shareholder in the assigning company. For this reason, no agreement according to Section 17 in conjunction with (2) (1) no. 5 of the Demerger Act on the exchange of shares is required.

The demerger in question is a demerger that preserves the existing relationship without granting shares. The effective date of the demerger within the meaning of Section 17 in connection with Section 2 (1) no. 7 of the Demerger Act and Section 33 (6) of the Reorganisation Tax Act is 30 June 2022. The effective date of the demerger corresponds to the closing balance sheet as at 30 June 2022 of the assigning RCB. The share capital of the assigning company will not be reduced in the course of the demerger; RCB as the assigning company will continue to exist after the demerger. The transfer of the division Certificates and Equity Trading is effected by way of universal succession, the carrying amounts in accordance with company law and tax law will carry on with the acquiring entity, RBI. The division Certificates and Equity Trading constitutes an operation within the meaning of Section 32 (2) of the Reorganisation Tax Act.

## **III. Report**

The Supervisory Board of RCB as the assigning company hereby submits the report to be prepared according to Section 6 of the Demerger Act.

## 1. Basis of the report

This report is based on the following documents:

- closing balance sheet of the assigning company RCB as at 30 June 2022, including the notes and audit certificate;
- acquisition balance sheet in accordance with company law of the acquiring company RBI as at 1 July 2022, which shows the assigned assets ("**demerger assets**");
- demerger balance sheet of the assigning company RCB as at 1 July 2022, showing the assets remaining with the assigning company after the demerger ("**retained assets**");
- Demerger and Acquisition Agreement between RCB and RBI including annexes (in particular the balance sheets attached to the Demerger and Acquisition Agreement) dated 9 September 2022;
- the Demerger Report of the Management Board of RCB pursuant to Section 4 of the Demerger Act,
- the report of the demerger auditor in accordance with Section 5 of the Demerger Act.

## 2. Economic justification of the demerger by absorption

As part of an analysis project, the Management Boards of RBI and RCB adopted a decision to demerge the banking division Certificates and Equity Trading from RCB and integrate it into the RBI for reasons of efficiency. Because of the shared vision

for the future, RBI's strengths will be bundled to expand the range of products which can be offered to clients. On the one hand, this makes it possible to offer an attractive range of products as part of RBI's existing client portfolio; it should also result in additional sales opportunities being generated.

## 2.1. RCB after demerger

Following the demerger of the banking division Certificates and Equity Trading from RCB for absorption through RBI, RCB will remain an Austrian credit institution. There will be no reduction of the share capital.

RCB shall after effectiveness of the Demerger continue to operate as a standalone bank and focus on digital retail business.

## 2.2. RBI after the demerger

In the course of the demerger, RBI will take over the division Certificates and Equity Trading of RCB and continues to operate it.

# **3. Explanatory notes on the Demerger and Acquisition Agreement**

## 3.1. General

The Demerger and Acquisition Agreement was drawn up by the Management Boards of RCB and RBI on 9 September 2022 and explained and substantiated in the Demerger Report of the Management Board of RCB pursuant to Section 4 of the Demerger Act.

### 3.2. Company name, registered office and Articles of Association of the participating companies

The mandatory information on the company name, registered office and the planned articles of association of the companies involved, in accordance with Section 17 in connection with Section 2 (1) no. 1 of the Demerger Act, is contained in Point 1 of the Demerger and Acquisition Agreement.

### 3.3. Assignment of assets of the assigning company

Pursuant to Point 2 of the Demerger and Acquisition Agreement, RCB, as the assigning company, transfers the demerger assets, namely the division Certificates and Equity Trading (as defined in Point 10 of the Demerger and Acquisition Agreement), via demerger by absorption by way of universal succession pursuant to the Demerger Act, applying Article VI of the Reorganisation Tax Act, to RBI as the acquiring company in accordance with the provisions of the Demerger and Acquisition Agreement. RCB as the assigning company continues to exist; it will not be dissolved in the course of the demerger.

### 3.4. No granting of shares

Points 3 and 5 of the Demerger and Acquisition Agreement set out that no shares in the acquiring company, RBI, will be granted due to its sole shareholder position. Accordingly, an exchange ratio does not have to be determined, and no additional cash payments will be made.

In Point 6 of the Demerger and Acquisition Agreement, it is explained that a provision regarding an entitlement to profits for shares granted is not applicable, since no shares will be granted in the course of the demerger.

### 3.5. No reduction in share capital.

Point 4 of the Demerger and Acquisition Agreement states that the share capital of RCB will not be reduced in the course of the demerger.

### 3.6. Demerger date and transfer of rights

Point 7 of the Demerger and Acquisition Agreement states that the demerger date in accordance with company law and tax law is 30 June 2022. RCB has prepared an audited closing balance sheet, as at that date. As to the relationship between the companies involved, all activities by RCB carried out after 30 June 2022 with respect to the demerger assets are deemed to have been carried out for the account of RBI.

The transfer of rights takes place with effect from 1 July 2022, at which time RBI enters into all rights and obligations and pending legal transactions of the demerger assets.

### 3.7. Special rights and measures

Point 8 of the Demerger and Acquisition Agreement clarifies that no one is granted special rights pursuant to Section 2 (1) no. 8 of the Demerger Act. The term "bonds and profit participation rights" pursuant to Section 15 (5) of the Demerger Act exclusively covers rights similar to shares, as regulated in Section 174 of the Stock Corporation Act. Besides its share capital RCB did not issue any rights similar to shares in the meaning of Section 174 of the Stock Corporation Act. All structured products which will be spun off are not rights similar to shares pursuant to Section 174 of the Austrian Stock Corporation Act and do not grant the holders any right to exchange or subscribe for shares in the company or to participate in the profits of the company.

There are no special rights such as those arising from shares without voting rights, preference shares, shares with multiple voting rights, profit participation bonds, convertible and warrant bonds, profit participation rights or similar rights in the meaning of Section 15 (5) Demerger Act.

### 3.8. Special benefits

In accordance with Point 9 of the Demerger and Acquisition Agreement, no special benefits within the meaning of Section 2 (1) no. 9 of the Demerger Act are granted. It is clarified that an appropriate fee for the auditors of the annual financial statements, the demerger and residual assets or any other auditor does not constitute a special benefit within the meaning of Section 2 (1) no. 9 of the Demerger Act.

### 3.9. Description and allocation of assets

Points 10.1 to 10.3. of the Demerger and Acquisition Agreement describe, with reference to the acquisition balance sheet, the assets which belong to the banking division Certificates and Equity Trading of RCB and which are accordingly being demerged by absorption through RBI ("**demerger assets**").

In Point 10.4. of the Demerger and Acquisition Agreement it is stated that only the demerger assets will be assigned to RBI, and that all other assets of RCB will be part of the retained assets and remain with RCB ("**retained assets**").

In items 10.5 and 10.6 the assets remaining with the transferring RCB are described with reference to the demerger balance sheet.



Point 10.7. stipulates that if an asset cannot be allocated to either RCB or RBI, it is allocated according to its stronger economic relation to the business activities listed in Point 10., and is therefore deemed either assigned or remaining with RCB.

Point 10.8. of the Demerger and Acquisition Agreement contains the regulation for the allocation of assets that cannot otherwise be allocated to any of the companies involved in the demerger on the basis of the Demerger and Acquisition Agreement. These assets are assigned to RCB.

Pursuant to clause 10.9, the contracting parties shall perform all legal acts and measures which are necessary or expedient for the proper transfer of the demerger assets belonging to the division Certificates and Equity Trading.

According to Point 10.10., RCB is obliged to continue to hold assets that cannot be assigned to third parties or where this would be economically impractical, as trustee for RBI, if RBI requests this.

### 3.10. Closing balance sheet, demerger balance sheet, acquisition balance sheet

In accordance with Section 17 in connection with Section 2 (1) no. 12 of the Demerger Act, the Demerger and Acquisition Agreement must contain the following balance sheets:

- the closing balance sheet of the assigning company as at 30 June 2022
- the demerger balance sheet of the assigning company as at 1 July 2022
- the acquisition balance sheet of the acquiring company as at 1 July 2022

The demerger will accordingly be carried out in accordance with Point 11 of the Demerger and Acquisition Agreement on the basis of the audited closing balance

sheet of the assigning company as at 30 June 2022 that has been given an unqualified audit certificate.

The demerger balance sheet of RCB as at 1 July 2022 shows the assets remaining in the course of the demerger.

The acquisition balance sheet as at 1 July 2022 shows the demerger assets. It is further explained that the book value amount in accordance with company law of the assigned division Certificates and Equity Trading will be carried forward by RBI.

The balance sheets were prepared and are attached to the Demerger and Acquisition Agreement.

### 3.11 Reorganization Tax Law and Fair Market Value

Point 12. of the Demerger and Acquisition Agreement states that the Demerger will be carried out in accordance with Article VI of the Reorganization Tax Act at book values for tax purposes and that the demerger assets constitute an operation within the meaning of Section 32 (2) in conjunction with Section 12 (2) no. 1 of the Reorganization Tax Act. It is further explained that the closing balance sheet as at 30 June 2022, the acquisition balance sheet as at 1 July 2022 and the demerger balance sheet as at 1 July 2022 each show positive book equities. The division Certificates and Equity Trading shows a positive fair value on the demerger date and on the date of conclusion of the Demerger and Acquisition Agreement.

### 3.12 Indemnification and Hold Harmless

Point 13 contains a provision for the mutual indemnification and hold harmless in the internal relationship between RCB and RBI in the event of a claim arising from liabilities and other obligations from the remaining assets or the business division.

### 3.13 Cash compensation offer

Point 14 sets out that no information concerning the cash compensation has to be provided because the present demerger preserves the share ratio and will not entail any change in the legal form.

### 3.14 Costs and other provisions

Point 15.4 of the Demerger and Acquisition Agreement sets out who bears the costs of establishing and implementing the Demerger and Acquisition Agreement.

Points 15.1. to 15.7. of the Demerger and Acquisition Agreement contain customary legal provisions, such as, in particular, a severability clause and the application of Austrian law.

### 3.15 Conditions precedent and conditions subsequent

Pursuant to Point 16 of the Demerger and Acquisition Agreement, this is subject to the conditions precedent of approval of the European Central Bank pursuant to Section 21 (1) no. 6 of the Banking Act (Bankwesengesetz – BWG). Further, the effectiveness of this Demerger and Acquisition Agreement is subject to the condition subsequent that notification for entry into the Commercial Register for the present demerger for absorption is not provided at the latest by 30 March 2023.

### 3.16 Attachments

The attachments are listed at the end of the Demerger and Acquisition Agreement.

#### **4. Demerger audit by the demerger auditor**

We have inspected the demerger report by the demerger auditor, BDO Wirtschaftsprüfungs- und Steuerberatungsgesellschaft registered in the commercial register of the Commercial Court of Vienna under FN 96046 w ("**BDO**"). In the demerger report, BDO set out that the demerger complied with the provisions of the Demerger Act, the Stock Corporation Act (Aktiengesetz - AktG) and the provisions of the articles of association of the companies involved in the demerger.

According to the Supervisory Board's best knowledge, we hereby state that the report of the demerger auditor is based on accurate factual circumstances.

#### **5. Final assessment**

After examining the Demerger and Acquisition Agreement between RCB and RBI, the Demerger Report of the Management Board of RCB and the report of the demerger auditor, the Supervisory Board of RCB has concluded that the demerger complies with the legal requirements.

The Supervisory Board of RCB therefore hereby adopts this audit report. It is signed by the Chairman of the Supervisory Board.

Vienna, on 26 September 2022

The Supervisory Board of Raiffeisen Centrobank AG

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Lukasz Januszewski