

Second Supplement dated 5 December 2011
to the Debt Issuance Programme Prospectus dated 19 October 2011

This document (the "Second Supplement") constitutes a supplement for the purpose of Art. 16 of the Directive 2003/71/EC of the European Parliament and the Council of 4 November 2003 (the "Prospectus Directive") as well as Article 13 of Chapter 1 of Part II of the Luxembourg Law dated 10 July 2005 on prospectuses for securities (Loi relative aux prospectus pour valeurs mobilières, the "Prospectus Law"), to the two base prospectuses dated 19 October 2011 relating to a EUR 25,000,000,000 Debt Issuance Programme of Raiffeisen Bank International AG (the "Issuer" or "RBI"): (i) the base prospectus in respect of non-equity securities within the meaning of Art. 22 No. 6 (4) of the Commission Regulation (EC) No. 809/2004 of 29 April 2004 (the "Commission Regulation"), and (ii) the base prospectus in respect of Covered Bank Bonds (non-equity securities within the meaning of Art. 22 No. 6(3) of the Commission Regulation) (the two base prospectuses together, as supplemented on 7 November 2011 (First Supplement), the "Supplemented Prospectus") (the Second Supplement together with the Supplemented Prospectus, the "Prospectus").



RAIFFEISEN BANK INTERNATIONAL AG
EUR 25,000,000,000 Debt Issuance Programme

This Second Supplement is supplemental to, and should only be distributed and read in conjunction with, the Supplemented Prospectus. Terms defined in the Supplemented Prospectus have the same meaning when used in this Second Supplement. To the extent that there is any inconsistency between (a) any statement in this Second Supplement or any statement incorporated by reference into the Supplemented Prospectus by this Second Supplement and (b) any other statement in or incorporated by reference in the Supplemented Prospectus prior to the date of this Second Supplement, the statements in (a) will prevail.

This Second Supplement has been approved by the CSSF and will be published in electronic form on the website of the Luxembourg Stock Exchange (www.bourse.lu). Raiffeisen Bank International AG has requested the *Commission de Surveillance du Secteur Financier* (the "CSSF") in its capacity as competent authority under the Prospectus Law to approve this Second Supplement and to provide the competent authorities in the Federal Republic of Germany and in the Republic of Austria with a certificate of approval (a "Notification") attesting that this Second Supplement has been drawn up in accordance with the Prospectus Law which implements the Prospectus Directive into Luxembourg law. The Issuer may request the CSSF to provide competent authorities in additional Member States within the European Economic Area with a Notification.

The CSSF assumes no responsibility as to the economic and financial soundness of the transactions under the Programme and the quality or solvency of the Issuer in line with the provisions of article 7(7) of the Luxembourg Prospectus Law.

The Issuer is solely responsible for the information given in this Second Supplement. The Issuer hereby declares, having taken all reasonable care to ensure that such is the case, that to the best of its knowledge, the information contained in this Second Supplement is in accordance with the facts and does not omit anything likely to affect the import of such information.

To the extent permitted by the laws of any relevant jurisdiction neither the Arranger nor any Dealer accepts any responsibility for the accuracy and completeness of the information contained in the Supplemented Prospectus or this Second Supplement.

No person has been authorised to give any information or to make any representation other than those contained in the Supplemented Prospectus or this Second Supplement in connection with the issue or sale of the Notes and, if given or made, such information or representation must not be relied upon as having been authorized by the Issuer, the Dealers or any of them.

Save as disclosed in items 1) to 15) of this Second Supplement, there has been no other significant new factor, material mistake or inaccuracy relating to information included in the Prospectus since the publication of the Supplemented Prospectus.

Copies of the Second Supplement and the documents incorporated by reference in the Supplemented Prospectus are available on the Luxembourg Stock Exchange website (www.bourse.lu).

This Second Supplement does not constitute an offer of, or an invitation by or on behalf of the Issuer or the Dealers to subscribe for, or purchase, any Notes.

IN ACCORDANCE WITH ARTICLE 13 PARAGRAPH 2 OF THE PROSPECTUS LAW INVESTORS WHO HAVE ALREADY AGREED TO PURCHASE OR SUBSCRIBE FOR ANY NOTES BEFORE THIS SECOND SUPPLEMENT IS PUBLISHED HAVE THE RIGHT, EXERCISABLE WITHIN TWO WORKING DAYS AFTER THE PUBLICATION OF THIS SECOND SUPPLEMENT, TO WITHDRAW THEIR ACCEPTANCES.

SUPPLEMENTAL INFORMATION

- 1) On page 17 of the Supplemented Prospectus, in the section "**Summary of Risk Factors Regarding the Issuer and its market environment**" the following bullet points shall be inserted as second and third bullet points:

- Risk of further political and economic turmoil as well as a destabilization of financial markets and the overall financial and monetary system as a result of the euro zone debt crisis
- Risks in connection with additional capital requirements of RZB Group according to calculations of the European Banking Authority (EBA)

- 2) On page 33 of the Supplemented Prospectus, in the section "**Zusammenfassung der Risikofaktoren in Bezug auf die Emittentin und deren Marktumfeld**" the following bullet points shall be inserted as second and third bullet points:

- Risiko weiterer politischer und wirtschaftlicher Unruhen sowie einer Destabilisierung der Finanzmärkte bzw. des gesamten Finanz- und Geldsystems als Folge der Schuldenkrise in der Eurozone
- Risiken im Zusammenhang mit dem zusätzlichen Kapitalbedarf des RZB Konzerns gemäß Berechnungen der Europäischen Bankenaufsicht (EBA)

- 3) On page 38 of the Supplemented Prospectus, in the Chapter "**RISK FACTORS**" in the section "**Risk Factors Regarding the Issuer and its market environment**" the following risk factor shall be inserted as second risk factor:

"Risk of further political and economic turmoil as well as a destabilization of financial markets and the overall financial and monetary system as a result of the euro zone debt crisis

The euro zone debt crisis has caused increased political and financial instability and social unrest due to the introduction of austerity measures in a number of euro zone countries. Financial markets have been reacting to the crisis and related political uncertainty with downward price pressure for many asset classes and high volatility, and risk spreads have increased significantly.

If the current crisis persists or worsens, it could lead to further political uncertainty and financial turmoil, and social unrest may become more prevalent and spread to other countries across Europe and CEE, which could decelerate or hinder effective implementation of stability measures. Sovereigns, financial institutions and companies may become unable to obtain refinancing or new funding and may default on their existing debt, and measures to reduce debt levels and fiscal deficits could result in a further slowdown of or negative economic growth. One or more euro zone countries could come under increasing pressure to leave the European Monetary Union, or the euro as the single currency of the euro zone could cease to exist. Any of these developments, or the perception that any of these developments are likely to occur, could have a material adverse effect on the economic development of the affected countries and could lead to severe economic recession or depression, and a general anticipation that such risks will materialize in the future could jeopardize the stability of financial markets or the overall financial and monetary system. This, in turn, would have a material adverse effect on the RBI Group's business, financial position, liquidity and results of operations and could result in investments in euro losing the entire or part of their value."

- 4) On page 38 of the Supplemented Prospectus, in the Chapter "**RISK FACTORS**" in the section "**Risk Factors Regarding the Issuer and its market environment**" the following risk factor shall be inserted as third risk factor:

"Risks in connection with additional capital requirements of RZB Group according to calculations of the European Banking Authority (EBA)

In October 2011, EBA issued a comprehensive package of measures in response to the euro zone debt crisis that, among others, stipulated a core tier 1 capital ratio of 9 per cent. for the RZB Group, of which RBI Group is the largest sub-group. In order to increase the RZB Group's core tier 1 ratio to the required 9 per cent., RZB Group, with the involvement of RBI Group, plans to implement a range of measures some of which involve risks which – if they materialize – could have a material adverse effect also on the RBI Group's business, financial position, liquidity and results of operations.

The intended reduction of RBI Group's risk weighted assets could negatively affect the RBI Group's customer base and thus the RBI Group's cost/income ratio. Furthermore, RBI Group under the scrutiny of national regulators might not be allowed to reduce or dispose of risk weighted and other assets in the amount, the region or the manner as envisaged if the proposed deleveraging and refocusing of RBI Group's business model would lead to excessive deleveraging or would imperil the credit flow to the real economy. Furthermore, should a disposal of assets be intended, RBI might not be able to do so at the time or in the amount or at the price envisaged as a result of contractions of the markets.

If the RZB Group is unable to raise equity sufficient to reach a core tier 1 capital ratio (as defined by EBA) of 9 per cent. by 30 June 2012, the Austrian government might have to make available equity to the RZB Group in line with the EBA capital package which could involve forced recapitalization measures or the (partial) nationalization of RZB. This could enable the government to effectively control important decisions of RZB, which could also concern the Issuer, eg a sale of RZB's participation in the Issuer. Such sale could make the Issuer a "superordinated credit institution" for regulatory purposes with a series of regulatory

duties and obligations which RZB Group had to comply with before such sale. This could have a material adverse effect on the RBI Group's business, financial position, liquidity and results of operations and also involve adaption and implementation costs."

- 5) On page 118 of the Supplemented Prospectus, in section "**1.3 Material recent events in the context of the Issuer's business activities that are to a material extent relevant for the evaluation of its solvency**" below the heading "*Recent developments in Hungary*" the last sentence "RBI also expects an additional significant provisioning need because of the difficult market environment in Hungary " shall be replaced with the following paragraphs:

"Furthermore, the Hungarian competition authority has started investigations whether several banks, among them Raiffeisen Bank in Hungary (*Raiffeisen Bank Zrt.*), colluded on the market for household mortgages.

The difficult market environment in Hungary results in a significant additional provisioning need. A loss after tax of EUR 286 million was shown for the period January to September 2011, heavily impacted by provisioning and the bank levy. For the full year 2011 a loss after tax of approximately 320 million is expected. A substantial recapitalization is consequently planned in the fourth quarter of 2011. Restructuring of Raiffeisen Bank Zrt. is in progress, involving selective portfolio reductions, a strong focus on collection and work-out and a further reduction in staff and branches. The future strategic positioning and set-up of Raiffeisen Bank Zrt. is under review at the moment."

- 6) On page 118 of the Supplemented Prospectus, in section "**1.3 Material recent events in the context of the Issuer's business activities that are to a material extent relevant for the evaluation of its solvency**" the existing paragraph below the heading "*Additional capital requirement of RZB Group according to EBA calculation*", as introduced by the First Supplement, shall be replaced with the following paragraph:

Additional capital requirement of RZB Group according to EBA calculations

Due to the sovereign debt crisis in Europe, EBA conducted a survey among 70 systemic banks in the EU to establish how these would be impacted by a mark-to-market valuation of their sovereign exposure. At the end of October 2011, EBA issued a comprehensive package of measures that, among others, stipulated a core tier 1 capital ratio of 9 per cent. for the RZB Group, of which RBI Group is the largest sub-group and – as such – was not separately addressed in the EBA analysis. The increased capital target ratio is to be reached by 30 June 2012. On the basis of the guidelines and methodology established by EBA, which do not take into consideration EUR 1 billion of participation capital that the RZB Group had placed with private investors, and based on RZB Group's figures as of 30 September 2011, the RZB Group expects its additional capital requirement to amount to approximately EUR 2.5 billion.

RZB, with the involvement of RBI Group, has established around 20 work streams – in three main areas (capital, risk-weighted assets, earnings retention and other measures) – aimed at reaching the target ratio by yielding between EUR 2.5 billion and 3.6 billion. The area "capital" includes making privately-owned participation capital EBA compliant, regulatory capital generation on RZB level and various other measures. The area "risk-weighted assets" includes selective business reduction, capital and trading book clean up, closing of open FX positions, etc. The third area deals with earnings retention and other measures."

- 7) On page 118 of the Supplemented Prospectus, in section "**1.3 Material recent events in the context of the Issuer's business activities that are to a material extent relevant for the evaluation of its solvency**" the following paragraph shall be added as last paragraph:

Potential impairment of goodwill in Ukraine

Goodwill values will be appraised as part of the annual medium-term planning process. An impairment of goodwill on the investment in the bank in Ukraine (current goodwill: EUR 215 million) cannot be ruled out in view of current economic developments at the present time. The result of the medium-term planning process could also have an impact on the valuation of deferred tax assets (tax loss carry-forwards recognized). Neither of these potential outcomes would affect the regulatory capital ratios."

- 8) On page 127 of the Supplemented Prospectus, in Chapter "**4. TREND INFORMATION**" below the heading "*Recent developments in Hungary*" the last sentence "RBI also expects an additional significant provisioning need because of the difficult market environment in Hungary" shall be replaced with the following paragraphs:

"Furthermore, the Hungarian competition authority has started investigations whether several banks, among them Raiffeisen Bank in Hungary (*Raiffeisen Bank Zrt.*), colluded on the market for household mortgages.

The difficult market environment in Hungary results in a significant additional provisioning need. A loss after tax of EUR 286 million was shown for the period January to September 2011, heavily impacted by provisioning and the bank levy. For the full year 2011 a loss after tax of approximately 320 million is expected. A substantial recapitalization is consequently planned in the fourth quarter of 2011. Restructuring of Raiffeisen Bank in Hungary (*Raiffeisen Bank Zrt.*) is in progress, involving selective portfolio reductions, a strong focus on collection and work-out and a further reduction in staff and branches. The future strategic positioning and set-up of Raiffeisen Bank Zrt. is under review at the moment."

- 9) On page 127 of the Supplemented Prospectus, in Chapter “**4. TREND INFORMATION**” the following paragraph shall be inserted below the paragraph “*New tax legislation and interpretation in Ukraine*”:

“Potential impairment of goodwill in Ukraine

Goodwill values will be appraised as part of the annual medium-term planning process. An impairment of goodwill on the investment in the bank in Ukraine (current goodwill: EUR 215 million) cannot be ruled out in view of current economic developments at the present time. The result of the medium-term planning process could also have an impact on the valuation of deferred tax assets (tax loss carry-forwards recognized). Neither of these potential outcomes would affect the regulatory capital ratios.”

- 10) On page 128 of the Supplemented Prospectus, in Chapter “**4. TREND INFORMATION**” the following wording shall be inserted as third paragraph below the heading “*Bank levies*”:

“In addition, Slovakia will also be introducing a bank levy from 2012 onwards, which is forecast to reduce the result by a further EUR 20 million.”

- 11) On page 129 of the Supplemented Prospectus, in Chapter “**4. TREND INFORMATION**” the existing paragraph below the heading “*Additional capital requirement of RZB Group according to EBA calculation*”, as introduced by the First Supplement, shall be replaced with the following paragraph:

“Additional capital requirement of RZB Group according to EBA calculations

Due to the sovereign debt crisis in Europe, EBA conducted a survey among 70 systemic banks in the EU to establish how these would be impacted by a mark-to-market valuation of their sovereign exposure. At the end of October 2011, EBA issued a comprehensive package of measures that, among others, stipulated a core tier 1 capital ratio of 9 per cent. for the RZB Group, of which RBI Group is the largest sub-group and – as such – was not separately addressed in the EBA analysis. The increased capital target ratio is to be reached by 30 June 2012. On the basis of the guidelines and methodology established by EBA, which do not take into consideration EUR 1 billion of participation capital that the RZB Group had placed with private investors, and based on RZB Group’s figures as of 30 September 2011, the RZB Group expects its additional capital requirement to amount to approximately EUR 2.5 billion.

RZB, with the involvement of RBI Group, has established around 20 work streams – in three main areas (capital, risk-weighted assets, earnings retention and other measures) – aimed at reaching the target ratio by yielding between EUR 2.5 billion and 3.6 billion. The area “capital” includes making privately-owned participation capital EBA compliant, regulatory capital generation on RZB level and various other measures. The area “risk-weighted assets” includes selective business reduction, capital and trading book clean up, closing of FX positions, etc. The third area deals with earnings retention and other measures.”

- 12) On page 129 of the Supplemented Prospectus, in Chapter “**4. TREND INFORMATION**” the following paragraph shall be added as last paragraph:

“Austrian regulators’ measures to strengthen long-term business model sustainability for Austrian banks operating in Central, Eastern and Southeastern Europe”

On 21 November 2011, the OeNB (Austrian central bank) and the FMA (Austrian Financial Market Authority) jointly announced plans for a set of measures to strengthen business model sustainability for Austrian banks operating in Central, Eastern and Southeastern Europe, including the Issuer. According to the announcement such measures include the following: Basel III regulations will apply, without a transitional period, with effect from 1 January 2013. Moreover, an additional capital buffer of up to 3 per centage-points, depending on the risk inherent in the individual business model, will be required with effect from 1 January 2016. Furthermore, from 1 January 2012 onwards, the volume of new loans in the respective countries in Central, Eastern and Southeastern Europe will be linked to the refinancing structure of the subsidiary in the given country with the aim to limit cross border intra group funding.”

- 13) On page 137 of the Supplemented Prospectus, in the Chapter “**6. MAJOR SHAREHOLDERS**” the existing table in the second paragraph shall be replaced with the following table:

| “Shareholder | Shares held | Percentage of share capital |
|---|--------------------|------------------------------------|
| RZB through Raiffeisen International Beteiligungs GmbH (“RI-Bet”) and other subsidiaries controlled by RZB..... | 153,528,925 | 78.53% |
| RBI own shares (as of 31 October 2011) | 943,771 | 0.48% |
| Freefloat (as of 31 October 2011) | 41,032,428 | 20.99% |
| Total shares issued | 195,505,124 | 100.00% |

Source: Internal data.”

- 14) On page 159 of the Supplemented Prospectus, in the Chapter "**GENERAL INFORMATION**" in the section "**Significant Change in the Financial Position of the Issuer**", the existing paragraph shall be replaced by the following:

"Save as disclosed in section "1.3 Material recent events in the context of the Issuer's business activities that are to a material extent relevant for the evaluation of its solvency" and in chapter "4. TREND INFORMATION" of the Prospectus, there has occurred no significant change in the financial position of RBI since 30 September 2011."

- 15) On page 160 of the Supplemented Prospectus, in the Chapter "**GENERAL INFORMATION**" in the section "**Documents incorporated by reference**" the following table shall be inserted as first table just after the first paragraph:

| "1. Unaudited consolidated interim financial statements for the nine months ended 30 September 2011 of RBI | Extracted from Third Quarter Report as of 30 September 2011 of RBI |
|---|---|
| - Statement of Comprehensive Income | - page 83 - 84 |
| - Profit development | - page 85 |
| - Statement of Financial Position | - page 86 |
| - Statement of Changes in Equity | - page 87 |
| - Statement of Cash Flows | - page 88 |
| - Segment Reporting | - page 89 - 93 |
| - Notes | - page 94 -133" |

Footnote 1 to the table "**Survey of key data**" on page 1 of the **Third Quarter Report as of 30 September 2011** of Raiffeisen Bank International AG shall however be replaced in full by the following wording:

"Calculation based on the assumptions referred to in the introductory wording to the table on page 131."

Furthermore, on page 131 of the **Third Quarter Report as of 30 September 2011** of Raiffeisen Bank International AG, the existing introductory sentence to the table "The own funds of RBI according to Austrian Banking Act (BWG) 1993 / Amendment 2006 (Basel II) break down as follows:" shall be replaced in full by the following wording:

"According to regulatory rules and provisions the own funds ratios are calculated on the basis of the RZB credit institution group. This also applies to the issues of RZB Finance (Jersey) II Limited, RZB Finance (Jersey) III Limited and RZB Finance (Jersey) IV Limited, companies which are now part of the RBI Group. Reporting of the hybrid capital (also) in RBI's own funds calculations is based on the assumption that RBI is the superordinated credit institution (*übergeordnetes Kreditinstitut*) of RBI Group and continues to remain a subsidiary of RZB."