

This document constitutes two base prospectuses of Raiffeisen Bank International AG: (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 (together, the "**Base Prospectus**" or the "**Prospectus**").

Base Prospectus



Raiffeisen Bank International

RAIFFEISEN BANK INTERNATIONAL AG

EUR 25,000,000,000 Debt Issuance Programme

for the issue of Notes (as defined herein)

Under the EUR 25,000,000,000 Debt Issuance Programme described in this Base Prospectus (the "**Programme**"), Raiffeisen Bank International AG may from time to time issue notes in bearer form (the "**Bearer Notes**") and Covered Bank Bonds (*Fundierte Bankschuldverschreibungen*) in bearer form ("**Covered Bank Bonds**") and together with the Bearer Notes, the "**Notes**"). The aggregate principal amount of Notes (issued under the Programme) outstanding will not at any time exceed EUR 25,000,000,000 (or the equivalent in other currencies).

This Prospectus constitutes a prospectus as defined in Article 5.4 of Directive 2003/71/EC, as amended (the "**Prospectus Directive**"). Application has been made to list Notes issued under the Programme on the official list of the Luxembourg Stock Exchange, to admit Notes to trading on the Regulated Market of the Luxembourg Stock Exchange and application may be made to admit Notes on the Second Regulated Market (*Geregelter Freiverkehr*) of the Vienna Stock Exchange or on any other stock exchange. The Regulated Market of the Luxembourg Stock Exchange and the Second Regulated Market (*Geregelter Freiverkehr*) of the Vienna Stock Exchange are regulated markets for the purposes of the Markets in Financial Instruments Directive 2004/39/EEC (a "**Regulated Market**").

The Issuer has requested the Commission de Surveillance du Secteur Financier (the "**CSSF**") in its capacity as competent authority under the Luxembourg act relating to prospectuses for securities (*Loi relative aux prospectus pour valeurs mobilières*, the "**Luxembourg Law**") which implements the Prospectus Directive into Luxembourg law to provide the competent authority in the Federal Republic of Germany ("**Germany**") and in the Republic of Austria ("**Austria**") with a certificate of approval attesting that the Prospectus has been drawn up in accordance with the *Loi relative aux prospectus pour valeurs mobilières* ("**Notification**"). The Issuer may request the CSSF to provide competent authorities in additional Member States within the European Economic Area with a Notification.

Notes will be issued in tranches (each a "**Tranche**"), each Tranche consisting of Notes which are identical in all respects. One or more Tranches, which are expressed to be consolidated and form a single series and are identical in all respects, but may have different issue dates, interest commencement dates, issue prices and dates for first interest payments may form a series ("**Series**") of Notes. Further Notes may be issued as part of an existing Series. The specific terms of each Tranche will be determined at the time of offering of such Tranche based on then prevailing market conditions and will be set forth in the applicable final terms (the "**Final Terms**") (the form of which is contained herein).

Arranger

Deutsche Bank

Dealers

Barclays
BofA Merrill Lynch
Crédit Agricole CIB
Deutsche Bank
HSBC
Morgan Stanley
Raiffeisen Bank International AG

BNP PARIBAS
Citigroup
Credit Suisse
DZ BANK AG
J.P. Morgan

Rabobank International

Société Générale Corporate & Investment Banking

UBS Investment Bank

The date of this Base Prospectus is 26 June 2012. It is valid for a period of twelve months from its date of publication.

RESPONSIBILITY STATEMENT

Raiffeisen Bank International AG (the "**Issuer**" or "**RBI**", formerly Raiffeisen International Bank-Holding AG – "**RI**"; and together with its consolidated subsidiaries, the "**RBI Group**") accepts responsibility for the information contained in this Prospectus. The Issuer declares, having taken all reasonable care to ensure that such is the case, that to the best of the knowledge of the Issuer the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

CONSENT TO USE THE PROSPECTUS PURSUANT TO ARTICLE 3 (2) OF THE PROSPECTUS DIRECTIVE

The Issuer has not given its general consent pursuant to Article 3 (2) of the Prospectus Directive to the use of this Prospectus for offers by Dealers and/or further financial intermediaries or third persons.

The Issuer reserves the right to give such consent in the context of a specific offer / issue of a Series / Tranche either by way of a supplement to this Prospectus or by including an explicit written statement in the respective Final Terms specifying the identity of the Dealers and/or further financial intermediaries or third persons entitled to use this Prospectus as well as the period for which such consent has been given and the offer period upon which the subsequent resale or final placement may be made by such authorized persons.

The Issuer will give such consent only for the Member States which will be specified in the Final Terms of the relevant Series / Tranche.

The Issuer accepts responsibility for the content of the Prospectus also with respect to the subsequent resale or the final placement of the Notes by the Dealers and/or further financial intermediaries or third persons specified in the supplement or in the Final Terms of the relevant Series / Tranche, which have been given the Issuer's consent to use the Prospectus.

In the event of an offer made by a Dealer and/or further financial intermediary or third person authorized by the Issuer to use the Prospectus, such Dealer, financial intermediary or third person has to provide information to investors on the terms and conditions of the offer at the time the offer is made.

Any new information with respect to the Dealers and/or further financial intermediaries or third persons authorized by the Issuer to use the Prospectus will be published on the website of the Issuer www.rbinternational.com.

IMPORTANT NOTICE

This Prospectus is to be read in conjunction with all documents which are incorporated herein by reference in accordance with Article 28 of the European Commission Regulation No. 809/2004 dated 29 April 2004, as amended from time to time (see *General Information - Documents Incorporated by Reference*) and may only be used for the purposes for which it has been published.

No person has been authorised to give any information or to make any representation other than those contained in this Prospectus 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 authorised by the Issuer or any of the dealers (the "**Dealers**") or as approval of the use of this Prospectus. Neither the delivery of this Prospectus nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer since the date hereof or the date upon which this Prospectus has been most recently supplemented or that there has been no adverse change in the financial position of the Issuer since the date hereof or the date upon which this Prospectus has been most recently supplemented or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

The Issuer has undertaken with the Dealers to supplement this Prospectus or publish a new Prospectus if and when the information herein should become materially inaccurate or incomplete, and has further agreed with the Dealers to furnish a supplement to the Prospectus in the event of any significant new factor, material mistake or inaccuracy relating to the information included in this Prospectus which is capable of affecting the assessment of the Notes and which arises or is noted between the time when this Prospectus has been approved and the final closing of any tranche of Notes offered to the public or, as the case may be, when trading of any tranche of Notes on a Regulated Market begins, whichever occurs later, in respect of Notes issued on the basis of this Prospectus.

The Dealers have not separately verified the information contained in this Prospectus. None of the Dealers makes any representation, express or implied, or accepts any responsibility, with respect to the accuracy or completeness of any of the information in this Prospectus. Neither this Prospectus nor any other financial statements are intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Issuer or the Dealers that any recipient of the Prospectus or any other financial statements should purchase the Notes. Each potential purchaser of Notes should determine for itself the relevance of the information contained in this Prospectus and its purchase of Notes should be based upon such investigation as it deems necessary. None of the Dealers undertakes to review the financial condition or affairs of the Issuer during the life of the arrangements contemplated by this Prospectus nor to advise any investor or potential investor in the Notes of any information coming to the attention of any of the Dealers.

This Prospectus 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.

The CSSF gives no undertaking as to the economic and financial opportuneness 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 Law.

SELLING RESTRICTIONS

The distribution of this Prospectus and the offering or sale of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus comes are required by the Issuer and the Dealers to inform themselves about and to observe any such restriction.

The Notes have not been and will not be registered under the United States Securities Act of 1933 (the "**Securities Act**") or with any securities regulatory authority of any state or other jurisdiction of the United States. The Notes may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act ("**Regulation S**")).

The Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a U.S. person, except in certain transactions permitted by U.S. tax regulations.

This Prospectus has been prepared on the basis that, except to the extent sub-paragraph (ii) below may apply, any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**") will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of Notes. Accordingly any person making or intending to make an offer in that Relevant Member State of Notes which are the subject of an offering contemplated in this Prospectus as completed by Final Terms in relation to the offer of those Notes may only do so (i) in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer, or (ii) if a prospectus for such offer has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State and (in either case) published, all in accordance with the Prospectus Directive, **provided that** any such prospectus has subsequently been completed by Final Terms which specifies that offers may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State, such offer is made in the period beginning and ending on the dates specified for such purpose in such prospectus or final terms, as applicable, and the Issuer has consented in writing to its use for the purpose of such offer. Except to the extent sub-paragraph (ii) above may apply, neither the Issuer nor any Dealer have authorised, nor do they authorise, the making of any offer of Notes in circumstances in which an obligation arises for the Issuer or any Dealer to publish or supplement a prospectus for such offer. The expression "**Prospectus Directive**" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State and the expression "**2010 PD Amending Directive**" means Directive 2010/73/EU.

For a description of certain restrictions on offers and sales of the Notes and on the distribution of this Prospectus, see "**Subscription and Sale**".

STABILISATION

In connection with the issue of any Tranche, the Dealer or Dealers (if any) named as the stabilising manager(s) (the "**Stabilising Manager(s)**") (or persons acting on behalf of any Stabilising Manager(s)) in the applicable Final Terms may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager(s) (or persons acting on behalf of a Stabilising Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche and 60 days after the date of the allotment of the relevant Tranche. Any stabilisation action or over-allotment shall be conducted in accordance with all applicable laws and rules.

FORWARD-LOOKING STATEMENTS

This Prospectus contains certain forward-looking statements. A forward-looking statement is a statement that does not relate to historical facts and events. They are based on analyses or forecasts of future results and estimates of amounts not yet determinable or foreseeable. These forward-looking statements are identified by the use of terms and phrases such as "anticipate", "believe", "could", "estimate", "expect", "intend", "may", "plan", "predict", "project", "will" and similar terms and phrases, including references and assumptions. This applies, in particular, to statements in this Prospectus containing information on future earning capacity, plans and expectations regarding the Issuer's business and management, its growth and profitability, and general economic and regulatory conditions and other factors that affect it. Forward-looking statements in this Prospectus are based on current estimates and assumptions that the Issuer makes to the best of its present knowledge. These forward-looking statements are subject to risks, uncertainties and other factors which could cause actual results, including the Issuer's financial condition and results of operations, to differ materially from and be worse than results that have expressly or implicitly been assumed or described in these forward-looking statements. The Issuer's business is also subject to a number of risks and uncertainties that could cause a forward-looking statement, estimate or prediction in this Prospectus to become inaccurate. Accordingly, investors are strongly advised to read the following sections of this Prospectus: *Summary*, *Risk Factors* and *Description of Raiffeisen Bank International AG*. These sections include more detailed descriptions of factors than the ones contained in this section that might have an impact on the Issuer's business and the markets in which it operates.

In light of these risks, uncertainties and assumptions, future events described in this Prospectus may not occur. In addition, neither the Issuer nor the Dealers assume any obligation, except as required by law, to update any forward-looking statement or to conform these forward-looking statements to actual events or developments.

TABLE OF CONTENTS

	Page
Summary	6
German Translation of the Summary	22
Risk Factors	40
Issue Procedures and General Description of The Programme	71
Terms and Conditions of the Notes	73
Form of Final Terms	111
Description of Raiffeisen Bank International AG	132
Description of Covered Bank Bonds according to the Austrian Law on Covered Bank Bonds (<i>Fundierte Bankschuldverschreibungen</i>)	162
Description of Rules Regarding Resolutions of Holders	164
Subscription and Sale	166
Taxation	171
General Information	178
Documents incorporated by reference	180

SUMMARY

The following constitutes the summary (the "Summary") of the essential characteristics and risks associated with the Issuer and the Notes to be issued under the Programme. This Summary should be read as an introduction to this Prospectus. Any decision by an investor to invest in the Notes should be based on the consideration of this Prospectus as a whole, including the documents incorporated by reference, any supplements to the Prospectus and the relevant Final Terms. Where a claim relating to the information contained in this Prospectus, including the documents incorporated by reference, any supplements to the Prospectus and the relevant Final Terms is brought before a court, the plaintiff investor might, under the national legislation of such court, have to bear the costs of translating this Prospectus, any documents incorporated by reference, any supplements to the Prospectus and the relevant Final Terms before the legal proceedings are initiated. No civil liability attaches to the Issuer solely on the basis of the summary, including any translation thereof, unless it is misleading, inaccurate or inconsistent when read together with the other parts of this Base Prospectus.

The following Summary does not purport to be complete and is taken from, and qualified in its entirety by, the remainder of this Prospectus and, in relation to the terms and conditions of any particular Tranche of Notes, the applicable Final Terms.

Issuer	Raiffeisen Bank International AG
Arranger	Deutsche Bank Aktiengesellschaft
Dealers	Barclays Bank PLC BNP Paribas Citigroup Global Markets Limited Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (trading as Rabobank International) Crédit Agricole Corporate and Investment Bank Credit Suisse Securities (Europe) Limited Deutsche Bank Aktiengesellschaft DZ BANK AG Deutsche Zentral-Genossenschaftsbank, Frankfurt am Main HSBC France J.P. Morgan Securities Ltd. Merrill Lynch International Morgan Stanley & Co. International plc Raiffeisen Bank International AG Société Générale UBS Limited
Fiscal Agent	Deutsche Bank Aktiengesellschaft
Austrian Fiscal Agent	Raiffeisen Bank International AG or or any other entity appointed by the Issuer on its behalf for such purpose in accordance with the Agency Agreement.
Luxembourg Listing Agent	Deutsche Bank Luxembourg S.A.
Programme Size	Up to EUR 25,000,000,000 (or the equivalent in other currencies at the date of issue calculated as described in the Dealer Agreement) aggregate nominal amount of Notes outstanding at any one time. The Issuer may increase the amount of the Programme in accordance with the terms of the Dealer Agreement.
Summary Regarding the Notes	
Notes	Notes may be issued as Senior Notes, Short-Term Subordinated Notes, Subordinated Notes, Supplementary Capital Notes, New Style Tier 2 Notes and Covered Bank Bonds (<i>Fundierte Bankschuldverschreibungen</i>) (each as defined below and together, the "Notes").
Method of Issue	The Notes will be issued on a syndicated or a non-syndicated basis. The Notes will

be issued in series (each a "**Series**") having one or more issue dates and on terms otherwise identical (or identical other than in respect of the first payment of interest), the Notes of each Series being intended to be interchangeable with all other Notes of that Series. Each Series may be issued in tranches (each a "**Tranche**") with the same or different issue dates. The specific terms of each Tranche, save in respect of the issue date, issue price, first payment of interest and nominal amount of the Tranche, will be identical to the terms of other Tranches of the same Series and will be set out in a set of final terms to this Debt Issuance Programme Prospectus.

Distribution	Notes may be distributed by way of private or public placement and in each case on a syndicated or non-syndicated basis. The method of distribution of each issue of Notes will be set out in the Final Terms applicable to such Notes.
Specified Currencies	Subject to any applicable legal or regulatory restrictions and requirements of relevant central banks, Notes may be issued in any currency as agreed between the Issuer and the relevant Dealer(s).
Denominations of Notes	Notes will be issued in such denominations as may be agreed between the Issuer and the relevant Dealer(s) and as indicated in the applicable Final Terms save that the minimum denomination of the Notes will be EUR 1,000 and, if in any currency other than Euro, an amount in such other currency nearly equivalent to EUR 1,000 at the time of the issue of the Notes. Notes may also be issued without a denomination (" Non-par Value Notes ") in accordance with the rules of the Prospectus Directive.
Form of Notes	Notes may only be issued in bearer form. Global Notes will not be exchanged for definitive notes or collective notes.
Status of the Senior Notes	Senior Notes will constitute unsecured and unsubordinated obligations of the Issuer and will rank <i>pari passu</i> among themselves and <i>pari passu</i> with all other unsecured and unsubordinated obligations of the Issuer, except for any obligation preferred by law.
Subordinated Instruments	The Issuer may issue subordinated instruments according to BWG in the form of short-term subordinated notes (the " Short-Term Subordinated Notes "), subordinated notes (the " Subordinated Notes ") and supplementary capital notes (the " Supplementary Capital Notes ") (together " Subordinated Instruments according to BWG ") and new style tier 2 notes according to the Regulation of the European Parliament and of the Council on prudential requirements for credit institutions and investment firms (" CRR ") (" New Style Tier 2 Notes ") (and together with the Subordinated Instruments according to BWG, the " Subordinated Instruments ").
Status of the Short-Term Subordinated Notes	Short-Term Subordinated Notes will constitute direct, unsecured, unconditional and subordinated obligations of the Issuer ranking <i>pari passu</i> among themselves and <i>pari passu</i> with all other unsecured subordinated obligations of the Issuer save for such other subordinated obligations which are expressly subordinated to the Subordinated Instruments according to BWG. In the event of the liquidation or insolvency of the Issuer, claims under the Short-Term Subordinated Notes will be subordinated to the claims of all unsubordinated creditors of the Issuer.
Status of the Subordinated Notes	Subordinated Notes will constitute direct, unsecured, unconditional and subordinated obligations of the Issuer ranking <i>pari passu</i> among themselves and <i>pari passu</i> with all other unsecured subordinated obligations of the Issuer save for such other subordinated obligations which are expressly subordinated to the Subordinated Instruments according to BWG. In the event of the liquidation or insolvency of the Issuer, claims under the Subordinated Notes will be subordinated to the claims of all unsubordinated creditors of the Issuer.
Status of the Supplementary Capital Notes	Supplementary Capital Notes will constitute direct, unsecured, unconditional and subordinated obligations of the Issuer ranking <i>pari passu</i> among themselves and <i>pari passu</i> with all other unsecured subordinated obligations of the Issuer save for such

	subordinated obligations which are expressly subordinated to the Supplementary Capital Notes. In the event of the liquidation or insolvency of the Issuer, claims under the Supplementary Capital Notes will be subordinated to the claims of all unsubordinated creditors of the Issuer.
Status of the New Style Tier 2 Notes	Claims on the principal of New Style Tier 2 Notes will constitute direct, unsecured, unconditional and subordinated obligations of the Issuer ranking <i>pari passu</i> among themselves and <i>pari passu</i> with all other claims on the principal of New Style Tier 2 Notes. Claims on the principal amount of New Style Tier 2 Notes are wholly subordinated to claims of all non-subordinated creditors of the Issuer.
Status of the Covered Bank Bonds (<i>Fundierte Bankschuldverschreibungen</i>)	Covered Bank Bonds (<i>Fundierte Bankschuldverschreibungen</i> , the " Covered Bank Bonds ") constitute unsubordinated obligations of the Issuer ranking <i>pari passu</i> among themselves and <i>pari passu</i> with all other obligations of the Issuer under Covered Bank Bonds (<i>Fundierte Bankschuldverschreibungen</i>) in respect to their respective cover pool. They are secured or " covered " by a cover pool of assets pursuant to the Austrian Law on Covered Bank Bonds.
Negative Pledge	None.
Possible Interest Structures	Notes may be interest bearing at fixed or variable rates or non-interest bearing, with principal repayable at a fixed amount or by reference to a formula as may be agreed between the Issuer and the relevant Dealer(s) as indicated in the applicable Final Terms.
Fixed Rate Notes	Fixed Rate Notes bear a fixed interest income throughout the entire term of the Notes as set out in the applicable Terms and Conditions as complimented by the relevant Final Terms, if any.
Floating Rate Notes	Floating Rate Notes will bear interest at a rate determined (and as adjusted for any applicable margin): - on the basis of a reference rate (for instance Euro Interbank Offered Rate (EURIBOR)) appearing on the agreed screen page of a commercial quotation service, or - on such basis as indicated in the applicable Final Terms. The margin (if any) relating to such floating rate will be indicated in the applicable Final Terms for each Series of Floating Rate Notes. Interest periods for Floating Rate Notes will be one, two, three, six or twelve months or such other period(s) as may be agreed between the Issuer and the relevant Dealer(s) as indicated in the applicable Final Terms.
Structured Floating Rate Notes	A Floating Rate Note may include multipliers or other leverage factors, or caps or floors, or any combination of those features or other similar related features.
Inverse/Reverse Floating Rate Notes	Inverse/Reverse Floating Rate Notes have an interest rate which is determined as the difference between a fixed interest rate and a floating rate reference rate such as EURIBOR or the London Interbank Offered Rate (LIBOR).
Fixed to Floating Rate Notes	Elements of Fixed Rate Notes may be combined with those of Floating Rate Notes; Fixed to Floating Rate Notes may bear interest at a rate that the Issuer may elect to convert from a fixed rate to a floating rate, or from a floating rate to a fixed rate.
Step-Up and Step-Down Notes	Interest rates on Step-Up Notes increase over the years, interest rates on Step-Down Notes decrease over the years. The dates on which interest increases or decreases, respectively, and the interest rates are predetermined. There are also combinations of Step-Up and Step-Down Notes, whereby the predetermined interest rate may increase or decrease from one year to another.
Zero Coupon Notes	Zero Coupon Notes will be offered and sold either at a discount to their principal amount or on an accumulated interest basis, in each case without periodic payments of interest.

Dual/Multi Currency Notes	Dual/Multi Currency Notes are Notes, whose payment of principal and/or payment of interest can take place in different currencies. Payments (whether in respect of principal or interest and whether at maturity or otherwise) in respect of Dual Currency Notes will be made in such currencies, and based on such rates of exchange, as the Issuer and the relevant Dealer(s) may agree as indicated in the applicable Final Terms.
Instalment Notes	Instalment Notes are Notes, whose payment of principal is made in instalments. Each Instalment will be made as the Issuer and the relevant Dealer(s) may agree as indicated in the applicable Final Terms.
Index Linked Notes	Index Linked Notes may be issued as Index Linked Interest Notes or Index Linked Redemption Notes or a combination of both. <i>Index Linked Interest Notes</i> Payments of interest in respect of Index Linked Interest Notes will be made by reference to a single index or a basket of indices or other factors (including changes in the price of securities and commodities or movements in exchange rates) and/or such formula as may be specified by the Issuer and the relevant Dealer(s) (as indicated in the applicable Final Terms). <i>Index Linked Redemption Notes</i> Payments of principal in respect of Index Linked Redemption Notes will be calculated by reference to a single index or a basket of indices or other factors (including changes in the price of securities and commodities or movements in exchange rates) and/or such formula as may be specified by the Issuer and the relevant Dealer(s) (as indicated in the applicable Final Terms). Index Linked Redemption Notes will be redeemed by payment of the redemption amount specified in or as determined pursuant to provisions in the applicable Final Terms.
Equity Linked Notes	Equity Linked Notes may be issued in the form of Equity Linked Interest Notes or Equity Linked Redemption Notes or a combination of both. No Equity Linked Notes which are linked to shares of the Issuer will be issued. <i>Equity Linked Interest Notes</i> Payments of interest in respect of Equity Linked Interest Notes will be calculated by reference to a single equity security or a basket of equity securities or other factors and/or such formula and on such terms as indicated in the applicable Final Terms. <i>Equity Linked Redemption Notes</i> Payments of principal in respect of Equity Linked Redemption Notes will be calculated by reference to a single equity security or a basket of equity securities or other factors and/or such formula and on such terms as indicated in the applicable Final Terms. Equity Linked Redemption Notes may also provide that the redemption will be by physical delivery of reference items. Equity Linked Redemption Notes will be redeemed by payment of the redemption amount specified in or as determined pursuant to the provisions of the applicable Final Terms.
Commodity Linked Notes	Commodity Linked Notes may be issued in the form of Commodity Linked Interest Notes or Commodity Linked Redemption Notes or a combination of both. <i>Commodity Linked Interest Notes</i> Payments of interest in respect of Commodity Linked Interest Notes will be calculated by reference to a single commodity or a basket of commodities or other factors and/or such formula and on such terms as indicated in the applicable Final Terms. <i>Commodity Linked Redemption Notes</i> Payments of principal in respect of Commodity Linked Redemption Notes will be calculated by reference to a single commodity or a basket of commodities or other

factors and/or such formula and on such terms as indicated in the applicable Final Terms. Commodity Linked Redemption Notes will be redeemed by payment of the redemption amount specified in or as determined pursuant to the provisions of the applicable Final Terms.

FX Linked Notes

FX Linked Notes may be issued in the form of FX Linked Interest Notes or FX Linked Redemption Notes or a combination of both.

FX Linked Interest Notes

Payments of interest in respect of FX Linked Interest Notes will be calculated by reference to a single foreign currency or a basket of foreign currencies or other factors and/or such formula and on such terms as indicated in the applicable Final Terms.

FX Linked Redemption Notes

Payments of principal in respect of FX Linked Redemption Notes will be calculated by reference to a single foreign currency or a basket of foreign currencies or other factors and/or such formula and on such terms as indicated in the applicable Final Terms. FX Linked Redemption Notes will be redeemed by payment of the redemption amount specified in or as determined pursuant to the provisions of the applicable Final Terms.

Other Interest Structures

Floating Rate Notes and any Notes except Fixed Rate Notes may also have a maximum interest rate, a minimum interest rate or both. (Floor/Cap)

Another basis or method for determining the relevant interest rate may be applicable for the Notes which the Issuer and the relevant Dealer(s) may agree. The terms governing any such Notes will be indicated in the applicable Final Terms.

Maturities

Such maturities as may be agreed between the Issuer and the relevant Dealer(s) and as indicated in the applicable Final Terms, subject to such minimum or maximum maturities as may be allowed or required from time to time by the relevant regulatory authority or any laws or regulations applicable to the Issuer or the relevant Specified Currency.

Subordinated Instruments will have a minimum maturity pursuant to legal or other regulatory requirements and as specified in the Final Terms. Subordinated Notes and New Style Tier 2 Notes, for example, will have a minimum maturity of five years, Supplementary Capital Notes of eight years and Short-term Subordinated Notes of two years.

Redemption

The applicable Final Terms will indicate either that the Notes cannot be redeemed prior to their stated maturity (except for taxation reasons, or, in the case of Senior Notes or Covered Bank Bonds only, upon the occurrence of an Event of Default) or that such Notes will be redeemable at the option of the Issuer and/or the Holders upon giving notice within the notice period (if any) indicated in the applicable Final Terms to the Holders or the Issuer, as the case may be, on a date or dates specified prior to such stated maturity and at a price or prices and on such terms as indicated in the applicable Final Terms. Also, the Notes may be early redeemable in an event set out in the Terms and Conditions of the Notes.

Subordinated Instruments according to BWG will only be subject to early redemption at the option of the Holder pursuant to legal or other regulatory requirements and as specified in the Final Terms. Subordinated Notes, for example, will not be subject to early redemption at the option of a Holder in the first five years, Supplementary Capital Notes in the first eight years and Short-term Subordinated Notes in the first two years.

The holder of New Style Tier 2 Notes will not have the right to accelerate the future payment of interest or principal.

Any Notes, the proceeds of which are to be accepted by the Issuer in the United Kingdom, which must be redeemed before the first anniversary of the date of their

issue, shall (a) have a redemption value of not less than GBP 100,000 (or an amount of equivalent value denominated wholly or partly in a currency other than Sterling), and (b) provide that no part of any such Note may be transferred unless the redemption value of that part is not less than GBP 100,000 (or an equivalent amount).

Optional Redemption

The Issuer or the Holders may have the right to call or put, respectively, the Notes prior to maturity, if indicated in the applicable Final Terms. Furthermore, the Notes may be early redeemable in an event set out in the Terms and Conditions of the Notes.

Taxation

All amounts payable in respect of the Notes will be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by 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. If such withholding or deduction is required by law, the Issuer will pay such 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 respect of the Notes in the absence of such withholding or deduction, subject to the exceptions set out in the Terms and Conditions of the Notes.

Early Redemption for Reasons of Taxation

Early redemption for taxation reasons will be permitted, if as a result of any change in, or amendment to, the laws or regulations (including any change in, or amendment to, an official interpretation or application of such laws or regulations), the Issuer is required to pay additional amounts on the Notes all as more fully set out in the Terms and Conditions of the Notes.

Events of Default

The Senior Notes, other than Covered Bank Bonds (*Fundierte Bankschuldverschreibungen*), will provide for events of default entitling Holders to demand immediate redemption of the Notes (the "**Events of Default**").

The Covered Bank Bonds (*Fundierte Bankschuldverschreibungen*) will provide for an Event of Default only in the case that the Issuer fails to pay principal or interest within 15 days from the relevant due date.

The Subordinated Instruments will not provide for any event of default entitling Holders to demand immediate redemption of the Notes.

Cross Default

None.

Resolutions of Holders

In accordance with the Act on Debt Securities of 2009 (*Schuldverschreibungsgesetz – "SchVG"*) the Notes (other than Covered Bank Bonds (*Fundierte Bankschuldverschreibungen*)) may contain provisions pursuant to which Holders may agree by resolution to amend the Terms and Conditions of the Notes (with the consent of the Issuer) and to decide upon certain other matters regarding the Notes. Resolutions of Holders properly adopted, either in a meeting of Holders or by vote taken without a meeting in accordance with the Terms and Conditions of the Notes, are binding upon all Holders. Resolutions providing for material amendments to the Terms and Conditions of the Notes require a majority of not less than 75 per cent. of the votes cast. Resolutions regarding other amendments are passed by a simple majority of the votes cast, subject to a higher majority provided for in the Terms and Conditions of the Notes.

Holders' Representative

In accordance with the SchVG the Notes (other than Covered Bank Bonds (*Fundierte Bankschuldverschreibungen*)) may provide that the Holders may by majority resolution appoint a representative for all Holders (the "**Holders' Representative**"). The responsibilities and functions assigned to the Holders' Representative appointed by a resolution are determined by the SchVG and by majority resolutions of the Holders. The Holders' Representative may also be designated in the Terms and Conditions. In such case, the duties, rights and functions of the Holders' Representative are determined by the relevant provisions of the

Terms and Conditions of the Notes.

Governing Law

Notes (other than Covered Bank Bonds (*Fundierte Bankschuldverschreibungen*) and Subordinated Instruments) will be governed by German law. Covered Bank Bonds (*Fundierte Bankschuldverschreibungen*) will be governed by German law except for conditions relating to status (§ 2 of the Terms and Conditions), the cover pool, events of default (§ 9 of the Terms and Conditions) and substitution (§ 10 of the Terms and Conditions), which will be governed by Austrian law. Subordinated Instruments according to BWG will be governed by German law except for conditions relating to their status (§ 2 of the Terms and Conditions), conditions relating to the subordination as well as events of default (§ 9 of the Terms and Conditions), which will be governed by Austrian law.

New Style Tier 2 Notes will be governed by German law except for conditions relating to their status (§ 2 of the Terms and Conditions), conditions relating to the subordination as well as events of default (§ 9 of the Terms and Conditions), which will be governed by Austrian law.

Place of Jurisdiction

Non-exclusive place of jurisdiction for any legal proceedings arising under the Notes is, subject to certain exceptions, Frankfurt am Main, Germany.

Listing and Admission to Trading

Application has been made to list Notes issued under the Programme on the official list of the Luxembourg Stock Exchange, to admit Notes to trading on the Regulated Market "*Bourse de Luxembourg*" and application may be made to admit Notes on the Second Regulated Market (*Geregelter Freiverkehr*) of the Vienna Stock Exchange or on any other stock exchange. The Programme provides that Notes may be listed on other or further stock exchanges as indicated in the applicable Final Terms. Notes may further be issued under the Programme which will not be listed on any stock exchange.

Clearing System

Notes will be accepted for clearing through one or more clearing systems as specified in the applicable Final Terms. These systems will include those operated by Clearstream Banking, société anonyme, Luxembourg ("**CBL**"), Euroclear Bank SA/NV ("**Euroclear**"), as operator of the Euroclear system, and Oesterreichische Kontrollbank Aktiengesellschaft ("**OeKB**") or any other Clearing System.

Ratings

Notes to be issued under the Programme may be rated or unrated. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

Summary Regarding Raiffeisen Bank International AG

Company name	Raiffeisen Bank International AG (" RBI " or the " Issuer ")
Legal form	Joint stock corporation under Austrian law
Business address	Am Stadtpark 9, 1030 Vienna, Republic of Austria
Commercial register	registered with the commercial register of the Commercial Court of Vienna (Republic of Austria) under number FN 122119m
Executive bodies	the Management Board, the Supervisory Board
Members of the Management Board	Dkfm. Dr. Herbert Stepic, Chairman of the Management Board Mag. Dr. Karl Sevelde, Deputy chairman of the Management Board Mag. Martin Grill, Member of the Management Board Dr. Johann Strobl, Member of the Management Board Aris Bogdaneris, M.A., Member of the Management Board Dkfm. Klemens Breuer, Member of the Management Board Mag. Peter Lennkh, Member of the Management Board
Corporate history	The Issuer was established by Raiffeisen Zentralbank Österreich AG ("RZB"; and together with its consolidated subsidiaries, the "RZB Group") in 1991 as a holding company for bundling the investments and interests of RZB Group in Central and Eastern Europe ("CEE"). It was renamed several times and operated under the name of Raiffeisen International Bank-Holding AG ("RI") from 2003 until the corporate reorganisation and name change to "Raiffeisen Bank International AG" in 2010. In April 2010 the Management Boards of RI and RZB passed a resolution on the spin-off of major parts of RZB's banking business and subsequent merger with RI (the "Reorganisation" or the "Merger"). On 7 July 2010 and 8 July 2010, respectively, the general meetings of the involved companies, RZB and RI, passed unanimous resolutions approving the Reorganisation. On 10 October 2010, when the Reorganisation was recorded in the commercial register and became effective (the "Reorganisation Date"), the Issuer changed its name to Raiffeisen Bank International AG, obtained an Austrian banking license and maintains to be listed on the Vienna Stock Exchange. The Issuer's majority shareholder continues to be RZB, which, following the Reorganisation, holds 78.5 per cent. of the Issuer's share capital.
Statutory purpose of the Issuer	Statutory purpose of the Issuer is to engage in banking business of any kind pursuant to § 1 para. 1 of the Austrian Banking Act (<i>Bankwesengesetz</i> – "BWG") and associated transactions; with the exception, however, of any investment fund business, real estate investment fund business, participation fund business, severance and retirement fund business, building savings and loan business, and the issuance of mortgage bonds and municipal bonds. Further purposes of the Issuer are: a) Consulting and management services of any kind for the business enterprises in which the Issuer holds a participation or which are otherwise affiliated with the Issuer; b) Activities and services of any kind which are directly or indirectly connected with the banking business of the Issuer, including in particular the activities set out in § 1 paras. 2 and 3 of the Banking Act, the performance of management consulting services, including company organisation services and services in the field of automatic data processing and information technology.

In compliance with applicable law the Issuer is authorized to raise supplementary capital, subordinated capital and short-term subordinated capital as well as hybrid capital pursuant to the Banking Act, and to issue financial instruments that are comparable thereto.

The Issuer is authorized to acquire real estate, to establish branches and subsidiaries in Austria and elsewhere, and to acquire shareholdings in other companies. Moreover, the Issuer is entitled to engage in any and all transactions and to take all measures which are deemed necessary or expedient for the fulfilment of the Issuer's purposes, including without limitation in areas that are similar or related to such purpose.

Business model/areas of activity/markets

RBI Group is a universal banking group offering a comprehensive range of banking and financial products as well as services to retail and corporate customers, financial institutions and public sector entities. RBI Group focuses its business on its core markets in CEE and Austria. In CEE, RBI Group operates a network of universal banks, leasing companies and other financial service providers in 17 markets (in 15 of which it operates majority-owned banking subsidiaries, the "**Network Banks**"). Since the Merger, RBI Group has been providing commercial and investment banking services to Austrian and international corporate clients and multinationals. RBI Group also has long-standing operations in Asia, including China and Singapore, to take advantage of selected business opportunities, primarily with existing clients, which require specific financing solutions. With approximately 2,900 business outlets, RBI Group serves approximately 13.8 million customers and employs approximately 59,000 employees, all as of 31 December 2011, as one of the largest pan-CEE (incl. Austria) banking groups.

The RBI Group's products and services include loans, deposits, payment and account services, credit and debit cards, leasing, asset management, insurance products, export and project financing, cash management, foreign exchange and fixed income products as well as investment banking services. While RBI Group's CEE business covers both retail and corporate customers, RBI Group's business in Austria and the rest of the world services corporate clients (medium and large-sized corporate and financial institutions), with a particular focus on clients that offer cross-selling opportunities in CEE.

As of 31 December 2011, RBI Group had total assets of EUR 146,985 million (EUR 131,173 million as of 31 December 2010).

Overview of Consolidated Financial Data

The following selected consolidated financial data of the RBI Group should be read in conjunction with the consolidated financial statements of the Issuer incorporated by reference in this Prospectus. The consolidated statement of comprehensive income for the years ended 31 December 2011 and 31 December 2010 and the consolidated balance sheet data as of 31 December 2011 and 31 December 2010 are derived from the audited consolidated financial statements incorporated by reference in this Prospectus and should be read in conjunction with those audited consolidated financial statements. The unaudited consolidated statement of comprehensive income for the three months ended 31 March 2012 and the unaudited consolidated balance sheet data as of 31 March 2012 are derived from the unaudited condensed interim consolidated financial statements as of 31 March 2012 incorporated by reference in this Prospectus. In the unaudited interim consolidated financial statements as of 31 March 2012 the same accounting policies have been applied as in the audited consolidated financial statements as of year end. IFRS-Standards and interpretations to be applied in the European Union since 1 January 2011, were adopted in aforementioned interim consolidated financial statements.

Results for the three months ended 31 March 2012 are not necessarily indicative of results that may be expected for the entire year.

	Three months ended 31 March		Year ended 31 December	
	2012	2011	2011	2010
(in EUR million, except as otherwise noted)				
	(unaudited)		(audited)	
Consolidated Income statement				
Interest income	1,659.9	1,568.3	6,614.4	6,364.8
Current income from associates.....	0.0	0.0	0.1	0.2
Interest expenses.....	(784.6)	(684.1)	(2,947.4)	(2,786.8)
Net interest income	875.3	884.3	3,667.2	3,578.2
Net provisioning for impairment losses	(152.9)	(208.2)	(1,063.6)	(1,194.1)
Net interest income after provisioning	722.3	676.1	2,603.6	2,384.1
Fee and commission income	470.5	427.7	1,795.3	1,753.2
Fee and commission expense.....	(124.6)	(70.6)	(305.3)	(262.4)
Net fee and commission income	345.9	357.1	1,489.9	1,490.8
Net trading income	82.0	123.4	363.3	328.1
Net income from derivatives and designated liabilities.....	34.5	2.8	412.8	(84.2)
Net income from financial investments	261.4	25.1	(141.1)	137.2
General administrative expenses.....	(753.3)	(753.0)	(3,120.4)	(2,979.7)
Other net operating income.....	(8.0)	(23.9)	(232.2)	6.3
Net income from disposal of group assets.....	(0.1)	(2.5)	(2.6)	4.7
Profit before tax	684.8	405.0	1,373.4	1,287.3
Income taxes.....	(110.9)	(99.7)	(399.2)	(110.2)
Profit after tax.....	573.9	305.4	974.1	1,177.2
Profit attributable to non-controlling interests	(32.8)	(35.3)	(6.4)	(89.7)
Consolidated profit	541.1	270.0	967.7	1,087.5
	(unaudited)		(audited, unless otherwise stated)	
Other financial data				
Earnings per share (in EUR)	2.52	1.13	3.95	4.56
Return on equity before tax (in %).....	25.1	15.6	13.7	13.7
Consolidated return on equity (in %, unaudited).....	22.0	11.6	10.8	13.0
Return on assets before tax (in %, unaudited).....	1.85	1.20	0.98	0.90
Cost/income ratio (in %, unaudited)	58.2	56.2	57.0	55.1
Risk/earnings ratio (in %, unaudited).....	17.5	23.5	29.0	33.4
Net provisioning ratio (in %)	0.81	1.16	1.38	1.66
Net interest margin (in %).....	2.37	2.61	2.61	2.51
Core tier 1 ratio, total risk (in %)	10.2	9.0	9.0	8.9
Tier 1 ratio, total risk ⁽¹⁾ (in %).....	10.7	9.9	9.9	9.7
Non-performing loans ratio (in %, unaudited)	8.9	8.6	8.6	9.0
Coverage ratio (in %).....	66.8	68.3	68.4	66.3
Loan/deposit ratio (in %, unaudited).....	122	127	122	131
Total own funds requirement	6,898	7,624	7,624	7,585
Bookvalue per share (in EUR, unaudited).....	38.13	33.82	36.28	33.95
Own funds ratio (in %)	14.7	13.5	13.5	13.3
Risk-weighted assets (credit risk)	71,051	74,987	77,150	75,601

(1) Calculated by RBI for illustrative purposes only by applying Austrian legal total own funds requirements to the RBI Group. Inclusion of hybrid capital in RBI Group's own funds calculations is based on the assumption that Raiffeisen Bank International AG is the superordinated credit institution (übergeordnetes Kreditinstitut) of the RBI Group and remains a subsidiary of RZB.

Source: Consolidated financial statements and internal data.

	As of 31 March	As of 31 December	
	2012	2010	2011
	(in EUR million)		
	(unaudited)	(audited)	(audited)
Statement of financial position			
Assets			
Cash reserve	14,631	4,807	11,402
Loans and advances to banks	24,626	21,532	25,748
Loans and advances to customers.....	82,478	75,657	81,576
Impairment losses on loans and advances	(5,077)	(4,756)	(5,053)
Trading assets.....	11,075	8,068	10,617
Derivatives	1,195	1,488	1,405
Financial investments.....	14,410	19,631	16,535
Investments in associates.....	5	5	5
Intangible fixed assets	1,083	1,220	1,066
Tangible fixed assets	1,502	1,454	1,511
Other assets	2,869	2,067	2,174
Total assets.....	148,798	131,173	146,985
Equity and liabilities			
Deposits from banks.....	39,318	33,659	37,992
Deposits from customers	67,749	57,633	66,747
Debt securities issued.....	13,486	16,555	14,367
Provisions for liabilities and charges.....	757	672	771
Trading liabilities	9,678	5,742	9,715
Derivatives	519	1,264	792
Other liabilities.....	2,019	1,243	1,515
Subordinated capital	3,799	4,001	4,151
Equity.....	11,474	10,404	10,936
Consolidated equity.....	9,869	8,251	8,825
Consolidated profit.....	541	1,088	968
Non-controlling interests.....	1,063	1,066	1,143
Total equity and liabilities	148,798	131,173	146,985
Source: Consolidated financial statements and internal data.			

**Auditor for the RBI Group
in 2010 and 2011:**

KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft*, 1090 Vienna, Porzellangasse 51, represented by Mag. Wilhelm Kovsca and Mag. Bernhard Mechtler for the business year 2010 and by Mag. Rainer Hassler and Mag. Bernhard Mechtler for the business year 2011.

*KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft changed its legal form to an "Aktiengesellschaft" as of 5 April 2012. With effect from that date the new legal name is "KPMG Austria AG Wirtschaftsprüfungs- und Steuerberatungsgesellschaft".

Summary of Risk Factors Regarding the Issuer and its market environment

- Risks in connection with the global financial and economic crisis, the overall macroeconomic environment and the Eurozone debt crisis
- 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 Eurozone debt crisis
- Risks in connection with additional capital requirements of RZB Group according to calculations of the European Banking Authority ("**EBA**")
- Risks relating to a stagnation or contraction of its business
- Credit risk incurred by Holders of Notes – risk of partial or complete default on contractually agreed payments under the Notes
- Increased credit risk (default risk) with respect to Subordinated Instruments
- Rating downgrade – adverse effect on the Issuer and the Notes
- The Issuer's profitability depends on refinancing opportunities and may be negatively affected by an increase in refinancing costs in the market, e.g. as a result of a rating downgrade
- Liquidity risk – inability to meet present or future payment obligations; unexpected sudden liquidity requirements if "*group cross default*" clauses are triggered; refinancing risk (and related concentration risk for the Issuer) as a result of the withdrawal of local deposits
- Additional payment obligations of the Issuer due to its membership in deposit guarantee and investor compensation schemes
- Changes to the deposit guarantee and investor compensation schemes in which the Issuer and Network Banks are participating and the introduction of resolution funds may result in increased membership contributions
- Risks relating to the industry, the overall economic environment and the markets in which the Issuer and the RBI Group operate
- Risks in connection with mergers, acquisitions and investments – unidentified risks and expenses may be incurred
- Still developing legal and taxation systems in some of the RBI Group's markets may have a material negative impact on the Issuer
- Applicable laws, including bankruptcy laws, in some of the RBI Group's markets may limit the RBI Group's ability to obtain payments on non-performing loans and to enforce security and/or guarantees
- Decline in growth rates in CEE – negative impact on results of operations
- Negative development of competitive situation
- Write-down of goodwill and impairment losses
- Country risk – and related non-payment
- Market risk/market risks relating to the financial markets
- By entering unhedged positions, the RBI Group may be directly exposed to the risk of changes in interest rates, foreign exchange rates or prices of financial instruments
- The results of the RBI Group's trading and investment activities are subject to significant volatility
- Credit and counterparty risk incurred by the Issuer
- Decline in market value of loan collateral – inadequate provision of security
- Concentration risk
- Regulatory risks such as banking sector-related regulations (including the Basel III rules, EBA requirements and statutory charges); insolvency regulations for banks; a possible qualification as "systemically important" credit institution; increased capital requirements; legal intervention affecting existing contracts and regulatory changes; substantial costs in connection with the implementation of anti-money laundering regulations, rules against tax evasion and sanctions

- Replacement risks/frustrated costs in case of any default by contractual partners
- Investment exposure – uncertain earnings contribution
- Currency risks
- Risks relating to the real estate markets – deterioration in value
- Operational risk and unforeseeable events
- Litigation or other proceedings
- Inadequate risk management
- Dependence on complex information technology systems
- Risk of potential conflicts of interest due to various business relationships
- Risk of potential conflicts of interest on the part of members of the Issuer's Management and Supervisory Boards
- Dependence on the major shareholder RZB as well as RBG
- Restrictions on subsidiary-related decisions due to minority interests of external shareholders
- Risks associated with certain persons – dependence on qualified executives
- Risks resulting from the implementation of strategic initiatives and efficiency programs, including those launched in connection with the integration of RZB's principal business areas in 2010, and anticipated synergies

Summary of Risk Factors regarding the Notes

Notes may not be a suitable investment for all investors	A potential investor should not invest in Notes that are complex financial Notes unless the investor has the expertise (either alone or with a financial advisor) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of the Notes and the impact this investment will have on the potential investor's overall investment portfolio.
Liquidity Risk	There can be no assurance that any liquid secondary market for the Notes will develop or, if it does develop, that it will continue. In an illiquid market, an investor might not be able to sell its Notes at any given time at fair market prices. The possibility to sell the Notes might additionally be restricted by country specific reasons.
Market Price Risk	The Holder of Notes is exposed to the risk of an unfavourable development of market prices of its Notes which materialises if the Holder sells the Notes prior to the final maturity of such Notes. In such event, the Holder may only be able to reinvest on less favourable conditions as compared to the original investment.
Risk of Early Redemption	If the Issuer has the right to redeem the Notes prior to maturity or if the Notes are redeemed prior to maturity due to the occurrence of an event set out in the Terms and Conditions of the Notes, a Holder of such Notes is exposed to the risk that due to early redemption its investment will have a lower than expected yield. Also, the Holder may only be able to reinvest on less favourable conditions as compared to the original investment.
Currency Risk/Dual/Multi-Currency Notes	Holders of such Notes are exposed in the risk of changes in currency exchange rates and the introduction of exchange controls.
Fixed Rate Notes and Step-Up and Step-Down Fixed Rate Notes	A Holder of Fixed Rate Notes and Step-Up and Step-Down Fixed Rate Notes is exposed to the risk that the price of such Notes falls as a result of changes in the market interest rate.

Floating Rate Notes and Inverse/Reverse Floating Rate Notes	A Holder of Floating Rate Notes is exposed to the risk of fluctuating interest rate levels and uncertain interest income. Fluctuating interest rate levels make it impossible to determine the profitability of Floating Rate Notes in advance. Floating Rate Notes may include multipliers or other leverage factors, or caps or floors, or any combination of those features or other similar related features. In addition, Floating Rate Notes may be issued as Inverse Floating Rate Notes. The market value of such structured Floating Rate Notes tend to be more volatile than the market value of conventional Floating Rate Notes.
Fixed to Floating Rate Notes	The Issuer's ability to convert the interest rate will affect the secondary market and the market value of the Notes since the Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing.
Zero Coupon Notes	A Holder of Zero Coupon Notes is exposed to the risk that the price of such Notes falls as a result of changes in the market interest rate. Prices of Zero Coupon Notes are more volatile than prices of Fixed Rate Notes and are likely to respond to a greater degree to market interest rate changes than interest bearing Notes with a similar maturity.
Index Linked Notes	If payment of interest is linked to a particular index, a Holder of an Index Linked Interest Note is particularly exposed to the risk of fluctuating interest rate levels and uncertain interest income or may even receive no interest at all which may have the effect that the yield of an Index Linked Interest Note is negative. If payment of principal is linked to a particular index, a Holder of Index Linked Redemption Notes is particularly exposed to the risk that the redemption amount is uncertain. Depending on the calculation of the redemption amount, the yield of an Index Linked Redemption Note may be negative and an investor might lose the value of its entire investment or parts of it.
General Risks in respect of Structured Notes	An investment in Notes, the premium and/or the interest on and/or the principal of which is determined by reference to one or more values of currencies, commodities, interest rates or other indices or formulae, either directly or inversely, may entail significant risks not associated with similar investments in a conventional debt security, including the risks that the resulting interest rate will be less than that payable on a conventional debt security at the same time and/or that an investor could lose all or a substantial portion of the principal of its Notes.
Risk of Interest Conversion	Risk of the Holder of such structured Notes to get no interest at an Interest Payment Date because the Issuer makes use of his option to increase the capital amount instead.
Risk in connection with Caps	Holders of structured Notes featuring a cap will not be able to benefit from any actual favourable development beyond the cap.
Risk of Potential Conflicts of Interest in the case of an Underlying	The Issuer, the Dealer(s) or any of their respective affiliates not only issue Notes but also have other business areas which independently do business with companies that might be part of an underlying (e.g., but not limited to, an index, single shares or baskets). It cannot be ruled out that decisions made by those independent business areas may have a positive or a negative impact on the value of the underlying.
Equity Linked Notes	An investment in Equity Linked Interest or Redemption Notes may bear similar or more risks as a direct equity investment and investors should take advice accordingly. In the case of Equity Linked Redemption Notes, the investor may lose the value of its entire investment or part of it.
Commodity Linked Notes	An investment in Commodity Linked Interest or Redemption Notes may bear similar or more risks as a direct commodity investment and investors should take advice accordingly. In the case of Commodity Linked Redemption Notes, the investor may lose the value of its entire investment or part of it.
FX Linked Notes	An investment in FX Linked Interest or Redemption Notes may bear similar or more risks as a direct foreign currency investment and investors should take advice accordingly. In the case of FX Linked Redemption Notes, the investor may lose the

	value of its entire investment or part of it.
Subordinated Instruments according to BWG	In the event of the liquidation or insolvency of the Issuer, such instruments will be subordinated to the claims of all unsubordinated creditors of the Issuer so that in any such event no amounts will be payable under such obligations until the claims of all unsubordinated creditors of the Issuer will have been satisfied in full.
Supplementary Capital Notes	Any interest under Supplementary Capital Notes may only be paid to the extent covered by the Issuer's distributable profits. Any principal payments on Supplementary Capital Notes may only be made upon rateably deducting any net losses incurred by the Issuer during the term of such Supplementary Capital Notes.
Short-term Subordinated Notes	Any payment on Short-Term Subordinated Notes may only be made to the extent that such payment does not result in the Issuer no longer meeting its minimum own funds requirements.
New Style Tier 2 Notes	Claims on the principal amount of New Style Tier 2 Notes are wholly subordinated to claims of all non-subordinated creditors of the Issuer.
Risks in connection with the adoption of a future resolution regime and "bail-in rules" for banks	Notes might become subject to future regulations applying or enabling regulatory authorities to apply under certain circumstances loss absorbency regimes to the Notes, even retroactively and even if such regimes are not contained in the Conditions or the Final Terms. Loss absorbency may, among other concepts, include a (full) write-off of principal and /or interest amounts or the conversion of the Notes into ordinary shares of the Issuer. Thus, the investors of the Notes would have to share in the losses of the Issuer and their rights might be severely affected. Details of such regulations are still in discussion.
Covered Bank Bonds (Fundierte Bankschuldverschreibungen)	Although statutory law on Covered Bank Bonds (<i>Fundierte Bankschuldverschreibungen</i>) provides that a cover pool shall secure the outstanding Covered Bank Bonds, investors may receive less than their investment.
Resolutions of Holders	If the Terms and Conditions provide for resolutions of Holders, either to be passed in a meeting of Holders or by vote taken without a meeting, a Holder is subject to the risk of being outvoted by a majority resolution of the Holders. As resolutions properly adopted are binding on all Holders, certain rights of such Holder against the Issuer under the Terms and Conditions of the Notes may be amended or reduced or even cancelled.
Holders' Representative	If the Terms and Conditions of the Notes provide for the appointment of a Holders' Representative, it is possible that a Holder may be deprived of its individual right to pursue and enforce its rights under the Terms and Conditions of the Notes against the Issuer, such right passing to the Holders' Representative who is then exclusively responsible to claim and enforce the rights of all Holders.
An Austrian Court can appoint a trustee (Kurator) for the Notes to exercise the rights and represent the interests of Holders on their behalf	A trustee may be appointed for the purposes of representing the common interests of the Holders in matters concerning their collective rights, which may act to the disadvantage of individual or all Holders.
U.S. Withholding Tax	In certain circumstances a portion of payments made on or with respect to the Notes may be subject to U.S. reporting obligations which, if not satisfied, may require U.S. tax to be withheld.
[In case the Specified Currency in the relevant Final Terms is Renminbi, the following risk factors apply as well:	
Renminbi is not freely convertible	Renminbi is not freely convertible at present. The government of the People's Republic of China (" PRC ") continues to regulate conversion between the Renminbi and foreign currencies. There is no assurance that the pilot scheme introduced in July 2009 will not be discontinued or that new PRC regulations will not be promulgated in the future which have the effect of restricting or eliminating the availability of Renminbi.

There is only limited availability of Renminbi outside the PRC

As a result of the restrictions by the PRC government on cross-border Renminbi fund flows, the availability of Renminbi outside the PRC is limited. This may affect the liquidity of the Notes and the Issuer's ability to source Renminbi to service the Notes.

Investment in the Notes is subject to currency risk

Under certain circumstances the Issuer is entitled to settle any payment under the Notes (in whole or in part) in U.S. dollars.

Investment in the Notes is subject to exchange rate and interest rate risks

The value of the Renminbi against the Hong Kong dollar and other foreign currencies fluctuates and is affected by changes in the PRC, by international political and economic conditions and by many other factors. The value of payments of interest and principal in Renminbi may vary with the prevailing exchange rates.

In addition, further liberalisation of interest rates by the PRC government may increase interest rate volatility and the trading price of Notes may vary with fluctuations in Renminbi interest rates.

Payments for the Notes will only be made to investors in the manner specified in the Notes

All payments in respect of the Notes will be made solely by transfer to a Renminbi bank account maintained in Hong Kong. The Issuer cannot be required to make payment by any other means (including in any other currency or by transfer to a bank account in the PRC).]

GERMAN TRANSLATION OF THE SUMMARY

ZUSAMMENFASSUNG

Der folgende Abschnitt stellt die Zusammenfassung der wesentlichen Merkmale und Risiken der Emittentin und der Schuldverschreibungen, die unter dem Programm begeben werden, dar. Die Zusammenfassung ist als Einleitung zum Prospekt zu verstehen. Der Anleger sollte jede Entscheidung zur Anlage in die betreffenden Wertpapiere auf die Prüfung des gesamten Prospekts, einschließlich der durch Verweis einbezogenen Dokumente, etwaiger Nachträge zum Prospekt und der Endgültigen Bedingungen stützen. Für den Fall, dass vor einem Gericht Ansprüche aufgrund der in dem Prospekt, einschließlich der durch Verweis einbezogenen Dokumente, etwaigen Nachträgen zum Prospekt sowie den in den jeweiligen Endgültigen Bedingungen enthaltenen Informationen geltend gemacht werden, könnte der klagende Anleger aufgrund einzelstaatlicher Rechtsvorschriften die Kosten für eine Übersetzung des Prospekts, der durch Verweis einbezogenen Dokumente, etwaiger Nachträge zum Prospekt und der Endgültigen Bedingungen in die Gerichtssprache vor Prozessbeginn zu tragen haben. Die Emittentin kann nicht allein auf Grundlage der Zusammenfassung, einschließlich einer Übersetzung hiervon, zivilrechtlich haftbar gemacht werden, soweit sie nicht irreführend, unrichtig oder widersprüchlich ist, wenn sie zusammen mit den anderen Teilen dieses Basisprospekts gelesen wird.

Die nachstehende Zusammenfassung ist keine vollständige Darstellung, sondern gehört zum Basisprospekt und ist im Zusammenhang mit dem Basisprospekt insgesamt sowie, in Bezug auf die Anleihebedingungen einzelner Tranchen von Schuldverschreibungen, mit den anwendbaren Endgültigen Bedingungen zu lesen.

Emittentin	Raiffeisen Bank International AG
Arrangeur	Deutsche Bank Aktiengesellschaft
Platzeure	Barclays Bank PLC BNP Paribas Citigroup Global Markets Limited Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (handelnd als Rabobank International) Crédit Agricole Corporate and Investment Bank Credit Suisse Securities (Europe) Limited Deutsche Bank Aktiengesellschaft DZ BANK AG Deutsche Zentral-Genossenschaftsbank, Frankfurt am Main HSBC France J.P. Morgan Securities Ltd. Merrill Lynch International Morgan Stanley & Co. International plc Raiffeisen Bank International AG Société Générale UBS Limited
Emissionsstelle	Deutsche Bank Aktiengesellschaft
Österreichische Emissionsstelle	Raiffeisen Bank International AG oder jede andere Person, die von der Emittentin in ihrem Auftrag zu diesem Zweck entsprechend den Bestimmungen des Agency Agreements bestellt wurde.
Luxemburger Listing Agent	Deutsche Bank Luxembourg S.A.
Programmvolumen	Das Programmvolumen wird auf einen Gesamtnennbetrag von bis zu EUR 25.000.000.000 an jeweils ausstehenden Schuldverschreibungen (oder den entsprechenden Gegenwert in anderen Währungen am Ausgabetermin, der wie im <i>Dealer Agreement</i> beschrieben berechnet wird) festgesetzt. Die Emittentin kann das Programmvolumen im Einklang mit den Bestimmungen des <i>Dealer Agreements</i> erhöhen.

Zusammenfassung der Schuldverschreibungen

Schuldverschreibungen	Schuldverschreibungen können als nicht nachrangige Schuldverschreibungen, als kurzfristige nachrangige Schuldverschreibungen, nachrangige Schuldverschreibungen, Ergänzungskapital-Schuldverschreibungen, New Style Tier 2 Schuldverschreibungen und als fundierte Bankschuldverschreibungen begeben werden (jeweils wie unten definiert und zusammen die " Schuldverschreibungen ").
Art der Begebung	Schuldverschreibungen können auf syndizierter oder nichtsyndizierter Basis platziert werden. Schuldverschreibungen werden in Serien (jeweils eine " Serie ") begeben, die einen oder mehrere Ausgabetermine haben und ansonsten (oder, mit Ausnahme des ersten Zinszahlungstages) identisch sind, wobei beabsichtigt ist, dass die Schuldverschreibungen der jeweiligen Serie mit allen anderen Schuldverschreibungen dieser Serie untereinander austauschbar sind. Jede Serie kann in einer oder mehreren Tranche(n) (jeweils eine " Tranche ") mit dem gleichen oder mit verschiedenen Ausgabeterminen begeben werden. Die spezifischen Bedingungen der jeweiligen Tranche werden, mit Ausnahme des Ausgabetermins, des Ausgabepreises, des ersten Zinszahlungstages und des Nennwerts der Tranche, mit den Bedingungen anderer Tranchen der selben Serie identisch sein und in Endgültigen Bedingungen zu diesem Basisprospekt angegeben werden.
Platzierung	Schuldverschreibungen können im Wege einer privaten Platzierung oder eines öffentlichen Angebots und jeweils auf syndizierter oder nicht-syndizierter Basis platziert werden. Die Art der Platzierung einer jeden Emission von Schuldverschreibungen wird in den auf diese Schuldverschreibungen anwendbaren endgültigen Bedingungen (die " Endgültigen Bedingungen ") angegeben werden.
Festgelegte Währungen	Vorbehaltlich der Einhaltung aller anwendbaren gesetzlichen oder regulatorischen Beschränkungen sowie Anforderungen der betreffenden Zentralbanken können die Schuldverschreibungen in jeder Währung begeben werden, die zwischen der Emittentin und dem(n) jeweiligen Platzeur(en) vereinbart wird.
Stückelungen der Schuldverschreibungen	Die Schuldverschreibungen werden in solchen Stückelungen begeben, die zwischen der Emittentin und dem(n) Platzeur(en) vereinbart und in den jeweiligen Endgültigen Bedingungen angegeben werden mit der Maßgabe, dass die Mindeststückelung der Schuldverschreibung EUR 1.000 betragen wird, bzw., falls die Schuldverschreibungen auf eine andere Währung als Euro lauten, einen Betrag in dieser anderen Währung, der zur Zeit der Begebung der Schuldverschreibungen annähernd dem Gegenwert von EUR 1.000 entspricht. Schuldverschreibungen können in Einklang mit der Prospektrichtlinie auch als nennwertlose Stücke begeben (die "Nennwertlosen Schuldverschreibungen") werden.
Form der Schuldverschreibungen	Die Schuldverschreibungen können nur als Inhaberpapiere begeben werden. Globalurkunden werden nicht gegen Einzelurkunden oder Sammelglobalurkunden ausgetauscht.
Status der nicht nachrangigen Schuldverschreibungen	Nicht nachrangige Schuldverschreibungen stellen unbesicherte und nicht nachrangige Verbindlichkeiten der Emittentin dar, die untereinander und mit allen anderen unbesicherten und nicht nachrangigen Verbindlichkeiten der Emittentin gleichrangig sind, mit Ausnahme von Verbindlichkeiten, die nach geltenden Rechtsvorschriften vorrangig sind.
Nachrang-Instrumente	Die Emittentin kann nachrangige Instrumente als kurzfristige nachrangige Schuldverschreibungen (die " Kurzfristigen Nachrangigen Schuldverschreibungen "), nachrangige Schuldverschreibungen (die " Nachrangigen Schuldverschreibungen ") und als Ergänzungskapital-Schuldverschreibungen (die " Ergänzungskapital-Schuldverschreibungen ") (zusammen „ Nachrang-Instrumente gemäß BWG “) und als New Style Tier 2 Schuldverschreibungen gemäß Verordnung des Europäischen Parlaments und des Rates über Aufsichtsanforderungen an Kreditinstitute und Wertpapierfirmen

	("CRR") (die "New Style Tier 2 Schuldverschreibungen") (und zusammen mit den Nachrang-Instrumenten gemäß BWG, die "Nachrang-Instrumente") begeben.
Status der Kurzfristigen Nachrangigen Schuldverschreibungen	Kurzfristige Nachrangige Schuldverschreibungen bilden unmittelbare, unbesicherte, unbedingte und nachrangige Verbindlichkeiten der Emittentin, die untereinander und mit allen anderen nicht besicherten nachrangigen Verbindlichkeiten der Emittentin – außer jenen anderen nachrangigen Verbindlichkeiten, welche ausdrücklich den Nachrang-Instrumenten gemäß BWG im Rang nachstehen – gleichrangig sind. Im Falle der Liquidation oder der Insolvenz der Emittentin sind diese Ansprüche unter den Kurzfristigen Nachrangigen Schuldverschreibungen nachrangig zu den Ansprüchen aller nicht nachrangigen Gläubiger der Emittentin.
Status der Nachrangigen Schuldverschreibungen	Nachrangige Schuldverschreibungen bilden unmittelbare, unbesicherte, unbedingte und nachrangige Verbindlichkeiten der Emittentin, die untereinander und mit allen anderen nicht besicherten nachrangigen Verbindlichkeiten der Emittentin – außer jenen anderen nachrangigen Verbindlichkeiten, welche ausdrücklich den Nachrang-Instrumenten gemäß BWG im Rang nachstehen – gleichrangig sind. Im Falle der Liquidation oder der Insolvenz der Emittentin sind diese Ansprüche unter den Nachrangigen Schuldverschreibungen nachrangig zu den Ansprüchen aller nicht nachrangigen Gläubiger der Emittentin.
Status der Ergänzungskapital-Schuldverschreibungen	Ergänzungskapital-Schuldverschreibungen bilden unmittelbare, unbesicherte, unbedingte und nachrangige Verbindlichkeiten der Emittentin, die untereinander und mit allen anderen nicht besicherten nachrangigen Verbindlichkeiten der Emittentin – außer jenen nachrangigen Verbindlichkeiten, welche ausdrücklich den Ergänzungskapital-Schuldverschreibungen im Rang nachstehen – gleichrangig sind. Im Falle der Liquidation oder der Insolvenz der Emittentin sind diese Ansprüche aus Ergänzungskapital-Schuldverschreibungen nachrangig zu den Ansprüchen aller nicht nachrangigen Gläubiger der Emittentin.
Status der New Style Tier 2 Schuldverschreibungen	Forderungen auf den Kapitalbetrag der New Style Tier 2 Schuldverschreibungen begründen unmittelbare, unbesicherte, unbedingte und nachrangige Verbindlichkeiten der Emittentin, die untereinander gleichrangig sind und gleichrangig mit allen anderen Forderungen auf den Kapitalbetrag von New Style Tier 2 Schuldverschreibungen sind. Forderungen auf den Kapitalbetrag der New Style Tier 2 Schuldverschreibungen sind den Forderungen aller nicht nachrangigen Gläubiger der Emittentin vollständig nachrangig.
Status der Fundierten Bankschuldverschreibungen	Fundierte Bankschuldverschreibungen ("Fundierte Bankschuldverschreibungen") begründen nicht nachrangige Verbindlichkeiten der Emittentin, die untereinander und mit allen anderen Verbindlichkeiten der Emittentin aus Fundierten Bankschuldverschreibungen im Bezug auf den jeweiligen Deckungsstock gleichrangig sind. Sie sind gemäß dem österreichischen Gesetz über fundierte Bankschuldverschreibungen durch einen Deckungsstock besichert oder "fundiert".
Negativverpflichtung	Keine
Mögliche Zinsstrukturen	Schuldverschreibungen können entweder verzinslich zu festen oder variablen Zinssätzen oder unverzinslich sein, mit Kapitalrückzahlung zu einem festen Betrag oder unter Bezugnahme auf eine Formel, wie zwischen der Emittentin und dem(n) jeweiligen Platzeur(en) vereinbart und in den anwendbaren Endgültigen Bedingungen angegeben.
Festverzinsliche Schuldverschreibungen	Festverzinsliche Schuldverschreibungen haben einen festen Zinsertrag über die gesamte Laufzeit der Schuldverschreibungen wie in den anwendbaren Anleihebedingungen ergänzt durch die Engdültigen Bedingungen, sofern anwendbar, vereinbart.

Variabel verzinsliche Schuldverschreibungen	Variabel verzinsliche Schuldverschreibungen werden mit einem Zinssatz verzinst (angepasst um eine ggf. anwendbare Marge): - basierend auf einem Referenzzinssatz (z.B. Euro Interbank Offered Rate (EURIBOR)), der auf einer vereinbarten Bildschirmseite eines Kursdienstes angezeigt wird, oder - dessen Basis in den anwendbaren Endgültigen Bedingungen angegeben ist. Eine etwaige Marge bezogen auf einen solchen variablen Zinssatz wird für jede Serie von variabel verzinslichen Schuldverschreibungen in den anwendbaren Endgültigen Bedingungen angegeben. Die Zinsperioden für variabel verzinsliche Schuldverschreibungen umfassen einen, zwei, drei, sechs oder zwölf Monat(e) bzw. einen oder mehrere andere zwischen der Emittentin und dem(n) betreffenden Platzeur(en) vereinbarte Zeiträume, wie in den Endgültigen Bedingungen festgelegt.
Strukturierte Variabel verzinsliche Schuldverschreibungen	Variabel verzinsliche Schuldverschreibungen können mit Multiplikatoren oder anderen Hebel Faktoren sowie mit Zinsober- und Zinsuntergrenzen oder einer Kombination dieser Merkmale oder mit ähnlichen Merkmalen ausgestattet sein.
Gegenläufig variabel verzinsliche Schuldverschreibungen	Gegenläufig variabel verzinsliche Schuldverschreibungen verbriefen einen Zinssatz, welcher bestimmt wird als Differenz eines festen Zinssatzes und eines variablen Zinssatzes wie EURIBOR oder der London Interbank Offered Rate (LIBOR).
Fest- zu Variabel- verzinsliche Schuldverschreibungen	Elemente von festverzinslichen Schuldverschreibungen können mit Elementen von variabel verzinslichen Schuldverschreibungen kombiniert werden. Fest- zu Variabel verzinsliche Schuldverschreibungen werden mit einem Zinssatz verzinst, der von der Emittentin nach ihrer Wahl von einem festen zu einem variablen Zinssatz bzw. von einem variablen zu einem festen Zinssatz gewandelt werden kann.
Step-Up- und Step-Down-Schuldverschreibungen	Die Zinssätze von Step-Up-Schuldverschreibungen steigen im Laufe der Jahre an, während die Zinssätze bei Step-Down-Schuldverschreibungen über die Jahre sinken. Die jeweiligen Zeitpunkte, zu denen ein Anstieg bzw. ein Absinken der Zinssätze erfolgt, sowie die jeweiligen Zinssätze werden vorab festgelegt. Es gibt außerdem Kombinationen aus Step-Up- und Step-Down-Schuldverschreibungen, bei denen der vorab festgelegte Zinssatz von einem zum anderen Jahr steigen oder sinken kann.
Nullkupon-Schuldverschreibungen	Nullkupon-Schuldverschreibungen werden mit einem Abschlag auf ihren Nennbetrag angeboten und verkauft oder auf Basis akkumulierter Zinsen, in jedem Fall ohne periodische Zinszahlungen.
Doppelwährungs-/ Multicurrency Schuldverschreibungen	Doppelwährungs-/Multicurrency-Schuldverschreibungen sind Schuldverschreibungen, bei denen die Kapitalzahlung und/oder die Zinszahlung in unterschiedlichen Währungen erfolgen kann. Zahlungen (ob in Bezug auf Kapital oder Zinsen, sei es zum Rückzahlungstermin oder zu einem anderen Zeitpunkt) auf Doppelwährungs-Schuldverschreibungen erfolgen in der Währung und auf der Grundlage der Wechselkurse, die zwischen der Emittentin und dem(n) betreffenden Platzeur(en) vereinbart werden, wie in den anwendbaren Endgültigen Bedingungen angegeben.
Raten-Schuldverschreibungen	Raten-Schuldverschreibungen sind Schuldverschreibungen, bei denen die Kapitalzahlung in Raten erfolgt. Die Zahlung von Raten erfolgt wie zwischen der Emittentin und dem(n) betreffenden Platzeur(en) vereinbart (und in den anwendbaren Endgültigen Bedingungen angegeben).
Indexierte Schuldverschreibungen	Indexierte Schuldverschreibungen können in Form von Schuldverschreibungen mit indexabhängiger Verzinsung oder Schuldverschreibungen mit indexabhängiger Rückzahlung oder als Kombination dieser beiden Formen ausgegeben werden. <i>Schuldverschreibungen mit indexabhängiger Verzinsung</i> Zinszahlungen auf Schuldverschreibungen mit indexabhängiger Verzinsung erfolgen auf Basis eines einzelnen Indizes oder eines Korbes von Indizes oder

anderer Faktoren (einschließlich Kurs- bzw. Preisänderungen von Wertpapieren und Waren oder Wechselkursbewegungen) und/oder auf Basis einer von der Emittentin und dem(n) betreffenden Platzeur(en) festgelegten Formel (wie in den anwendbaren Endgültigen Bedingungen angegeben).

Schuldverschreibungen mit indexabhängiger Rückzahlung

Kapitalzahlungen in Bezug auf Schuldverschreibungen mit indexabhängiger Rückzahlung werden auf Basis eines einzelnen Indizes oder eines Korbes von Indizes oder anderer Faktoren (einschließlich Kurs- bzw. Preisänderungen von Wertpapieren und Waren oder Wechselkursbewegungen) und/oder auf Basis einer von der Emittentin und dem(n) betreffenden Platzeur(en) festgelegten Formel berechnet (wie in den anwendbaren Endgültigen Bedingungen angegeben). Die Rückzahlung der Schuldverschreibungen mit indexabhängiger Rückzahlung erfolgt in Höhe des Rückzahlungsbetrages, der in den anwendbaren Endgültigen Bedingungen angegeben ist oder gemäß den darin enthaltenen Bestimmungen ermittelt wird.

**Equity Linked
Schuldverschreibungen**

Equity Linked Schuldverschreibungen können in Form von Schuldverschreibungen, bei denen der Zins an den Wert von Aktien (*Equity Linked Interest Notes*) oder der Rückzahlungsbetrag an den Wert von Aktien (*Equity Linked Redemption Notes*) oder eine Kombination aus beiden gebunden ist, begeben werden. Es werden keine Equity Linked Schuldverschreibungen begeben, die an Aktien der Emittentin gebunden sind.

Schuldverschreibungen, bei denen der Zins an den Wert von Aktien gebunden ist

Zinszahlungen auf Schuldverschreibungen, bei denen der Zins an den Wert von Aktien gebunden ist, werden durch Bezugnahme auf einen einzelnen Aktienwert oder einen Korb von Aktienwerten oder andere Faktoren und/oder eine festgelegte Formel berechnet und zu solchen Bedingungen, wie in den anwendbaren Endgültigen Bedingungen angegeben.

Schuldverschreibungen, bei denen der Rückzahlungsbetrag an den Wert von Aktien gebunden ist

Kapitalzahlungen in Bezug auf Schuldverschreibungen, bei denen der Rückzahlungsbetrag an den Wert von Aktien gebunden ist, werden unter Bezugnahme auf einen einzelnen Aktienwert oder einen Korb von Aktienwerten oder andere Faktoren und/oder eine festgelegte Formel, wie in den anwendbaren Endgültigen Bedingungen angegeben, berechnet. Die Rückzahlung von Equity Linked Redemption Schuldverschreibungen kann auch durch Lieferung der Referenzwerte erfolgen. Die Rückzahlung der Equity Linked Redemption Schuldverschreibungen erfolgt in Höhe des Rückzahlungsbetrags, der in den anwendbaren Endgültigen Bedingungen angegeben ist oder gemäß den darin enthaltenen Bestimmungen ermittelt wird.

**Commodity Linked
Schuldverschreibungen**

Commodity Linked Schuldverschreibungen können in Form von Schuldverschreibungen, bei denen der Zins an den Wert von Rohstoffen (*Commodity Linked Interest Notes*) oder der Rückzahlungsbetrag an den Wert von Rohstoffen (*Commodity Linked Redemption Notes*) oder eine Kombination aus beiden gebunden ist, begeben werden.

Schuldverschreibungen, bei denen der Zins an den Wert von Rohstoffen gebunden ist

Zinszahlungen auf Schuldverschreibungen, bei denen der Zins an den Wert von Rohstoffen gebunden ist, werden durch Bezugnahme auf einen einzelnen Rohstoff oder einen Korb von Rohstoffen oder andere Faktoren und/oder eine festgelegte Formel berechnet und zu solchen Bedingungen, wie in den anwendbaren Endgültigen Bedingungen angegeben.

Schuldverschreibungen, bei denen der Rückzahlungsbetrag an den Wert von Rohstoffen gebunden ist

FX Linked Schuldverschreibungen

Kapitalzahlungen in Bezug auf Schuldverschreibungen, bei denen der Rückzahlungsbetrag an den Wert von Rohstoffen gebunden ist, werden unter Bezugnahme auf einen einzelnen Rohstoff oder einen Korb von Rohstoffen oder andere Faktoren und/oder eine festgelegte Formel, wie in den anwendbaren Endgültigen Bedingungen angegeben, berechnet. Die Rückzahlung der Commodity Linked Redemption Schuldverschreibungen erfolgt in Höhe des Rückzahlungsbetrags, der in den anwendbaren Endgültigen Bedingungen angegeben ist oder gemäß den darin enthaltenen Bestimmungen ermittelt wird.

FX Linked Schuldverschreibungen können in Form von Schuldverschreibungen, bei denen der Zins an den Wert von Fremdwährungen (*FX Linked Interest Notes*) oder der Rückzahlungsbetrag an den Wert von Fremdwährungen (*FX Linked Redemption Notes*) oder eine Kombination aus beiden gebunden ist, begeben werden.

Schuldverschreibungen, bei denen der Zins an den Wert von Fremdwährungen gebunden ist

Zinszahlungen auf Schuldverschreibungen, bei denen der Zins an den Wert von Fremdwährungen gebunden ist, werden durch Bezugnahme auf eine einzelne Fremdwährung oder einen Korb von Fremdwährungen oder andere Faktoren und/oder eine festgelegte Formel berechnet und zu solchen Bedingungen, wie in den anwendbaren Endgültigen Bedingungen angegeben.

Schuldverschreibungen, bei denen der Rückzahlungsbetrag an den Wert von Fremdwährungen gebunden ist

Kapitalzahlungen in Bezug auf Schuldverschreibungen, bei denen der Rückzahlungsbetrag an den Wert von Fremdwährungen gebunden ist, werden unter Bezugnahme auf eine einzelne Fremdwährung oder einen Korb von Fremdwährungen oder andere Faktoren und/oder eine festgelegte Formel, wie in den anwendbaren Endgültigen Bedingungen angegeben, berechnet. Die Rückzahlung der FX Linked Redemption Schuldverschreibungen erfolgt in Höhe des Rückzahlungsbetrags, der in den anwendbaren Endgültigen Bedingungen angegeben ist oder gemäß den darin enthaltenen Bestimmungen ermittelt wird.

Sonstige Zinsstrukturen

Für variabel verzinsliche Schuldverschreibungen und andere Schuldverschreibungen mit Ausnahme festverzinslicher Schuldverschreibungen kann ein Höchstzinssatz, ein Mindestzinssatz oder beides festgelegt sein.

Eine andere Basis oder Methode zur Bestimmung des jeweiligen Zinssatzes, festgelegt zwischen der Emittentin und dem(n) betreffenden Platzeur(en), kann für die Schuldverschreibungen anwendbar sein. Die jeweiligen Bedingungen dieser Schuldverschreibungen sind in den anwendbaren Endgültigen Bedingungen festgelegt.

Laufzeiten

Die Laufzeiten der Schuldverschreibungen werden jeweils zwischen der Emittentin und dem(n) jeweiligen Platzeur(en) vereinbart und in den anwendbaren Endgültigen Bedingungen angegeben, allerdings vorbehaltlich der Mindest- oder Höchstlaufzeiten, die jeweils seitens der betreffenden Aufsichtsbehörden oder gemäß den für die Emittentin oder die relevante Währung geltenden Gesetzen und Vorschriften zulässig oder erforderlich sind.

Nachrang-Instrumente haben eine Mindestlaufzeit gemäß rechtlichen und regulatorischen Anforderungen und wie in den Endgültigen Bedingungen festgelegt. Nachrangige Schuldverschreibungen und New Style Tier 2 Schuldverschreibungen haben, zum Beispiel, eine Mindestlaufzeit von fünf Jahren, Ergänzungskapital-Schuldverschreibungen von acht Jahren und Kurzfristig Nachrangige Schuldverschreibungen von zwei Jahren.

Rückzahlung

In den anwendbaren Endgültigen Bedingungen ist entweder festgelegt, dass die Schuldverschreibungen vor Ablauf ihrer festgelegten Laufzeit nicht rückzahlbar sind (es sein denn aus steuerlichen Gründen, bzw. bei Nicht Nachrangigen Schuldverschreibungen oder Fundierten Bankschuldverschreibungen nur bei Eintritt

eines Kündigungsereignisses), oder dass die Schuldverschreibungen nach Wahl der Emittentin und/oder der Gläubiger unter Einhaltung einer in den Endgültigen Bedingungen festgelegten Frist gegenüber den Gläubigern bzw. der Emittentin kündbar (rückzahlbar) sind, und zwar zu dem(n) Zeitpunkt(en) vor der angegebenen Fälligkeit und zu dem(n) Preis(en), wie diese jeweils in den anwendbaren Endgültigen Bedingungen festgelegt sind. Darüber hinaus ist eine vorzeitige Fälligkeit aufgrund des Eintritts eines in den Anleihebedingungen festgelegten Ereignisses möglich.

Nachrang-Instrumente gemäß BWG können nach Wahl der Gläubiger nur gemäß rechtlichen und regulatorischen Anforderungen und wie in den Endgültigen Bedingungen festgelegt vorzeitig rückgezahlt werden. Nachrangige Schuldverschreibungen können, zum Beispiel, in den ersten fünf Jahren ihrer Laufzeit nicht nach Wahl der Gläubiger der Schuldverschreibungen vorzeitig zurückgezahlt werden, Ergänzungskapital-Schuldverschreibungen in den ersten acht Jahren und Kurzfristig Nachrangige Schuldverschreibungen nicht in den ersten zwei Jahren.

Die Gläubiger der New Style Tier 2 Schuldverschreibungen haben keinerlei Recht, die künftige planmäßige Auszahlung von Zinsen oder des Kapitalbetrages zu beschleunigen.

Bei Schuldverschreibungen, deren Erlöse von der Emittentin im Vereinigten Königreich vereinnahmt und die vor dem ersten Jahrestag ihres jeweiligen Ausgabedatums zurückgezahlt werden müssen, muss (a) der Rückzahlungswert mindestens GBP 100.000 (bzw. einen diesem Wert entsprechenden Betrag, der ganz oder teilweise auf eine andere Währung als Pfund Sterling lautet) betragen, und es muss (b) vorgeschrieben sein, dass eine Übertragung von Teilen dieser Schuldverschreibungen nur zulässig ist, wenn der Rückzahlungswert des betreffenden Teils mindestens GBP 100.000 (bzw. dem entsprechenden Betrag) entspricht.

Optionale Rückzahlung

Die Emittentin oder die Gläubiger können das Recht haben die Schuldverschreibungen vorzeitig zu kündigen, sofern in den anwendbaren Endgültigen Bedingungen vorgesehen. Zudem können die Schuldverschreibung bei in den Anleihebedingungen vorgesehenen Ereignissen vorzeitig rückzahlbar sein.

Besteuerung

Sämtliche auf die Schuldverschreibungen zu zahlenden Beträge werden ohne Einbehalt oder Abzug von Steuern, Abgaben, Festsetzungen oder behördlichen Gebühren jedweder Art geleistet, die von der Republik Österreich oder einer ihrer Gebietskörperschaften oder Behörden mit der Befugnis zur Erhebung von Steuern auferlegt, erhoben, eingezogen, einbehalten oder festgesetzt werden, es sei denn, ein solcher Einbehalt oder Abzug ist gesetzlich vorgeschrieben. Ist ein solcher Einbehalt oder Abzug gesetzlich vorgeschrieben, wird die Emittentin zusätzliche Beträge in der Höhe leisten, die notwendig ist, um zu gewährleisten, dass die von den Gläubigern unter Berücksichtigung eines solchen Einbehalts oder Abzugs erhaltenen Beträge den Beträgen entsprechen, die die Gläubiger ohne einen solchen Einbehalt oder Abzug erhalten hätten, vorbehaltlich der in den Anleihebedingungen der Schuldverschreibungen angeführten Ausnahmen.

Vorzeitige Rückzahlung aus Steuergründen

Die vorzeitige Rückzahlung der Schuldverschreibungen aus steuerlichen Gründen ist zulässig, falls als Folge einer Änderung oder Ergänzung der Gesetze oder Vorschriften (einschließlich einer Änderung oder Ergänzung der Anwendung oder der offiziellen Auslegung dieser Gesetze oder Vorschriften) die Emittentin zur Zahlung zusätzlicher Beträge auf die Schuldverschreibungen verpflichtet ist, wie im Einzelnen in den Anleihebedingungen der Schuldverschreibungen dargelegt.

Kündigungsgründe

Die Nicht-Nachrangigen Schuldverschreibungen, außer die Fundierten Bankschuldverschreibungen, sehen Kündigungsgründe vor, welche die Gläubiger berechtigen, sofortige Rückzahlung der Schuldverschreibungen zu verlangen.

Die Fundierten Bankschuldverschreibungen, sehen einen Kündigungsgrund nur für den Fall vor, dass die Emittentin Kapital oder Zinsen nicht innerhalb von 15 Tagen

nach dem betreffenden Fälligkeitstag zahlt.

Die Nachrang-Instrumente sehen keine Kündigungsgründe vor, die die Gläubiger berechtigen, sofortige Rückzahlung der Schuldverschreibungen zu verlangen.

Cross Default Bestimmung

Keine

Gläubigerbeschlüsse

In Übereinstimmung mit dem Schuldverschreibungsgesetz 2009 ("**SchVG**") können die Schuldverschreibungen (mit Ausnahme der Fundierten Bankschuldverschreibungen) vorsehen, dass die Gläubiger durch Beschluss (mit Zustimmung der Emittentin) Änderungen der Anleihebedingungen zustimmen und gewisse sonstige Maßnahmen in Bezug auf die Schuldverschreibungen beschließen können. Wirksam zustandegewordene Beschlüsse der Gläubiger, die nach Maßgabe der Anleihebedingungen entweder in einer Gläubigerversammlung oder im Wege der Abstimmung ohne Versammlung gefasst wurden, sind für alle Gläubiger verbindlich. Beschlüsse der Gläubiger, durch welche wesentliche Inhalte der Anleihebedingungen geändert werden, bedürfen einer Mehrheit von mindestens 75% der an der Abstimmung teilnehmenden Stimmrechte. Sonstige Beschlüsse bedürfen – vorbehaltlich der Aufnahme einer qualifizierten Mehrheit in den Anleihebedingungen – der einfachen Mehrheit der teilnehmenden Stimmrechte.

Gemeinsamer Vertreter

In Übereinstimmung mit dem SchVG können die Schuldverschreibungen (mit Ausnahme der Fundierten Bankschuldverschreibungen) vorsehen, dass die Gläubiger durch Mehrheitsbeschluss einen gemeinsamen Vertreter (der "**gemeinsame Vertreter**") bestellen. Die Aufgaben und Befugnisse des durch Beschluss bestellten gemeinsamen Vertreters bestimmen sich nach dem SchVG sowie den Mehrheitsbeschlüssen der Gläubiger. Ein gemeinsamer Vertreter der Gläubiger kann auch bereits in den Anleihebedingungen bestellt werden. In diesem Fall bestimmen sich die Aufgaben und Befugnisse des gemeinsamen Vertreters nach den Anleihebedingungen.

Geltendes Recht

Die Schuldverschreibungen, mit Ausnahme von Fundierten Bankschuldverschreibungen und Nachrang-Instrumenten, unterliegen deutschem Recht. Fundierte Bankschuldverschreibungen unterliegen deutschem Recht bis auf die Regelungen im Hinblick auf Status (§ 2 der Anleihebedingungen), Deckungsstock, Kündigung (§ 9 der Anleihebedingungen) und Ersetzung (§ 10 der Anleihebedingungen), welche österreichischem Recht unterliegen. Nachrang-Instrumente gemäß BWG unterliegen deutschem Recht bis auf die Regelungen im Hinblick auf Status (§ 2 der Anleihebedingungen), Regelungen im Hinblick auf die Nachrangigkeit sowie Kündigung (§ 9 der Anleihebedingungen), welche österreichischem Recht unterliegen.

New Style Tier 2 Schuldverschreibungen unterliegen deutschem Recht bis auf die Regelungen im Hinblick auf Status (§ 2 der Anleihebedingungen), Regelungen im Hinblick auf die Nachrangigkeit sowie Kündigung (§ 9 der Anleihebedingungen), welche österreichischem Recht unterliegen.

Gerichtsstand

Nicht ausschließlicher Gerichtsstand für alle gerichtlichen Verfahren im Zusammenhang mit den Schuldverschreibungen ist, vorbehaltlich gewisser Ausnahmen, Frankfurt am Main, Deutschland.

Börsenzulassung

Für die Schuldverschreibungen wurde ein Antrag auf Börsenzulassung in der *Official List* der Luxemburger Wertpapierbörse sowie zum Börsenhandel am regulierten Markt der Luxemburger Wertpapierbörse "*Bourse de Luxembourg*" gestellt. Ein Antrag auf Börsenzulassung am Regelierten Freiverkehr der Wiener Wertpapierbörse oder an einer anderen Börse in Bezug auf die unter dem Programm begebenen Schuldverschreibungen kann gestellt werden. Das Programm sieht vor, dass Schuldverschreibungen an weiteren oder anderen Börsen zugelassen werden können, wie in den anwendbaren Endgültigen Bedingungen angegeben. Unter dem Programm können zudem auch Schuldverschreibungen begeben werden, die an keiner Börse zugelassen sind.

Clearingsystem

Das Clearing der Schuldverschreibungen erfolgt durch ein oder mehrere

Clearingsysteme, wie in den anwendbaren Endgültigen Bedingungen angegeben, und schließt die von Clearstream Banking, société anonyme, Luxemburg, ("**CBL**"), Euroclear Bank SA/NV ("**Euroclear**") als Betreiber des Euroclearsystems und die von Oesterreichische Kontrollbank Aktiengesellschaft, Am Hof 4, 1010, Wien ("**OeKB**") betriebenen Systeme sowie jedes andere Clearing System ein.

Ratings

Schuldverschreibungen, die unter dem Programm emittiert werden, können entweder ein Rating haben oder kein Rating aufweisen. Das Rating eines Wertpapiers ist keine Empfehlung zum Kaufen, Verkaufen oder Halten von Wertpapieren und kann jederzeit durch die vergebende Rating-Agentur suspendiert, herabgesetzt oder zurückgezogen werden.

Zusammenfassung der Informationen über die Raiffeisen Bank International AG

Firma	Raiffeisen Bank International AG (" RBI " oder die " Emittentin ")
Rechtsform	Aktiengesellschaft gem. AktG nach österreichischem Recht
Geschäftsanschrift	Am Stadtpark 9, 1030 Wien, Republik Österreich
Firmenbuch	eingetragen im Firmenbuch des Handelsgerichtes Wien zu FN 122119m
Organe	Vorstand, Aufsichtsrat
Vorstandsmitglieder	Dkfm. Dr. Herbert Stepic, Vorstandsvorsitzender Mag. Dr. Karl Sevelda, Vorstandsvorsitzender-Stellvertreter Mag. Martin Grill, Mitglied Dr. Johann Strobl, Mitglied Aris Bogdaneris, M.A., Mitglied Dkfm. Klemens Breuer, Mitglied Mag. Peter Lennkh, Mitglied

Geschichte

Die Emittentin wurde im Jahr 1991 von Raiffeisen Zentralbank Österreich AG ("**RZB**", und gemeinsam mit ihren konsolidierten Tochtergesellschaften, "**RZB-Konzern**") als Holding-Gesellschaft zur Bündelung der Beteiligungen und Interessen des RZB-Konzerns in Zentral- und Osteuropa ("**CEE**") gegründet. Sie wurde mehrfach umfirmiert und trat seit dem Jahr 2003 bis zur Umstrukturierung und Namensänderung in "**Raiffeisen Bank International AG**" im Jahr 2010 unter dem Namen "**Raiffeisen International Bank-Holding AG**" ("**RI**") auf.

Im April 2010 wurde von den Vorständen der RI und der RZB die Abspaltung und anschließende Verschmelzung wesentlicher Teile des Bankbetriebs der RZB mit der RI (die "**Umstrukturierung**" oder die "**Verschmelzung**") beschlossen.

Die Hauptversammlungen der involvierten Unternehmen RZB und RI haben der Umstrukturierung am 7. bzw. 8. Juli 2010 mit jeweils einstimmigen Beschlüssen zugestimmt.

Am 10. Oktober 2010, mit Eintragung im Firmenbuch und Wirksamwerden der Umstrukturierung ("**Reorganisation Date**"), hat die Emittentin ihre Firma auf "**Raiffeisen Bank International AG**" geändert, eine österreichische Banklizenz erhalten und ist weiterhin an der Wiener Börse notiert. Mehrheitsaktionär der Emittentin ist weiterhin RZB, die – nach der Umstrukturierung – 78,5% des Aktienkapitals der Emittentin hält.

Satzungsmäßiger Unternehmensgegenstand

Gegenstand des Unternehmens der Emittentin ist der Betrieb von Bankgeschäften aller Art gemäß § 1 Abs. 1 BWG und der damit zusammenhängenden Geschäfte; diese jedoch mit Ausnahme des Investmentfondsgeschäftes, des Immobilienfondsgeschäftes, des Beteiligungsfondsgeschäftes, des Betrieblichen Vorsorgekassengeschäftes und des Bauspargeschäftes sowie der Ausgabe von Pfandbriefen und Kommunalschuldverschreibungen.

Gegenstand des Unternehmens ist ferner:

- (a) die Beratung und die Erbringung von Managementleistungen aller Art für die Unternehmen, an denen Beteiligungen oder zu denen sonst konzernmäßige Verflechtungen bestehen;
- (b) die Durchführung von Geschäften und Erbringung aller Dienstleistungen, die mit dem Bankgeschäft in direktem oder indirektem Zusammenhang stehen, insbesondere die Durchführung der in § 1 Abs. 2 und 3 BWG angeführten Tätigkeiten, die Erbringung von Dienstleistungen auf dem Gebiet der Unternehmensberatung einschließlich Unternehmensorganisation sowie auf dem Gebiet der automatischen Datenverarbeitung und Informationstechnik.

Die Emittentin ist im Rahmen der jeweils gültigen Gesetze berechtigt, Ergänzungskapital, nachrangiges und kurzfristiges nachrangiges Kapital sowie hybrides Kapital gemäß BWG aufzunehmen sowie wirtschaftlich vergleichbare Instrumente zu begeben.

Die Emittentin ist zum Erwerb von Liegenschaften, zur Errichtung von Zweigniederlassungen und Tochtergesellschaften im In- und Ausland sowie zur Beteiligung an anderen Unternehmen berechtigt. Die Emittentin ist darüber hinaus zu allen Geschäften und Maßnahmen berechtigt, die zur Erreichung des Gesellschaftszweckes notwendig oder nützlich sind, insbesondere auch in allen dem Unternehmensgegenstand ähnlichen oder verwandten Tätigkeitsbereichen.

Geschäftsmodell/Geschäftsfelder/Märkte

Der RBI-Konzern ist eine Universalbanken-Gruppe, die eine umfassende Bandbreite an Bank- und Finanzprodukten, sowie Service an Retail- und Kommerzkunden, Finanzinstitute und an den öffentlichen Sektor anbietet. RBI setzt ihren Geschäftsschwerpunkt in ihre Kernmärkte in CEE und in Österreich. In CEE betreibt der RBI-Konzern ein Netzwerk von Universalbanken, Leasing-Gesellschaften und anderen Finanzdienstleistern in 17 Märkten, wobei in 15 Ländern auch Banken-Tochtergesellschaften im Mehrheitseigentum, die "**Netzwerkbanken**", bestehen. Seit der Umstrukturierung bietet der RBI-Konzern österreichischen und internationalen Kommerzkunden sowie multinationalen Unternehmen Dienstleistungen im Bereich des Kommerzbankgeschäfts sowie des Investment Banking an. Der RBI-Konzern unterhält langjährige Geschäftstätigkeiten in Asien, einschließlich China und Singapur, und nützt selektiv Geschäftsmöglichkeiten, in erster Linie mit bestehenden Kunden, die spezieller Finanzierungslösungen bedürfen. Als einer der größten Pan-Osteuropäischen (inkl. Österreich) Bankkonzerne verfügt der RBI-Konzern zum 31. Dezember 2011 über ungefähr 2.900 Geschäftsstellen, betreut ungefähr 13,8 Millionen Kunden und beschäftigt ungefähr 59.000 Mitarbeiter.

Das Produkt- und Dienstleistungsangebot des RBI-Konzerns inkludiert Kredite, Einlagen, Zahlungs- und Kontodienstleistungen, Kredit- und Debitkarten, Leasing, Anlageverwaltung, Versicherungsprodukte, Export- und Projektfinanzierung, Zahlungsverkehr, Devisen- und Festzinsprodukte sowie Investment Banking-Dienstleistungen. Während die Geschäftstätigkeit des RBI-Konzerns in den CEE-Ländern sowohl Retail- als auch Kommerzkunden abdeckt, fokussiert sich die Geschäftstätigkeit des RBI-Konzerns in Österreich und in anderen Teilen der Welt auf Kommerzkunden (Mittel- und Großbetriebe sowie Finanzinstitute), hier besonders auf jene, bei welchen sich Cross-Selling Möglichkeiten in den CEE-Ländern ergeben.

Zum 31. Dezember 2011 betrug die konsolidierte Bilanzsumme des RBI-Konzerns EUR 146.985 Millionen (EUR 131.173 Millionen zum 31. Dezember 2010).

Übersicht über die Konzernfinanzkennzahlen

Die nachstehenden, ausgewählten Konzernfinanzdaten des RBI-Konzerns sollten in Zusammenhang mit den Konzernabschlüssen der Emittentin, die per Referenz in diesen Prospekt inkorporiert sind, gelesen werden.

Die Konzern-Gesamtergebnisrechnungen für das am 31. Dezember 2011 und 31. Dezember 2010 endende Geschäftsjahr und die Daten für die Konzern-Bilanz zum 31. Dezember 2011 und 31. Dezember 2010 wurden von den geprüften und per Referenz in diesen Prospekt inkorporierten Konzernabschlüssen abgeleitet und sollten in Verbindung mit diesen geprüften Konzernabschlüssen gelesen werden.

Die Daten der ungeprüften Konzern-Gesamtergebnisrechnung für das am 31. März 2012 endende Quartal und die Daten der ungeprüften Konzern-Bilanz zum 31. März 2012 wurden von dem ungeprüften und per Referenz in diesen Prospekt inkorporierten verkürzten Konzern-Zwischenabschluss zum 31. März 2012 abgeleitet. Die ungeprüften Finanzzahlen zum 31. März 2012 wurden auf derselben Grundlage erstellt wie der geprüfte Konzernabschluss zum Jahresende. IFRS-Standards und Interpretationen, die ab 1. Jänner 2011 in der EU verpflichtend anzuwenden sind, wurden in diesem Zwischenabschluss berücksichtigt.

Die Quartals-Finanzergebnisse zum 31. März 2012 sind nicht notwendigerweise indikativ für Ergebnisse des ganzen Geschäftsjahres.

	Drei Monate endend am 31. März		Jahr endend am 31. Dezember	
	2012	2011	2011	2010
	(in Millionen EUR, außer anders angeführt)		(in Millionen EUR, außer anders angeführt)	
	(ungeprüft)		(geprüft)	
Gesamtergebnisrechnung				
Zinserträge.....	1.659,9	1.568,3	6.614,4	6.364,8
Laufendes Ergebnis at-equity bewerteter Unternehmen	0,0	0,0	0,1	0,2
Zinsaufwendungen	(784,6)	(684,1)	(2.947,4)	(2.786,8)
Zinsüberschuss	875,3	884,3	3.667,2	3.578,2
Nettodotierungen zu Kreditrisikovorsorgen.....	(152,9)	(208,2)	(1.063,6)	(1.194,1)
Zinsüberschuss nach Risikovorsorgen	722,3	676,1	2.603,6	2.384,1
Provisionserträge	470,5	427,7	1.795,3	1.753,2
Provisionsaufwendungen.....	(124,6)	(70,6)	(305,3)	(262,4)
Provisionsüberschuss	345,9	357,1	1.489,9	1.490,8
Handelsergebnis	82,0	123,4	363,3	328,1
Ergebnis aus derivativen Finanzinstrumenten und designierten Verbindlichkeiten	34,5	2,8	412,8	(84,2)
Ergebnis aus Finanzinvestitionen	261,4	25,1	(141,1)	137,2
Verwaltungsaufwendungen	(753,3)	(753,0)	(3.120,4)	(2.979,7)
Sonstiges betriebliches Ergebnis	(8,0)	(23,9)	(232,2)	6,3
Ergebnis aus Endkonsolidierung	(0,1)	(2,5)	(2,6)	4,7
Jahresüberschuss vor Steuern	684,8	405,0	1.373,4	1.287,3
Steuern vom Einkommen und Ertrag	(110,9)	(99,7)	(399,2)	(110,2)
Jahresüberschuss nach Steuern.....	573,9	305,4	974,1	1.177,2
Ergebnis der nicht beherrschenden Anteile.....	(32,8)	(35,3)	(6,4)	(89,7)
Konzernperiodenüberschuss	541,1	270,0	967,7	1.087,5
	(ungeprüft)		(geprüft, außer anders angeführt)	
Weitere Finanzdaten				
Gewinn je Aktie (in EUR).....	2,52	1,13	3,95	4,56
Return on Equity vor Steuern (in %)	25,1	15,6	13,7	13,7
Konzern-Return on Equity (in %, ungeprüft).....	22,0	11,6	10,8	13,0
Return on Assets vor Steuern (in %, ungeprüft)	1,85	1,20	0,98	0,90
Cost/Income Ratio (in %, ungeprüft).....	58,2	56,2	57,0	55,1
Risk/Earnings Ratio (in %, ungeprüft).....	17,5	23,5	29,0	33,4
Neubildungsquote (in %).....	0,81	1,16	1,38	1,66
Nettozinsspanne (in %).....	2,37	2,61	2,61	2,51
Core Tier 1 Ratio, Gesamtrisiko (in %)	10,2	9,0	9,0	8,9
Kernkapitalquote (Tier 1), Gesamtrisiko ⁽¹⁾ (in %).....	10,7	9,9	9,9	9,7
Non-performing loans Ratio (in %, ungeprüft).....	8,9	8,6	8,6	9,0
Coverage Ratio (in %).....	66,8	68,3	68,4	66,3
Loan/deposit Ratio (in %, ungeprüft)	122	127	122	131
Gesamtes Eigenmittelerfordernis.....	6.898	7.624	7.624	7.585
Buchwert je Aktie (in EUR, ungeprüft)	38,13	33,82	36,28	33,95
Eigenmittelquote (in %)	14,7	13,5	13,5	13,3
Risikoaktiva (Kreditrisiko)	71.051	74.987	77.150	75.601

(1) Von der RBI ausschließlich zu Illustrationszwecken erstellt durch Anwendung der österreichischen Eigenmittelvorschriften auf den RBI-Konzern. Die Berücksichtigung des Hybridkapitals bei der Eigenmittelberechnung des RBI-Konzerns basiert auf der Annahme, dass die RBI das übergeordnete Kreditinstitut des RBI-Konzerns ist und ein Tochterunternehmen der RZB bleibt.

Quelle: Konzernabschlüsse und interne Daten.

	Zum 31. März	Zum 31. Dezember	
	2012	2010	2011
	(in Millionen EUR)		
	(ungeprüft)	(geprüft)	(geprüft)
Konsolidierte Bilanzdaten			
Aktiva			
Barreserven	14.631	4.807	11.402
Forderungen an Kreditinstitute	24.626	21.532	25.748
Forderungen an Kunden	82.478	75.657	81.576
Kreditrisikovorsorgen	(5.077)	(4.756)	(5.053)
Handelsaktiva	11.075	8.068	10.617
Derivate Finanzinstrumente.....	1.195	1.488	1.405
Wertpapiere und Beteiligungen	14.410	19.631	16.535
Anteile an at-equity bewerteten Unternehmen.....	5	5	5
Immaterielle Vermögenswerte	1.083	1.220	1.066
Sachanlagen	1.502	1.454	1.511
Sonstige Aktiva	2.869	2.067	2.174
Aktiva gesamt	148.798	131.173	146.985
Passiva			
Verbindlichkeiten gegenüber Kreditinstituten	39.318	33.659	37.992
Verbindlichkeiten gegenüber Kunden	67.749	57.633	66.747
Verbriefte Verbindlichkeiten	13.486	16.555	14.367
Rückstellungen	757	672	771
Handelspassiva	9.678	5.742	9.715
Derivate Finanzinstrumente.....	519	1.264	792
Sonstige Passiva	2.019	1.243	1.515
Nachrangkapital	3.799	4.001	4.151
Eigenkapital	11.474	10.404	10.936
Konzerneigenkapital.....	9.869	8.251	8.825
Konzernjahresüberschuss	541	1.088	968
Kapital der nicht beherrschenden Anteile.....	1.063	1.066	1.143
Passiva gesamt	148.798	131.173	146.985
Quelle: Konzernabschlüsse und interne Daten			

Abschlussprüfer / Konzernabschlussprüfer 2010 und 2011 des RBI-Konzerns

KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft*, 1090 Wien, Porzellangasse 51, vertreten durch Mag. Wilhelm Kovsca und Mag. Bernhard Mechtler für das Geschäftsjahr 2010 und durch Mag. Rainer Hassler und Mag. Bernhard Mechtler für das Geschäftsjahr 2011.

Die KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft ist per 5. April 2012 in eine Aktiengesellschaft umgewandelt worden. Der Firmenname lautet seither KPMG Austria AG Wirtschaftsprüfungs- und Steuerberatungsgesellschaft.

Zusammenfassung der Risikofaktoren in Bezug auf die Emittentin und deren Marktumfeld

- Risiken im Zusammenhang mit der globalen Finanzmarkt- und Wirtschaftskrise, dem allgemeinen makroökonomischen Umfeld und der Schuldenkrise in der Euro-Zone
- Risiko weiterer politischer und wirtschaftlicher Turbulenzen und einer Destabilisierung der Finanzmärkte und des Finanz- und Geldsystems als Folge der Schuldenkrise in der Euro-Zone
- Risiken im Zusammenhang mit dem zusätzlichen Kapitalerfordernis des RZB-Konzerns gemäß Berechnungen der Europäischen Bankenaufsicht ("**EBA**")
- Risiko im Zusammenhang mit einer Stagnation oder einem Rückgang der Geschäftstätigkeit
- Kreditrisiko, das Gläubiger von RBI-Schuldverschreibungen eingehen – Gefahr eines teilweisen oder vollständigen Ausfalls vertraglich vereinbarter Zahlungen aus RBI-Emissionen
- Erhöhtes Kreditrisiko (Ausfallrisiko) bei RBI-Nachrang-Instrumenten
- Rating-Verschlechterung (Rating downgrade) – nachteilige Auswirkungen auf die Emittentin und ihre Emissionen
- Die Profitabilität der Emittentin hängt von ihren Refinanzierungsmöglichkeiten ab und kann durch eine Verteuerung der Refinanzierungskosten am Markt (z.B. als Konsequenz einer Rating-Verschlechterung) negativ beeinflusst werden
- Liquiditätsrisiko – Nichterfüllbarkeit der gegenwärtigen oder zukünftigen Zahlungsverpflichtungen; unerwarteter plötzlicher Liquiditätsbedarf im Falle der Auslösung von "*Group Cross Default*"-Klauseln; Refinanzierungsrisiko (und damit Konzentrationsrisiko bei der Emittentin) infolge des Abflusses lokaler Einlagen
- Zusätzliche Zahlungsverpflichtungen der Emittentin aufgrund der Zugehörigkeit zu Einlagensicherungs- und Anlegerentschädigungssystemen
- Änderungen bei den Einlagensicherungs- und Anlegerentschädigungseinrichtungen, bei denen die Emittentin und die Netzwerkbanken Mitglieder sind, und die Einführung von "*Resolution-Fonds*" können zu erhöhten Mitgliedsbeiträgen führen
- Risiken im Zusammenhang mit dem Geschäftsfeld, dem allgemeinen Wirtschaftsumfeld und den Märkten, in denen die Emittentin und der RBI-Konzern tätig sind
- Risiken und Kosten im Zusammenhang mit Fusionen, Akquisitionen und Investitionen
- Noch in der Entwicklung stehende Rechtsordnungen und Steuersysteme in einigen Märkten des RBI-Konzerns könnten einen erheblich negativen Einfluss auf die Emittentin haben.
- Anwendbare Gesetze, inklusive dem Insolvenzrecht, in einigen Märkten des RBI-Konzerns können die Möglichkeit des RBI-Konzerns, Zahlungen auf notleidende Kredite zu erhalten und Sicherheiten und/oder Garantien zu vollstrecken, einschränken
- Rückgang von Wachstumsraten in CEE – negative Auswirkungen auf die Ertragslage
- Nachteilige Entwicklung der Wettbewerbssituation
- Abschreibung von Firmenwerten und Verluste aus Wertminderungen
- Länderrisiko – und damit verbundenes Ausbleiben von Zahlungen
- Marktrisiko/Marktrisiken bezogen auf die Finanzmärkte
- Durch das Eingehen von nicht abgesicherten Positionen ist der RBI-Konzern Risiken von Änderungen der Zinssätze, Wechselkurse oder der Preise von Finanzinstrumenten direkt ausgesetzt
- Die Ergebnisse der Handels- und Investmentaktivitäten des RBI-Konzerns unterliegen erheblichen Schwankungen
- Die Emittentin unterliegt Kredit- und Kontrahentenausfallrisiken
- Sinken der Verkehrswerte von Kreditsicherheiten – Nichtausreichen von Besicherungen
- Konzentrationsrisiko
- Regulatorische Risiken wie z.B. Regulativen des Bankensektors (einschließlich der Basel III Regelungen, EBA Anforderungen und gesetzlicher Abgaben); Insolvenzbestimmungen für Banken; eine mögliche Einstufung als

systemrelevantes Kreditinstitut; erhöhte Kapitalerfordernisse; gesetzliche Eingriffe in bestehende Verträge und regulatorische Änderungen; wesentliche Kosten bei der Implementierung von Bestimmungen gegen Geldwäsche, Steuervermeidung und Sanktionen

- Wiederbeschaffungsrisiken/Frustrierte Kosten bei Ausfall von Vertragspartnern
- Beteiligungsrisiko – unsicherer Ergebnisbeitrag
- Währungsrisiken
- Risiken im Zusammenhang mit Immobilienmärkten – Wertverluste
- Operationales Risiko und unvorhergesehene Ereignisse
- Rechtsstreitigkeiten und andere Verfahren
- Unzureichendes Risikomanagement
- Abhängigkeit von komplexen Informationstechnologiesystemen
- Risiken von potentiellen Interessenskonflikten aufgrund unterschiedlicher Geschäftsbeziehungen
- Risiken von potentiellen Interessenskonflikten von Organmitgliedern des Vorstands und Aufsichtsrates der Emittentin
- Abhängigkeit von der Kernaktionärin RZB wie auch der RBG
- Beschränkung der Entscheidungsfreiheit in Bezug auf Tochtergesellschaften aufgrund von Minderheitsbeteiligungen externer Aktionäre
- Personenrisiko – Abhängigkeit von qualifizierten Führungskräften
- Risiken aus der Umsetzung von strategischen Maßnahmen und Effizienzprogrammen, einschließlich solcher, die im Zusammenhang mit der Integration von wesentlichen Geschäftsbereichen der RZB im Jahr 2010 erfolgten, und weiteren erwarteten Synergien

Zusammenfassung der Risikofaktoren in Bezug auf die Schuldverschreibungen

Schuldverschreibungen als nicht geeignetes Investment für alle Anleger

Schuldverschreibungen sind komplexe Finanzinstrumente, in die potentielle Anleger nur investieren sollten, wenn sie (selbst oder durch ihre Finanzberater) über die nötige Expertise verfügen, um die Entwicklung der Schuldverschreibungen unter den wechselnden Bedingungen, die daraus resultierenden Wertveränderungen der Schuldverschreibungen sowie die Auswirkungen einer solchen Anlage auf ihr Gesamtportfolio einzuschätzen.

Liquiditätsrisiko

Es besteht keine Gewissheit, dass ein liquider Sekundärmarkt für die Schuldverschreibungen entstehen wird, oder sofern er entsteht, dass er fortbestehen wird. In einem illiquiden Markt könnte es sein, dass ein Anleger seine Schuldverschreibungen nicht jederzeit zu angemessenen Marktpreisen veräußern kann. Die Möglichkeit, Schuldverschreibungen zu veräußern, kann darüber hinaus aus landesspezifischen Gründen eingeschränkt sein.

Marktpreisrisiko

Der Gläubiger von Schuldverschreibungen ist dem Risiko nachteiliger Entwicklungen der Marktpreise seiner Schuldverschreibungen ausgesetzt, welches sich verwirklichen kann, wenn der Gläubiger seine Schuldverschreibungen vor Endfälligkeit veräußert. In diesem Fall besteht die Möglichkeit, dass der Gläubiger der Schuldverschreibungen eine Wiederanlage nur zu schlechteren als den Bedingungen des ursprünglichen Investments tätigen kann.

Risiko der Vorzeitigen Rückzahlung

Sofern der Emittentin das Recht eingeräumt wird, die Schuldverschreibungen vor Fälligkeit zurückzuzahlen, oder sofern die Schuldverschreibungen vor Fälligkeit aufgrund des Eintritts eines in den Anleihebedingungen dargelegten Ereignisses zurückgezahlt werden, ist der Gläubiger solcher Schuldverschreibungen dem Risiko ausgesetzt, dass infolge der vorzeitigen Rückzahlung seine Kapitalanlage eine geringere Rendite als erwartet aufweisen wird. Außerdem besteht die Möglichkeit, dass der Gläubiger der Schuldverschreibungen eine Wiederanlage nur zu schlechteren

	als den Bedingungen des ursprünglichen Investments tätigen kann.
Währungsrisiko/Dual/Multi-Währungsschuldverschreibungen	Gläubiger dieser Schuldverschreibungen sind dem Risiko von Veränderungen des Wechselkurses und der Einführung von Devisenkontrollen ausgesetzt.
Festverzinsliche Schuldverschreibungen und Step-Up und Step-Down festverzinsliche Schuldverschreibungen	Der Gläubiger von festverzinslichen Schuldverschreibungen sowie von Step-Up und Step-Down festverzinslichen Schuldverschreibungen ist dem Risiko ausgesetzt, dass der Kurs einer solchen Schuldverschreibung infolge von Veränderungen des aktuellen Marktzinssatzes fällt.
Variabel verzinsliche Schuldverschreibungen und Gegenläufig variabel verzinsliche Schuldverschreibungen	Der Gläubiger von variabel verzinslichen Schuldverschreibungen ist dem Risiko eines schwankenden Zinsniveaus und ungewisser Zinserträge ausgesetzt. Ein schwankendes Zinsniveau macht es unmöglich, die Rendite von variabel verzinslichen Schuldverschreibungen im voraus zu bestimmen. Variabel verzinsliche Schuldverschreibungen können mit Multiplikatoren oder anderen Hebelfaktoren sowie mit Zinsober- und Zinsuntergrenzen oder einer Kombination dieser Merkmale oder mit ähnlichen Merkmalen ausgestattet sein. Zusätzlich können variabel verzinsliche Schuldverschreibungen als gegenläufig variabel verzinsliche Schuldverschreibungen begeben werden. Der Kurs solcher Schuldverschreibungen neigt zu größerer Volatilität als der von herkömmlichen variabel verzinslichen Schuldverschreibungen.
Festverzinsliche- zu variabel verzinslichen Schuldverschreibungen	Die der Emittentin zustehende Möglichkeit den Zinssatz zu verändern, wird den Sekundärmarkt und den Marktpreis der Schuldverschreibungen beeinflussen, da die Emittentin den Zinssatz am ehesten dann ändern wird, wenn dies zu einer geringeren Gesamtbelastung durch Fremdkapitalkosten führt.
Nullkupon-Schuldverschreibungen	Der Gläubiger von Nullkupon-Schuldverschreibungen ist dem Risiko ausgesetzt, dass der Kurs solcher Schuldverschreibungen infolge von Veränderungen des Marktzinssatzes fällt. Kurse von Nullkupon-Schuldverschreibungen sind volatiler als Kurse von festverzinslichen Schuldverschreibungen und reagieren in höherem Maße auf Veränderungen des Marktzinssatzes als verzinsliche Schuldverschreibungen mit einer ähnlichen Laufzeit.
Indexierte Schuldverschreibungen	Ist die Zinszahlung indexabhängig, ist der Gläubiger vor allem dem Risiko schwankender Zinsniveaus und der Ungewissheit in Bezug auf den Zinsertrag ausgesetzt oder wird möglicherweise überhaupt keine Zinsen erhalten. Dies kann zu einer negativen Rendite führen. Ist die Rückzahlung indexabhängig, ist der Gläubiger vor allem dem Risiko der Ungewissheit in Bezug auf den Rückzahlungsbetrag ausgesetzt. Abhängig von der Berechnung des Rückzahlungsbetrages kann die Rendite negativ sein und der Investor demzufolge den Wert seiner Anlage ganz oder teilweise verlieren.
Allgemeine Risiken von Strukturierten Schuldverschreibungen	Eine Kapitalanlage in Schuldverschreibungen, bei denen der Aufschlag und/oder der Zins und/oder der Rückzahlungsbetrag unter Bezugnahme auf eine und/oder mehrere Währungen, Rohstoffe, Zinssätze oder andere Indizes oder Formeln, entweder unmittelbar oder umgekehrt, bestimmt wird, kann bedeutsame Risiken mit sich bringen, die nicht mit ähnlichen Kapitalanlagen in einen herkömmlichen Schuldtitel verbunden sind, einschließlich des Risikos, dass der resultierende Zinssatz geringer sein wird als der zur gleichen Zeit auf einen herkömmlichen Schuldtitel zahlbare Zinssatz und/oder dass ein Anleger sein eingesetztes Kapital ganz oder zu einem erheblichen Teil verliert.
Risiko der Umwandlung der Zinsenzahlung	Risiko des Gläubigers derartiger strukturierter Schuldverschreibungen am Tag der Fälligkeit der Zinszahlungen keine Zinszahlung zu erhalten, da der Emittent von seiner Option Gebrauch macht, stattdessen den Kapitalbetrag zu erhöhen.
Risiken im Zusammenhang mit sog. "Caps"	Gläubiger von strukturierten Schuldverschreibungen mit einem "Cap" profitieren nicht von jeder tatsächlichen positiven Entwicklung, sofern diese den "Cap" übersteigt.
Risiko möglicher Interessenkonflikte im Fall eines Basiswertes	Die Emittentin, die Platzeure oder mit diesen verbundene Unternehmen emittieren nicht nur Schuldverschreibungen, sondern haben auch andere Geschäftsbereiche, die eigenständig Geschäfte mit Unternehmen abwickeln, die Teil eines Basiswertes

	(beispielsweise ein Index, einzelne Aktien oder Aktienkörbe (<i>Baskets</i>)) sein können. Es kann nicht vollständig ausgeschlossen werden, dass Entscheidungen, die von diesen selbstständigen Geschäftsbereichen getroffen werden, positive oder negative Auswirkungen auf den zugrundeliegenden Basiswert haben.
Equity Linked Schuldverschreibungen	Eine Anlage in Schuldverschreibungen, bei denen der Zins oder der Rückzahlungsbetrag an den Wert von Aktien gebunden ist, kann ähnliche oder mehr Risiken beinhalten wie eine unmittelbare Anlage in Aktien und Anleger sollten sich entsprechend beraten lassen. Sofern der Rückzahlungsbetrag an den Wert von Aktien gebunden ist, kann ein Anleger den Wert seiner Anlage ganz oder teilweise verlieren.
Commodity Linked Schuldverschreibungen	Eine Anlage in Schuldverschreibungen, bei denen der Zins oder der Rückzahlungsbetrag an den Wert von Rohstoffen gebunden ist, kann ähnliche oder mehr Risiken beinhalten wie eine unmittelbare Anlage in Rohstoffe und Anleger sollten sich entsprechend beraten lassen. Sofern der Rückzahlungsbetrag an den Wert von Rohstoffen gebunden ist, kann ein Anleger den Wert seiner Anlage ganz oder teilweise verlieren.
FX Linked Schuldverschreibungen	Eine Anlage in Schuldverschreibungen, bei denen der Zins oder der Rückzahlungsbetrag an den Wert von Fremdwährungen gebunden ist, kann ähnliche oder mehr Risiken beinhalten wie eine unmittelbare Anlage in Fremdwährungen und Anleger sollten sich entsprechend beraten lassen. Sofern der Rückzahlungsbetrag an den Wert von Fremdwährungen gebunden ist, kann ein Anleger den Wert seiner Anlage ganz oder teilweise verlieren.
Nachrang-Instrumente gemäß BWG	Im Fall der Liquidation oder der Insolvenz der Emittentin gehen die Verbindlichkeiten aus diesen Instrumenten den Ansprüchen der nicht nachrangigen Gläubiger der Emittentin im Range nach, so dass Zahlungen auf diese Schuldverschreibungen solange nicht erfolgen, wie die Ansprüche der nicht nachrangigen Gläubiger der Emittentin nicht vollständig befriedigt sind.
Ergänzungskapital-Schuldverschreibungen	Jegliche Zinszahlung bezüglich Ergänzungskapital-Schuldverschreibungen darf nur ausgezahlt werden, soweit dies von den ausschüttungsfähigen Gewinnen der Emittentin abgedeckt ist. Alle Tilgungszahlungen hinsichtlich Ergänzungskapital-Schuldverschreibungen dürfen nur unter anteiligem Abzug aller Nettoverluste der Emittentin während der Laufzeit dieser Ergänzungskapital-Schuldverschreibungen vorgenommen werden.
Kurzfristige Nachrangige Schuldverschreibungen	Alle Zahlungen auf kurzfristige nachrangige Schuldverschreibungen dürfen nur bis zur Grenze des Mindesteigenmittelerfordernisses der Emittentin vorgenommen werden.
New Style Tier 2 Schuldverschreibungen	Forderungen auf den Kapitalbetrag der New Style Tier 2 Schuldverschreibungen sind den Forderungen aller nicht nachrangigen Gläubiger der Emittentin vollständig nachrangig.
Risiken im Zusammenhang mit der Einführung zukünftiger Regelungen eines "Resolution Regime" und "Bail In-Regelungen" für Banken	Die Schuldverschreibungen könnten zukünftigen Regelungen unterworfen werden, die unter bestimmten Umständen das Konzept einer Verlusttragung („loss absorbency“) sogar rückwirkend und ohne dass dies in den Bedingungen oder den Endgültigen Bedingungen vorgesehen ist, auf die Schuldverschreibungen anwenden oder die zuständigen Aufsichtsbehörden zur Anwendung berechtigen. Der Verlusttragungsmechanismus könnte, neben anderen Formen, eine (vollständige) Abschreibung („write-off“) von Kapital und/oder Zinsen oder die Wandlung der Schuldverschreibungen in Stammaktien umfassen. Die Investoren in die Schuldverschreibungen wären daher an einer (teilweisen) Tragung von Verlusten der Emittentin beteiligt und in ihren Rechten wesentlich beeinträchtigt. Details solcher Regelungen sind noch offen.
Fundierte Bankschuldverschreibungen	Obwohl das Gesetz über fundierte Bankschuldverschreibungen vorsieht, dass ausstehende Fundierte Bankschuldverschreibungen durch einen Deckungsstock besichert sind, ist es möglich, dass Investoren weniger als ihre Investition erhalten.
Beschlüsse der Gläubiger	Sehen die Anleihebedingungen Beschlüsse der Gläubiger im Rahmen einer Gläubigerversammlung oder durch Abstimmung ohne Versammlung vor, ist ein

	Gläubiger dem Risiko ausgesetzt, durch einen Mehrheitsbeschluss der Gläubiger überstimmt zu werden. Da ein wirksam zustandegekommener Mehrheitsbeschluss für alle Gläubiger verbindlich ist, können bestimmte Rechte des Gläubigers gegen die Emittentin aus den Anleihebedingungen geändert, eingeschränkt oder sogar aufgehoben werden.
Gemeinsamer Vertreter	Sehen die Anleihebedingungen der Schuldverschreibungen die Bestellung eines gemeinsamen Vertreters vor, so kann das persönliche Recht des Gläubigers zur Geltendmachung und Durchsetzung seiner Rechte aus den Anleihebedingungen gegenüber der Emittentin auf den gemeinsamen Vertreter übergehen, der sodann allein verantwortlich ist, die Rechte sämtlicher Gläubiger geltend zu machen und durchzusetzen.
Ein österreichisches Gericht kann einen Kurator für die Schuldverschreibungen bestellen, der im Namen und Interesse der Gläubiger ihre Rechte ausübt.	Für Zwecke der Vertretung gemeinsamer Interessen der Gläubiger von Schuldverschreibungen in gemeinsamen Angelegenheiten kann ein Kurator bestellt werden, der möglicherweise zum Nachteil einzelner oder aller Gläubiger handelt.
U.S. Steuerabzug	In bestimmten Fällen könnte ein Teil der Zahlungen aus den Schuldverschreibungen Meldepflichten in den USA unterliegen, welche bei Nichterfüllung zum Abzug einer Quellensteuer führen könnten.
[Im Fall, dass die Festgelegte Währung in den jeweils maßgeblichen Endgültigen Bedingungen als Renminbi angegeben ist, gelten zusätzlich folgende Risikofaktoren:	
Renminbi sind nicht frei umtauschbar	Renminbi sind derzeit nicht frei umtauschbar. Die Regierung der Volksrepublik China reguliert weiterhin den Umtausch zwischen Renminbi und Fremdwährungen. Es gibt keine Gewissheit, dass das im Juli 2009 eingeführte Pilotprojekt nicht abgebrochen wird bzw. dass die Volksrepublik China in Zukunft keine neuen Vorschriften erlässt, die zur Folge haben, dass die Verfügbarkeit von Renminbi beschränkt oder nicht mehr gegeben ist.
Renminbi sind außerhalb der Volksrepublik China nur begrenzt verfügbar	Als Folge der Beschränkungen der grenzüberschreitenden Renminbi-Geldflüsse durch die Volksrepublik China, ist deren Verfügbarkeit außerhalb der Volksrepublik China begrenzt. Dies kann Auswirkungen auf die Liquidität der Schuldverschreibungen sowie die Fähigkeit der Emittentin haben, Renminbi zu beziehen, um die Schuldverschreibungen bedienen zu können.
Anlagen in die Schuldverschreibungen unterliegen einem Währungsrisiko	Unter bestimmten Umständen ist die Emittentin berechtigt die Zahlungen auf die Schuldverschreibungen (ganz oder teilweise) in U.S.-Dollar zu begleichen.
Anlagen in die Schuldverschreibungen unterliegen Wechselkurs- und Zinsrisiken	Der Wert von Renminbi gegenüber dem Hong Kong Dollar und anderen Fremdwährungen schwankt und wird durch Veränderungen innerhalb der Volksrepublik China, durch international politische und wirtschaftliche Bedingungen und viele andere Faktoren, beeinflusst. Der Gegenwert der Zahlungen von Kapital und Zinsen in Renminbi hängt von den jeweils anwendbaren Wechselkursen ab. Des Weiteren kann eine weitere Liberalisierung der Zinssätze durch die Regierung der Volksrepublik China die Zinsvolatilität erhöhen und die Handelspreise der Schuldverschreibungen können sich entsprechend der Schwankungen der Renminbi-Zinssätze verändern.
Zahlungen unter den Schuldverschreibungen an die Anleger erfolgen nur in der in den Schuldverschreibungen angegebenen Art und Weise	Alle Zahlungen in Bezug auf die Schuldverschreibungen erfolgen ausschließlich durch Überweisung auf ein Renminbi-Bankkonto in Hong Kong. Die Emittentin ist nicht zur Zahlung auf eine andere Art und Weise verpflichtet (einschließlich in einer anderen Währung oder durch Überweisung auf ein Bankkonto in der Volksrepublik China).]

RISK FACTORS

The following is a disclosure of risk factors that are material with respect to the Issuer and the Notes issued under the Programme in order to assess the market risk associated with these Notes. Prospective investors should consider these risk factors before deciding to purchase Notes issued under the Programme, especially since in certain cases the investor may lose its entire investment or parts of it.

Prospective investors should consider all information provided in this Prospectus and consult with their own professional advisers (including their financial, accounting, legal and tax advisers) if they consider it necessary. In addition, investors should be aware that the risks described may combine and thus intensify one another.

The following is a disclosure of risks that may affect the Issuer's ability to fulfill its obligations under the Notes. Prospective investors should consider these risks before deciding to purchase Notes to be issued under the Programme.

The following statements are not exhaustive. Other risks of which the Issuer is currently not aware or which it does not consider to be material but which may also affect the Issuer's ability to fulfill its obligations under the Notes may be of significance.

In respect of Notes which require in view of their specific structure a special description of risk factors, risk factors in addition to those mentioned below will be described in the Final Terms relating to such Notes.

Risk Factors regarding the Issuer and its market environment

This section includes a compilation of those major risk factors to which the Issuer is generally subject and that are – from the Issuer's point of view – specific to the markets, the industry sector and banks/financial institutions in general and **the materialization of which may have an adverse impact on the Issuer's financial position and results of operations and its ability to duly meet its obligations under the Notes and/or the market value of the Notes**; this may, in turn, result in a loss of part or all of the investment. In general, RBI/the RBI Group is subject to the **general business-specific risks of an internationally active universal bank**.

Risks in connection with the global financial and economic crisis, the overall macroeconomic environment and the Eurozone debt crisis

The RBI Group and the markets in which it operates were adversely affected by the global economic and financial crisis and continue to be adversely affected by the Eurozone debt crisis. The performance of the RBI Group is particularly influenced by the market conditions in CEE, Austria as well as other Eurozone countries. In recent years, the dislocation in the international financial markets, its effects on the general economy and the worsening of macroeconomic conditions have had a material adverse impact on economies in which the RBI Group is active.

During the global financial and economic crisis, refinancing costs of banks increased significantly, and liquidity available in the interbank and capital markets declined substantially. A number of European countries struggle with large budget deficits. Concerns about sovereign risks have intensified and are reflected by a progressive widening of government bond and sovereign credit default swap spreads for several Eurozone members with large fiscal imbalances, including the so-called *periphery* EU member states Greece, Ireland, Italy, Portugal and Spain. Support measures by the European Central Bank, Eurozone governments and international organizations and fiscal reform measures in the affected countries have not been sufficient to address these concerns. Refinancing costs for these countries are still at very high and, in the longer term, unsustainable levels, while uncertainty over the outcome of the EU governments' financial support programs and worries about sovereign finances persist. Austerity measures implemented by some of the affected countries to reduce public debt and fiscal deficits coupled with reduced access to funding have resulted in lower or negative GDP growth and high unemployment rates in these countries and could have further negative effects on the economy. Risks and ongoing concerns about the Eurozone debt crisis, which have resulted in rating downgrades of sovereigns and financial institutions, have had and may have in the future a detrimental effect on the economic development of the countries in which RBI Group operates. Credit rating agencies recently have downgraded the sovereign credit ratings of the governments in certain of these countries, including Austria, which may increase borrowing costs and further hinder economic growth in these countries. Belarus, Hungary and Ukraine – and to a lesser extent also Romania, Serbia and Slovenia – were severely affected by the economic downturn and have experienced, and are expected to continue to experience, challenging macroeconomic conditions, in particular high levels of unemployment. In addition, the *periphery* Eurozone economies are forecast to experience stagnant economic growth or to enter a recession in 2012.

These challenging macroeconomic conditions affected, and are likely to continue to affect, the RBI Group's business, financial condition and results of operations in a number of ways, including:

- increased levels of insolvency of borrowers and non-performing loans and a decline in value of collateral, which may result in further write-downs of loans and higher loan loss provisioning;
- increased costs of, and limited access to, financing;
- prematurely withdrawn deposits or unexpected take up of lending commitments;
- further devaluation of the RBI Group's financial assets or increase in risk-weighted assets triggered by exchange rate movements as well as the capital positions the Issuer has in its subsidiaries, which may adversely affect the RBI Group's and RZB Group's equity, regulatory capital and capital ratios;
- increased regulation, including higher overall capital requirements coupled with the risk of forced recapitalization measures, the imposition of more stringent liquidity ratios as well as other regulatory measures and additional tax or other financial burdens in response to public aid programs during the financial and economic crisis;
- lower demand for and origination of new loans as a result of more stringent lending requirements or imposition of regulatory constraints, and the risk that the RBI Group may lose customers to competitors with less strict lending requirements or with a different regulatory regime or different positioning to such requirements;
- the RBI Group's inability as a result of changed market conditions or increased uncertainties to accurately model credit default risk, credit migration risk or market risk components;
- the possibility that further financial turmoil could lead to social and economic dislocations which could trigger the early termination of funding positions or bank runs; corporate clients worried about trading positions held with banks they regard as unsafe could seek novations;
- increased propensity for legal and other disputes, which may divert management attention and other resources of the RBI Group, lead to losses and disrupt the RBI Group's business;
- the possibility that a local government or regulator in a jurisdiction in which the RBI Group operates may require a group member or the Issuer to provide funding or guarantees to support such group member, a major bank or other financial institution in distress;
- the possibility that the termination of programs by governments and supranational organizations to support the economy, including sovereign bond purchases by the European Central Bank ("ECB") to enable Eurozone countries to obtain public financing as well as ECB's three-year-long-term refinancing operation, could further adversely affect the economic environment in general and the banking sector in particular;
- potential unexpected expenses in connection with deposit guarantee systems that RBI group members participate in.

Uncertainty about the financial stability of several countries in the Eurozone and in the region in which the RBI Group operates, the increasing risk that those countries may default on their sovereign debt even in the case of further assistance measures and related stresses on and a contagion of the financial markets as well as the effects on other sectors of the economy could prolong or worsen the challenging macroeconomic conditions. These factors as well as weaker or longer than expected time until recovery of the business activity in the RBI Group's may have a material adverse effect on the RBI Group's business, financial position and results of operations.

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 Eurozone debt crisis

The Eurozone debt crisis has caused increased political and financial instability and social unrest due to the introduction of austerity measures in a number of Eurozone 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 other corporates may become unable to obtain refinancing or new funding and may default on their existing debt. Measures to reduce debt levels and fiscal deficits could result in a further slowdown of or negative economic development. One or more Eurozone countries could come under increasing pressure to leave the European Monetary Union, or the euro as the single currency of the Eurozone could cease to exist.

The departure from the European Monetary Union by one or more Eurozone countries and/or the abandonment of the euro as a currency could have material adverse effects on both existing contractual relations and the fulfilment of obligations by the RBI Group and/or the RBI Group's customers, which could have a material adverse effect on the activity, operating results and capital and financial position of the RBI Group. For example, the departure of Greece from the European Monetary Union is likely to have a severe negative impact in particular on the economies of the countries in Southeastern Europe in which RBI is also active.

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.

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

RZB Group, with the involvement of RBI Group, may fail to comply with minimum capital requirements implemented in connection with the Eurozone debt crisis and may consequently be subject to constraints and restrictions which could negatively influence RBI Group's business, financial position, liquidity and profitability, RZB Group may ultimately be required to accept state aid at unfavourable conditions.

In October 2011, EBA and the Council of the European Union issued a comprehensive package of measures in response to the Eurozone debt crisis (the "**EBA Capital Package**"), that among other things, requires RBI's major shareholder RZB to increase its core tier 1 capital ratio (based on the definitions of the EBA as outlined in its publication of 15 July 2011) to 9 per cent. by 30 June 2012. Based on RZB Group's figures as of 30 September 2011, the RZB Group would have had additional capital requirements of approximately EUR 2.1 billion to achieve the necessary capital buffers. Furthermore, RZB Group's actual capital requirement as of 30 June 2012 will be affected by RBI Group's profits in this period as well as other factors that may be beyond RBI Group's control.

If the RZB Group is unable to achieve a core tier 1 capital ratio (as defined by EBA) of 9 per cent. by June 30, 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 and thus a dilution of the present shareholders of RZB. As a consequence, the Austrian government could hold a portion of RZB's issued share capital. This or other nationalization measures could enable the government to effectively control important decisions of RZB, and the decisions taken may deviate from and conflict with the interests of RZB's current shareholders, such as a potential restructuring of RZB and/or decisions which could also concern the Issuer, e.g. a sale of RZB's participation in the Issuer to another controlling shareholder. If the government, through its votes at RZB's general meetings or otherwise, were to exert influence on the Issuer's general meeting or otherwise in such a way as to conflict with the interests of other RBI shareholders, this could affect the Issuer's ability to pay dividends or to pursue its strategic goals or could otherwise have a significant adverse effect on the RBI Group's business, financial position, liquidity and results of operations

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, has already implemented certain measures and is implementing a bundle of measures, each of which involves risks which – if they materialize – could have a material adverse effect 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 lead in the short term to a lower earnings base and thus an increase in the RBI Group's cost/income ratio. Furthermore, national regulators may not permit RBI Group to reduce or dispose of risk weighted and other assets in the amount, the region or the manner as envisaged.

If the RBI Group retains earnings in order to improve capital ratios, its ability to make dividend payments consistent with past levels or at all may be adversely affected.

Risks relating to a stagnation or contraction of its business

In the past, the RBI Group has sought to expand into new regional markets and to identify and enter promising new product areas and customer segments early on and ahead of the competition. The RBI Group has pursued this strategy through both organic growth and acquisitions. This strategy may prove unsuccessful or inappropriate in the future for a variety of reasons that are largely beyond the control of the RBI Group.

The development of the RBI Group's business will depend to a large extent on the continued general development of the banking sector in the countries in which the RBI Group operates. The RBI Group's operations in the CEE banking sector are expected to expand slower than in the years leading up to the financial crisis and, over the longer term, to be in line with the development of the overall economy. In particular, because banking markets in CEE are more established than those in Southeastern Europe ("SEE") and the Commonwealth of Independent States ("CIS"), the RBI Group's management expects that the value of banking assets as a percentage of GDP will increase more slowly in CEE than in the less mature banking markets in SEE and CIS. Economic growth in the CEE region may also be restrained in coming years by EU and local legal, fiscal and monetary regulations, which may limit the ability of certain member states or accession candidate countries to respond to local economic circumstances. Moreover, some CEE countries have raised or are expected to raise tax rates and levies to EU standards to put public sector finance on a sustainable basis. Changes in banking regulation, such as increasing regulatory capital requirements or restrictions on certain types of transactions, may also adversely impact the RBI Group's business. For example, under measures announced by the Austrian banking regulators, Austrian banks' loan volume in CEE markets may become restricted by the level of new deposits taken in the respective country. See *Regulatory risks*. Driven by various factors, such as the development of the macroeconomic or regulatory environment and the measures taken by the RBI Group to comply with regulatory capital requirements, the RBI Group may decide to deleverage its business in some markets, including in its core markets or core customer segments, which would result in a negative development and reduced business volumes for the RBI Group as a whole.

As the banking sector in the CEE countries continues to mature, competition from both global as well as local financial institutions is likely to intensify, which may result in narrowing net interest margins and lower profitability. A continued weakness in the economic growth prospects of the banking sector in the CEE region along with a more competitive environment may negatively affect the RBI Group's business and may lead to a stagnation or contraction of the RBI Group's business. Furthermore, it might be difficult for the RBI Group to adapt its cost structure to such stagnation or contraction. This may have a material adverse effect on the RBI Group's business, financial position and results of operations.

Credit risk incurred by Holders of Notes – risk of partial or complete default on contractually agreed payments under the Notes

In section 2 of the Austrian Banking Act (*Bankwesengesetz* – "**BWG**"), the credit risk is defined as the risk of a partial or complete default on contractually agreed payments. The credit risk thus refers to the risk of a deterioration of the debtor's financial situation resulting in its partial or complete inability to meet its (financial) obligations: *in concreto* for example the Issuer's insolvency or overindebtedness and related potential inability to punctually or at all meet its obligations under the Notes, in particular such as payments of interest, distributions, redemption payments, dividend payments. Alternative terms referring to the credit risk are *inter alia* the "**debtor risk**" or "**issuer risk**".

Particularly in the context of the global financial and economic crisis and a possible further deterioration of the macroeconomic environment in the RBI Group's markets, the observation and assessment of credit risk is of major importance.

Increased credit risk (default risk) with respect to Subordinated Instruments

Subordinated Instruments will be explicitly specified as subordinated.

If any Subordinated Instruments according to BWG, which means within the meaning of section 23 subparagraphs 7, 8 and 8a in conjunction with section 45 subparagraph 4 of the Austrian Banking Act (BWG), are issued, these will in the event of the Issuer's liquidation or insolvency only be satisfied after any other unsubordinated claims of creditors; the payment of interest may be earnings-related or subject to compliance with own funds requirements.

Claims on the principal amount of New Style Tier 2 Notes are wholly subordinated to claims of all non-subordinated creditors of the Issuer.

Investors should in particular take into consideration the subordinated nature of Subordinated Instruments in the event of the Issuer's liquidation or insolvency. Furthermore, investors should consider that interest and redemption payments on the different types of Subordinated Instruments are subject to different conditions. In addition, Subordinated Instruments are not guaranteed by the *Raiffeisen-Kundengarantiegemeinschaft Österreich* ("**RKÖ**"),

the nationwide voluntary Raiffeisen customer guarantee scheme for Austria. Therefore, there is no performance guarantee by the RKÖ or any other third parties.

Particularly in the context of the global financial and economic crisis and a possible further deterioration of the macroeconomic environment in the RBI Group's markets, the observation and assessment of the increased credit risk with respect to the Subordinated Instruments is of major importance.

Rating downgrade – adverse effect on the Issuer and the Notes

Credit ratings represent the opinion of a rating agency on the credit standing of a country or a bank or other commercial entity and take into account the likelihood of delay of and default on payments or potential insolvency. They are material to the RBI Group, as the cost and other terms upon which the Issuer and the Network Banks are able to obtain funding are a function of the Issuer's or Network Bank's specific credit rating as well as the rating of the respective country in which the Issuer and the Network Banks operate. One rating agency, for example, lowered the long-term sovereign credit rating of the Republic of Austria in January 2012.

The Issuer is rated and as such subject to the risk of rating downgrades or a withdrawal of its ratings which may *in concreto* have a negative impact on the Issuer and the Notes. In addition, a downgrade of the Issuer itself or of any of its network banks is likely to result in an increase in refinancing/liquidity costs and could affect the Issuer's liquidity position (see below).

Downgrades in credit ratings can occur as a result of adverse macroeconomic developments in the regions in which rated entities operate or due to company-specific developments.

Rating agencies also change or adjust their ratings methodologies from time to time. Any such changes to ratings criteria or methodologies can result in ratings downgrades even if the macroeconomic environment and company-specific factors remain unchanged.

A reduction in the Issuer's and/or the Network Banks' ratings would result in higher costs for their interbank market and capital market funding, or may limit access to the interbank or capital markets generally and may result in withdrawals of customer deposits.

The Issuer's profitability depends on refinancing opportunities and may be negatively affected by an increase in refinancing costs in the market, e.g. as a result of a rating downgrade

The Issuer itself is not a retail bank and, as a commercial bank focusing on large Austrian companies, does not have a broad and diversified base of cost-efficient customer deposits that may serve as a refinancing source. Due to its dependence on the interbank market, interest rate fluctuations may have a stronger effect on the Issuer's profitability than on the profitability of other Austrian credit institutions with a more diversified deposit base. Any downgrade by a rating agency could result in an increase in refinancing costs in the market and might simultaneously also restrict access to liquid funds.

On an RBI Group level, one of the principal sources of funding for the RBI Group is customer deposits, with the remaining funding provided through debt issuances and interbank loans. Intra-group financing from the Issuer is also used in this context. The ongoing availability of deposits to fund the RBI Group's loan portfolio is subject to potential changes in factors outside the RBI Group's control, such as *inter alia* increased competition from other banks for deposits, depositors' concerns regarding either the economy in general, the financial services industry or the RBI Group or rating downgrades.

A reduction in any of the RBI Group's ratings could result in higher costs for interbank market transactions, or may limit access to the interbank market generally and result in withdrawals of deposits, which, in turn, may lead to a reduction of the Issuer's interest income and could ultimately result in a discontinuation of business activities due to insolvency.

Liquidity risk – inability to meet present or future payment obligations

– General liquidity risk: The Issuer may be unable to meet fully and in due time its present or future payment obligations.

The RBI Group regularly requires liquidity in order to refinance its business activities and is therefore subject to liquidity risk, that is, the risk of being unable to meet its current and future payment commitments, or not being able to do so as and when they fall due, or else of only being able to refinance at unduly high costs. Liquidity risk can take various forms. For example, the RBI Group may be unable to meet its payment obligations on a particular day and may have to obtain liquidity from the market at short notice and on expensive terms, or may even fail to obtain liquidity and, at the same time, might be unable to generate sufficient alternative liquidity through selling or otherwise disposing of its assets and/or might suffer losses by doing so. There is also the risk that deposits could be

withdrawn prematurely or that lending commitments could be terminated.

Volatility in and a tense situation on the capital, currency and credit markets, and adverse developments in the cost and availability of funding in the interbank funding markets as has occurred and still occurs since the beginning of the financial crisis, in particular in the last weeks, could make wholesale financing in the form of debt or equity issues or interbank loans, more expensive or unavailable for the RBI Group. The current Eurozone sovereign debt crisis has led to a general tightening in wholesale funding markets and higher risk spreads. This has particularly affected certain of the Network Banks in countries in which banks affiliated with financial institutions based in Greece have a significant market share, in particular Bulgaria, Romania and Serbia. If the Eurozone debt crisis continues or worsens, and in particular if any government or significant financial institution defaults on its indebtedness, further tightening or possibly a shut-down of funding markets could occur, which could have material adverse effects on individual Network Banks.

In addition, the general scarcity of wholesale funding has led to a significant increase in competition for retail deposits, and competitive access to retail deposits may be subject not only to market conditions, but also to various other factors beyond RBI Group's control, such as competitors' support from governments.

The RBI Group's funding needs, and therefore its liquidity risk, usually increase when the RBI Group consummates acquisitions. For example, in connection with the acquisition of Polbank EFG, Poland, the RBI Group is required to fund the purchase price and the liquidity requirements of the acquired business.

Furthermore, regulatory authorities may impose restrictions, or tighten existing restrictions, on the transfer of capital/liquidity outside the relevant jurisdiction, which could adversely affect the RBI Group's ability to efficiently maintain the liquidity requirements of its subsidiaries through intra-group capital transfers.

In addition, losses and/or changes in the Issuer's or other RBI Group companies' ratings which then result in the requirement to furnish further collateral in connection with collateral agreements for derivative transactions may require additional liquidity. More restrictive eligibility criteria for collateral used for refinancing lines of the European Central Bank, the OeNB (Austrian Central Bank) and/or local central banks could also restrict the RBI Group's ability to raise liquidity.

In the case of such difficulties in refinancing, the RBI Group could be forced to dispose of assets held by it at a loss, to increase the rates paid on funding or to limit its business activities.

A lack of liquidity or refinancing opportunities may, among other things, result in a limitation of business volume in the financing business, which, in turn, may lead to a reduction of the Issuer's interest income and could adversely affect the Issuer's business, financial position and results of operations to the effect that the Issuer may not or only to a limited extent be able to meet its obligations under the Notes.

– If any so-called "*group cross default*" clauses are triggered, this might result in unexpected sudden liquidity requirements to satisfy accelerated claims.

With respect to some types of refinancing (including certain notes issued by RZB, the economic obligations of which were transferred to the Issuer in connection with the Merger with the principal business areas of RZB), the RBI Group's financing agreements give the RBI Group's creditors a right to accelerate repayment in the event of a "*group cross default*", which could occur if certain of the Issuer's material subsidiaries default or if RZB defaults on certain payments.

The Issuer may not always be able to compel the aforementioned companies to comply with their payment obligations, even if it holds a majority interest. Furthermore, such companies generally are subject to the same risks as the Issuer. The likelihood of the occurrence of any particular risk, and its effects on the financial position and results of operations of the Issuer's subsidiaries, may differ substantially from the likelihood and effects of the same risk with respect to the Issuer and a subsidiary may fail to fulfill its payment obligations even if the other members of the RBI Group are financially healthy, thereby triggering a group cross-default. A group cross-default could give rise to sudden liquidity requirements in order to repay accelerated liabilities, and such liquidity may be available only on very unfavorable terms and conditions or not at all and consequently, the Issuer might not or only to a limited extent be able to meet its obligations under the Notes.

– Refinancing risk (and related concentration risk for the Issuer) as a result of the withdrawal of local deposits.

One of the principal sources of funding for the RBI Group is customer deposits, with the remaining funding provided through debt issuances and interbank loans. Intra-group financing from the Issuer is also used in this context. The ongoing availability of deposits to fund the RBI Group's loan portfolio is subject to potential changes in certain factors outside the RBI Group's control, such as increased competition from other banks for deposits, depositors' concerns regarding either the economy in general, the financial services industry or RBI or an RBI Group member

specifically, ratings downgrades, significant further deterioration in economic conditions and the availability and extent of deposit guarantees. These factors could lead to a reduction in the RBI Group's ability to access customer deposit funding on appropriate terms in the future and to sustained deposit outflows.

Depositors of the Issuer as well as depositors of any of the Issuer's group members may withdraw their deposits at a faster rate than the rate at which the Issuer's and/or the affected group member's borrowers repay their loans. In such case, the Issuer and/or the group member will have to seek to obtain the necessary liquidity by other means (such as the money or capital markets). In the event that a group member is affected, the Issuer may need to increase the intra-group financing to the affected group members to replace such withdrawn funds, which would increase the Issuer's exposure to the relevant group member and the country where it is located. Funding may not be available in the required amounts on short notice or may not be available on similar terms or in the same currencies, any of which may have a material adverse effect on the RBI Group's business, financial position and results of operations. If funding is not available to the Issuer and/or to the group members at all or at reasonable cost, they may be required to liquidate certain of their assets potentially below book value.

Reallocation of intra-group funding to support particular group members, and the resulting increase in exposure to such group members and the countries in which they are located, also constitutes a concentration risk, which may be severe in the event of a default by one or several of these subsidiaries (including events imposed by local authorities in the countries of such group member preventing such group member to perform under its refinancing obligations) and thus may have a material adverse effect on the RBI Group's business, financial position and results of operations.

Additional payment obligations of the Issuer due to its membership in deposit insurance and investor compensation schemes

The Issuer is a member of the "**Österreichische Raiffeisen Einlagensicherung eingetragene Genossenschaft**", one of the mandatory deposit guarantee and investor compensation schemes pursuant to the Austrian Banking Act. Under such scheme, deposits are in general protected up to an amount of EUR 100,000, and monetary claims from securities transactions are protected up to EUR 20,000, subject to an additional cap of 90 per cent. of the receivables from securities transactions for legal persons. In addition, the Issuer is a member of the *Raiffeisen-Kundengarantiegemeinschaft Österreich ("RKÖ")*, the nationwide voluntary Raiffeisen customer guarantee scheme for Austria that, supplementary to the statutory Austrian deposit guarantee and investor protection scheme, guarantees up to 100 per cent. of its member banks' customer deposits and claims related to non-subordinated bond issues in certain circumstances. All members of the association assume contractual liability to the effect that they, under certain circumstances, guarantee the timely payment of all customer claims so guaranteed, i.e., in particular customer deposits and claims under non-subordinated direct issues of insolvent RKÖ members. Customers of the insolvent bank are offered equivalent claims against other members of the RKÖ instead of bankruptcy claims. In addition to regular membership contributions to cover ongoing administrative expenses, extraordinary membership contributions may become due in the case of a customer guarantee event. Any insolvency of a member of one of these associations may result in the Issuer's obligation to settle guaranteed customer claims against such insolvent member which would be likely to adversely affect the Issuer's financial position to the effect that the Issuer may not or only to a limited extent be able to meet its obligations under the Notes.

Changes to the deposit guarantee and investor compensation schemes in which the Issuer and Network Banks are participating and the introduction of resolution funds may result in increased membership contributions.

The existing EU-legislation on mandatory deposit guarantee and investor compensation schemes, including the rules relating to their financing, are currently being amended. As a result of such amendments, the level of the Issuer's and the Network Banks' annual contributions to national deposit guarantee and investor compensation schemes may increase in the future. Furthermore, it is being proposed by the European Commission to introduce resolution funds in order to provide supplementary funding for tools in connection with crisis management measures and the recovery and resolution of banks. Such resolution funds might also be amalgamated with deposit guarantee schemes and thus might result in increased contributions. According to current proposals, resolution funds, if not amalgamated with deposit guarantee schemes, would raise additional contributions from banks proportionate to their liabilities and risk profile up to a capacity of 1% of covered deposits in a time span of 10 years.

It is currently also unclear what effect these amendments will have on the existing statutory and voluntary deposit guarantee and investor compensation schemes in which RBI Group members participate. Such changes could increase the RBI Group's membership costs or, if they are perceived as adverse by the RBI Group's customers, could adversely affect the RBI Group's business or reputation.

Risks relating to the industry, the overall economic environment and the markets in which the Issuer and the RBI Group operate

The income of the Issuer and the RBI Group's subsidiaries and its financial position and results of operations are sensitive to the political and social developments in the countries in which the RBI Group operates and to the performance of the relevant economies.

In addition to Austria, the RBI Group conducts its operations principally in the following regions, which are collectively referred to as Central and Eastern Europe ("CEE"):

- Central Europe ("CE"): Czech Republic, Hungary, Poland, Slovakia, Slovenia;
- Southeastern Europe ("SEE"): Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Kosovo, Moldova, Romania, Serbia; and
- Commonwealth of Independent States ("CIS"): Belarus, Kazakhstan, Russia and Ukraine.

Furthermore, the RBI Group has operations in other parts of the world, including China and other Asian countries.

Many of the countries in which the RBI Group operates are, compared to Austria, characterized by an increased risk of political, economic, legal and social changes and related risks, such as exchange rate volatility, exchange control restrictions, regulatory changes, a greater degree of unpredictability in areas such as the legal system and taxation, real estate, insurance, privatization, public finance sectors, inflation, economic recession, local market disruptions, labour market tensions, ethnic conflicts and income disparity.

The level of risk differs significantly from country to country, and generally depends on the economic and political development stage of each country. Political and economic instability vary throughout the region. Future political, economic and social developments in emerging economies may have a material adverse effect on the RBI Group's business, financial position and results of operations and/or impair its ability to implement its strategies.

In particular, Hungary currently is experiencing a severely depressed economy, weak demand from Hungarian retail customers and generally lower customer activity, the combination of which has reduced the quality of RBI's credit portfolio. In addition, in 2011 Hungary implemented legislation which allowed borrowers to convert foreign currency loans into the local currency at exchange rates significantly below market rates, which resulted in loan losses for RBI. See also "*—Regulatory risks— Legal intervention affecting existing contracts in response to economic developments*". In Belarus and Ukraine, if market conditions deteriorate further, the RBI Group's loan portfolio and equity position could be further adversely affected. Additionally, a depreciation of currencies of certain countries in CEE in which the RBI Group is active has caused a significant drop in and may continue to further negatively affect the RBI Group's foreign currency position.

There is a heightened risk of government intervention in certain of the markets in which the RBI Group operates:

Emerging economies are characterized by an increased risk of state and central bank intervention in response to economic crises, compared to the Western European economies. Governments in emerging economies in which the RBI Group operates have taken and could further take measures to protect their national economies and/or currencies in response to political and economic developments, including, among other things:

- require that loans denominated in foreign currencies like EUR, USD or CHF are converted into local currencies at unfavourable rates for lenders in order to assist local consumers and/or businesses, as occurred in Hungary in September 2011;
- impose a waiver of the repayment of loans resulting in higher levels of provisions of risks;
- set limitations on the repatriation of profits (either through restriction of dividend payments to their parent companies or otherwise) and/or export of foreign currency;
- nationalise local network banks, with or without compensation;
- impose limitations on foreclosures and debt collections;
- set out regulations limiting interest rates that can be charged on consumer or business loans;
- fix the exchange rate of the local currency against freely convertible currencies or lift any such exchange rate fixing; and
- prohibit money transfers abroad.

Some of these risks have been experienced by the RBI Group in the past. Furthermore, protective measures could include the nationalisation of local group members, with or without compensation, in order to stabilise the banking sector and the economy.

The occurrence of any of these events may adversely affect the RBI Group's ability to conduct business in the

affected part of the emerging economies. The occurrence of one or more of these events may also affect the ability of the RBI Group's clients or counterparties located in the affected country or region to obtain foreign exchange or credit and, therefore, to satisfy their obligations to the RBI Group.

If any of these events occurs, it could have a material adverse effect on the RBI Group's business, its financial position and results of operations and could adversely impact the Issuer's ability to meet its obligations under the Notes.

Risk in connection with mergers, acquisitions and investments – unidentified risks and expenses may be incurred

In the past, the RBI Group carried out acquisitions and investments (most recently, in February 2011, the acquisition of Polbank EFG in Poland); it may add further selective acquisitions in pursuance of its strategy. Acquisitions pose significant challenges, including in the following areas:

- integration of the acquired company in the human resources, infrastructure, management information systems, general reporting, IT, risk management and controlling areas;
- achievement of synergies and cost control as well as realising the expected returns as anticipated at the time of the acquisition;
- coping with regulatory, legal and contractual tasks and barriers with respect to the acquisition, among others anti-trust laws;
- additional funding requirements;
- integration/homogenisation of different corporate and management cultures; and
- harmonisation of risk provisioning standards and methodologies, which could result in higher provisioning requirements for credit and other risks at acquired companies.

A delayed or inefficient implementation of integration measures, unexpectedly high integration expenses or risks, client attrition and the loss of key management may result in any integration synergies being less than anticipated and/or may have a material adverse effect on the RBI Group's business, financial position and results of operations.

Also, liabilities and risks of the acquisition target may not have been identified or precisely determined in the acquisition process. As a result, the RBI Group may be confronted with risks that only become apparent following completion of an acquisition in the wake of integration efforts, and any contractual representations and warranties obtained from the seller may not be adequate, or may not be enforceable against the seller, for example if the seller is in financial distress. In addition, risks covered by such representations and warranties may materialize after the expiration of the period during which a claim may be brought. If any of these risks materializes, it may have a material adverse effect on the RBI Group's business, financial position and results of operations and could affect the Issuer's capability to perform its obligations under the Notes.

Still developing legal and taxation systems in some of the RBI Group's markets may have a material negative impact on the Issuer

The legal systems of most emerging economies in which the RBI Group operates have undergone dramatic changes in recent years. In many cases, the interpretation and procedural safeguards of the new legal and regulatory systems are continuing to be developed, which may result in existing laws and regulations being applied inconsistently. The RBI Group's business in emerging economies could be affected by new laws or amendment of existing laws. Also, as laws and regulations are still evolving, frequently there is no legal precedent or binding guidance from regulatory authorities as to their interpretation. This exposes the RBI Group to the risk that courts or regulatory authorities may interpret laws or regulations in a way that differs from the current practice and/or the RBI Group's position and that the courts or regulatory authorities may find that the RBI Group has violated laws or regulations.

Additionally, in some circumstances, it may not be possible to obtain the legal remedies provided for under these laws and regulations in a reasonably timely manner. This may in particular have a material adverse effect on the legal enforcement of loan collateral which in many cases is mandatory.

Further, consumer protection laws could limit the fees that banks may charge for certain of their products and services. If enacted, such laws could reduce the RBI Group's net interest and fee and commission income.

The Issuer and its subsidiaries are subject to a large number of tax norms that in some cases have only been in effect for a very short period of time, are frequently amended and enforced by various political subdivisions. Thus, there are hardly any precedents for such enforcement and administrative practices may be unpredictable. Taxpayers often have to take recourse to the courts to defend their position against the fiscal authorities. The lack of collectibility in some CEE countries furthermore results in new taxes being continuously introduced in an attempt to increase tax revenues.

Therefore, there is a risk that the RBI Group may be subject to arbitrary and onerous taxation. In some CEE countries, tax returns and taxation matters are not subject to the statute of limitations and thus might be addressed by the authorities for years afterwards. Therefore, the tax risk in some CEE countries is significantly higher than in other countries whose tax systems are based on a longer historical development.

If any of these risks materializes, it may have a material adverse impact on the Issuer's financial position and results of operations to the effect that it may not or only to a limited extent be able to meet its obligations under the Notes.

Applicable laws, including bankruptcy laws, in some of the RBI Group's markets may limit the RBI Group's ability to obtain payments on non-performing loans and to enforce security and/or guarantees

RBI Group companies enter into security arrangements for loans made to corporate and retail customers. Under regulations in many countries, collateral and certain forms of guarantees are considered secondary obligations, which automatically terminate if the secured or guaranteed obligation becomes void. In particular, the enforcement of a security under the laws of certain jurisdictions may require a court order and, in the case of pledges and mortgages, a public sale of the collateral, which may be delayed. As local laws typically do not provide for pledge perfection systems for collateral, or provide for such systems only for certain types of collateral, the RBI Group may face unexpected and/or conflicting claims of secured creditors upon pledged property.

In addition, bankruptcy laws in many emerging economies are still subject to change and can differ significantly from country to country. They also do not always offer the same types of rights, remedies and protections that creditors enjoy under the bankruptcy regimes in Western Europe or the United States. In particular, the bankruptcy law systems in the various emerging economies have, at times, made it comparatively difficult to receive payouts on claims related to, or to foreclose on collateral that secures, extensions of credit that have been made to entities that have subsequently filed for bankruptcy protection. Hungary, for example, introduced the so-called "**home protection law**" to help distressed mortgage debtors, which included fixed exchange rates on monthly mortgage repayments. For these reasons, the RBI Group may have difficulty obtaining payments on non-performing loans, foreclosing on collateral or enforcing other security when clients default on their loans, which may have a material adverse effect on the RBI Group's business, financial position and results of operations.

Decline in growth rates in CEE – negative impact on results of operations

The RBI Group's ability to grow organically will depend to a large extent on the continued general growth of the banking sector in the countries in which the RBI Group operates. As the banking sector in the CEE countries continues to mature, competition from both global as well as local financial institutions is likely to intensify, which may result in narrowing net interest margins and lower profitability. Slowing growth of the banking sector in the CEE region along with a more competitive environment may make it difficult for the RBI Group in general to grow organically at the same rate as in the past. The failure to successfully identify income sources in this less growing environment may make it more difficult for the RBI Group to pursue further organic growth opportunities according to its strategy. Furthermore, it might be difficult for the RBI Group to adapt its cost structure and growth to reduced levels of asset and income growth.

Growth in the banking sector in the CEE region could slow down significantly or may even turn negative.

Negative development of competitive situation

The RBI Group competes with large international financial institutions and local competitors, including retail and commercial banks, mortgage banks, investment banks, securities companies and other enterprises in the financial services sector.

The consolidation of the worldwide financial services sector creates competitors with extensive product and service portfolios, who may have better access to liquidity, or may have greater efficiency (such as internet banks) and pricing power. In addition, large competitors already active within the EU may expand or further expand their presence in the new EU accession countries, or generally to the CEE region. Due to their more global presence and their ability to provide banking services beyond the CEE markets, these competitors might appear more attractive to certain customer groups e.g. major multinational clients than the RBI Group.

The RBI Group also faces competition from local banks, which may have a much stronger presence in local markets than the RBI Group. Primarily in view of increased constraints on the RBI Group's business and resources in the wake of the financial and economic crisis, the RBI Group may lose customers to competitors, for example if such competitors pursue a less risk-averse business strategy than the RBI Group or are subject to a less stringent regulation than the RBI Group.

The RBI Group seeks to maintain its current level of customer loyalty and retention, which can be influenced by a number of factors, including service levels, prices and attributes of products and services, financial strength and

actions taken by competitors. The competitiveness of the RBI Group will largely depend on its ability to timely adapt to new market developments and trends.

If the RBI Group is unable to compete with attractive and profitable products and service offerings, it may lose market share or may as a result of compressed margins or increased standard costs on its product offering incur losses on some or all of its activities. Should the RBI Group be unable to effectively manage these competition risks, they may have a material adverse effect on the RBI Group's financial position and results of operations to the effect that the Issuer may not or only to a limited extent be able to meet its obligations under the Notes.

Write-down of goodwill and impairment losses

The Issuer and the RBI Group might be obliged to further write down goodwill of RBI Group companies. The carrying value of goodwill on the RBI Group's statement of financial position would be reduced in the event of an economic downturn, slower than anticipated macroeconomic growth, increased competition, currency fluctuations or any other adverse event that may cause the RBI Group's estimate of its businesses' future cash flows to be revised downwards or if the rate used to discount the cash flows is increased. Similarly, if such circumstances prevail, other group assets may have to be tested for impairment, which could result in significant impairment losses. Any impairment could have a material negative effects on the RBI Group's results of operations and the Issuer may not or only to a limited extent be able to meet its obligations under the Notes.

Country risk – and related non-payment

The country risk refers to the transfer and convertibility risk as well as to the political risk arising from cross-border transactions or direct investments in third countries and relates to the risk of economic as well as political instability. *Inter alia*, a potential shortage of foreign currency or transfer restrictions might result in a prohibition on transfers of funds and thus in non-payment. Political events, such as for example changes in the political balance of power or national and international crisis situations, may also lead to the materialisation of such risks (non-receipt of contractually agreed payments, business disruption, non-feasibility of transactions) and thus to the loss of earnings and assets of the RBI Group.

Market risk/market risks relating to the financial markets

This refers (pursuant to section 2 BWG) to the general and specific risk position assumed by the Issuer on the asset or liability side with respect to interest-related instruments, asset value and investment certificates and shareholder value, commodities, foreign currencies, etc.

Market risk includes, but is not limited to, interest rate, foreign exchange rate, bond price and equity price risks. Changes in interest rate levels, yield curves and spreads may affect the RBI Group's net interest margin. Changes in foreign exchange rates affect the value of assets and liabilities denominated in foreign currencies as well as the profit and loss values as measured in euro and may affect income from foreign exchange dealing (see also risk factor *Currency risk*). The performance of financial markets or financial positions generally may cause changes in the value of the RBI Group's investment and trading portfolios. The RBI Group has implemented risk management systems to mitigate and control these and other market risks to which its portfolios are also exposed. However, it is difficult to predict with accuracy changes in economic or market conditions and to anticipate the effects that such changes could have on the RBI Group's financial performance and business operations. Furthermore, in certain circumstances it might be difficult or impossible for the RBI Group to implement hedging or stop-loss strategies and, therefore, to limit its loss in a market down-turn. The RBI Group operates in some markets where hedging is not feasible due to a lack of a liquid market for hedging. The RBI Group may also decide not to hedge a position in expectation of favorable market movements. Any of these market risks could have a material adverse effect on the Issuer's financial position and results of operations and could adversely affect the Issuer's ability to meet its obligations under the Notes.

By entering unhedged positions, the RBI Group may be directly exposed to the risk of changes in interest rates, foreign exchange rates or prices of financial instruments

The RBI Group assumes open (unhedged) positions with respect to interest rates, foreign exchange and financial instruments either in the expectation that favourable market movements may result in profits or because certain positions can not be hedged effectively. These open positions are subject to the risk that changes in interest rates, foreign exchange rates or the prices of financial instruments may result in losses. Actual trading and market positioning is decentralised and takes place on a local level at the RBI Group's subsidiaries, based on market risk limits approved and monitored by the Issuer.

The RBI Group has open positions with regard to its profit and loss positions measured in euro. Only part of these positions can be hedged due to inadequate market developments. The RBI Group does not consistently close these

positions. Even with constant margins and profits as measured in local currencies there is a risk of material adverse effects on the accounts as measured in euro.

The results of the RBI Group's trading and investment activities are subject to significant volatility

The RBI Group maintains trading and investment positions in debt, currency, equity and other markets. These positions could be materially adversely affected by increased volatility and further dislocation in financial and other markets, creating a risk of substantial losses. Significant declines in the values of the RBI Group's assets have resulted from previous market events. Increased volatility and further dislocation affecting certain financial markets and asset classes could have an impact on the general valuation of assets in the RBI Group's trading assets, its financial assets at fair value through profit or loss, its financial assets available for sale and on the value of its financial assets held-to-maturity and could also lead to impairment losses.

The heightened uncertainty and risk of default of governments in the so-called *periphery* EU member states, in particular Greece, Ireland, Italy, Portugal and Spain has led to, and may continue to result in, a sharp increase in spreads – i.e. the yield gap vis-à-vis investments viewed as risk-free – on fixed income securities issued by these and other countries and by financial institutions and corporate issuers based in these countries, adversely affecting the market value of these securities. If the wider spreads persist or widen even more, this would lead to further declines in market values and thus, in the event of disposal, to a loss in the cash value of outstanding bonds and a corresponding added negative effect on the RBI Group's earnings. Furthermore, negative effects may also be reflected in the income statement due to a market valuation of the securities in the trading book, and on the balance sheet due to a market valuation of securities held for sale. Volatility can also lead to losses relating to a broad range of other trading and hedging products the RBI Group uses, including swaps, futures, options and structured products.

All of these factors could have a material adverse effect on the Issuer's financial position and results of operations and could adversely affect the Issuer's ability to meet its obligations under the Notes.

Credit and counterparty risk incurred by the Issuer

The RBI Group is exposed to credit and counterparty risk in particular in connection with its lending activities with retail and corporate customers, other banks, local regional governments and sovereign borrowers, as well as other activities that expose the RBI Group to the risk of counterparty default, such as its trading and settlement activities. Credit risk, which the RBI Group considers to be its most significant risk category, is the risk of financial loss relating to the failure of a borrower to honor its contractual obligations.

Credit risk is affected by factors such as the creditworthiness of the borrower, the borrower's ability to repay its loans on a timely basis, the value of collateral provided and the RBI Group's ability to enforce its security interests. Beginning in 2008 and particularly in 2009, the global financial and economic crisis, lack of liquidity, downturns in the economy or real estate values, operational failure and other macroeconomic factors have negatively affected these factors, causing a substantial increase in counterparty risk among banks as well as an increase in defaults in the customer business, and an overall increase of non-performing loans for both retail and corporate customers.

As of 31 March 2012, the RBI Group's NPL ratio, which is the ratio of non-performing loans to the RBI Group's total loan portfolio, was 8.9 per cent. (compared to 8.6 per cent. as of 31 December 2011).

The rate of non-performing loans may increase further in the banking sector in general and particularly in the CEE region, with the most significant increases expected in Hungary, Romania, Russia and Ukraine, which could negatively affect the equity of RBI's group entities denominated in local currency and the goodwill of local group companies. Furthermore, the rate of non-performing loans is also influenced by depreciations of local currencies against the euro, the USD and the Swiss franc. In addition to the aforementioned countries, it could be expected that - owing to the substantial exposure of RBI Group to loans denominated in Swiss francs in Poland - any such depreciation would also lead to an increase in non-performing loans in Poland.

A future economic deterioration, market volatility, higher unemployment and lower foreign investment could further have an adverse effect on the liquidity, business and financial position of the RBI Group's borrowers, which could, in turn, increase the RBI Group's non-performing loan ratio, impair its loan and other financial assets, result in a withdrawal of deposits and result in decreased demand for the RBI Group's products.

Furthermore, the continuation or an aggravation of the sovereign debt crisis might directly or indirectly give rise to defaults from the RBI Group's business with financial institutions, with local regional governments and with sovereigns.

The RBI Group is also exposed to credit risk in relation to its financial institution and sovereign portfolios which include exposures to financial institutions and sovereigns in countries that recently have experienced deteriorating fiscal conditions and heightened risk of default, such as the *periphery* EU member states Greece, Portugal, Spain,

Ireland and Italy. In particular, the RBI Group is exposed to credit risk from financial institutions and sovereigns in Spain and Italy. The continued economic viability of many of these counterparties may become questionable, especially if economic conditions worsen. Financial institutions are likely to be affected most by a potential decline because they are affected by larger defaults or revaluations of securities, for example, or by heavy withdrawals of customer deposits in the event of a significant deterioration of economic conditions. Recently, credit rating agencies have downgraded the sovereign credit ratings of the governments in some of these countries, and further downgrades in such credit ratings could increase the credit risk of financial institutions based in these countries. Such adverse credit migration could result in increased losses and impairments with respect to the RBI Group's exposures in these portfolios.

RBI Group total exposure* in and to periphery EU countries as at 31 March 2012 (in EUR mn):

RBI – Total Exposure* at end of Q1/2012 (in EUR mn)									
	Corporate Exposure		FI Exposure		Sovereign Exposure		Total Mar 2012	Total Dec 2011	Change y-o-y
	Bank book	Trading book	Bank book	Trading book	Bank Book	Trading book			
Greece	21	0	0	0	0	0	21	61	(64.8)%
Ireland	5	6	22	240	0	0	273	273	0.0%
Italy	263	15	692	37	8	18	1,033	1,209	(14.6)%
Portugal	0	0	86	0	0	0	83	109	(20.8)%
Spain	30	21	515	73	0	0	639	795	(19.6)%
Total	319	41	1,316	350	8	18	2,052	2,447	(16.1)%

* Defined as exposure at default including on- and off-balance sheet positions excluding secured repo business before recognition of collaterals.

Source: Internal data (unaudited).

The RBI Group provides for potential losses arising from counterparty default or credit risk by net allocations to provisioning for impairment losses, the amount of which depends on applicable accounting principles, risk control mechanisms and the RBI Group's estimations. Should actual credit risk exceed current estimates on which management has based net allocations to provisioning, the RBI Group's loan loss provisions could be insufficient to cover losses. This would have a material adverse impact on the quality of the loan portfolio and thus on the Issuer's financial position and results of operations and would affect the Issuer's ability to meet its obligations under the Notes.

Decline in market value of loan collateral – inadequate provision of security

The value of collateral securing loans in the RBI Group's loan portfolio, in particular real estate, has declined substantially since the onset of the global financial and economic crisis. Factors which affect the real estate market include, in particular, changes in the supply of and demand for rental properties and rents obtainable in the market, the credit standing of tenants as well as changes in the supply of and demand for real properties for sale and the external funding available in the market for property purchases, and legal terms and conditions relating to tenancy. Devaluations of collateral held for loans may on the one hand necessitate an increase in loan loss provisions to cover acute and latent default risk and the collateral may also be inadequate to cover the outstanding loan in the event of realization. In addition, as the RBI Group's retail lending activities have grown, the RBI Group has increased its exposure to unsecured consumer finance loans, which expose the RBI Group to a comparatively high degree of risk with a lower probability of recovery if a borrower defaults. Should these risks materialize, they may result in further write-downs of loan collateral which would have a material adverse impact on the quality of the RBI Group's loan portfolio and thus on the Issuer's financial position and results of operations and would affect the Issuer's ability to meet its obligations under the Notes.

Concentration risk

The concentration risk (pursuant to section 2 BWG) refers to all kinds of negative effects arising from the concentration or interaction of similar or different risk factors or risk types, such as for example the risk associated with loans to the same customer, to a group of related customers, to customers from the same region or industry

sector, to customers offering the same services and goods, the application of credit risk minimising techniques and, in particular, indirect large-volume lendings.

Due to accounts receivable from borrowers in certain countries or certain industry sectors, as the case may be, the RBI Group is, to varying degrees, subject to a concentration of regional as well as sectorial counterparty risks. RBI Group single name concentrations are managed (based on the concept of groups of connected customers) by limits and regular reporting. Nevertheless, the sum of the ten largest corporate credit exposures of the corporate customer division (before taking into account risk mitigation effects) corresponded to 62.7 per cent. of core capital as of December 2011. The concentration risk on a RBI Group level could increase due to insufficient diversification. Should such concentration risk materialise, this may have a material adverse impact on the Issuer's financial position and results of operations to the effect that it may not or only to a limited extent be able to meet its obligations under the Notes.

Regulatory risks

Future development of banking sector related regulations, such as Basel III

The RZB Group, the Issuer and the Network Banks are subject to comprehensive banking and financial services laws, regulations, administrative actions and policies in each of the countries they operate in. In addition, the RBI Group is part of the RZB Group, which is subject to such regulation on a consolidated basis. Among other things, in each of these countries, the RBI Group's banking operations require a banking or similar license or must be notified to national regulators and the regulations include requirements that the Issuer and/or the relevant Network Bank maintain certain capital adequacy and liquidity ratios and limit their exposure to certain risks, on an RZB Group and RBI Group level and on the level of the Network Banks. All of these regulations are subject to change, particularly in the current market environment, where there have been unprecedented levels of government intervention and changes to the regulations governing banking and other financial institutions. In response to the global financial crisis, national legislators and supervisory authorities as well as supranational organizations, such as the EU, have introduced or are considering significant changes to current regulatory frameworks, including those pertaining to capital adequacy, liquidity and the permissible scope of banks' operations. As a result of these and other ongoing and possible future changes in the banking and financial services regulatory landscape, the Issuer and the Network Banks may face greater regulation, additional regulatory burdens and significant costs to implement such requirements in the countries where they operate.

Compliance with these new regulations may on the level of the RZB Group, the RBI Group and on the level of the Network Banks, among others, increase the regulatory capital and liquidity requirements and related costs, expand disclosure requirements, restrict certain types of transactions and activities, affect the strategy, and limit or require the modification of activities, rates or fees charged on certain loan and other products, any of which could lower the return on investments, assets and equity. The RBI Group may also face significant costs to implement new regulatory requirements, costs relating to the implementation of system solutions to adhere to reporting requirements, increased compliance and other ongoing costs and limitations on its ability to pursue certain business opportunities. The new regulatory framework may have significant scope and may have unintended consequences for the Network Banks' and the RBI Group's business, the financial system in Austria and CEE countries, and the global financial system, including affecting competition, increasing general uncertainty in the markets or favoring or disfavoring certain lines of business. The Issuer is not in a position to predict the effect of any such changes on its business, financial condition, cash flow or future prospects.

Regulation of the banking and financial industry in Austria and the CEE countries has changed in recent years largely as a result of their implementation of applicable EU directives and in response to the economic crisis. In addition, a number of regulatory initiatives have recently been proposed, which would significantly alter RZB Group's and the RBI Group's regulatory capital requirements.

In particular in the aftermath of the financial crisis, the Basel Committee on Banking Supervision (the "**Basel Committee**") proposed major revisions and additions to the existing Basel II framework ("**Basel III**"). Among others, Basel III endorses,

- an increase of minimum regulatory capital requirements to be maintained by banks and banking groups (including an increase of the minimum tier 1 and common equity tier 1 capital ratios with common equity being the predominant part of tier 1 capital, new requirements for hybrid instruments to qualify as tier 1 or tier 2 capital, the phasing out of tier 3 capital, and revised rules for the deduction of certain positions from regulatory capital);
- higher capital charges for certain counterparty risk exposures including exposures arising from derivatives, repos, securities financing transactions and related activities;

- the introduction of a maximum leverage ratio (which is the ratio of a bank's capital to its total exposures);
- the introduction of a capital buffer beyond minimum capital requirements which can be drawn on in a downturn (capital conversion buffer), of a counter-cyclical buffer set by the relevant national regulator, and additional capital requirements for systemically important institutions (on a European Union and national level); and
- increased liquidity requirements.

Within the EEA, the Basel III standards are expected to be implemented by means of a regulation and a directive (the Regulation of the European Parliament and of the Council on prudential requirements for credit institutions and investment firms ("**CRR**") and Directive of the European Parliament and of the Council on the access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms ("**CRD IV**"). While the proposed CRD IV must be transposed by Member States into national law, the proposed CRR will be directly applicable in the Member States without the need for further action on the Member State level. The new rules set out in CRD IV are expected to apply as of 1 January 2013 with full implementation finalised by 31 December 2023. It is expected that for certain of the new rules transitional provisions will apply. Notwithstanding such transitional measures, it cannot be excluded that market expectations will apply certain rules at an earlier stage as may be provided for in the European Union or relevant national legislative framework.

In addition to the Basel III regulations, the RZB Group is also subject to regulatory capital requirements under the EBA Capital Package introduced in October 2011.

Furthermore, on 21 November 2011, the OeNB (Austrian central bank) and the FMA (Austrian Financial Market Authority) jointly announced plans and on 14 March 2012 released a supervisory guideline to strengthen the sustainability of the business models of large internationally active Austrian banks, including RZB Group. According to the guideline, the following measures will in particular be implemented:

- First, to strengthen the sustainability of banking groups' capitalisation, the Basel III standards on common equity tier 1 capital ("**CET1**") must be fully implemented from 1 January 2013 without transitional provisions being applicable. However, any fully loss-absorbent private and government participation capital subscribed under the bank support package will be included in the capital base according to transitional provisions. Furthermore, there will be an additional capital surcharge of up to 3 percentage points of CET1 (depending on the riskiness of the banks' business models) from 1 January 2016.
- Second, to strengthen and ensure a balanced refinancing structure of banking subsidiaries the Austrian regulatory authorities will continually monitor and analyse the ratio of net new lending to local stable funding. According to the Austrian regulatory authorities' analysis of past experience, exceeding a reference ratio of 110 per cent. can be considered an alarm signal. The results of the monitoring process will be discussed and assessed between the Austrian and the host regulators to agree on any necessary measures.
- Third, to ensure that in the event of crisis, a bank can be reorganized swiftly and efficiently or, if need be, wound up in an orderly manner, parent institutions, including RZB, are required to submit groupwide recovery and dissolution schemes to the FMA by the end of 2012.

Some uncertainty remains around the implementation of certain of the above legislative changes. Insofar as certain of these measures are implemented as currently proposed, in particular the changes proposed by the Basel Committee, the CRR and the CRD IV, they are expected to have a significant impact on the capital, liquidity and asset and liability management of the RZB Group and the RBI Group. This in turn could have a material adverse effect on the RBI Group's results, financial position and results of operations.

Banking regulations in non-EU member states in which the RBI Group operates are evolving in parallel to the global changes and international regulatory environment. Changes in the regulatory requirements in a relevant jurisdiction may impose additional obligations on the RBI Group or the local Network Banks. In addition, to counteract increasing indebtedness in their countries, various central banks in the markets where RBI Group operates have implemented measures that effectively restrict the ability of banks to grow their loan books, such as increased capitalisation requirements, increases in the risk weighting of assets or outright caps on the growth of loan portfolios. In the wake of the financial and economic crisis, local regulators have also focused on increased capital ratios, measures against the outflow of capital and dividends or adequate liquidity buffers.

Even if the RBI Group and/or the Network Banks fully comply with the statutory requirements at the time, regulators, rating agencies and/or market participants may expect the RBI Group or the local Network Banks to maintain higher regulatory capital and/or liquidity ratios or to phase in and implement new regulatory requirements

(such as Basel III standards) earlier than required by law. This might cause the RBI Group to maintain higher capital and/or liquidity buffers in relation to its assets than required by applicable legislation or the RBI Group's own risk view.

These and similar future restrictions and developments may limit the RBI Group's ability to grow its asset base and may have an adverse effect on its business, financial position and results of operations to the effect that the Issuer may not or only to a limited extent be able to meet its obligations under the Notes.

Insolvency regulations for banks

The Issuer is subject to insolvency regulations specific to credit institutions pursuant to §§ 81 ff. BWG (Receivership and Insolvency Provisions). Currently, discussions and initiatives are ongoing at a national as well as European level in order to implement new regimes and regulations dealing with legal consequences of financial difficulties of banks. Such initiatives include recovery and resolution regimes, loss absorbency and bail-in rules as well as bank reorganization regulations.

The Issuer and/or the RZB Group could be qualified as "systemically important" financial institutions

The Basel Committee and national regulators are currently considering dividing credit institutions, based on their size and importance to the financial market, into different categories of systemic importance and to require different levels of surcharges on regulatory capital for each category. Additionally, there is a development on national levels in many jurisdictions to apply similar approaches to institutions considered systemic banks at such national level. Depending on whether or not the Issuer is classified as systemically important, and, if it is, on the category it is placed in, it will be affected by this regulation and therefore also by a surcharge to its regulatory capital. Such a surcharge which the RBI Group would potentially be required to fulfill could limit the business activities of the RBI Group and/or require the RBI Group to maintain additional capital buffers with associated costs or negative effects on return on equity and thereby have an adverse effect on its business, financial position and results of operations to the effect that the Issuer may not or only to a limited extent be able to meet its obligations under the Notes.

The RBI Group and the RZB Group are subject to stress testing

Supranational and national regulators including the European Banking Authority ("EBA") and the OeNB (Austrian Central Bank) have recently requested and conducted stress tests analyzing the banking sector and/or individual banks (including the Issuer and its majority shareholder RZB) and made certain of these results available to the public. The RBI Group anticipates that regulatory authorities will continue to request and conduct similar stress tests and disclose the results or parts hereof to the public. If a bank fails to pass a stress test conducted or required by a banking regulator or the result is not perceived as satisfactory by regulators, market participants or rating agencies, this could trigger intervention by regulators, could require the bank to increase its regulatory capital and could have a negative effect on the RBI Group's cost of funding. Also loss of confidence in the banking sector following the announcement of stress tests in any of the countries in which the RBI Group operates as a whole or market perception that any such tests are not rigorous enough could have a negative effect on the RBI Group's cost of funding. The occurrence of any of these events could have a material adverse effect on the RBI Group's business, financial position and results of operations.

The Issuer and the Network Banks may be unable to raise additional capital required to maintain regulatory minimum capital requirements and other regulatory ratios.

The Issuer and the Network Banks may be required to raise additional capital in the future in order to maintain their capital adequacy ratios above the required minimum levels or to meet expectations by regulators, counterparties, clients and market participants. Their ability to raise additional capital may be limited by factors, which are outside the control of the Issuer, e.g. credit ratings, necessary government regulatory approvals and general market conditions for capital-raising activities.

Effective management of the RBI Group's regulatory capital is critical to its ability to operate its businesses, to grow organically and to pursue its strategy. Any change that limits the RBI Group's ability to manage its statement of financial position and regulatory capital resources effectively (including, for example, reductions in profits and retained earnings as a result of write-downs or otherwise, increases in risk-weighted assets, delays in the disposal of certain assets or the inability to syndicate loans as a result of market conditions or otherwise) or to access funding sources could have a material adverse impact on its financial position and regulatory capital position. Any breach of existing laws relating to the minimum capital adequacy and other regulatory ratios may result in the Issuer and Network Banks being subject to administrative sanctions which may result in an increase of the operating costs of the RBI Group or loss of reputation, and, consequently, it may have a material adverse effect on the RBI Group's business, financial position and results of operations to the effect that the Issuer may not or only to a limited extent be able to meet its obligations under the Notes.

Regulatory and other reforms affecting the financial sector, including statutory charges such as bank levies.

The financial market crisis has prompted the Austrian and foreign governments, supervisory authorities and other agencies to implement or propose a variety of reforms of the framework governing the financial sector. Some of these changes and proposals extend beyond stricter regulatory capital and liquidity requirements in an effort to improve the ability of the financial sector to withstand future crises, but also to contain or reduce government deficits and debt levels that have increased significantly in connection with the financial crisis.

For example, Austria, Hungary and Slovakia have implemented, and other countries in which the RBI Group operates also consider introducing bank levies. The bank levies implemented in Austria and Hungary reduced the RBI Group's profits before tax by approximately EUR 93.4 million in 2011.

Various countries have already implemented bank specific taxes or levies:

In Hungary, a bank levy was introduced in 2010 and is calculated on the basis of total assets. The tax burden in 2012 is expected to have an impact of EUR 40 million on the RBI Group's 2012 results. According to recent public announcements in Hungary such bank levy might be replaced by a financial transaction tax generating higher amounts.

In Austria, a bank levy was introduced in December 2010 and has been effective as of 1 January 2011. The Austrian bank levy is deductible from corporate income tax and consists of two components, one of which is levied on total assets, the other on average derivative volumes in the trading book. Following the increase of the Austrian bank levy in March 2012, the total amount of the Austrian bank levy is expected to negatively impact the RBI Group's 2012 results by EUR 100 million.

In 2011, Slovakia introduced a bank levy on banks' corporate deposits effective as of 2012 which is expected to reduce the RBI Group's 2012 result by EUR 20 million.

Other countries in which the RBI Group operates, such as Poland, are currently discussing the implementation of similar bank levies.

The implementation of bank levies in additional countries in which Network Banks are located would have a further adverse impact on the RBI Group's net income. The range of other proposals includes: restrictions on remuneration policy; taxes on financial transactions; restrictions on securities trading; registration obligations and operational and disclosure requirements in derivative transactions including central clearing; extending the powers of supervisory authorities; splitting up financial institutions that supervisory authorities consider too big to fail; nationalizing banks; and market infrastructure reforms.

Even though it is mostly not yet clear how the legal changes will be implemented from a regulatory point of view, many features of such new laws may lead to changes that could negatively influence the profitability of the RBI Group's business activities, require adjustments to its business practices or increase costs (including compliance costs). Implementing the required changes may also require the attention of, and resources from, management.

Legal intervention affecting existing contracts in response to economic developments

Governments in individual countries have started to set out legal regulations affecting existing contracts in order to protect their citizens in an economic crisis.

On 19 September 2011, for example, the Hungarian Parliament passed the Home Protection Law. This law effectively allowed foreign exchange mortgage debtors to repay their loans early out of savings or from new loans in Hungarian forint ("**HUF**") at a rate notably lower than the current market rate. The loss caused by the difference between the *government fixed* rate and the market rate was required to be borne by the banks.

Similar laws might also be considered in further countries.

Non-compliance with regulatory requirements may result in enforcement measures

Regulatory authorities conduct periodic inspections of the RBI Group's operations and assets. In these inspections, as well as in other regulatory matters, such as the issuance and renewal of licenses and permits, regulatory authorities may exercise considerable legal discretion when interpreting and enforcing applicable laws, regulations and standards.

Any failure to comply with regulatory requirements (actual, or as a result of a different approach in interpretation of laws, regulations or standards) may result in the imposition of fines, or more severe sanctions including the suspension or termination of licenses or permits, or in the issuance of an order that the RBI Group cease certain of its business activities, or in criminal or administrative proceedings against the RBI Group's officers. Were any of these risks to materialize, it could materially adversely affect the RBI Group's business, financial position and results of

operations.

In case of severe and/or repeated breaches of regulatory requirements in any jurisdiction, there may be a risk of an administrator or supervisor being appointed for the bank or of the bank license being revoked or restricted. A variety of compulsory measures are available to bank supervisory authorities to address non-compliance. Any such enforcement measures could have a material adverse effect on the RBI Group's business, financial position and results of operations to the effect that the Issuer may not or only to a limited extent be able to meet its obligations under the Notes.

There may be regulatory changes in the areas of employee protection, labor law, social benefits and competition law

In addition to the requirements specifically applicable to financial service companies, the RBI Group also has to comply with a number of other requirements relating to general corporate law issues, such as employee protection, labor law, social benefits and competition law. As these laws and regulations as well as their interpretation are subject to continuous modifications by the competent authorities and are generally becoming increasingly more stringent, the costs incurred in connection with the compliance with such laws and regulations are expected to rise in the future.

Such regulatory changes might affect the ability or willingness of the RBI Group's customers to enter into business relationships with the RBI Group. Any non-compliance with applicable laws or regulations might trigger fines or other sanctions imposed by the competent regulatory authorities and affect reputation. If companies of the RBI Group have to pay substantial expenses in order to comply with new regulations, if penalties are imposed or any loss of reputation is suffered, this may have a material adverse impact on the Issuer's financial position and results of operations so that it may not or only to a limited extent be able to meet its obligations under the Notes.

Substantial costs and efforts are incurred in connection with the compliance with increasingly more stringent money laundering regulations, rules against terrorist-financing and tax evasion and economic sanctions and non-compliance involves legal and reputation risks

The Issuer and its subsidiaries are subject, directly or indirectly, to increasingly more stringent anti-money laundering regulations and sanctions imposed in connection with the prevention of money laundering, corrupt payments, the financing of terrorism and other criminal acts as well as tax evasion. These include regulations and sanctions imposed by the EU and local regulatory or government authorities, as well as the United States Office of Foreign Asset Control. Economic sanctions, such as embargos, may impose restrictions on the operations of the RBI Group in certain countries or with certain customers, may require the Issuer to terminate business relationships or to block assets such as bank accounts. Monitoring compliance with all these regulations constitutes a significant financial burden and technical challenge on the Issuer and the RBI Group. For example, the RBI Group expects to face substantial investment in implementing a compliance and reporting framework that meets the standards of the Foreign Account Tax Compliance Act provisions ("FATCA"). FATCA will become effective in 2013 and will, presumably as of 2017, impose under certain circumstances a 30 per cent. withholding tax on income from U.S. financial assets held by non-U.S. banks who have not agreed to disclose their American account holders' balances, receipts and withdrawals.

Increasingly stricter EU sanctions as well as U.S. sanctions, for example under the National Defense Authorisation Act (NDAA), against certain states, like Syria, Iran or Belarus, restrict or prevent the Issuer as well as RBI Group companies not only from entering into new transactions with affected entities but also affect the settlement of existing transactions, in particular the enforcement of existing claims against customers, which could result in risks relating to law suits due to non-payment in connection with guarantees issued by RBI or members of the RBI Group or letters of credit as well as significant losses.

The RBI Group may not at all times be in compliance with all applicable anti-money laundering and similar regulations, and groupwide standards may not be consistently applied by all employees at all RBI Group members. Any breach of such regulations and even the mere suspicion of any breach may have legal consequences or have an adverse impact on the reputation of the RBI Group and thus significantly affect the financial position and results of operations of the Issuer so that it may not or only to a limited extent be able to meet its obligations under the Notes.

Replacement risks/frustrated costs in case of any default by contractual partners

This refers to the RBI Group's risk that, in case of any default by contractual partners, (i) frustrated expenses/project costs with respect to transactions not implemented, (ii) additional expenses relating to the reacquisition of identical positions in the market and, (iii) if no equivalent projects are obtainable, lost profits may be incurred by the Issuer and have a negative impact on its earnings situation.

Investment exposure – uncertain earnings contribution

The Issuer holds a large number of equity investments (included in the banking book). There can be no assurance that such equity investments will not make a negative earnings contribution and thus adversely affect the Issuer's economic situation if there is no corresponding return on investment.

Currency risk

A large part of the RBI Group's operations, assets and customers are located outside the Eurozone and the RBI Group conducts its operations in many different currencies other than the euro, all of which for purposes of inclusion in the RBI Group's consolidated financial statements must be translated into euros at the applicable exchange rates.

Some of the currencies in which the RBI Group operates have been highly volatile in the past, which has had a negative impact on the RBI Group's results of operations in these countries. The global financial and economic crisis has in particular caused substantial depreciation of certain CEE currencies, such as the Russian rouble, the Belarusian rouble, the Ukrainian hryvnia and the Hungarian forint, against the euro which negatively affected equity and goodwill of the RBI Group's local subsidiaries. A continuation or worsening of the Eurozone debt crisis and its effects on CEE economies, and in particular another sovereign default or departure by one or more countries from the European Monetary Union, could cause the currencies in countries in which the RBI Group operates to depreciate further. For example, the possible departure of Greece from the European Monetary Union is likely to have a severely negative impact in particular on the economies of the countries in Southeastern Europe in which RBI Group is also active. A devaluation of local currencies could have an adverse effect on the RBI Group's revenues and profitability.

The RBI Group hedges its foreign currency exposure related to capital investments in its foreign subsidiaries only to a very limited extent, and any hedges that the RBI Group enters into may prove ineffective to prevent losses.

Adverse movements in foreign exchange rates may affect the RBI Group's cash flows as measured in euro, as well as the cash flows of the RBI Group's customers, particularly if such fluctuations are unanticipated or sudden.

A continued weakness of CEE currencies against major currencies could lead to further defaults by the RBI Group's customers:

In particular, the RBI Group's subsidiaries still have significant exposure under loans denominated in a currency different from the borrower's local currency, particularly under loans denominated in Swiss francs, euro and U.S. dollars. If the value of a borrower's local currency declines relative to the currency in which the loan is payable (as has recently occurred with respect to general local currencies relative to the euro, the U.S. dollar and the Swiss franc), the effective cost of foreign currency-denominated loans to the borrower increases substantially. Since borrowers in many cases (and, in particular retail borrowers) are not hedged against fluctuations in exchange rates, any depreciation of the local currency may result in an increased risk of default. This has already resulted, and may continue to result, in a deterioration of the RBI Group's loan quality, a decrease in value of the RBI Group's loan portfolio and/or an increase in non-performing loans and may, therefore, have a material adverse effect on the RBI Group's business, financial position and results of operations as well as the comparability between financial periods.

Following the closing of the Polbank acquisition, the RBI Group's exposure to loans denominated in Swiss francs has increased significantly, as Swiss franc-denominated mortgage loans account for a substantial portion of Polbank's total assets.

In 2011, Hungary implemented legislation which allowed borrowers to convert foreign currency loans into local currencies at exchange rates significantly below market rates, which has resulted, and any future comparable measures may result, in significant loan losses for RBI Group. Other countries could implement similar legislation.

In response to these developments and as a result of regulatory requirements, the RBI Group intends to reduce its foreign currency loan and foreign exchange mortgage exposure, which may adversely affect the RBI Group's revenues from fees for customer-based foreign currency exchange transactions.

An appreciation of the currency of a portfolio of the RBI Group which has been refinanced in a different currency (and even despite being hedged against the underlying currency of the portfolio) may cause the RBI Group to raise additional liquidity at rollover dates of existing positions to refinance such portfolio if such appreciation prevails for a prolonged period.

Exchange rate fluctuations may also affect regulatory capital adequacy requirements with respect to foreign currency-denominated assets due to the mismatch between local equity investments that the Issuer has in the non-Eurozone RBI Group companies and the balance sheet assets in currencies such as USD and Swiss franc ("CHF") when translated into euros. Even if such assets were refinanced in the same currency and with matching maturities so that

there are no open currency positions, the RBI Group's capital ratio would be negatively affected. As such, fluctuations in foreign currency exchange rates may have in the future a material adverse effect on the RBI Group's business, financial position and results of operations and, in particular, may result in fluctuations in the RBI Group's consolidated capital as well as its credit risk-related capital adequacy requirements.

The RBI Group also has liabilities in currencies other than the euro and trades currencies on behalf of its customers and for its own account, thus maintaining open currency positions. In addition, the Issuer and its subsidiaries have sold foreign exchange derivatives, such as foreign exchange swaps, forwards and options, to financial institutions and to non-banking customers. These derivatives typically require the customer to provide collateral when a certain loss level is reached. The significant depreciation of several CEE currencies against the euro as a consequence of the financial and economic crisis caused a number of customers to default on the requirement to provide collateral or to perform in general under such financial instrument. A continued weakness of CEE currencies against major currencies could lead to further defaults by the RBI Group's customers and losses incurred by the RBI Group on foreign exchange derivatives, which could have a material adverse effect on the RBI Group's business, financial position and results of operations.

Any of the foregoing or other effects of currency devaluation either with respect to the valuation of assets held for the RBI Group's own account, or with respect to open currency positions of customers of the RBI Group, could have a material adverse effect on the RBI Group's business, financial position and results of operations.

Risks relating to the real estate markets – deterioration in value

With respect to its real property, the RBI Group is subject to the risks of the real estate sector, in particular the risk of a decline in the market value of real estate holdings and the risk of a more difficult realization or liquidation of existing assets.

Operational risk and unforeseeable events

Operational risk relates to the risk of loss due to inadequate or failed internal processes, or due to external events, whether deliberate, accidental or natural occurrences. Internal events include, but are not limited to, unauthorized actions, theft or fraud by employees, clerical and record keeping errors, business interruption and information systems malfunctions or manipulations. External events include floods, fires, earthquakes, riots or terrorist attacks, bank robberies, fraud by outsiders and equipment failures.

The banking industry is subject to numerous and substantial operational risks, particularly in volatile, illiquid markets and emerging markets. The Issuer and the Network Banks are exposed to significant risks resulting from client or employee fraud, money laundering, employee errors or misconduct as well as risks arising from their relationships with third-party providers and suppliers and risks related to counterparty failure. Insufficient authorisation of a counterparty to enter into any transaction, documentation flaws, legal particularities and changes to the legal basis of a transaction may cause claims and other rights of the Issuer to be unenforceable. In illiquid, volatile and/or emerging markets operational risks are typically considerable.

In addition, the RBI Group faces operational risks because it operates a substantial number of individual network banks and leasing, financial services and other companies on a largely decentralised basis.

The risk management procedures and internal controls put in place by the RBI Group to address these risks may not prevent losses from occurring. Any resulting loss could have a material adverse effect on the RBI Group's business, financial position and results of operations and could have negative reputational consequences.

Litigation or other proceedings

Due to the nature of their business, the Issuer and the RBI Group's companies are subject to the risk of litigation by customers, employees, shareholders, competitors or others through private actions, and to administrative proceedings and regulatory actions. The outcome of litigation or similar proceedings or of administrative or regulatory actions is difficult to assess or quantify. Plaintiffs in private action, regulators, supervisory authorities or prosecutors in these types of actions against the Issuer or the RBI Group's companies may seek recovery or fines or penalties in large or indeterminate amounts or other remedies that may affect the ability of the Issuer or the RBI Group companies to conduct their business, and the magnitude of the potential losses relating to such actions may remain unknown for substantial periods of time. The cost of defending future actions may be significant. There may also be adverse publicity associated with litigation, administrative proceedings or regulatory action against the Issuer or any of its subsidiaries that could damage the reputation of the RBI Group or the particular RBI Group companies, regardless of whether the allegations are valid or whether the RBI Group is ultimately found liable. As a result, litigation or other proceedings may adversely affect the RBI Group's business, financial position and results of operations.

Inadequate risk management

The risk management activities of the Issuer and RBI Group might be inadequate to cover and control each and every risk in each market environment. Especially the significant market movements caused by the financial and economic crisis might be difficult to depict with the aid of customary statistical/historical models.

The methods and models applied by the RBI Group for risk assessment and management may not be adequate to effectively identify, assess and manage all risks in every market environment, particularly if the RBI Group is confronted with risks it has not anticipated. Some of the RBI Group's methods for managing risk are based upon observations of historical market behavior. Statistical methodologies are applied to these observations to arrive at quantifications of the RBI Group's risk exposure. These statistical methods may not accurately quantify the RBI Group's risk exposure if circumstances or market conditions arise which were not observed in historical data. In particular, historical models are inadequate if there are no or limited historical data, such as when entering into new markets or implementing new business models or at times of extreme financial distress. Other models, such as models based on financial mathematics, largely depend on assumptions and estimates which may prove to be incorrect. Qualitative approaches to controlling unquantifiable risks may prove inadequate.

Therefore, there might be unknown or unidentified risks to the RBI Group. There can be no assurance that the risk management system will not be found inadequate or not fail in the future resulting in unanticipated losses which would have corresponding negative effects on the RBI Group's business, financial position and results of operations.

Furthermore, the competent regulatory authorities from time to time carry out checks on the use by the Issuer and by other RBI Group companies of internal risk measurement systems for regulatory purposes. Following such checks and investigations, the internal models may be considered no longer sufficient, potentially having a significant negative impact on the calculation of the capital requirement.

Dependence on complex information technology systems

Comprehensive universal banking services increasingly depend on complex information technology systems ("**IT systems**"). IT systems are prone to a number of problems, such as software or hardware malfunctions, potential unauthorised access (hacking), physical damages as well as computer viruses and other malware. Furthermore, the RBI Group's IT systems must be updated at regular intervals to adapt to continually changing operational and regulatory requirements and to accommodate a potential increase of the RBI Group's business operations.

Projects and processes for the further harmonisation of IT systems and IT infrastructures, in particular at the most recently acquired RBI Group entities, continue to be under way within the RBI Group. The objective is to ensure centralized compilation and availability of the data of RBI Group companies and branch offices as well as real-time account data. As long as this project has not been completed, incorrect decisions may be made which, in turn, may have a negative impact on the Issuer's business activities, financial position and results of operations.

The RBI Group's IT infrastructure is of a heterogeneous nature and comprises various core systems as well as a number of additional IT systems. Therefore, the harmonization of IT systems within the RBI Group in order to establish a consistent IT architecture poses a major challenge to the RBI Group. This complexity could lead to increased efforts and expenses throughout the RBI Group in connection with the adaptation of the IT systems, the implementation of a network-wide management information system or country-specific changes, such as in relation to local currencies, a conversion of a country's local currency to the euro and special features that may result from a country's settlement, tax or accounting regulations.

In installing and operating these systems, the RBI Group also engages and relies on external service providers. Any failure of such external service provider to perform under its agreements with the RBI Group could adversely impact the installation and/or operation of such system.

The problems, challenges and modernisation requirements referred to above constitute significant risks to the operations of the RBI Group. It may not be possible to carry out the necessary modernizations in due time or they may not be as effective as necessary or might not be implemented at budgeted cost. In addition to the expenses incurred as a result of any failure of IT systems, sanctions may be imposed by regulatory authorities. Consequently, every major disruption of existing IT systems or any failure in connection with the challenges referred to above may have a material adverse impact on the Issuer's financial position and results of operations so that it may not or only to a limited extent be able to meet its obligations under the Notes.

Risk of potential conflicts of interest due to various business relationships

The Issuer and the Network Banks enter into a multitude of differing business relationships with their customers and investors, in particular to accept funds to be invested, to lend funds and generally to be active in all areas of the banking business. The Issuer and the Network Banks thereby act in various different roles and perform various

different functions, which may trigger conflicts of their interests with the interest of their customers and investors.

If applicable, RBI will be free to enter into other business relationships with its customers, investors or issuers of instruments underlying the Notes and, in particular, to accept funds to be invested, to lend funds and generally to be active in all areas of the banking business. Should a potential conflict of interest with investors arise in connection with any (forthcoming) business transaction of RBI or any of its associates, RBI will disclose such conflict of interest to the extent required by law, provided the conflict of interest has been identified.

Potential conflicts of interest may, for example, arise and adversely affect the investment as set forth below:

- RBI (or another company of the RBI Group) enters into other transactions (e.g. transactions for own account) with respect to the underlying of the Notes and such a transaction is likely to have a negative impact on the relevant underlying (for example if factors affecting the value of the underlying are inherent in the type of transaction entered into).
- Hedging transactions entered into in connection with the Notes or the conclusion of derivative contracts referring to the underlying may in rare constellations affect the market price of the underlying.
- RBI might (inter alia in its capacity as market maker or sponsor or depository bank) exert an influence on the pricing of an underlying (for example of an Austrian share or investment fund) so that the performance of such underlying could vary from the performance in a liquid market.

A failure to observe *Chinese walls* principles or other appropriate guidelines as are established practice in the banking industry as a safe harbor to address and mitigate such conflicts may expose the RBI Group to litigation and reputational risks, and as a consequence also may have a material adverse effect on the RBI Group's business, financial position and results of operations.

Risk of potential conflicts of interest on the part of members of the Issuer's Management and Supervisory Boards

The following generally applies to all members of the Management Board of RBI: In individual cases, conflicts of interest may arise from the RBI Group's banking operations with respect to those companies/foundations, etc. where they are members of the management board or supervisory board or perform similar functions (see section 5 *Administrative managing and supervisory bodies* in *Description of Raiffeisen Bank International AG* of this Base Prospectus) if the Issuer maintains active business relations with said companies.

The Supervisory Board of RBI is almost exclusively composed of qualified banking experts (see section 5 *Administrative managing and supervisory bodies* in *Description of Raiffeisen Bank International AG* of this Base Prospectus). To the extent such Supervisory Board members have not been recruited from within the Raiffeisen Banking Group Austria ("**RBG**"), conflicts of interest may arise if they are members of the supervisory boards of companies competing with RBI.

Furthermore, members of the Issuer's Management and Supervisory Boards serve on management or supervisory boards of various companies outside the RBI Group, including significant customers of and investors in the RBI Group and in individual cases, may be confronted with potential conflicts of interest if the Issuer maintains active business relations with said companies.

To the extent that members of the Management and Supervisory Boards simultaneously serve on the management or supervisory boards of companies outside the RBI Group, such companies (including the companies of the RBG not related on a group level with the RBI Group) may also compete with RBI.

Dependence on the major shareholder RZB as well as RBG

The Issuer is majority-owned and thus controlled by RZB (subject only to statutory minority rights). RZB is indirectly majority-owned by members of RBG. RZB is the central institution of RBG and its joint liquidity clearing system. RZB therefore serves as a substantial provider of short-term liquidity and other deposits and funding to the RBI Group. However, there is no formal commitment on the part of RZB to continue this policy. Should the financial situation of RZB or other RBG members deteriorate, it cannot be excluded that RZB will cease to provide further liquidity and capital or to act as a guarantor which would make it more difficult for the Issuer to raise funding and capital and may have a material negative impact on the Issuer's financial position and results of operations so that it may not or only to a limited extent be able to meet its obligations under the Notes.

Certain of the direct or indirect shareholders of the Issuer, the managers of which partly serve on the Supervisory Board of the Issuer, are commercial banks competing with the Issuer. Such activities in the same or similar areas may trigger differences of opinion between RBI and such shareholders and, consequently, either delay or prevent

necessary business decisions or result in additional own or external funds being withheld by shareholders, who effectively control the Issuer's annual general meeting and could exert influence on the Issuer's management. Such development could have a material negative impact on the Issuer's financial position and results of operations so that it may not or only to a limited extent be able to meet its obligations under the Notes.

Restrictions on subsidiary-related decisions due to minority interests of external shareholders

Some of the Issuer's subsidiaries have minority shareholders who – depending on the provisions relating to minority interests under the corporate law of the relevant company's jurisdiction of incorporation - may, to varying degrees, restrict the Issuer's influence on the implementation of certain capital and restructuring measures such as capital increases, mergers, spin-off of assets or similar corporate actions. Furthermore, minority shareholders may, depending on their percentage shareholdings and the provisions of the articles of incorporation of the relevant company, among other things, be entitled to convene, add items to the agenda of general meetings or take actions against shareholders' resolutions. With respect to some subsidiaries, the Issuer has entered into shareholders' agreements with the relevant minority shareholders providing for nomination rights to the supervisory board of the respective subsidiary, rights of first refusal or other restrictions regarding the shares held by RBI in the respective subsidiary. Such restrictions of the Issuer with respect to subsidiary-related decisions due to minority interests of external shareholders may have a material negative impact on the Issuer's financial position and results of operations so that it may not or only to a limited extent be able to meet its obligations under the Notes. As a rule, minority shareholders may only be excluded in certain circumstances or subject to certain restrictions.

Risks associated with certain persons – dependence on qualified executives

The RBI Group's business largely depends on a qualified and experienced management team and qualified employees, the majority of which has been working for the RBI Group for many years. The loss of one or more of these executives or key employees may have a material adverse effect on the RBI Group's business, financial position and results of operations.

In addition, the RBI Group's business strategy, expansion into new markets, development of new products and services largely depend on its ability to retain existing staff members and recruit new employees who are not only familiar with the local language, local customs and market conditions but also have the necessary qualifications and experience in the banking sector. In the markets in which the RBI Group operates or where it might wish to position itself in the future, the number of persons with the required skills is much smaller than in most countries of Western Europe. Due to the competition from other international financial institutions with substantial capital resources with respect to the recruitment of staff in the CEE region, it may become more difficult to recruit and retain qualified employees. Payment of competitive salaries may result in increasing personnel expenses in the future.

If the RBI Group were not in a position to attract and retain new talent in strategic key markets or if the demand for qualified employees in the labor market were to boost the RBI Group's personnel expenses, this may have a material adverse effect on the RBI Group's business, financial position and results of operations.

Risks resulting from the implementation of strategic initiatives and efficiency programs, including those launched in connection with the integration of RZB's principal business areas in 2010, and anticipated synergies

Over the last couple of years, and in particular as a reaction to the financial and economic crisis and in connection with the combination of the principal business areas of RZB with the Issuer in 2010, the RBI Group has made increased efforts (either on RBI Group level, or as a local initiative by the respective Network Banks) to centralise or outsource certain IT-related and back-office processes or procurement functions and to implement other cost savings programs. In addition, one of the RBI Group's strategies is to leverage its distribution network by selling centrally developed financial products more intensively to customers of the Network Banks.

These initiatives and programs also require the attention of management and the diversion of other resources as well as the incurrence of costs. In particular, the integration of the RZB business that became part of the RBI Group in the course of the merger is a complex and time-consuming project placing substantial demands on the RBI Group's management.

The RBI Group may encounter difficulties in connection with the implementation of these programs and initiatives, and material additional expenditures may become necessary in the course of implementation. If the RBI Group fails to successfully implement these programs and initiatives on a timely and efficient basis, it may face higher than expected costs or operational risks or may not sufficiently achieve anticipated synergies or other expected benefits. Failure to implement these programs and initiatives or cost saving processes successfully and in a timely manner could have a material adverse effect on the RBI Group's business, financial position and results of operations to the effect that the Issuer may not be able to meet its obligations under the Notes.

Risk Factors Regarding the Notes

Notes may not be a suitable investment for all investors

Each potential investor in Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the relevant Notes, the merits and risks of investing in the relevant Notes and the information contained or incorporated by reference in this Prospectus or any applicable supplement;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation and the investment(s) it is considering, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the relevant Notes, including where principal or interest is payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;
- (iv) understand thoroughly the terms of the relevant Notes and be familiar with the behaviour of any relevant indices and financial markets; and
- (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Some Notes are complex financial instruments. Sophisticated institutional investors generally do not purchase complex financial instruments as stand-alone investments. They purchase complex financial instruments as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolio. A potential investor should not invest in Notes which are complex financial instruments unless it has the expertise (either alone or with a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of the Notes and the impact this investment will have on the potential investor's overall investment portfolio.

Liquidity Risk

Application has been made in order for the Notes to be issued under the Programme to be listed on the official list of the Luxembourg Stock Exchange, to be traded on the Regulated Market "*Bourse de Luxembourg*" of the Luxembourg Stock Exchange and application may be made to admit the Notes on the Second Regulated Market (*Geregelter Freiverkehr*) of the Vienna Stock Exchange or on any other stock exchange. In addition, the Programme provides that Notes may not be listed at all. Regardless of whether the Notes are listed or not, there can be no assurance that any liquid secondary market for the Notes will develop or, if it does develop, that it will continue. The fact that the Notes may be listed does not necessarily lead to greater liquidity as compared to unlisted Notes. If the Notes are not listed on any stock exchange, pricing information for such Notes may, however, be more difficult to obtain which may affect the liquidity of the Notes adversely. In an illiquid market, an investor might not be able to sell its Notes at any time at fair market prices. The possibility to sell the Notes might additionally be restricted by country specific reasons.

Investors should note that difficult global credit market conditions may adversely affect the liquidity not only in the primary market but also in the secondary market for debt securities issued by the Issuer and may affect the liquidity of any primary or secondary market in which Notes to be issued by the Issuer may be traded. The Issuer cannot predict when these circumstances will change.

Market Price Risk

The development of market prices of the Notes depends on various factors, such as changes of market interest rate levels, the policy of central banks, overall economic developments, inflation rates or the lack of or excess demand for the relevant type of Note. The Holder of Notes is therefore exposed to the risk of an unfavourable development of market prices of its Notes which materialises if the holder sells the Notes prior to the final maturity of such Notes. If the Holder decides to hold the Notes until final maturity the Notes shall be redeemed at the amount set out in the relevant Final Terms.

Risk of Early Redemption

The applicable Final Terms will indicate whether the Issuer may have the right to call the Notes prior to maturity (optional call right) on one or several dates determined beforehand or whether the Notes will be subject to early redemption upon the occurrence of an event indicated in the applicable Final Terms ("early redemption event"). In

addition, the Issuer will always have the right to redeem the Notes if the Issuer is required to pay additional amounts ("gross-up payments") on the Notes for reasons of taxation as set out in the Terms and Conditions. If the Issuer redeems the Notes prior to maturity or the Notes are subject to early redemption due to an early redemption event, a holder of such Notes is exposed to the risk that due to such early redemption its investment will have a lower than expected yield. The Issuer can be expected to exercise its optional call right if the yield on comparable Notes in the capital market has fallen which means that the investor may only be able to reinvest the redemption proceeds in comparable Notes with a lower yield. On the other hand, the Issuer can be expected not to exercise its optional call right if the yield on comparable Notes in the capital market has increased. In this event an investor will not be able to reinvest the redemption proceeds in comparable Notes with a higher yield. It should be noted, however, that the Issuer may exercise any optional call right irrespective of market interest rates on a call date.

Currency Risk/Dual/Multi-Currency Notes

A Holder of Notes denominated in a foreign currency and a Holder of Dual/Multi-Currency Notes is exposed to the risk of changes in currency exchange rates which may affect the yield of such Notes. Changes in currency exchange rates result from various factors such as macro-economic factors, speculative transactions and interventions by central banks and governments.

A change in the value of any foreign currency against the Euro, for example, will result in a corresponding change in the Euro value of Notes denominated in a currency other than Euro and a corresponding change in the Euro value of interest and principal payments made in a currency other than in Euro in accordance with the terms of such Notes. If the underlying exchange rate falls and the value of the Euro correspondingly rises, the price of the Notes and the value of interest and principal payments made thereunder expressed in Euro falls.

In addition, government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable currency exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal at all.

Fixed Rate Notes

A holder of Fixed Rate Notes is exposed to the risk that the price of such Notes falls as a result of changes in the market interest rate. While the nominal interest rate of Fixed Rate Notes as indicated in the applicable Final Terms is fixed during the life of such Notes, the current interest rate on the capital market for issues of the same maturity ("market interest rate") typically changes on a daily basis. As the market interest rate changes, the price of Fixed Rate Notes also changes, but in the opposite direction. If the market interest rate increases, the price of Fixed Rate Notes typically falls, until the yield of such Notes is approximately equal to the market interest rate. If the market interest rate falls, the price of Fixed Rate Notes typically increases, until the yield of such Notes is approximately equal to the market interest rate. If the Holder of Fixed Rate Notes holds such Notes until maturity, changes in the market interest rate are without relevance to such Holder as the Notes will be redeemed at a specified redemption amount, usually the principal amount of such Notes. The same risk applies to Step-Up Notes and Step-Down Notes if the market interest rates in respect of comparable Notes are higher than the rates applicable to such Notes.

Floating Rate Notes

Floating Rate Notes tend to be volatile investments. A Holder of Floating Rate Notes is exposed to the risk of fluctuating interest rate levels and uncertain interest income. Fluctuating interest rate levels make it impossible to determine the profitability of Floating Rate Notes in advance. If Floating Rate Notes are structured to include multipliers or other leverage factors, or caps or floors, or any combination of those features or other similar related features, the market value may be more volatile than those for Floating Rate Notes that do not include these features. If the amount of interest payable is determined in conjunction with a multiplier greater than one or by reference to some other leverage factor, the effect of changes in the interest rates on interest payable will be increased. The effect of a cap is that the amount of interest will never rise above and beyond the predetermined cap, so that the Holder will not be able to benefit from any actual favourable development beyond the cap. The yield could therefore be considerably lower than that of similar Floating Rate Notes without a cap.

Neither the current nor the historical value of the relevant floating rate should be taken as an indication of the future development of such floating rate during the term of any Notes.

Inverse/Reverse Floating Rate Notes

Inverse Floating Rate Notes (also called Reverse Floating Rate Notes) have an interest rate which is determined as the difference between a fixed interest rate and a floating rate reference rate such as the Euro Interbank Offered Rate ("EURIBOR") or the London Interbank Offered Rate ("LIBOR") which means that interest income on such Notes falls if the reference interest rate increases. Typically, the market value of Inverse Floating Rate Notes is more

volatile than the market value of conventional floating rate notes based on the same reference rate (and with otherwise comparable terms). Inverse Floating Rate Notes are more volatile because an increase in the reference rate not only decreases the interest payable on the Notes, but may also reflect an increase in prevailing interest rates, which may further adversely affect the market value of such Notes.

Fixed to Floating Rate Notes

Fixed to Floating Rate Notes bear interest at a rate that the Issuer may elect to convert from a fixed rate to a floating rate, or from a floating rate to a fixed rate. The Issuer's ability to convert the interest rate will affect the secondary market and the market value of the Notes since the Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the Issuer converts from a fixed rate to a floating rate, the spread on the Fixed to Floating Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes relating to the same reference rate. In addition, the new floating rate at any time may be lower than the interest rates payable on other Notes. If the Issuer converts from a floating rate to a fixed rate, the fixed rate may be lower than the then prevailing interest rates payable on its Notes.

Zero Coupon Notes

Zero Coupon Notes do not pay interest periodically. Instead, the difference between the redemption price and the issue price constitutes interest income until maturity. A holder of Zero Coupon Notes is exposed to the risk that the price of such Notes falls as a result of changes in the market interest rate. Prices of Zero Coupon Notes are more volatile than prices of Fixed Rate Notes and are likely to respond to a greater degree to market interest rate changes than interest bearing Notes with a similar maturity.

Index Linked Notes

Index Linked Notes may either be issued as Index Linked Interest Notes whose payments of interest will be made by reference to a single index or a basket of indices or other factors (including changes in the price of securities and commodities or movements in exchange rates) and/or such formula as may be specified by the Issuer and the relevant Dealer(s) (as indicated in the applicable Final Terms) or as Index Linked Redemption Notes where payment of principal will be calculated by reference to a single index or a basket of indices or other factors (including changes in the price of securities and commodities or movements in exchange rates) and/or such formula as may be specified by the Issuer and the relevant Dealer (as indicated in the applicable Final Terms) or may be issued as a combination of Index Linked Interest Notes and Index Linked Redemption Notes.

If payment of interest is linked to a particular index, a Holder of an Index Linked Interest Note is particularly exposed to the risk of fluctuating interest rate levels and uncertain interest income or may even receive no interest at all which may have the effect that the yield of an Index Linked Interest Note is negative. If payment of principal is linked to a particular index, a Holder of Index Linked Redemption Notes is particularly exposed to the risk that the redemption amount is uncertain. Depending on the calculation of the redemption amount, the yield of an Index Linked Redemption Note may be negative and an investor might lose the value of its entire investment or parts of it. The Issuer has no control over a number of matters, including economic, financial and political events that are important in determining the existence, magnitude and longevity of these risks and their results.

Investors should be aware that the market price of Index Linked Notes may be very volatile (depending on the volatility of the relevant index). Neither the current nor the historical value of the relevant index should be taken as an indication of the future performance of such index during the term of any Note.

The more volatile the relevant index is, the greater is the uncertainty in respect of interest income and repayment amount. Uncertainty with respect to interest and repayment amount make it impossible to determine the yield of Index Linked Notes in advance.

General Risks in respect of Structured Notes

In general, an investment in Notes whose premium and/or interest and/or principal is determined by reference to one or more values of currencies, commodities, interest rates or other indices or formulae, either directly or inversely, may entail significant risks not associated with similar investments in a conventional debt security. Such risks include the risks that the Holder of such Notes will receive no interest at all, or that the resulting interest rate will be less than that payable on a conventional debt security at the same time and/or that the Holder of such Notes could lose all or a substantial portion of the principal of its Notes. In addition, investors should be aware that the market price of such Notes may be very volatile (depending on the volatility of the relevant currency, commodity, interest rate, index or formula).

Neither the current nor the historical value of the relevant currencies, commodities, interest rates or other indices or formulae should be taken as an indication of future performance of such currencies, commodities, interest rates or

other indices or formulae during the term of any Note.

Risk of Interest Conversion

The Issuer may have the right on each Interest Payment Date not to pay interest on the Notes but to increase the principal amount of such Notes instead, accordingly. If the Issuer exercises its option, the Holder would not receive an interest payment on one, several or all relevant Interest Payment Dates and would therefore be subject to the risk of unpredictable cash flows from its investment in the Notes. In addition to that, the repayment of a higher principal amount including accrued interest could have an unfavourable effect on the tax treatment of the Holder's investment.

Risks in connection with Caps

If the interest rate and/or the redemption amount of an issue of Notes are not fixed but will be determined according to the structure of Notes as set out in the relevant Final Terms of the Notes, these issues may also be equipped with a cap. The effect of a cap is that the amount of interest and/or the redemption amount will never rise above and beyond the predetermined cap, so that the Holder will not be able to benefit from any actual favourable development beyond the cap. The yield could therefore be considerably lower than that of similarly structured Notes without a cap.

Risk of Potential Conflicts of Interest in the case of an Underlying

Each of the Issuer, the Dealer(s) or any of their respective affiliates not only issue Notes but also have other business areas which independently do business with companies that might be part of an underlying of the Notes (*e.g.*, but not limited to, an index, single shares or baskets). It cannot be ruled out that decisions made by those independent business areas may have a positive or a negative impact on the underlying value.

Certain of the Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions and may perform services for the Issuer and its affiliates in the ordinary course of business.

Equity Linked Notes

Equity Linked Notes may either be issued as Equity Linked Interest Notes whose payment of interest will be calculated by reference to a single equity security or a basket of equity securities or other factors and/or such formula and on such terms as indicated in the applicable Final Terms or as Equity Linked Redemption Notes where payment of principal will be calculated by reference to a single equity security or a basket of equity securities or other factors and/or such formula or as a combination of them and on such terms as indicated in the applicable Final Terms. Equity Linked Redemption Notes may also provide that the redemption will be by physical delivery of reference items. Accordingly, an investment in Equity Linked Redemption Notes may bear similar or higher risks as a direct equity investment and investors should take advice accordingly. In the case of Equity Linked Redemption Notes, the investor may lose the value of its entire investment or part of it.

Commodity Linked Notes

Commodity Linked Notes may either be issued as Commodity Linked Interest Notes whose payment of interest will be calculated by reference to a single commodity or a basket of commodities or other factors and/or such formula and on such terms as indicated in the applicable Final Terms or as Commodity Linked Redemption Notes where payment of principal will be calculated by reference to a single commodity or a basket of commodities or other factors and/or such formula or as a combination of them and on such terms as indicated in the applicable Final Terms. An investment in Commodity Linked Redemption Notes may bear similar or higher risks as a direct commodity investment and investors should take advice accordingly. In the case of Commodity Linked Redemption Notes, the investor may lose the value of its entire investment or part of it.

FX Linked Notes

FX Linked Notes may either be issued as FX Linked Interest Notes whose payment of interest will be calculated by reference to a single foreign currency or a basket of foreign currencies or other factors and/or such formula and on such terms as indicated in the applicable Final Terms or as FX Linked Redemption Notes where payment of principal will be calculated by reference to a single foreign currency or a basket of foreign currencies or other factors and/or such formula or as a combination of them and on such terms as indicated in the applicable Final Terms. An investment in FX Linked Redemption Notes may bear similar or higher risks as a direct foreign currency investment and investors should take advice accordingly. In the case of FX Linked Redemption Notes, the investor may lose the value of its entire investment or part of it.

Subordinated Instruments (Supplementary Capital Notes; Subordinated Notes; Short-Term Subordinated Notes; New Style Tier 2 Notes)

Risks associated with all types of Subordinated Instruments: The Issuer may issue Subordinated Instruments according to BWG pursuant to section 23 subparagraphs 7, 8 and 8a of the Austrian Banking Act, as amended and as New Style Tier 2 Notes. In the event of the Issuer's liquidation or insolvency, such obligations will be subordinated to the claims of all unsubordinated creditors of the Issuer so that in any such event no amounts will be payable under such obligations until the claims of all unsubordinated creditors of the Issuer will have been satisfied in full. If this occurs, the Issuer may not have enough assets remaining after such payments to pay amounts due under the relevant Subordinated Instruments and the Holder of such Subordinated Instrument could lose all or some of his investment.

Subordinated Instruments are not covered and guaranteed by the *Raiffeisen-Kundengarantiegemeinschaft Österreich*. No Holder may set off its repayment claims under a Subordinated Instrument according to BWG against any claims of the Issuer. Generally speaking, rights of early redemption at the option of the Holder do either not exist at all or are very limited in the case of Subordinated Instruments. Some of the Subordinated Instruments provide for the Issuer's right to redeem such Subordinated Instruments early in the event of a change in the regulatory recognition of the subordinated capital. Should such call right, or any other call right, be exercised by the Issuer, the investor might not be able to reinvest the redemption proceeds in instruments with a comparable yield.

Specific risks of Supplementary Capital Notes: Any interest under Supplementary Capital Notes can only be paid if and to the extent covered by the Issuer's distributable profits. Any principal payments on Supplementary Capital Notes may only be made upon rateably deducting any net losses incurred by the Issuer during the term of such Supplementary Capital Notes.

Specific risks of Short-Term Subordinated Notes: Any payment on Short-Term Subordinated Notes may only be made to the extent that such payment does not result in the Issuer no longer meeting its minimum own funds requirements.

In all of these circumstances Holders of the relevant Subordinated Instruments could suffer a shortfall of income and/or principal repayment on their investment.

Risks in connection with the adoption of a future resolution regime and bail-in rules for banks

Currently, discussions, initiatives and review processes dealing with loss absorbency and bail-in rules are and have been ongoing at various levels (Basel Committee on Banking Supervision, European Commission etc.) which will result in significant changes in the regulatory framework for capital but also debt instruments of banks. It cannot be ruled out that debt instruments already issued may also be affected. In the event of a non-viability of a bank it is to be expected that the existing ranking concepts of capital and debt will change fundamentally. However, the exact contents of such regulations and requirements are still in discussion and not yet codified.

Such future regulations may even lead to the fact that, even if certain provisions and consequences, for example regarding loss absorbency, are not contained in the Conditions and/or Final Terms of the Notes, regulatory authorities might retroactively apply such provisions to the Notes under certain circumstances.

On 13 January 2011 the Basel Committee on Banking Supervision published minimum requirements for regulatory capital to ensure loss absorbency at the point of non-viability for banks. In the course of the implementation of Basel III in Austria, a new regime may be implemented enabling the competent regulatory authority to cause investors in the Notes to share in the losses of the Issuer under certain circumstances, i.e. upon the occurrence of a non-viability event, resolution of the Issuer or another trigger event. Loss absorbency may be achieved by various tools which are not yet determined decisively, but may include a (full) write-off of amounts otherwise payable or the conversion into ordinary shares of the Issuer, at the option of the competent regulatory authority.

Such legal provisions and/or regulatory measures may severely affect the rights of the holders of Notes, may result in the loss of the value of the entire investment in the event of non-viability and may have a negative impact on the market value of the Notes also prior to non-viability.

Covered Bank Bonds (Fundierte Bankschuldverschreibungen)

Although statutory law on Covered Bank Bonds (*Fundierte Bankschuldverschreibungen*) provides that a cover pool shall secure the outstanding Covered Bank Bonds, investors may receive less than their investment.

The Issuer may issue Covered Bank Bonds (*Fundierte Bankschuldverschreibungen*) under the Austrian law of 27 December 1905 regarding Covered Bank Bonds, Imperial Law Gazette 1905 No. 213 as amended (*Gesetz vom 27. Dezember 1905, betreffend fundierte Bankschuldverschreibungen, BGBl. 213/1905 as amended* hereinafter "**Law on Covered Bank Bonds**") secured by a separate cover pool of assets meeting the requirements set forth in the Law on Covered Bank Bonds. The Law on Covered Bank Bonds provides that the assets in the cover pool must at least cover the redemption amount of, and any interest payments falling due under the outstanding Covered Bank Bonds, as well as the administration costs which are expected to arise in case of an insolvency of the Issuer. The Articles of

Association of the Issuer may specify that the fair value (*Verkehrswert*) of the assets must cover at least the discounted present value (*Barwert*) of the Covered Bank Bonds outstanding plus an additional safety margin which has to be determined with due regard to market risks, and which shall amount to at least 2 per cent. The Austrian Law on Covered Bank Bonds provides that in case of an insolvency of the Issuer, the cover pool must be sold by a special administrator (who will be appointed by the insolvency court) to a suitable credit institution, which then assumes all obligations in respect of the Covered Bank Bonds. In the event that the special administrator is unable to sell the cover pool to a suitable credit institution, and the cover pool does not hold sufficient assets to meet payments in respect of the Covered Bank Bonds, the assets of the cover pool will have to be liquidated. To the extent there is a shortfall in meeting payments due in respect of the Covered Bank Bonds after liquidation of the cover pool, claims of the Holders of Covered Bank Bonds would share the rank with claims of other unsecured creditors of the Issuer for the payment of any amount outstanding. As a result, investors may receive less than their investment.

Resolutions of Holders

If the Terms and Conditions of the Notes provide for resolutions of Holders, either to be passed in a meeting of Holders or by vote taken without a meeting, a Holder is subject to the risk of being outvoted by a majority resolution of the Holders. As resolutions properly adopted are binding on all Holders, certain rights of such Holder against the Issuer under the Terms and Conditions of the Notes may be amended or reduced or even cancelled.

Holders' Representative

If the Terms and Conditions of the Notes provide for the appointment of a Holders' Representative, it is possible that a Holder may be deprived of its individual right to pursue and enforce its rights under the Terms and Conditions of the Notes against the Issuer, such right passing to the Holders' Representative who is then exclusively responsible to claim and enforce the rights of all Holders.

An Austrian court can appoint a trustee (Kurator) for the Notes to exercise the rights and represent the interests of Holders on their behalf

Pursuant to the Austrian Notes Trustee Act (*Teilschuldverschreibungskuratorenengesetz*) (RGI 49/1874 of 24 April 1874), a trustee (*Kurator*) can be appointed by an Austrian court, upon the request of any interested party (e.g., a Holder) or upon the initiative of the competent court, for the purposes of representing the common interests of the Holders in matters concerning their collective rights. In particular, this may occur if insolvency proceedings are initiated against the Issuer, in connection with any amendments to the terms and conditions of the Notes or changes relating to the Issuer, or under other similar circumstances. If a trustee is appointed, it will exercise the collective rights and represent the interests of the Holders and will be entitled to make statements on their behalf which shall be binding on all Holders. Where a trustee represents the interests and exercises the rights of Holders, this can conflict with or otherwise adversely affect the interests of individual or all Holders.

Potential U.S. withholding tax

The United States has passed the FATCA legislation which will impose new information reporting requirements and under certain circumstances 30 per cent. withholding with respect to, among other things, certain payments made by entities such as the Issuer. Non-U.S. financial institutions may avoid being withheld upon under FATCA by entering into agreements with the U.S. Internal Revenue Service (the "IRS") to identify financial accounts held by U.S. persons or entities with substantial U.S. ownership, as well as accounts of other financial institutions that are not themselves participating in (or otherwise exempt from) the FATCA reporting regime. For these purposes, the term financial institution includes, among others, banks, insurance companies and entities that are engaged primarily in the business of investing, reinvesting or trading in securities, commodities or partnership interests. If a participating financial institution makes certain payments to an accountholder that (i) has not provided information requested to establish whether the accountholder is exempt from reporting under the rules, (ii) does not consent, where necessary, to have information about U.S. ownership reported to the IRS or (iii) is a non-participating financial institution (that is not otherwise exempt), the payor will be required to withhold 30 per cent. on the payment or a portion of the payment. In preliminary guidance, the IRS stated that it is considering promulgating regulations that generally would impose 30 per cent. withholding on a portion of each such payment based on the proportion of the relevant financial institution's direct and indirect U.S. assets as compared to its total assets. The IRS has indicated that this type of withholding, which may be relevant to the Notes, will not be imposed earlier than 1 January 2017.

FATCA does not apply to Notes that are issued by 1 January 2013 unless they are treated as equity for U.S. federal income tax purposes.

Under separate rules, where Notes are linked to a U.S. stock or stocks, if amounts paid in respect of the Notes are treated as determined by reference to U.S.-source dividends, certain payments on the Notes could be subject to U.S. withholding tax (up to 30 per cent., depending on the applicable treaty).

If withholding is required under FATCA or on Notes linked to U.S. stocks, the Issuer will not be required to pay any additional amounts with respect to the withheld amounts.

[In case the Specified Currency in the relevant Final Terms is Renminbi, the following risk factors apply as well:

Renminbi is not freely convertible; and the availability of Renminbi may be subject to future limitations imposed by the PRC government

Renminbi is not freely convertible at present. The government of the People's Republic of China ("**PRC**") continues to regulate conversion between the Renminbi and foreign currencies, including the Hong Kong dollar, despite the significant reduction over the years by the PRC government of control over routine foreign exchange transactions. Participating banks in Hong Kong have been permitted to engage in the settlement of Renminbi trade transactions under a pilot scheme introduced in July 2009. The pilot scheme was extended in August 2011 to cover the whole nation and to make Renminbi trade and other current account item settlement available in all countries worldwide, including Austria.

The Issuer intends to swap the net proceeds of the Notes into U.S. Dollars and use those funds for general funding purposes within the normal business of the Issuer and the RBI Group companies or for purposes of taking advantage of current market opportunities (arbitrage).

There is no assurance that the pilot scheme introduced in July 2009 will not be discontinued or that new PRC regulations will not be promulgated in the future which have the effect of restricting or eliminating the availability of Renminbi. The Issuer will need to source Renminbi offshore to satisfy its obligations under the Notes, and its ability to do so will be subject to the overall availability of Renminbi outside the PRC.

There is only limited availability of Renminbi outside the PRC, which may affect the liquidity of the Notes and the Issuer's ability to source Renminbi outside the PRC to service the Notes

As a result of the restrictions by the PRC government on cross-border Renminbi fund flows, the availability of Renminbi outside the PRC is limited. Since February 2004, in accordance with arrangements between the PRC government and the Hong Kong government, licensed banks in Hong Kong may offer limited Renminbi-denominated banking services to Hong Kong residents and specified business customers. The People's Bank of China ("**PBoC**") has also established a Renminbi clearing and settlement system for participating banks in Hong Kong. On 19 July 2010, further amendments were made to the Settlement Agreement on the Clearing of Renminbi Business (the "**Settlement Agreement**") between the PBoC and Bank of China (Hong Kong) Limited (the "**Renminbi Clearing Bank**") to further expand the scope of Renminbi business for participating banks in Hong Kong. Pursuant to the revised arrangements, all corporations are allowed to open Renminbi accounts in Hong Kong; there is no longer any limit (other than as provided in the following paragraph) on the ability of corporations to convert Renminbi; and there will no longer be any restriction on the transfer of Renminbi funds between different accounts in Hong Kong.

However, the current size of Renminbi-denominated financial assets outside the PRC is limited. As of 29 February 2012, the total amount of Renminbi deposits held by institutions authorised to engage in Renminbi banking business in Hong Kong amounted to approximately Renminbi 566 billion. In addition, participating banks are also required by the Hong Kong Monetary Authority to maintain a total amount of Renminbi (in the form of cash and its settlement account balance with the Renminbi Clearing Bank) of no less than 25 per cent. of their Renminbi deposits, which further limits the availability of Renminbi that participating banks can utilise for conversion services for their customers.

Renminbi business participating banks do not have direct Renminbi liquidity support from the PBoC. The Renminbi Clearing Bank only has access to onshore liquidity support from the PBoC to square open positions of participating banks for limited types of transactions, including open positions resulting from conversion services for corporations relating to cross-border trade settlement and for individual customers of up to Renminbi 20,000 per person per day. The Renminbi Clearing Bank is not obliged to square for participating banks any open positions resulting from other foreign exchange transactions or conversion services and the participating banks will need to source Renminbi from the offshore market to square such open positions.

Although it is expected that the offshore Renminbi market will continue to grow in depth and size, its growth is subject to many constraints as a result of PRC laws and regulations on foreign exchange. There is no assurance that new PRC regulations will not be promulgated or the Settlement Agreement will not be terminated or amended in the future which will have the effect of restricting availability of Renminbi offshore. The limited availability of Renminbi outside the PRC may affect the liquidity of the Notes. Since the Issuer is required to source Renminbi in the offshore market to service the Notes, there is no assurance that the Issuer will be able to source such Renminbi on

satisfactory terms, if at all.

Investment in the Notes is subject to currency risk

If the Issuer is not able, or it is impracticable for it, to satisfy its obligation to pay interest and principal (in whole or in part) on the Notes as a result of Inconvertibility, Non-transferability or Illiquidity (each, as defined in the Conditions), the Issuer shall be entitled, by sending an irrevocable notice prior to the due date for payment to the Holders, to settle any such payment (in whole or in part) in U.S. dollars on the due date at the U.S. Dollar Equivalent (as defined in the Conditions) of any such interest or principal, as the case may be.

Investment in the Notes is subject to exchange rate and interest rate risks

The value of the Renminbi against the Hong Kong dollar and other foreign currencies fluctuates and is affected by changes in the PRC, by international political and economic conditions and by many other factors. All payments of interest and principal will be made with respect to the Notes in Renminbi unless otherwise specified. As a result, the value of such payments in Renminbi (in Hong Kong dollar or other applicable foreign currency terms) may vary with the prevailing exchange rates in the marketplace. If the value of Renminbi depreciates against the Hong Kong dollar or other foreign currencies, the value of the investment in Hong Kong dollar or other applicable foreign currency terms will decline.

In addition, the PRC government has gradually liberalised the regulation of interest rates in recent years. Further liberation may increase interest rate volatility. From April 2006 to December 2007, the PBoC raised the benchmark over-five-year lending rate seven times from 6.39 per cent. to 7.83 per cent.. Beginning in September 2008, the PBoC decreased the benchmark over-five-year lending rate five times from 7.83 per cent. to 5.94 per cent. in December 2008. As of 26 December 2010, the benchmark over-five-year lending rate was 6.40 per cent. As of 9 February 2011, the benchmark over-five-year lending rate was 6.60 per cent. As of 6 April 2011, over-five-year benchmark lending rate was 6.80 per cent. and as of 6 July 2011 the the over-five-year benchmark lending rate was 7.05 per cent. The Notes will carry a [fixed][floating] interest rate. Consequently, the trading price of the Notes will vary with fluctuations in Renminbi interest rates. If an investor attempts to sell the Notes before the maturity date of the Notes, he may not receive value equivalent to his original investment.

Payments for the Notes will only be made to investors in the manner specified in the Notes

All payments to investors in respect of the Notes will be made solely for so long as the Notes are represented by a Temporary Global Note or a Permanent Global Note held with the common depositary for Clearstream Banking société anonyme and Euroclear Bank SA/NV or any alternative clearing system by transfer to a Renminbi bank account maintained in Hong Kong. The Issuer cannot be required to make payment by any other means (including in any other currency or by transfer to a bank account in the PRC).]

ISSUE PROCEDURES AND GENERAL DESCRIPTION OF THE PROGRAMME

General

The Issuer and the relevant Dealer(s) will agree on the terms and conditions applicable to each particular Tranche of Notes (the "**Conditions**"). The Conditions will be constituted by the terms and conditions of the Notes set forth below (the "**Terms and Conditions**") as completed, modified or replaced by the provisions of the Final Terms (the "**Final Terms**"). The Final Terms relating to each Tranche of Notes will specify:

- whether the Conditions are to be **Long-Form Conditions** or **Integrated Conditions** (each as described below); and
- whether the Conditions will be in the German language or the English language or both (and, if both, whether the German language version or the English language version is controlling).

As to whether the Conditions are documented as **Long-Form Conditions** or **Integrated Conditions**, the following applies:

- **Integrated Conditions** will generally be required where the Notes are to be publicly offered, in whole or in part, or are to be initially distributed, in whole or in part, to non-qualified investors.
- In all other cases, the Issuer may elect to use **Long-Form Conditions** or **Integrated Conditions**.

As to the controlling language of the respective Conditions, the Issuer anticipates that, in general, subject to any stock exchange or legal requirements applicable from time to time, and unless otherwise agreed between the Issuer and the relevant Dealer(s):

- in the case of Notes publicly offered, in whole or in part, in Germany or Austria, or distributed, in whole or in part, to non-qualified investors in Germany or Austria, German will be the controlling language. If, in the event of such public offer or distribution to non-qualified investors in Germany or Austria, however, English is chosen as the controlling language, a German language translation of the Conditions will be available from the principal office of the Fiscal Agent and the Issuer, as specified under "*Names and Addresses*" below.

Long-Form Conditions

If the Final Terms specify that Long-Form Conditions are to apply to the Notes, the provisions of the applicable Final Terms and the Terms and Conditions, taken together, shall constitute the Conditions. Such Conditions will be constituted as follows:

- the blanks in the provisions of the Terms and Conditions which are applicable to the Notes will be deemed to be completed by the information contained in the Final Terms as if such information were inserted in the blanks of such provisions;
- the Terms and Conditions will be modified or replaced by the text of any provisions of the Final Terms modifying or replacing, in whole or in part, the provisions of the Terms and Conditions;
- alternative or optional provisions of the Terms and Conditions as to which the corresponding provisions of the Final Terms are not completed or are deleted will be deemed to be deleted from the Conditions; and
- all instructions and explanatory notes set out in square brackets in the Terms and Conditions and any footnotes and explanatory text in the Final Terms will be deemed to be deleted from the Conditions.

Where Long-Form Conditions apply, each global note representing the Notes of the relevant Series will have the Final Terms and the Terms and Conditions attached.

Integrated Conditions

If the Final Terms specify that Integrated Conditions are to apply to the Notes, the Conditions in respect of such Notes will be constituted as follows:

- all of the blanks in all applicable provisions of the Terms and Conditions will be completed according to the information contained in the Final Terms and all non-applicable provisions of the Terms and Conditions (including the instructions and explanatory notes set out in square brackets) will be deleted; and/or
- the Terms and Conditions will be otherwise modified or replaced, in whole or in part, according to the information set forth in the Final Terms.

Where Integrated Conditions apply, the Integrated Conditions alone will constitute the Conditions. The Integrated Conditions will be attached to each global note representing Notes of the relevant Series.

TERMS AND CONDITIONS OF THE NOTES

[In the case of Long-Form Conditions: The provisions of these Terms and Conditions apply to the Notes as completed, supplemented or amended, in whole or in part, by the terms of the final terms which are attached hereto (the "Final Terms"). The blanks in the provisions of these Terms and Conditions which are applicable to the Notes shall be deemed to be completed by the information contained in the Final Terms as if such information were inserted in the blanks of such provisions; any provisions of the Final Terms supplementing or amending, in whole or in part, the provisions of these Terms and Conditions shall be deemed to so supplement or amend the provisions of these Terms and Conditions; alternative or optional provisions of these Terms and Conditions as to which the corresponding provisions of the Final Terms are not completed or are deleted shall be deemed to be deleted from these Terms and Conditions; and all provisions of these Terms and Conditions which are inapplicable to the Notes (including instructions, explanatory notes and text set out in square brackets) shall be deemed to be deleted from these Terms and Conditions, as required to give effect to the terms of the Final Terms. Copies of the Final Terms may be obtained free of charge at the specified office of the Fiscal Agent and at the specified office of any Paying Agent provided that, in the case of Notes which are not listed on any stock exchange, copies of the relevant Final Terms will only be available to the holders of such Notes.]

[Im Falle von nicht-konsolidierten Bedingungen: Die Bestimmungen dieser Anleihebedingungen gelten für diese Schuldverschreibungen so, wie sie durch die Angaben der beigefügten endgültigen Bedingungen (die "Endgültigen Bedingungen") vervollständigt, geändert oder ergänzt werden. Die Leerstellen in den auf die Schuldverschreibungen anwendbaren Bestimmungen dieser Anleihebedingungen gelten als durch die in den Endgültigen Bedingungen enthaltenen Angaben ausgefüllt, als ob die Leerstellen in den betreffenden Bestimmungen durch diese Angaben ausgefüllt wären; sofern die Endgültigen Bedingungen die Änderung oder Ergänzung bestimmter Anleihebedingungen vorsehen, gelten die betreffenden Bestimmungen der Anleihebedingungen als entsprechend geändert oder ergänzt; alternative oder wählbare Bestimmungen dieser Anleihebedingungen, deren Entsprechungen in den Endgültigen Bedingungen nicht ausgefüllt oder gestrichen sind, gelten als aus diesen Anleihebedingungen gestrichen; sämtliche auf die Schuldverschreibungen nicht anwendbaren Bestimmungen dieser Anleihebedingungen (einschließlich der Anweisungen, Anmerkungen und der Texte in eckigen Klammern) gelten als aus diesen Anleihebedingungen gestrichen, so daß die Bestimmungen der Endgültigen Bedingungen Geltung erhalten. Kopien der Endgültigen Bedingungen sind kostenlos bei der bezeichneten Geschäftsstelle der Emissionsstelle und bei den bezeichneten Geschäftsstellen einer jeden Zahlstelle erhältlich; bei nicht an einer Börse notierten Schuldverschreibungen sind Kopien der betreffenden Endgültigen Bedingungen allerdings ausschließlich für die Gläubiger solcher Schuldverschreibungen erhältlich.]

TERMS AND CONDITIONS OF BEARER NOTES

§ 1

CURRENCY, DENOMINATION, FORM, DEFINITIONS

(1) *Currency; Denomination.* This Series of Notes (the "Notes") of Raiffeisen Bank International AG (the "Issuer") is being issued in **[Specified Currency]** (the "Specified Currency") in the aggregate principal amount of **[aggregate principal][amount]** (in words: **[aggregate principal amount in words]**) in the denomination of **[specified Denomination]** (the "specified Denomination").

[Other provisions for non-par value Notes.]

(2) *Form.* The Notes are being issued in bearer form.

[In the case of Notes which are represented by a Permanent Global Note:

ANLEIHEBEDINGUNGEN FÜR INHABERSCHULDVERSCHREIBUNGEN

§ 1

WÄHRUNG, STÜCKELUNG, VERBRIEFUNG, DEFINITIONEN

(1) *Währung; Stückelung.* Diese Serie von Schuldverschreibungen (die "Schuldverschreibungen") der Raiffeisen Bank International AG (die "Emittentin") wird in **[festgelegte Währung]** (die "festgelegte Währung") im Gesamtnennbetrag von **[Gesamtnenn-][Betrag]** (in Worten: **[Gesamtnennbetrag in Worten]**) in der Stückelung von **[festgelegte Stückelung]** (die "festgelegte Stückelung") begeben.

[Andere Bestimmungen für nennwertlose Schuldverschreibungen.]

(2) *Verbriefung.* (a) Die Schuldverschreibungen lauten auf den Inhaber.

[Im Fall von Schuldverschreibungen, die durch eine Dauerglobalurkunde verbrieft sind:

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

[In the case of Notes which are initially represented by a Temporary Global Note:

(a) *Temporary Global Note – Exchange.*

(b) The Notes are initially represented by a temporary global note (the "Temporary Global Note") without coupons. The Temporary Global Note will be exchangeable for Notes in the specified Denomination represented by a permanent global note (the "Permanent Global Note" and, together with the Temporary Global Note, the "Global Notes" and, each a "Global Note") without coupons. The Temporary Global Note and the Permanent Global Note shall each be signed by authorised signatories of the Issuer and shall each be authenticated by or on behalf of the Fiscal Agent. Definitive Notes and interest coupons will not be issued.

(c) The Temporary Global Note shall be exchanged for the Permanent Global Note on a date (the "Exchange Date") not later than 180 days after the date of issue of the Temporary Global Note. The Exchange Date for such exchange will not be earlier than 40 days after the date of issue of the Temporary Global Note. Such exchange shall only be made upon delivery of certifications to the effect that the beneficial owner or owners of the Notes represented by the Temporary Global Note is not a U. S. person (other than certain financial institutions or certain persons holding Notes through such financial institutions). Payment of interest on Notes represented by a Temporary Global Note will be made only after delivery of such certifications. A separate certification shall be required in respect of each such payment of interest. Any such certification received on or after the 40th day after the date of issue of the Temporary Global Note will be treated as a request to exchange such Temporary Global Note pursuant to subparagraph (b) of this § 1(2). Any securities delivered in exchange for the Temporary Global Note shall be delivered only outside of the United States. For purposes of this subparagraph, "United States" means the United 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).]

(a) *Dauerglobalurkunde.* Die Schuldverschreibungen sind durch eine Dauerglobalurkunde (die "Dauerglobalurkunde" oder die "Globalurkunde") ohne Zinsscheine verbrieft. Die Dauerglobalurkunde trägt die Unterschriften ordnungsgemäß bevollmächtigter Vertreter der Emittentin und ist von der Emissionsstelle oder in deren Namen mit einer Kontrollunterschrift versehen. Einzelurkunden und Zinsscheine werden nicht ausgegeben.]

[Im Fall von Schuldverschreibungen, die anfänglich durch eine vorläufige Globalurkunde verbrieft sind:

(a) *Vorläufige Globalurkunde – Austausch.*

(b) Die Schuldverschreibungen sind anfänglich durch eine vorläufige Globalurkunde (die "Vorläufige Globalurkunde") ohne Zinsscheine verbrieft. Die Vorläufige Globalurkunde wird gegen Schuldverschreibungen in der festgelegten Stückelung, die durch eine Dauerglobalurkunde (die "Dauerglobalurkunde", und zusammen mit der vorläufigen Globalurkunde, die "Globalurkunden" und jeweils eine "Globalurkunde") ohne Zinsscheine verbrieft sind, ausgetauscht. Die Vorläufige Globalurkunde und die Dauerglobalurkunde tragen jeweils die Unterschriften ordnungsgemäß bevollmächtigter Vertreter der Emittentin und sind jeweils von der Emissionsstelle oder in deren Namen mit einer Kontrollunterschrift versehen. Einzelurkunden und Zinsscheine werden nicht ausgegeben.

(c) Die Vorläufige Globalurkunde wird an einem Tag (der "Austauschtag") gegen die Dauerglobalurkunde ausgetauscht, der nicht mehr als 180 Tage nach dem Tag der Ausgabe der Vorläufigen Globalurkunde liegt. Der Austauschtag für einen solchen Austausch soll nicht weniger als 40 Tage nach dem Tag der Ausgabe der Vorläufigen Globalurkunde liegen. Ein solcher Austausch soll nur nach Vorlage von Bescheinigungen erfolgen, wonach der oder die wirtschaftlichen Eigentümer der durch die Vorläufige Globalurkunde verbrieften Schuldverschreibungen keine U.S.-Personen sind (ausgenommen bestimmte Finanzinstitute oder bestimmte Personen, die Schuldverschreibungen über solche Finanzinstitute halten). Zinszahlungen auf durch eine Vorläufige Globalurkunde verbriefte Schuldverschreibungen erfolgen erst nach Vorlage solcher Bescheinigungen. Eine gesonderte Bescheinigung ist hinsichtlich einer jeden solchen Zinszahlung erforderlich. Jede Bescheinigung, die am oder nach dem 40. Tag nach dem Tag der Ausgabe der vorläufigen Globalurkunde eingeht, wird als ein Ersuchen behandelt werden, diese Vorläufige Globalurkunde gemäß Absatz (b) dieses § 1 Absatz 2 auszutauschen. Wertpapiere, die im Austausch für die Vorläufige Globalurkunde geliefert werden, sind nur außerhalb der Vereinigten Staaten zu liefern. Für die Zwecke dieses Absatzes bezeichnet "Vereinigte Staaten" die Vereinigten Staaten von Amerika (einschließlich deren Bundesstaaten und des District of Columbia)

[(b)[d)] Clearing System. The Permanent 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 **[if more than one Clearing System: each of]** the following: [Clearstream Banking, société anonyme, Luxembourg, ("CBL")] [Euroclear Bank SA/NV, as operator of the Euroclear System ("Euroclear")] [(CBL and Euroclear are each an "ICSD" (*International Central Securities Depository*) and together the "ICSDs")] [Oesterreichische Kontrollbank Aktiengesellschaft ("OeKB")] [,] [and] **[specify other Clearing System]**.

[In the case of Notes kept in custody on behalf of the ICSDs:

[In the case the Global Note is an NGN: The Notes are issued in new global note ("NGN") form and are kept in custody by a common safekeeper on behalf of both ICSDs.]

[In the case the Global Note is a CGN insert: The Notes are issued in classical global note ("CGN") form and are kept in custody by a common depositary on behalf of both ICSDs.]

[In the case of Euroclear and CBL and if the Global Note is a NGN: The aggregate principal amount of Notes represented by the Global Note shall be the aggregate amount from time to time entered in the records of both ICSDs. The records of the ICSDs (which expression means the records that each ICSD holds for its customers which reflect the amount of such customer's interest in the Notes) shall be conclusive evidence of the aggregate principal amount of the Notes represented by the Global Note and, for these purposes, a statement issued by ICSD stating the principal amount of Notes so represented at any time shall be conclusive evidence of the records of the relevant ICSD at that time. For technical procedure of the ICSDs, in the case of the exercise of a Call Option relating to a partial redemption the outstanding redemption amount will be reflected in the records of the ICSDs as either a nominal reduction or as a pool factor, at the discretion of the ICSDs.]

On any redemption in respect of, or purchase by or on behalf of the Issuer and cancellation of, any of the Notes represented by this [Temporary] [Permanent] Global Note details of such redemption or purchase and cancellation (as the case may be) shall be entered by or

sowie deren Territorien (einschließlich Puerto Ricos, der U.S. Virgin Islands, Guam, American Samoa, Wake Island und Northern Mariana Islands).]

[(b)[d)] Clearingsystem. Die Globalurkunde wird solange von einem oder im Namen eines Clearing Systems verwahrt, bis sämtliche Verbindlichkeiten der Emittentin aus den Schuldverschreibungen erfüllt sind. "Clearing System" bedeutet **[bei mehr als einem Clearing System: jeweils]** folgendes: [Clearstream Banking, société anonyme, Luxemburg, ("CBL")] [Euroclear Bank SA/NV, als Betreiberin des Euroclear Systems ("Euroclear")] [(CBL and Euroclear sind jeweils ein "ICSD" (*International Central Securities Depository*) und zusammen die "ICSDs")] [Oesterreichische Kontrollbank Aktiengesellschaft ("OeKB")] [,] [und] **[anderes Clearing System angeben]**.

[Im Fall, dass die Schuldverschreibungen von einem ICSD verwahrt werden:

[Im Fall, dass die Globalurkunde eine NGN ist: Die Schuldverschreibungen werden in Form einer New Global Note ("NGN") ausgegeben und von einem Common Safekeeper im Namen beider ICSDs verwahrt.]

[Falls die Globalurkunde eine CGN ist, einfügen: Die Schuldverschreibungen werden in Form einer Classical Global Note ("CGN") ausgegeben und von einer gemeinsamen Verwahrstelle im Namen beider ICSDs verwahrt.]

[Im Fall von Euroclear und CBL und dass die Globalurkunde eine NGN ist: Der Nennbetrag der durch die Globalurkunde verbrieften Schuldverschreibungen entspricht dem jeweils in den Registern beider ICSDs eingetragenen Gesamtbetrag. Die Register der ICSDs (unter denen man die Register versteht, die jeder ICSD für seine Kunden über den Betrag ihres Anteils an den Schuldverschreibungen führt) sind massgeblicher Nachweis über den Gesamtnennbetrag der durch die Globalurkunde verbrieften Schuldverschreibungen und eine zu diesen Zwecken von einem ICSD jeweils ausgestellte Bestätigung mit dem Nennbetrag der so verbrieften Schuldverschreibungen ist in jedem Zeitpunkt ein schlüssiger Nachweis über den Inhalt des Registers des jeweiligen ICSD. Für das technische Verfahren der ICSDs im Falle der Ausübung einer Call Option hinsichtlich einer teilweisen Rückzahlung wird der ausstehende Rückzahlungsbetrag entweder als reduzierter Nennbetrag oder als Poolfaktor nach Ermessen der ICSDs in das Register der ICSDs aufgenommen.]

Bei jeder Rückzahlung oder jedem Kauf durch oder für die Emittentin und jeder Entwertung von Schuldverschreibungen, die durch diese [Vorläufige][Dauer-]Globalurkunde verbrieft werden, werden die Einzelheiten der Rückzahlung oder des

on behalf of the Issuer in the records of the ICSDs.

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

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

(5) *Business Day*. "Business Day" means any day (other than a Saturday or a Sunday) on which the Clearing System **[if the Specified Currency is EUR or if TARGET is needed for other reasons:** as well as the Trans-European Automated Real-time Gross settlement Express Transfer System 2 (TARGET2) ("TARGET") **] [is][are] operational] [if the Specified Currency is not EUR or if needed for other reasons:** [and] commercial banks and foreign exchange markets settle payments in **[all relevant financial centres]]**.

§ 2 STATUS

[Senior Notes:

Status. The obligations under the Notes constitute unsecured and unsubordinated obligations of the Issuer ranking *pari passu* among themselves and *pari passu* with all other unsecured and unsubordinated obligations of the Issuer except for any obligations preferred by law.]

[Short-term Subordinated Notes, Subordinated Notes, Supplementary Capital Notes and New Style Tier 2 Notes:

(1) *Status*. Subordinated obligations may be issued in the form of Short-term Subordinated Notes, Subordinated Notes and Supplementary Capital Notes (together "Subordinated Instruments according to BWG") as well as New Style Tier 2 Notes (together with the Subordinated Instruments according to BWG, the "Subordinated Instruments"), in each case under and in accordance with the prevailing provisions of the Austrian Banking Act (*Bankwesengesetz* – "BWG") and/or the Regulation of the European Parliament and of the Council on prudential requirements for credit institutions and investment firms ("CRR") or other applicable provisions.

Pursuant to § 23 in conjunction with § 45 subparagraph 4 BWG, as amended, Short-term Subordinated Notes, Subordinated Notes and Supplementary Capital Notes are obligations representing claims against the Issuer that, in the event of the Issuer's liquidation or insolvency, will be satisfied only after the claims of other unsubordinated creditors. In the case of New Style

Kaufs und der Entwertung von der oder für die Emittentin in den Registern der ICSDs vermerkt.

(3) *Bedingungen*. "Bedingungen" bedeutet diese Anleihebedingungen der Schuldverschreibungen.

(4) *Gläubiger von Schuldverschreibungen*. "Gläubiger" bedeutet jeder Inhaber eines Miteigentumsanteils oder anderen Rechts an den Schuldverschreibungen.

(5) *Geschäftstag*. "Geschäftstag" bezeichnet einen Tag (außer einem Samstag oder Sonntag), an dem das Clearingsystem **[falls die festgelegte Währung EUR ist oder TARGET aus einem anderen Grund benötigt wird:** sowie das Trans-European Automated Real-time Gross settlement Express Transfer System 2 (TARGET2) ("TARGET") **] betriebsbereit [ist][sind] [falls die festgelegte Währung nicht EUR ist, oder falls aus anderen Gründen erforderlich:** [und] Geschäftsbanken und Devisenmärkte in **[sämtliche relevanten Finanzzentren]** Zahlungen abwickeln].

§ 2 STATUS

[Nicht nachrangige Schuldverschreibungen:

Status. Die Schuldverschreibungen begründen nicht besicherte und nicht nachrangige Verbindlichkeiten der Emittentin, die untereinander und mit allen anderen nicht besicherten und nicht nachrangigen Verbindlichkeiten der Emittentin gleichrangig sind mit Ausnahme von Verbindlichkeiten, die nach geltenden Rechtsvorschriften vorrangig sind.]

[Kurzfristige Nachrangige Schuldverschreibungen, Nachrangige Schuldverschreibungen, Ergänzungskapital-Schuldverschreibungen und New Style Tier 2 Schuldverschreibungen:

(1) *Status*. Nachrangige Verbindlichkeiten können in Form von Kurzfristigen Nachrangigen Schuldverschreibungen, Nachrangigen Schuldverschreibungen und Ergänzungskapital-Schuldverschreibungen (zusammen „Nachrang-Instrumente gemäß BWG“) und New Style Tier 2 Schuldverschreibungen (zusammen mit den Nachrang-Instrumenten gemäß BWG, die "Nachrang-Instrumente") begeben werden, jeweils gemäß und in Übereinstimmung mit den jeweils geltenden Bestimmungen des österreichischen Bankwesengesetzes ("BWG") und/oder der Verordnung des Europäischen Parlaments und des Rates über Aufsichtsanforderungen an Kreditinstitute und Wertpapierfirmen ("CRR") oder anderen einschlägigen Bestimmungen.

Gemäß § 23 i.V.m. § 45 Abs. 4 BWG, in der jeweils geltenden Fassung, sind Kurzfristige Nachrangige Schuldverschreibungen, Nachrangige Schuldverschreibungen und Ergänzungskapital-Schuldverschreibungen solche, welche Forderungen gegen die Emittentin verbrieften, die im Falle der Liquidation oder der Insolvenz der Emittentin erst nach

Tier 2 Notes, claims on the principal amount are wholly subordinated to claims of all unsubordinated creditors of the Issuer.

Subordinated Instruments according to BWG constitute direct, unconditional, subordinated and unsecured obligations of the Issuer ranking *pari passu* among each other and with all other unsecured subordinated obligations of the Issuer – with the exception of subordinated obligations that are expressed to be subordinated to the Subordinated Instruments according to BWG. In the event of the Issuer's liquidation or insolvency, any claims for payment relating to the Issuer's payment obligations under Subordinated Instruments according to BWG shall be subordinated to the claims of the Issuer's unsubordinated creditors. They shall, however, rank at least *pari passu* with all other subordinated obligations of the Issuer that are not, pursuant to their Conditions, subordinate to the Subordinated Instruments according to BWG and rank senior to the claims of shareholders and holders of participation capital of the Issuer.

Claims on the principal amount of New Style Tier 2 Notes are wholly subordinated to claims of all non-subordinated creditors of the Issuer.

Subordinated Instruments are not guaranteed by the *Raiffeisen-Kundengarantiegemeinschaft*. Therefore, no deficiency guarantee (*Ausfallgarantie*) by *Raiffeisen-Kundengarantiegemeinschaft* or any other third party exists.]

[Short-Term Subordinated Notes:

Short-Term Subordinated Notes pursuant to § 23 subparagraph 8a BWG refer to the Issuer's Notes that are subordinate in accordance with § 45 subparagraph 4 BWG and fulfil the following criteria:

(a) The total term to maturity must be at least 2 (two) years; if there is no stated maturity or if the Issuer or Holder has an early redemption option, the notice period must be at least 2 (two) years; the Issuer may, however, redeem the Notes without notice period after a term of 2 (two) years if it has previously raised capital in an equal amount and of at least the same own funds quality; furthermore, if the Notes are called for redemption due to tax reasons resulting in the payment of additional amounts to the creditor and the Issuer previously has verifiably raised capital in an equal amount and of at least the same own funds quality, the term of 2 (two) years will not have to be observed; the raising of the replacement capital must be documented;

den Forderungen der anderen nicht nachrangigen Gläubiger befriedigt werden. Im Fall von New Style Tier 2 Schuldverschreibungen sind Forderungen auf den Kapitalbetrag den Forderungen aller nicht nachrangigen Gläubiger der Emittentin vollständig nachrangig.

Nachrang-Instrumente gemäß BWG begründen unmittelbare, unbedingte, nachrangige und nicht besicherte Verbindlichkeiten der Emittentin, die untereinander und mit allen anderen nicht besicherten nachrangigen Verbindlichkeiten der Emittentin – außer jenen nachrangigen Verbindlichkeiten, welche ausdrücklich den Nachrang-Instrumenten gemäß BWG im Rang nachstehen – gleichrangig sind. Im Fall der Liquidation oder der Insolvenz der Emittentin gehen die Zahlungsverpflichtungen der Emittentin aus den Nachrang-Instrumenten gemäß BWG im Anspruch auf Zahlung den Ansprüchen von nicht nachrangigen Gläubigern der Emittentin im Rang nach. Sie sind jedoch mindestens gleichrangig mit allen anderen nachrangigen Verbindlichkeiten der Emittentin, die nicht ihrerseits gemäß ihren Bedingungen gegenüber den Nachrang-Instrumenten gemäß BWG im Rang zurücktreten, und vorrangig vor den Ansprüchen der Aktionäre und den Ansprüchen der Gläubiger von Partizipationsscheinen der Emittentin.

Forderungen auf den Kapitalbetrag der New Style Tier 2 Schuldverschreibungen sind den Forderungen aller nicht nachrangigen Gläubiger der Emittentin vollständig nachrangig.

Nachrang-Instrumente werden nicht von der Raiffeisen-Kundengarantiegemeinschaft garantiert. Es besteht daher keine Ausfallgarantie der Raiffeisen-Kundengarantiegemeinschaft oder sonstiger dritter Personen.]

[Kurzfristige Nachrangige Schuldverschreibungen:

Kurzfristige Nachrangige Schuldverschreibungen gemäß § 23 Abs. 8a BWG sind jene Schuldverschreibungen der Emittentin, die nachrangig gemäß § 45 Abs. 4 BWG sind und folgende Bedingungen erfüllen:

(a) Die Gesamtlaufzeit hat mindestens 2 (zwei) Jahre zu betragen; ist eine Laufzeit nicht festgelegt oder eine Kündigung durch die Emittentin oder den Schuldverschreibungsinhaber möglich, ist eine Kündigungsfrist von zumindest 2 (zwei) Jahren vorzusehen; die Emittentin kann die Schuldverschreibungen hingegen ohne Kündigungsfrist nach einer Laufzeit von 2 (zwei) Jahren kündigen, wenn sie zuvor Kapital in gleicher Höhe und zumindest gleicher Eigenmittelqualität beschafft hat; die Frist von 2 (zwei) Jahren muss ferner nicht eingehalten werden, wenn Schuldverschreibungen wegen Änderung der Besteuerung, die zu einer Zusatzzahlung an den Gläubiger führt, vorzeitig gekündigt werden und die Emittentin zuvor Kapital in gleicher Höhe und zumindest gleicher Eigenmittelqualität nachweislich beschafft hat; die Ersatzbeschaffung ist zu

(b) the Conditions shall not contain any clauses under which the debt is repayable prior to the Maturity Date except in the event of the Issuer's liquidation or pursuant to subparagraph (a) or under which any modification relating to the subordination of the debt obligation may be made;

(c) the conditions of subordination must be explicitly specified in any definitive Short-Term Subordinated Notes or global Notes as well as in subscription and purchase orders (§ 864a of the Austrian Civil Code (*Allgemeines Bürgerliches Gesetzbuch – ABGB*));

(d) offsetting the repayment claim against the Issuer's claims must be excluded and no contractual security for the obligations shall be created by the Issuer or third parties;

(e) no redemption or interest payments may be made that would result in the Issuer's eligible own funds falling below the minimum own funds requirements pursuant to § 22 paragraph 1 n°s 1 through 5 BWG (or if the eligible own funds are below such minimum own funds requirement).]

[Subordinated Notes:

Subordinated Notes pursuant to § 23 subparagraph 8 BWG refer to the Issuer's Notes that are subordinate within the meaning of § 45 subparagraph 4 BWG and meet the following criteria:

(a) the total term to maturity must be at least 5 (five) years; if there is no stated maturity or if the Issuer or Holder has an early redemption option, the notice period must be at least 5 (five) years; the Issuer may, however, redeem the Notes without observing a notice period after a term of 5 (five) years if it has previously raised capital in an equal amount and of at least the same own funds quality; furthermore, if the Notes are called for redemption due to tax reasons resulting in the payment of additional amounts to the creditor or due to a change in the regulatory recognition of the subordinated capital which was not foreseeable at the time of issue and the Issuer previously has verifiably raised capital in an equal amount and of at least the same own funds quality, the term of 5 (five) years will not have to be observed. If an early redemption occurs on or before 31 December 2012, the Austrian Financial Markets Authority (*Finanzmarktaufsicht – "FMA"*) may permit replacement capital to be raised after such redemption in order to secure the regulatory recognition of the replacement capital in the longer term. In case of an early redemption of subordinated capital by the Issuer, the raising of replacement capital must be documented by the Issuer. The requirement to raise replacement capital does not apply in all aforementioned cases, if proof is provided to the FMA that — even after such early redemption — the Issuer and the credit institution group have sufficient own funds at their disposal to achieve an adequate risk coverage;

dokumentieren;

(b) die Bedingungen dürfen keine Klauseln enthalten, wonach die Schuld unter anderen Umständen als der Auflösung der Emittentin oder gemäß Absatz (a) vor dem vereinbarten Rückzahlungstag rückzahlbar ist oder wonach Änderungen des Schuldverhältnisses betreffend die Nachrangigkeit möglich sind;

(c) Urkunden über Kurzfristige Nachrangige Schuldverschreibungen oder Sammelurkunden sowie Zeichnungs- und Kaufaufträge haben die Bedingungen der Nachrangigkeit ausdrücklich festzuhalten (§ 864a Allgemeines Bürgerliches Gesetzbuch – ABGB);

(d) die Aufrechnung des Rückerstattungsanspruches gegen Forderungen der Emittentin muss ausgeschlossen sein und für die Verbindlichkeiten dürfen keine vertraglichen Sicherheiten durch die Emittentin oder durch Dritte gestellt werden;

(e) es dürfen weder Tilgungs- noch Zinszahlungen geleistet werden, die zur Folge hätten, dass die anrechenbaren Eigenmittel der Emittentin unter das Mindesteigenmittelerfordernis gemäß § 22 Abs. 1 Z 1 bis 5 BWG absinken (oder wenn die anrechenbaren Eigenmittel unter diesem Mindesteigenmittelerfordernis liegen).]

[Nachrangige Schuldverschreibungen:

Nachrangige Schuldverschreibungen gemäß § 23 Abs. 8 BWG sind jene Schuldverschreibungen der Emittentin, die nachrangig gemäß § 45 Abs. 4 BWG sind und folgende Bedingungen erfüllen:

(a) Die Gesamtlaufzeit hat mindestens 5 (fünf) Jahre zu betragen; ist eine Laufzeit nicht festgelegt oder eine Kündigung durch die Emittentin oder den Schuldverschreibungsinhaber möglich, ist eine Kündigungsfrist von zumindest 5 (fünf) Jahren vorzusehen; die Emittentin kann die Schuldverschreibungen hingegen ohne Kündigungsfrist nach einer Laufzeit von 5 (fünf) Jahren kündigen, wenn sie zuvor Kapital in gleicher Höhe und zumindest gleicher Eigenmittelqualität beschafft hat; die Frist von 5 (fünf) Jahren muss ferner nicht eingehalten werden, wenn Schuldverschreibungen wegen Änderung der Besteuerung, die zu einer Zusatzzahlung an den Gläubiger führt, vorzeitig gekündigt werden oder wenn sich die gesetzliche Anrechenbarkeit des nachrangigen Kapitals in zum Zeitpunkt der Emission nicht absehbarer Art ändert und die Emittentin zuvor Kapital in gleicher Höhe und zumindest gleicher Eigenmittelqualität beschafft hat. Bei Kündigung bis 31. Dezember 2012 kann die Finanzmarktaufsicht ("FMA") im Hinblick auf eine nachhaltige Anrechenbarkeit der als Ersatz zu beschaffenden Eigenmittelbestandteile auch eine nachträgliche Ersatzbeschaffung genehmigen. Im Falle der Kündigung von nachrangigem Kapital durch die Emittentin hat diese die Ersatzbeschaffung zu dokumentieren; die Bedingung der Ersatzbeschaffung entfällt in allen zuvor genannten Fällen, wenn der FMA nachgewiesen wird, dass die Emittentin und die Kreditinstitutionsgruppe auch nach Kündigung des

(b) the Conditions shall not contain any clauses under which the debt is repayable prior to the Maturity Date except in the event of the Issuer's liquidation or pursuant to subparagraph (a) or under which any modifications relating to the subordination of the debt obligation may be made;

(c) the conditions of subordination must be explicitly specified in any definitive Subordinated Notes or global Notes as well as in subscription and purchase orders (§ 864a of the Austrian Civil Code (*Allgemeines Bürgerliches Gesetzbuch* – ABGB));

(d) offsetting the repayment claim against the Issuer's claims must be excluded and no contractual security for the obligations shall be created by the Issuer or third parties.]

[Supplementary Capital Notes:

Supplementary Capital Notes pursuant to § 23 subparagraph 7 BWG refer to the Issuer's Notes that are subordinate within the meaning of § 45 subparagraph 4 BWG and meet the following criteria:

(a) as provided for in the Final Terms, Supplementary Capital Notes are made available to the Issuer for at least 8 (eight) years and cannot be terminated by the Holder prior to the expiration of this period; early redemption at the option of the Issuer will only be permissible in accordance with subparagraph (b);

(b) for the Supplementary Capital Notes to be eligible as supplementary capital within the meaning of the BWG, their remaining term to maturity must be at least 3 (three) years; the Issuer may redeem the Notes, effective prior to the expiry of the remaining term to maturity period of 3 (three) years, without notice period provided that this is contractually agreed (i.e. pursuant to the Final Terms) and that it has previously verifiably raised capital in the same amount and of at least the same own funds quality. If an early redemption occurs on or before 31 December 2012, the FMA may permit replacement capital to be raised after such redemption in order to secure the regulatory recognition of the replacement capital in the longer term. The raising of replacement capital must be documented. The requirement to raise replacement capital does not apply in all aforementioned cases, if proof is provided to the FMA that – even after such early redemption – the Issuer and the credit institution group have sufficient own funds at their disposal to achieve an adequate risk coverage;

(c) interest on Supplementary Capital Notes may only be paid to the extent such interest payments are covered by the Issuer's distributable profits;

nachrangigen Kapitals über ausreichende Eigenmittel verfügen, die für eine adäquate Risikoabdeckung erforderlich sind;

(b) die Bedingungen dürfen keine Klauseln enthalten, wonach die Schuld unter anderen Umständen als der Auflösung der Emittentin oder gemäß Absatz (a) vor dem vereinbarten Rückzahlungstag rückzahlbar ist oder wonach Änderungen des Schuldverhältnisses betreffend die Nachrangigkeit möglich sind;

(c) Urkunden über Nachrangige Schuldverschreibungen oder Sammelurkunden sowie Zeichnungs- und Kaufaufträge haben die Bedingungen der Nachrangigkeit ausdrücklich festzuhalten (§ 864a Allgemeines Bürgerliches Gesetzbuch – ABGB);

(d) die Aufrechnung des Rückerstattungsanspruches gegen Forderungen der Emittentin muss ausgeschlossen sein und für die Verbindlichkeiten dürfen keine vertraglichen Sicherheiten durch die Emittentin oder durch Dritte gestellt werden.]]

[Ergänzungskapital-Schuldverschreibungen:

Ergänzungskapital-Schuldverschreibungen gemäß § 23 Abs. 7 BWG sind jene Schuldverschreibungen der Emittentin, die nachrangig gemäß § 45 Abs. 4 BWG sind und folgende Bedingungen erfüllen:

(a) Ergänzungskapital-Schuldverschreibungen werden der Emittentin, wie in den Endgültigen Bedingungen vereinbart, auf mindestens 8 (acht) Jahre zur Verfügung gestellt und können von den Schuldverschreibungsinhabern nicht vor Ablauf dieser Frist gekündigt werden; seitens der Emittentin ist eine vorzeitige Kündigung nur nach Maßgabe von Absatz (b) zulässig;

(b) die Restlaufzeit der Ergänzungskapital-Schuldverschreibungen muss für ihre Anerkennung als Ergänzungskapital im Sinne des BWG noch mindestens 3 (drei) Jahre betragen; die Emittentin kann mit Wirksamkeit vor Ablauf der Restlaufzeit von 3 (drei) Jahren ohne Kündigungsfrist kündigen, wenn dies vertraglich (d.h. gemäß den Endgültigen Bedingungen) zulässig ist und sie zuvor Kapital in gleicher Höhe und zumindest gleicher Eigenmittelqualität nachweislich beschafft hat. Bei Kündigung bis 31. Dezember 2012 kann die FMA im Hinblick auf die Sicherstellung einer nachhaltigen Anrechenbarkeit der als Ersatz zu beschaffenden Eigenmittelbestandteile auch eine nachträgliche Ersatzbeschaffung genehmigen. Die Ersatzbeschaffung ist zu dokumentieren. Die Bedingung der Ersatzbeschaffung entfällt in allen zuvor genannten Fällen, wenn der FMA nachgewiesen wird, dass die Emittentin und die Kreditinstitutionsgruppe auch nach Kündigung des Ergänzungskapitals über ausreichende Eigenmittel verfügen, die für eine adäquate Risikoabdeckung erforderlich sind;

(c) Zinsen auf Ergänzungskapital-Schuldverschreibungen dürfen nur ausbezahlt werden, soweit sie in den ausschüttungsfähigen Gewinnen der Emittentin gedeckt sind;

(d) Prior to the liquidation of the Issuer, Supplementary Capital Notes may only be redeemed upon pro rata deduction of any net losses incurred during their term.]

[New Style Tier 2 Notes¹:

New Style Tier 2 Notes refer to Notes that are subordinated within the meaning of the chapter *Tier 2 items* in the Regulation of the European Parliament and of the Council on prudential requirements for credit institutions and investment firms ("CRR") as passed by the European Parliament and the Council and as amended and that meet the following criteria (which are based on the consolidated CRR draft published on 21 May 2012 by the Council of the European Union):

(a) the maturity of New Style Tier 2 Notes is at least five years. New Style Tier 2 Notes may only be called, redeemed or repurchased (in whole or in part) after the expiration of the original five year period subject to paragraphs (c) and (f) below. In any case, any call option is only exercisable at the sole discretion of the Issuer;

(b) notwithstanding the above, the Conditions for New Style Tier 2 Notes must not contain any incentive for their principal amount to be redeemed (in whole or in part) by the Issuer prior to their stated maturity;

(c) neither the Issuer nor the Conditions of the New Style Tier 2 Notes shall indicate explicitly or implicitly that the New Style Tier 2 Notes will be redeemed or repurchased (in whole or in part) by the Issuer prior to their stated maturity other than in the insolvency or liquidation of the Issuer;

(d) the level of interest payments due under the New Style Tier 2 Notes will not be modified based on the credit standing of the Issuer or its parent undertaking;

(e) the New Style Tier 2 Notes shall not be secured, or subject to a guarantee either by the Issuer or any of its subsidiaries, the Issuer's parent undertaking or any of the parent undertaking's subsidiaries or any other undertaking that has close links with the entities referred to above that enhances the seniority of any claim under the New Style Tier 2 Notes nor are the New Style Tier 2 Notes subject to any arrangement that otherwise enhances the seniority of the claims thereunder; and

(d) Ergänzungskapital-Schuldverschreibungen dürfen vor Liquidation der Emittentin nur unter anteiligem Abzug der während ihrer Laufzeit angefallenen Nettoverluste zurückgezahlt werden.]]

[New Style Tier 2 Schuldverschreibungen¹:

Unter New Style Tier 2 Schuldverschreibungen sind Schuldverschreibungen zu verstehen, die nachrangig im Sinne des Kapitels *Tier 2 items* in der Verordnung des Europäischen Parlaments und des Rates über Aufsichtsanforderungen an Kreditinstitute und Wertpapierfirmen ("CRR") sind, wie vom Europäischen Parlament und vom Rat verabschiedet, in der jeweils geltenden Fassung, und die die folgenden Bedingungen (die auf dem konsolidierten Entwurf der CRR vom 21. Mai 2012 des Rates der europäischen Union basieren) erfüllen:

(a) die Laufzeit der New Style Tier 2 Schuldverschreibungen beträgt mindestens fünf Jahre. New Style Tier 2 Schuldverschreibungen können vorbehaltlich der Absätze (c) und (f) unten nur (ganz oder teilweise) gekündigt, zurückgezahlt oder zurückgekauft werden, wenn die ursprüngliche Zeitspanne von fünf Jahren abgelaufen ist. In jedem Fall kann ein Kündigungsrecht nur im alleinigen Ermessen der Emittentin ausgeübt werden;

(b) ungeachtet der obigen Ausführungen, dürfen die Bedingungen der New Style Tier 2 Schuldverschreibungen keinerlei Anreiz zur Rückzahlung (ganz oder teilweise) ihres Nennbetrags durch die Emittentin vor Ablauf ihrer festgelegten Laufzeit beinhalten;

(c) weder die Emittentin noch die Bedingungen der New Style Tier 2 Schuldverschreibungen geben ausdrücklich oder stillschweigend zu verstehen, dass die New Style Tier 2 Schuldverschreibungen (ganz oder teilweise) vor Ablauf ihrer festgelegten Laufzeit von der Emittentin zurückgezahlt oder zurückgekauft werden, außer im Fall der Insolvenz oder Liquidation der Emittentin;

(d) die Höhe der Zinszahlungen unter den New Style Tier 2 Schuldverschreibungen darf nicht auf Basis der Kreditwürdigkeit der Emittentin oder ihres Mutterkonzerns geändert werden;

(e) die New Style Tier 2 Schuldverschreibungen sind weder besichert noch werden sie durch die Emittentin oder eine ihrer Tochtergesellschaften, den Mutterkonzern der Emittentin oder dessen Tochtergesellschaften oder eine andere Person oder Körperschaft, die mit den vorgenannten Personen oder Körperschaften in einer engen Verbindung steht, garantiert, so dass der Rang von Ansprüchen aus den New Style Tier 2 Schuldverschreibungen verbessert wird, noch finden andere Vereinbarungen auf die New Style Tier 2 Schuldverschreibungen Anwendung, die den Rang von Ansprüchen aus den New Style Tier 2 Schuldverschreibungen verbessern; und

¹ To be used only after adoption of CRR.
Erst ab Verabschiedung der CRR gültig.

(f) New Style Tier 2 Notes may only be called, redeemed or repurchased (in whole or in part) prior to the date of their contractual maturity after prior approval of the competent authority (as defined in the CRR) if

(i) the amount to be redeemed or repurchased has been replaced prior to or simultaneously with such redemption or repurchase by other own funds instruments with a status at least equal or higher than the status given by the CRR to the New Style Tier 2 Notes and the terms of such new own funds instruments are sustainable for the income capacity of the Issuer; or

(ii) the Issuer has demonstrated to the satisfaction of the competent authority (as defined in the CRR) that the own funds of the Issuer would, following the redemption or repurchase (in whole or in part) of the New Style Tier 2 Notes exceed the own funds requirements as laid down in the CRR; or

(iii) in the case of a call, redemption or repurchase prior to the five year minimum maturity required in paragraph (a) above, one of the conditions set out in sub-paragraphs (i) or (ii) above is met and;

- there is a change in the regulatory classification (which was not reasonably foreseeable at the time of their issuance) of the New Style Tier 2 Notes that would likely result in their exclusion from own funds or reclassification as a lower quality form of own funds; or

- there is a change in the applicable tax treatment (which was not reasonably foreseeable at the time of their issuance) of the New Style Tier 2 Notes and which is material;

(g) the holders of New Style Tier 2 Notes do not have the right to accelerate the future scheduled payment of interest or principal;

(h) the claim on the principal amount of the New Style Tier 2 Notes is wholly subordinated to claims of all non-subordinated creditors of the Issuer.]

(f) New Style Tier 2 Schuldverschreibungen dürfen (ganz oder teilweise) nur nach vorheriger Zustimmung der zuständigen Behörde (wie in der CRR definiert) vor Ablauf der vertraglichen Laufzeit gekündigt, zurückgezahlt oder zurückgekauft werden, wenn

(i) der Betrag, der zurückgezahlt oder zurückgekauft werden soll, zuvor oder gleichzeitig durch andere Eigenmittelinstrumente mit einem zumindest gleichwertigen oder höherwertigen Status, wie er von der CRR den New Style Tier 2 Schuldverschreibungen zugewiesen ist, ersetzt wurde und die Bedingungen dieser neuen Eigenmittelinstrumente für die Ertragskraft der Emittentin tragfähig sind; oder

(ii) die Emittentin zur Zufriedenheit der zuständigen Behörde (wie in der CRR definiert) dargelegt hat, dass ihre Eigenmittel nach Rückzahlung oder Rückkauf (im Ganzen oder in Teilen) der New Style Tier 2 Schuldverschreibungen die Eigenmittelanforderungen gemäß der CRR übersteigen würden; oder

(iii) im Falle einer Kündigung, Rückzahlung oder eines Rückkaufes vor Ablauf der in Absatz (a) vorgeschriebenen fünfjährigen Mindestlaufzeit, eine der in den obigen Absätzen (i) oder (ii) festgelegten Voraussetzungen erfüllt ist und

- es eine Änderung in der aufsichtsrechtlichen Einstufung (die zum Zeitpunkt der Ausgabe vernünftigerweise nicht vorhersehbar gewesen ist) der New Style Tier 2 Schuldverschreibungen gibt, die wahrscheinlich dazu führen würde, dass sie nicht länger als Eigenmittel einzustufen wären oder als Eigenmittel von geringerer Qualität neu eingestuft würden; oder

- es eine bezogen auf die New Style Tier 2 Schuldverschreibungen erhebliche Änderung in der anwendbaren steuerlichen Behandlung (die zum Zeitpunkt der Ausgabe vernünftigerweise nicht vorhersehbar gewesen ist) gibt;

(g) die Inhaber der New Style Tier 2 Schuldverschreibungen haben keinerlei Recht, die künftige planmäßige Auszahlung von Zinsen oder des Kapitalbetrages zu beschleunigen;

(h) Forderungen auf den Kapitalbetrag der New Style Tier 2 Schuldverschreibungen sind den Forderungen aller nicht nachrangigen Gläubiger der Emittentin vollständig nachrangig.]

[Covered Bank Bonds (Fundierte Bankschuldverschreibungen:

(1) *Permissibility.* Pursuant to the provisions of the Austrian Law on Covered Bank Bonds (*Gesetz über fundierte Bankschuldverschreibungen*) dated December 27, 1905, Imperial Law Gazette (RGL.) No. 213/1905, as amended, and notwithstanding any negative pledges given with respect to existing or future debt instruments, the Issuer is entitled to issue tranches/series of Covered Bank Bonds.

(2) *Provisions under the Austrian Law on Covered Bank Bonds.*

Covered Bank Bonds are bonds issued by specifically authorised credit institutions pursuant to the Austrian Law on Covered Bank Bonds dated 27 December 1905, in particular in consideration of §§ 1 through 5 thereof, which stipulates that a cover pool must be established for preferential coverage.

(3) *Status.* Covered Bank Bonds constitute secured and unsubordinated obligations of the Issuer ranking *pari passu* amongst themselves with respect to the same cover pool.

(4) *Cover Pool.* If insolvency proceedings are instituted with respect to the Issuer's assets, the assets registered in the cover register will constitute a special pool of assets for the satisfaction of creditors' claims under the Covered Bank Bonds.]

[In the case of other provisions for the status of the Notes described above, insert applicable provisions herein.]

**§ 3
INTEREST**

[In the case of Fixed Rate Notes:

(1) *Rate of Interest.* The Notes shall bear interest on their aggregate principal amount at the rate of **[Rate of Interest]** per cent. *per annum* from (and including) **[Interest Commencement Date]** (the "Interest Commencement Date") to (but excluding) the Maturity Date (as defined in § 5(1)).

[Fundierte Bankschuldverschreibungen:

(1) *Zulässigkeit.* Nach Maßgabe der Bestimmungen des österreichischen Gesetzes vom 27. Dezember 1905, betreffend fundierte Bankschuldverschreibungen RGL. 213/1905 idgF sowie unbeschadet eingegangener Negativ-Verpflichtungen aus bestehenden oder künftigen Titeln ist die Emittentin berechtigt, Tranchen/Serien Fundierter Bankschuldverschreibungen zu begeben.

(2) *Bestimmungen gemäß dem Gesetz über fundierte Bankschuldverschreibungen:*

Fundierte Bankschuldverschreibungen sind von eigens dazu berechtigten Kreditinstituten ausgegebene Schuldverschreibungen gemäß dem Gesetz vom 27. Dezember 1905 betreffend fundierte Bankschuldverschreibungen, insbesondere unter Berücksichtigung von dessen §§ 1 bis 5, für deren vorzugsweise Deckung (Fundierung) eine Kautions zu bestellen ist.

(3) *Status.* Fundierte Bankschuldverschreibungen begründen besicherte und nicht nachrangige Verbindlichkeiten der Emittentin, die in Bezug auf denselben Deckungsstock untereinander gleichrangig sind.

(4) *Deckung.* Wird über das Vermögen der Emittentin der Konkurs eröffnet, so bilden die im Deckungsregister eingetragenen Vermögenswerte eine Sondermasse für die Forderungen der Gläubiger der fundierten Bankschuldverschreibungen.]

[Im Fall von anderen Regelungen für den Status der oben beschriebenen Schuldverschreibungen, anwendbare Bestimmungen hier einfügen.]

**§ 3
ZINSEN**

[Im Fall von festverzinslichen Schuldverschreibungen:

(1) *Zinssatz.* Die Schuldverschreibungen werden bezogen auf ihren Nennbetrag vom **[Verzinsungsbeginn]** (der "Verzinsungsbeginn") (einschließlich) bis zum Rückzahlungstag (wie in § 5 Absatz 1 definiert) (ausschließlich) mit einem Zinssatz von **[Zinssatz]**% p.a. verzinst.

(2) *Interest Payment Dates.* Interest shall be payable in arrear on **[Interest Payment Date or Dates]** in each year (each such date, an "Interest Payment Date"). The first payment of interest shall be made on **[First Interest Payment Date]** **[if First Interest Payment Date is not first anniversary of Interest Commencement Date: and will amount to [Initial Broken Amount for Specified Denomination] for each Note]. [If the Maturity Date is not a Interest Payment Date: Interest in respect of the period from (and including) [Interest Payment Date preceding the Maturity Date] to (but excluding) the Maturity Date will amount to [Final Broken Amount for Specified Denomination] for each Note].**

(3) *Adjustment of Interest Payment Dates.* If any Interest Payment Date would fall on a day which is not a Business Day, **[in case of adjustment of Interest Periods: the provisions of § 3 ([7]) (Business Day Convention) apply] [in case of no adjustment of Interest Periods: the Interest Payment Dates remain unadjusted].**

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

[In the case of Floating Rate Notes:

(1) *Interest Payment Dates.*

(a) The Notes shall bear interest on their principal amount from (and including) **[Interest Commencement Date]** (the "Interest Commencement Date") to (but excluding) the first Interest Payment Date and thereafter from (and including) each Interest Payment Date to (but excluding) the next following Interest Payment Date. Interest on the Notes shall be payable on each Interest Payment Date.

(b) "Interest Payment Date" means [each **[Specified Interest Payment Dates]** [date which falls **[number]** [weeks] [months] **[other specified periods]** after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date].

(c) If any Interest Payment Date would fall on a day which is not a Business Day, **[in case of adjustment of Interest Periods: the provisions of § 3 ([7]) (Business Day Convention) apply] [in case of no adjustment of Interest Periods: the Interest Payment Dates remain unadjusted].**

(2) *Rate of Interest.* **[if Screen Rate Determination:** The rate of interest (the "Rate of Interest") for the relevant Interest Period (as defined below) will, except as provided below, be the offered quotation (expressed

(2) *Zinszahlungstage.* Die Zinsen sind nachträglich am **[Zinszahlungstag(e)]** eines jeden Jahres zahlbar (jeweils ein "Zinszahlungstag"). Die erste Zinszahlung erfolgt am **[ersten Zinszahlungstag] [sofern der erste Zinszahlungstag nicht der erste Jahrestag des Verzinsungsbeginns ist: und beläuft sich auf [anfänglichen Bruchteilszinsbetrag für die festgelegte Stückelung] je Schuldverschreibung]. [Sofern der Rückzahlungstag kein Zinszahlungstag ist: Die Zinsen für den Zeitraum vom [den letzten dem Rückzahlungstag vorausgehenden Zinszahlungstag] (einschließlich) bis zum Rückzahlungstag (ausschließlich) belaufen sich auf [abschließenden Bruchteilszinsbetrag für die festgelegte Stückelung] je Schuldverschreibung].**

(3) *Anpassung von Zinszahlungstagen.* Fällt ein Zinszahlungstag auf einen Tag, der kein Geschäftstag ist, **[im Fall einer Anpassung der Zinsperioden: gelten die Bestimmungen des § 3 ([7]) (Geschäftstagekonvention)] [im Fall keiner Anpassung der Zinsperioden: bleiben die Zinszahlungstage unangepasst].**

(4) *Berechnung der Zinsen für Teile von Zeiträumen.* Sofern Zinsen für einen Zeitraum von weniger als einem Jahr zu berechnen sind, erfolgt die Berechnung auf der Grundlage des Zinstagequotienten (wie nachstehend definiert).]

[Im Fall von variabel verzinslichen Schuldverschreibungen:

(1) *Zinszahlungstage.*

(a) Die Schuldverschreibungen werden bezogen auf ihren Nennbetrag ab dem **[Verzinsungsbeginn]** (der "Verzinsungsbeginn") (einschließlich) bis zum ersten Zinszahlungstag (ausschließlich) und danach von jedem Zinszahlungstag (einschließlich) bis zum nächstfolgenden Zinszahlungstag (ausschließlich) verzinst. Zinsen auf die Schuldverschreibungen sind an jedem Zinszahlungstag zahlbar.

(b) "Zinszahlungstag" bedeutet [jeder **[festgelegte Zinszahlungstage]** [jeweils der Tag, der **[Zahl]** [Wochen] [Monate] **[andere festgelegte Zeiträume]** nach dem vorausgehenden Zinszahlungstag oder im Fall des ersten Zinszahlungstages, nach dem Verzinsungsbeginn liegt].

(c) Fällt ein Zinszahlungstag auf einen Tag, der kein Geschäftstag ist, **[im Fall einer Anpassung der Zinsperioden: gelten die Bestimmungen des § 3 ([7]) (Geschäftstagekonvention)] [im Fall keiner Anpassung der Zinsperioden: bleiben die Zinszahlungstage unangepasst].**

(2) *Zinssatz.* **[Bei Bildschirmfeststellung:** Der Zinssatz (der "Zinssatz") für die jeweilige Zinsperiode (wie nachstehend definiert) ist, sofern nachstehend nichts Abweichendes bestimmt wird, der Angebotsatz

as a percentage rate *per annum*) for deposits in the Specified Currency for that Interest Period which appears on the Screen Page as of 11.00 a.m. ([Brussels] [London] [other relevant location] time) on the Interest Determination Date (as defined below) [if Margin: [plus] [minus] the Margin (as defined below)], all as determined by the Calculation Agent (as defined in § 6).

"Interest Determination Date" means the [second] [other applicable number of days] [Business Day (as defined in § 1 (5))] [[TARGET] [London] [other relevant location] Business Day] [prior to the commencement] [prior to the end] of the relevant Interest Period. [In the case of a TARGET Business Day: "TARGET Business Day" means a day on which the Trans-European Automated Real-time Gross settlement Express Transfer System 2 (TARGET2) ("TARGET") is operational.] [In the case of a non-TARGET Business Day: "[London] [other relevant location] Business Day" means a day (other than a Saturday or Sunday) on which commercial banks are open for business (including dealings in foreign exchange and foreign currency) in [London] [other relevant location].]

[If Margin: "Margin" means [•] per cent. *per annum*.]

"Screen Page" means [relevant Screen Page] or any successor page.

If the Screen Page is not available or if no such quotation appears as at such time, the Calculation Agent shall request each of the Reference Banks (as defined below) to provide the Calculation Agent with its offered quotation (expressed as a percentage rate *per annum*) for deposits in the Specified Currency for the relevant Interest Period to leading banks in the [London] interbank market [in the Euro-Zone] at approximately 11.00 a. m. ([Brussels] [London] time) on the Interest Determination Date. If two or more of the Reference Banks provide the Calculation Agent with such offered quotations, the Rate of Interest for such Interest Period shall be the arithmetic mean (rounded if necessary to the nearest one [if the Reference Rate is EURIBOR: thousandth of a percentage point, with 0.0005] [if the Reference Rate is not EURIBOR: hundred-thousandth of a percentage point, with 0.000005] being rounded upwards) of such offered quotations [if Margin: [plus] [minus] the Margin], all as determined by the Calculation Agent.

If on any Interest Determination Date only one or none of the Reference Banks provides the Calculation Agent with such offered quotations as provided in the preceding paragraph, the Rate of Interest for the relevant Interest Period shall be the rate *per annum* which the Calculation Agent determines as being the arithmetic mean (rounded if necessary to the nearest one [if the

(ausgedrückt als Prozentsatz *per annum*) für Einlagen in der festgelegten Währung für die jeweilige Zinsperiode, der auf der Bildschirmseite am Zinsfestlegungstag (wie nachstehend definiert) gegen 11.00 Uhr [Brüsseler] [Londoner] [anderer relevanter Ort] Ortszeit angezeigt wird [im Fall einer Marge: [zuzüglich] [abzüglich] der Marge (wie nachstehend definiert)], wobei alle Festlegungen durch die Berechnungsstelle (wie in § 6 definiert) erfolgen.

"Zinsfestlegungstag" bezeichnet den [zweiten] [zutreffende andere Zahl von Tagen] [Geschäftstag (wie in § 1 Absatz 5 definiert)] [[TARGET] [Londoner] [zutreffenden anderen Ort] Geschäftstag] vor [Beginn] [Ende] der jeweiligen Zinsperiode. [Im Falle eines TARGET-Geschäftstages: "TARGET-Geschäftstag" bezeichnet einen Tag, an dem das Trans-European Automated Real-time Gross settlement Express Transfer System 2 (TARGET2) ("TARGET") betriebsbereit ist.] [Im Falle eines nicht-TARGET-Geschäftstages: "[Londoner] [zutreffenden anderen Ort] Geschäftstag" bezeichnet einen Tag (außer einem Samstag oder Sonntag), an dem Geschäftsbanken in [London] [zutreffenden anderen Ort] für Geschäfte (einschließlich Devisen- und Sortengeschäfte) geöffnet sind.]

[Im Fall einer Marge: Die "Marge" beträgt [•]% *per annum*.]

"Bildschirmseite" bedeutet [Bildschirmseite] oder jede Nachfolgeside.

Sollte die maßgebliche Bildschirmseite nicht zur Verfügung stehen oder wird zu der genannten Zeit kein Angebotssatz angezeigt, wird die Berechnungsstelle von den Referenzbanken (wie nachstehend definiert) deren jeweilige Angebotssätze (jeweils als Prozentsatz *per annum* ausgedrückt) für Einlagen in der festgelegten Währung für die betreffende Zinsperiode gegenüber führenden Banken im [Londoner] Interbanken-Markt [in der Euro-Zone] um ca. 11.00 Uhr ([Brüsseler] [Londoner] Ortszeit) am Zinsfestlegungstag anfordern. Falls zwei oder mehr Referenzbanken der Berechnungsstelle solche Angebotssätze nennen, ist der Zinssatz für die betreffende Zinsperiode das arithmetische Mittel (falls erforderlich, auf- oder abgerundet auf das nächste ein [falls der Referenzsatz EURIBOR ist: Tausendstel Prozent, wobei 0,0005] [falls der Referenzsatz nicht EURIBOR ist: Hunderttausendstel Prozent, wobei 0,000005] aufgerundet wird) dieser Angebotssätze [im Fall einer Marge: [zuzüglich] [abzüglich] der Marge], wobei alle Festlegungen durch die Berechnungsstelle erfolgen.

Falls an einem Zinsfestlegungstag nur eine oder keine der Referenzbanken der Berechnungsstelle solche im vorstehenden Absatz beschriebenen Angebotssätze nennt, ist der Zinssatz für die betreffende Zinsperiode der Satz *per annum*, den die Berechnungsstelle als das arithmetische Mittel (falls erforderlich, auf- oder abgerundet auf das nächste ein [falls der Referenzsatz

Reference Rate is EURIBOR: thousandth of a percentage point, with 0.0005] **[if the Reference Rate is not EURIBOR:** hundred-thousandth of a percentage point, with 0.000005] being rounded upwards) of the rates, as communicated to (and at the request of) the Calculation Agent by the Reference Banks or any two or more of them, at which such banks were offered, as at 11.00 a.m. ([Brussels] [London] time) on the relevant Interest Determination Date, deposits in the Specified Currency for the relevant Interest Period by leading banks in the [London] interbank market [in the Euro-Zone] **[if Margin: [plus] [minus] the Margin].** If the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be the offered quotation or the arithmetic mean of the offered quotations on the Screen Page, as described above, on the last day preceding the Interest Determination Date on which such quotations were displayed **[if Margin: [plus] [minus] the Margin]** (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period in place of the Margin relating to that last preceding Interest Period)].

"Reference Banks" means **[if no other Reference Banks are specified in the Final Terms:** those offices of not less than four such banks whose offered rates were used to determine such quotation when such quotation last appeared on the Screen Page.] **[If other Reference Banks are specified in the Final Terms, insert names here.]**

[In the case of the interbank market in the Euro-Zone: "Euro-Zone" means the countries and territories listed in the Annex of Council Regulation (EC) No 974/98 of 3 May 1998 on the introduction of the euro, as amended.]

[Other details regarding the Reference Rate or the method of determination]

[If Minimum Rate of Interest applies: If the Rate of Interest in respect of any Interest Period determined in accordance with the above provisions is less than **[Minimum Rate of Interest]**, the Rate of Interest for such Interest Period shall be **[Minimum Rate of Interest]** (Floor).]

[If Maximum Rate of Interest applies: If the Rate of Interest in respect of any Interest Period determined in accordance with the above provisions is greater than **[Maximum Rate of Interest]**, the Rate of Interest for such Interest Period shall be **[Maximum Rate of Interest]** (Cap).]

EURIBOR ist: Tausendstel Prozent, wobei 0,0005] **[falls der Referenzsatz nicht EURIBOR ist:** Hunderttausendstel Prozent, wobei 0,000005] aufgerundet wird) der Angebotssätze ermittelt, die die Referenzbanken bzw. zwei oder mehrere von ihnen der Berechnungsstelle auf deren Anfrage als den jeweiligen Satz nennen, zu dem ihnen um ca. 11.00 Uhr ([Brüsseler] [Londoner] Ortszeit) an dem betreffenden Zinsfestlegungstag Einlagen in der festgelegten Währung für die betreffende Zinsperiode von führenden Banken im [Londoner] Interbanken-Markt [in der Euro-Zone] angeboten werden **[im Fall einer Marge: [zuzüglich] [abzüglich] der Marge].** Für den Fall, dass der Zinssatz nicht gemäß den vorstehenden Bestimmungen dieses Absatzes ermittelt werden kann, ist der Zinssatz der Angebotssatz oder das arithmetische Mittel der Angebotssätze auf der Bildschirmseite, wie vorstehend beschrieben, an dem letzten Tag vor dem Zinsfestlegungstag, an dem diese Angebotssätze angezeigt wurden **[im Fall einer Marge: [zuzüglich] [abzüglich] der Marge]** (wobei jedoch, falls für die betreffende Zinsperiode eine andere Marge als für die unmittelbar vorhergehende Zinsperiode gilt, die Marge der betreffenden Zinsperiode an die Stelle der Marge für die vorhergehende Zinsperiode tritt)].

"Referenzbanken" bezeichnen **[falls in den Endgültigen Bedingungen keine anderen Referenzbanken bestimmt werden:** diejenigen Niederlassungen von mindestens vier derjenigen Banken, deren Angebotssätze zur Ermittlung des maßgeblichen Angebotssatzes zu dem Zeitpunkt benutzt wurden, als solch ein Angebot letztmals auf der maßgeblichen Bildschirmseite angezeigt wurde.] **[Falls in den Endgültigen Bedingungen andere Referenzbanken bestimmt werden, sind sie hier einzufügen.]**

[Im Fall des Interbankenmarktes in der Euro-Zone: "Euro-Zone" bezeichnet die Staaten und Gebiete, die im Anhang der Verordnung (EG) Nr. 974/98 des Rates vom 3. Mai 1998 über die Einführung des Euro, in ihrer jeweils aktuellen Fassung, angeführt sind.]

[Sonstige Einzelheiten zum Referenzsatz oder zur Methode der Festellung]

[Falls ein Mindestzinssatz gilt: Wenn der gemäß den obigen Bestimmungen für eine Zinsperiode ermittelte Zinssatz niedriger ist als **[Mindestzinssatz]**, so ist der Zinssatz für diese Zinsperiode **[Mindestzinssatz]** (Floor).]

[Falls ein Höchstzinssatz gilt: Wenn der gemäß den obigen Bestimmungen für eine Zinsperiode ermittelte Zinssatz höher ist als **[Höchstzinssatz]**, so ist der Zinssatz für diese Zinsperiode **[Höchstzinssatz]** (Cap).]

[(3)] *Interest Amount.* The Calculation Agent will, on or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest and calculate the amount of interest (the "Interest Amount") payable on the Notes for the relevant Interest Period. The relevant Interest Amount shall be calculated by applying the Rate of Interest and the Day Count Fraction (as defined below) to [the aggregate principal amount of the Notes] [the Specified Denomination] [Other provisions for non-par value Notes] and rounding the resultant figure to the nearest unit of the Specified Currency, with 0.5 of such unit being rounded upwards.

[(4)] *Notification of Rate of Interest and Interest Amount.*

In the case of interest determination in advance:

The Calculation Agent will cause the Rate of Interest, each Interest Amount for each Interest Period, each Interest Period and the relevant Interest Payment Date to be notified (i) to the Issuer, any Paying Agent and, if required by the rules of any stock exchange on which the Notes are from time to time listed, to such stock exchange as soon as possible after their determination, but in no event later than [the first day of the relevant Interest Period] **[insert other time]**, and (ii) to the Holders without delay in accordance with § 13 hereof . Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified to the Issuer, any stock exchange on which the Notes are then listed, any Paying Agent and to the Holders in accordance with § 13.

In the case of interest determination in arrears:

Insert other provisions

[Business Day which differs from the § 1(5) : For the purposes of this paragraph, "Business Day" means any day (other than a Saturday or a Sunday) on which **[if the Specified Currency is EUR or if TARGET is needed for other reasons:** the Trans-European Automated Real-time Gross settlement Express Transfer System 2 (TARGET2) ("TARGET") is operational] **[if the Specified Currency is not EUR or if needed for other reasons:** [and] commercial banks and foreign exchange markets settle payments in **[all relevant financial centres]]**.]

[(3)] *Zinsbetrag.* Die Berechnungsstelle wird zu oder baldmöglichst nach jedem Zeitpunkt, an dem der Zinssatz zu bestimmen ist, den Zinssatz bestimmen und den auf die Schuldverschreibungen zahlbaren Zinsbetrag (der "Zinsbetrag") für die entsprechende Zinsperiode berechnen. Der maßgebliche Zinsbetrag wird ermittelt, indem der Zinssatz und der Zinstagequotient (wie nachstehend definiert) auf [den Gesamtnennbetrag der Schuldverschreibungen] [die festgelegte Stückelung] [Andere Bestimmungen für nennwertlose Schuldverschreibungen] angewendet werden, wobei der resultierende Betrag auf die kleinste Einheit der festgelegten Währung auf- oder abgerundet wird, wobei 0,5 solcher Einheiten aufgerundet werden.

[(4)] *Mitteilung von Zinssatz und Zinsbetrag.*

Im Falle der Zinsfestlegung im Vorhinein:

Die Berechnungsstelle wird veranlassen, dass der Zinssatz, der Zinsbetrag für die jeweilige Zinsperiode, die jeweilige Zinsperiode und der betreffende Zinszahlungstag (i) der Emittentin, jeder Zahlstelle und jeder Börse, an der die betreffenden Schuldverschreibungen zu diesem Zeitpunkt notiert sind und deren Regeln eine Mitteilung an die Börse verlangen, baldmöglichst, aber keinesfalls später als am [ersten Tag der jeweiligen Zinsperiode] **[anderen Zeitpunkt einfügen]** und (ii) den Gläubigern unverzüglich gemäß § 13 [mitgeteilt werden. Im Fall einer Verlängerung oder Verkürzung der Zinsperiode können der mitgeteilte Zinsbetrag und Zinszahlungstag ohne Vorankündigung nachträglich angepasst (oder andere geeignete Anpassungsregelungen getroffen) werden. Jede solche Anpassung wird umgehend der Emittentin, allen Börsen, an denen die Schuldverschreibungen zu diesem Zeitpunkt notiert sind, jeder Zahlstelle sowie den Gläubigern gemäß § 13 mitgeteilt.

Im Falle der Zinsfestlegung im Nachhinein:

Andere Bestimmungen hier einfügen

[Von § 1 Absatz 5 abweichender Geschäftstag: Für die Zwecke dieses Absatzes bezeichnet "Geschäftstag" einen Tag (außer einem Samstag oder Sonntag), an dem **[falls die festgelegte Währung EUR ist oder TARGET aus einem anderen Grund benötigt wird:** das Trans-European Automated Real-time Gross settlement Express Transfer System 2 (TARGET2) ("TARGET") betriebsbereit ist] **[falls die festgelegte Währung nicht EUR ist, oder falls aus anderen Gründen erforderlich:** [und] Geschäftsbanken und Devisenmärkte in **[sämtliche relevanten Finanzzentren]** Zahlungen abwickeln].]

[In the case of Zero Coupon Notes:

(1) *No Periodic Payments of Interest.* There will not be any periodic payments of interest on the Notes.

[In the case of different Amortisation Yields for individual Interest Periods, set forth applicable provisions (including fallback provisions) herein]

[In the case of other structured Notes including Dual Currency Notes, Index Linked Notes, Equity Linked Notes, Commodity Linked Notes and FX Linked Notes, insert applicable provisions herein.]

[(5)] *Accrual of Interest and Default Interest.* If the Issuer shall fail to redeem the Notes when due, interest shall accrue on the [principal][amount] of the Notes from (and including) the due date to (but excluding) the date of actual redemption of the Notes at the default rate of interest established by law¹.

[(6)] *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"):

[If Actual/Actual (ICMA Rule 251) is applicable and if the Calculation Period is equal to or shorter than the Reference Period during which it falls (including in the case of short coupons): the number of days in the Calculation Period divided by **[in the case of Reference Periods of less than one year:** the product of (1)] the number of days in the Reference Period in which the Calculation Period falls **[in the case of Reference Periods of less than one year:** and (2) the number of Interest Payment Dates that occur in one calendar year or that would occur in one calendar year if interest were payable in respect of the whole of such year].]

[If Actual/Actual (ICMA Rule 251) is applicable and if the Calculation Period is longer than one Reference Period (long coupon): the sum of:

(1) the number of days in such Calculation Period falling in the Reference Period in which the Calculation Period begins divided by **[in the case of Reference Periods of less than one year:** the product of (1)] the

[Im Fall von Nullkupon-Schuldverschreibungen:

(1) *Keine periodischen Zinszahlungen.* Es erfolgen keine periodischen Zinszahlungen auf die Schuldverschreibungen.

[Im Falle von unterschiedlichen Emissionsrenditen für einzelne Zinsperioden, relevante Bestimmungen (einschließlich Ersatzregelungen) hier einfügen]

[Im Fall von anderen strukturierten Schuldverschreibungen, einschließlich Doppelwährungs-Schuldverschreibungen, indexierten Schuldverschreibungen, Equity Linked Schuldverschreibungen, Commodity Linked Schuldverschreibungen und FX Linked Schuldverschreibungen, anwendbare Bestimmungen hier einfügen.]

[(5)] *Zinslauf und Verzugszinsen.* Falls die Emittentin die Schuldverschreibungen bei Fälligkeit nicht einlöst, sind die Schuldverschreibungen bezogen auf ihren [Nenn-][Betrag] vom Tag der Fälligkeit an (einschließlich) bis zum Tag der tatsächlichen Rückzahlung der Schuldverschreibungen (ausschließlich) in Höhe des gesetzlich festgelegten Zinssatzes für Verzugszinsen¹ zu verzinsen.

[(6)] *Zinstagequotient.* "Zinstagequotient" bezeichnet im Hinblick auf die Berechnung eines Zinsbetrages auf eine Schuldverschreibung für einen beliebigen Zeitraum (der "Zinsberechnungszeitraum"):

[Falls Actual/Actual (ICMA Regelung 251) anwendbar ist und wenn der Zinsberechnungszeitraum kürzer ist als die Bezugsperiode, in die der Zinsberechnungszeitraum fällt, oder ihr entspricht (einschließlich im Falle eines kurzen Kupons): die Anzahl von Tagen in dem Zinsberechnungszeitraum, geteilt durch **[im Falle von Bezugsperioden, die kürzer sind als ein Jahr:** das Produkt aus (1)] [die] [der] Anzahl der Tage in der Bezugsperiode, in die der Zinsberechnungszeitraum fällt **[im Falle von Bezugsperioden, die kürzer sind als ein Jahr:** und (2) der Anzahl der Zinszahlungstage, die in ein Kalenderjahr fallen oder fallen würden, falls Zinsen für das gesamte Jahr zu zahlen wären].]

[Falls Actual/Actual (ICMA Regelung 251) anwendbar ist und wenn der Zinsberechnungszeitraum länger ist als eine Bezugsperiode (langer Kupon): die Summe aus:

(1) der Anzahl von Tagen in dem Zinsberechnungszeitraum, die in die Bezugsperiode fallen, in welcher der Zinsberechnungszeitraum beginnt, geteilt durch **[im Falle von Bezugsperioden, die**

¹ Der gesetzliche Verzugszinssatz beträgt gemäß §§ 288 Absatz 1, 247 BGB für das Jahr fünf Prozentpunkte über dem von der Deutsche Bundesbank halbjährlich veröffentlichten Basiszinssatz.

¹ According to paragraphs 288(1) and 247 of the German Civil Code (BGB), the default rate of interest established by law is five percentage points above the basic rate of interest published by *Deutsche Bundesbank* semi-annually.

number of days in such Reference Period **[in the case of Reference Periods of less than one year:** and (2) the number of Interest Payment Dates that occur in one calendar year or that would occur in one calendar year if interest were payable in respect of the whole of such year]; and

(2) the number of days in such Calculation Period falling in the next Reference Period divided by **[in the case of Reference Periods of less than one year:** the product of (1)] the number of days in such Reference Period **[in the case of Reference Periods of less than one year:** and (2) the number of Interest Payment Dates that occur in one calendar year or that would occur in one calendar year if interest were payable in respect of the whole of such year.]]

[If Actual/Actual (ICMA Rule 251) is applicable: "Reference Period" means the period from (and including) the Interest Commencement Date to (but excluding) the first Interest Payment Date or from (and including) each Interest Payment Date to (but excluding) the next Interest Payment Date. **[In the case of a short first or last Calculation Period:** For the purposes of determining the [first] [last] Reference Period only, **[deemed Interest Commencement Date or deemed Interest Payment Date]** shall be deemed to be an [Interest Commencement Date] [Interest Payment Date].] **[In the case of a long first or last Calculation Period:** For the purposes of determining the [first] [last] Reference Period only, **[deemed Interest Commencement Date and/or deemed Interest Payment Date(s)]** shall each be deemed to be [Interest Commencement Date][and] [Interest Payment Date[s]].]]

[If Actual/Actual (ISDA): the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365).]

[If Actual/365 (Fixed): the actual number of days in the Calculation Period divided by 365.]

[If Actual/360: the actual number of days in the Calculation Period divided by 360.]

[If 30/360 or Bond Basis: 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 (i) 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

kürzer sind als ein Jahr: das Produkt aus (1)] [die] [der] Anzahl der Tage in dieser Bezugsperiode **[im Falle von Bezugsperioden, die kürzer sind als ein Jahr:** und (2) der Anzahl von Zinszahlungstagen, die in ein Kalenderjahr fallen oder fallen würden, falls Zinsen für das gesamte Jahr zu zahlen wären]; und

(2) der Anzahl von Tagen in dem Zinsberechnungszeitraum, die in die nächste Bezugsperiode fallen, geteilt durch **[im Falle von Bezugsperioden, die kürzer sind als ein Jahr:** das Produkt aus (1)] [die] [der] Anzahl der Tage in dieser Bezugsperiode **[im Falle von Bezugsperioden, die kürzer sind als ein Jahr:** und (2) der Anzahl von Zinszahlungstagen, die in ein Kalenderjahr fallen oder fallen würden, falls Zinsen für das gesamte Jahr zu zahlen wären.]]

[Falls Actual/Actual (ICMA Regelung 251) anwendbar ist: "Bezugsperiode" bezeichnet den Zeitraum ab dem Verzinsungsbeginn (einschließlich) bis zum ersten Zinszahlungstag (ausschließlich) oder von jedem Zinszahlungstag (einschließlich) bis zum nächsten Zinszahlungstag (ausschließlich). **[Im Falle eines ersten oder letzten kurzen Zinsberechnungszeitraumes:** Zum Zwecke der Bestimmung der [ersten] [letzten] Bezugsperiode gilt der **[Fiktive Verzinsungsbeginn oder fiktive Zinszahlungstag]** als [Verzinsungsbeginn] [Zinszahlungstag].] **[Im Falle eines ersten oder letzten langen Zinsberechnungszeitraumes:** Zum Zwecke der Bestimmung der [ersten] [letzten] Bezugsperiode gelten der **[Fiktive Verzinsungsbeginn und/oder fiktive(n) Zinszahlungstag(e)]** als [Verzinsungsbeginn] [und] [Zinszahlungstag[e]].]

[Im Fall von Actual/Actual (ISDA): die tatsächliche Anzahl von Tagen im Zinsberechnungszeitraum, dividiert durch 365 (oder, falls ein Teil dieses Zinsberechnungszeitraumes in ein Schaltjahr fällt, die Summe aus (A) der tatsächlichen Anzahl der in das Schaltjahr fallenden Tage des Zinsberechnungszeitraumes dividiert durch 366 und (B) die tatsächliche Anzahl der nicht in das Schaltjahr fallenden Tage des Zinsberechnungszeitraumes dividiert durch 365).]

[Im Fall von Actual/365 (Fixed): die tatsächliche Anzahl von Tagen im Zinsberechnungszeitraum dividiert durch 365.]

[Im Fall von Actual/360: die tatsächliche Anzahl von Tagen im Zinsberechnungszeitraum dividiert durch 360.]

[Im Fall von 30/360 oder Bond Basis: die Anzahl von Tagen im Zinsberechnungszeitraum dividiert durch 360, wobei die Anzahl der Tage auf der Grundlage eines Jahres von 360 Tagen mit zwölf Monaten zu je 30 Tagen zu ermitteln ist (es sei denn, (i) der letzte Tag des Zinsberechnungszeitraums fällt auf den 31. Tag eines

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 (ii) 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).]

[If 30E/360 or Eurobond Basis: 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, without regard to the date of the first day or last day of the Calculation Period unless, in the case of the final Calculation Period, the Maturity Date 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).]

[If 360/360: the number of days in the Calculation Period divided by 360, calculated on the basis of a year of 360 days with twelve 30-day months.]

[In the case of another Day Count Fraction, set forth applicable provisions herein]

[(7)] Business Day Convention. If the date for payment of any amount in respect of any Note is not a Business Day, it shall be

[If following Business Day Convention: postponed to the next day which is a Business Day.]

[If modified following Business Day Convention: postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event the Interest Payment Date shall be the immediately preceding Business Day.]

[If preceding Business Day Convention: the immediately preceding Business Day.]

[If FRN Convention: postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (i) the Interest Payment Date shall be the immediately preceding Business Day and (ii) each subsequent Interest Payment Date shall be the last Business Day in the month which falls [number] [month] [other specified periods] after the preceding applicable Interest Payment Date.]]

"Interest Period" means the period from (and including) the Interest Commencement Date to (but excluding) the

Monates, während der erste Tag des Zinsberechnungszeitraumes weder auf den 30. noch auf den 31. Tag eines Monats fällt, wobei in diesem Fall der diesen Tag enthaltende Monat nicht als ein auf 30 Tage gekürzter Monat zu behandeln ist, oder (ii) der letzte Tag des Zinsberechnungszeitraumes fällt auf den letzten Tag des Monats Februar, wobei in diesem Fall der Monat Februar nicht als ein auf 30 Tage verlängerter Monat zu behandeln ist).]

[Im Fall von 30E/360 oder Eurobond Basis: die Anzahl der Tage im Zinsberechnungszeitraum dividiert durch 360 (dabei ist die Anzahl der Tage auf der Grundlage eines Jahres von 360 Tagen mit 12 Monaten zu 30 Tagen zu ermitteln, und zwar ohne Berücksichtigung des ersten oder letzten Tages des Zinsberechnungszeitraumes, es sei denn, dass im Falle einer am Rückzahlungstag endenden Zinsperiode der Fälligkeitstag der letzte Tag des Monats Februar ist, in welchem Fall der Monat Februar als nicht auf einen Monat zu 30 Tagen verlängert gilt).]

[Im Fall von 360/360: die Anzahl von Tagen im Zinsberechnungszeitraum dividiert durch 360, berechnet auf der Grundlage eines Jahres von 360 Tagen mit zwölf Monaten zu je 30 Tagen.]

[Im Fall eines anderen Zinstagesquotienten, anwendbare Bestimmungen hier einfügen.]

[(7)] Geschäftstagekonvention. Fällt der Tag der Fälligkeit einer Zahlung in Bezug auf eine Schuldverschreibung auf einen Tag, der kein Geschäftstag ist, dann wird er

[bei Anwendung der folgender Geschäftstag-Konvention: auf den nachfolgenden Geschäftstag verschoben.]

[bei Anwendung der modifizierten folgender Geschäftstag-Konvention: auf den nachfolgenden Geschäftstag verschoben, es sei denn, jener würde dadurch in den nächsten Kalendermonat fallen; in diesem Fall wird der Zinszahlungstag auf den unmittelbar vorhergehenden Geschäftstag vorgezogen.]

[bei Anwendung der vorhergegangener Geschäftstag-Konvention: auf den unmittelbar vorhergehenden Geschäftstag vorgezogen.]

[bei Anwendung der FRN-Konvention: auf den nachfolgenden Geschäftstag verschoben, es sei denn, jener würde dadurch in den nächsten Kalendermonat fallen; in diesem Fall (i) wird der Zinszahlungstag auf den unmittelbar vorhergehenden Geschäftstag vorgezogen und (ii) ist jeder nachfolgende Zinszahlungstag der jeweils letzte Geschäftstag des Monats der [Zahl] [Monate] [andere festgelegte Zeiträume] nach dem vorhergehenden anwendbaren Zinszahlungstag liegt.]

"Zinsperiode" bezeichnet den Zeitraum von dem Verzinsungsbeginn (einschließlich) bis zum ersten

first Interest Payment Date and from (and including) each Interest Payment Date to (but excluding) the following Interest Payment Date.

§ 4 PAYMENTS

(1) [(a)] *Payment of Principal.* Payment of principal and any additional amounts in respect of the 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 (except in the case of partial payment) surrender of the Global Note representing the Notes at the time of payment at the specified office of the Fiscal Agent.

[In the case of Notes other than Zero Coupon Notes:

(b) *Payment of Interest.* Payment of interest on the Notes and any additional amounts 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.

[In the case of interest payable on a Temporary Global Note: Payment of interest on Notes represented by the Temporary Global Note 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, upon due certification as provided in § 1(2) (c).]

[In the case of Short-Term Subordinated Notes: No redemption or interest payments may be made that would result in the Issuer's eligible own funds falling below the minimum own funds requirements pursuant to § 22 paragraph 1 n°s 1 through 5 BWG (or if the eligible own funds are below such minimum own funds requirement).]

[In the case of Supplementary Capital Notes: Payments of principal or interest may only be made if net losses incurred during their term to maturity have been deducted on a pro-rata basis. Payments of interest may only be made if such interest payments are covered by the Issuer's distributable profits.]]

(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 freely negotiable and convertible currency which on the respective due date is the currency of the country of the Specified Currency.

Zinszahlungstag (ausschließlich) bzw. von jedem Zinszahlungstag (einschließlich) bis zum jeweils darauffolgenden Zinszahlungstag (ausschließlich).

§ 4 ZAHLUNGEN

(1) [(a)] *Zahlungen von Kapital.* Die Zahlung von Kapital und etwaiger zusätzlicher Beträge in Bezug auf die Schuldverschreibungen erfolgen nach Maßgabe des nachstehenden Absatzes 2 an das Clearingsystem oder dessen Order zur Gutschrift auf den Konten der jeweiligen Kontoinhaber des Clearingsystems gegen Vorlage und (außer im Fall von Teilzahlungen) Einreichung der die Schuldverschreibungen zum Zeitpunkt der Zahlung verbriefenden Globalurkunde bei der bezeichneten Geschäftsstelle der Emissionsstelle.

[Im Fall von Schuldverschreibungen, die keine Nullkupon-Schuldverschreibungen sind:

(b) *Zahlung von Zinsen.* Die Zahlung von Zinsen und etwaiger zusätzlicher Beträge auf Schuldverschreibungen erfolgt nach Maßgabe von Absatz 2 an das Clearingsystem oder dessen Order zur Gutschrift auf den Konten der jeweiligen Kontoinhaber des Clearingsystems.

[Im Fall von Zinszahlungen auf eine vorläufige Globalurkunde: Die Zahlung von Zinsen auf Schuldverschreibungen, die durch die Vorläufige Globalurkunde verbrieft sind, erfolgt nach Maßgabe von Absatz 2 an das Clearingsystem oder dessen Order zur Gutschrift auf den Konten der jeweiligen Kontoinhaber des Clearingsystems, und zwar nach ordnungsgemäßer Bescheinigung gemäß § 1 Absatz 2 (c).]

[Im Fall von Kurzfristigen Nachrangigen Schuldverschreibungen: Es dürfen weder Tilgungs- noch Zinszahlungen geleistet werden, die zur Folge hätten, dass die anrechenbaren Eigenmittel der Emittentin unter das Mindesteigenmittelerfordernis gemäß § 22 Abs. 1 Z 1 bis 5 BWG absinken (oder wenn die anrechenbaren Eigenmittel unter diesem Mindesteigenmittelerfordernis liegen).]

[Im Fall von Ergänzungskapital-Schuldverschreibungen: Zahlungen von Kapital dürfen nur unter anteiligem Abzug der während der Laufzeit angefallenen Nettoverluste geleistet werden. Zahlungen von Zinsen dürfen nur geleistet werden, soweit sie im ausschüttungsfähigen Gewinn der Emittentin gedeckt sind.]]

(2) *Zahlungsweise.* Vorbehaltlich geltender steuerlicher und sonstiger gesetzlicher Regelungen und Vorschriften erfolgen zu leistende Zahlungen auf die Schuldverschreibungen in der frei handelbaren und konvertierbaren Währung, die am entsprechenden Fälligkeitstag die Währung des Staates der festgelegten Währung ist.

[In the case of Notes not denominated in Euro and not denominated in Renminbi:

If the Issuer determines that the amount payable on the respective Payment Business Day is not available to it in such freely negotiable and convertible funds for reasons beyond its control or that the Specified Currency or any successor currency to it provided for by law (the "**Successor Currency**") is no longer used for the settlement of international financial transactions, the Issuer may fulfil its payment obligations by making such payment in Euro on, or as soon as reasonably practicable after, the respective Payment Business Day on the basis of the Applicable Exchange Rate. Holders shall not be entitled to [further] interest or any other payment as a result thereof. The "**Applicable Exchange Rate**" shall be, (i) if available, the Euro foreign exchange reference rate for the Specified Currency or the Successor Currency determined and published by the European Central Bank for the most recent practicable date falling within a reasonable period (as determined by the Issuer in its equitable discretion) prior to the day on which the payment is made or, (ii) if such rate is not available, the foreign exchange rate of the Specified Currency or the Successor Currency against the Euro as determined by the Issuer in its equitable discretion.]

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

(4) *Payment Business Day.* If the date for payment of any amount in respect of any Note is not a Business Day, then the Holder shall not be entitled to payment until the next such day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay.

[In case the Specified Currency is Renminbi, the following shall apply:

(5) *Payment of U.S. Dollar Equivalent.* Notwithstanding the foregoing, if by reason of Inconvertibility, Non-transferability or Illiquidity, the Issuer is not able to satisfy payments of principal or interest (in whole or in part) in respect of the Notes when due in Renminbi, the Issuer shall, by sending an irrevocable notice not less than five or more than 30 calendar days prior to the due date for payment to the Holders, settle any such payment (in whole or in part) in U.S. Dollars on the due date at the U.S. Dollar Equivalent of any such Renminbi denominated amount. In case the Issuer needs to satisfy payments of principal or interest in part in Renminbi and in part in U.S. Dollars, it shall to the extent possible make payment to each Holder in the same pro rata amount of Renminbi and U.S. Dollar in accordance with

[Im Fall von Schuldverschreibungen, die nicht auf Euro oder Renminbi lauten:

Stellt die Emittentin fest, dass zu zahlende Beträge am betreffenden Zahltag aufgrund von Umständen, die außerhalb ihrer Verantwortung liegen, in frei übertragbaren und konvertierbaren Geldern für sie nicht verfügbar sind, oder dass die festgelegte Währung oder eine gesetzlich eingeführte Nachfolge-Währung (die "**Nachfolge-Währung**") nicht mehr für die Abwicklung von internationalen Finanztransaktionen verwendet wird, kann die Emittentin ihre Zahlungsverpflichtungen am jeweiligen Zahltag oder sobald wie es nach dem Zahltag vernünftigerweise möglich ist durch eine Zahlung in Euro auf der Grundlage des anwendbaren Wechselkurses erfüllen. Die Gläubiger sind nicht berechtigt, [weitere] Zinsen oder sonstige Zahlungen in Bezug auf eine solche Zahlung zu verlangen. Der "**anwendbare Wechselkurs**" ist (i) falls verfügbar, derjenige Wechselkurs des Euro zu der festgelegten Währung oder der Nachfolge-Währung, der von der Europäischen Zentralbank für einen Tag festgelegt und veröffentlicht wird, der innerhalb eines angemessenen Zeitraums (gemäß Bestimmung der Emittentin nach billigem Ermessen) vor und so nahe wie möglich an dem Tag liegt, an dem die Zahlung geleistet wird, oder (ii) falls kein solcher Wechselkurs verfügbar ist, der von der Emittentin nach billigem Ermessen festgelegte Wechselkurs des Euro zu der festgelegten Währung oder der Nachfolge-Währung.]

(3) *Erfüllung.* Die Emittentin wird durch Leistung der Zahlung an das Clearingsystem oder dessen Order von ihrer Zahlungspflicht befreit.

(4) *Zahltage.* Fällt der Tag der Fälligkeit einer Zahlung in Bezug auf eine Schuldverschreibung auf einen Tag, der kein Geschäftstag ist, dann hat der Gläubiger keinen Anspruch auf Zahlung vor dem nächsten Geschäftstag am jeweiligen Geschäftsort. Der Gläubiger ist nicht berechtigt, weitere Zinsen oder sonstige Zahlungen aufgrund dieser Verspätung zu verlangen.

[Im Fall, dass die Festgelegte Währung Renminbi ist, gilt das Folgende:

(5) *Zahlung des Gegenwerts in U.S.-Dollar.* Für den Fall, dass die Emittentin ungeachtet des Vorstehenden aufgrund von Nichtkonvertierbarkeit, Nichttransferierbarkeit oder Illiquidität nicht in der Lage ist, unter den Schuldverschreibungen fällige Kapitalbeträge oder Zinsen (ganz oder teilweise) in Renminbi zu zahlen, wird die Emittentin nach Versendung einer unwiderruflichen Mitteilung frühestens 30 Kalendertage und spätestens 5 Kalendertage vor dem Tag, an dem die Zahlung an die Gläubiger fällig wird, eine solche Zahlung am Fälligkeitstag (ganz oder teilweise) in U.S.-Dollar in dem Gegenwert in U.S.-Dollar zu dem auf Renminbi lautenden Betrag tätigen. Sofern die Emittentin Zahlungen von Kapital- oder Zinsbeträgen teilweise in

the rules of the Clearing System from time to time.

For the purposes of these Conditions, "U.S. Dollar Equivalent" means the Renminbi amount converted into U.S. Dollars using the Spot Rate for the relevant Determination Date.

For this purpose

"Calculation Agent" means [•];

"Renminbi" or "CNY" means the lawful currency of the PRC;

"Renminbi Dealer" means an independent foreign exchange dealer of international repute active in the Renminbi exchange market in Hong Kong;

"Determination Business Day" means a day (other than a Saturday or Sunday) on which commercial banks are open for general business (including dealings in foreign exchange) in Hong Kong, Beijing, London, TARGET and in New York City;

"Determination Date" means the day which is two Determination Business Days before the due date for any payment of the relevant amount under these Conditions;

"Governmental Authority" means any de facto or de jure government (or any agency or instrumentality thereof), court, tribunal, administrative or other governmental authority or any other entity (private or public) charged with the regulation of the financial markets (including the central bank) of the PRC and Hong Kong;

"Hong Kong" means the Hong Kong Special Administrative Region of the PRC;

"Illiquidity" means where the general Renminbi exchange market in Hong Kong becomes illiquid as a result of which the Issuer cannot obtain sufficient Renminbi in order to satisfy its obligation to pay interest or principal (in whole or in part) in respect of the Notes as determined by the Issuer in good faith and in a commercially reasonable manner following consultation (if practicable) with two Renminbi Dealers;

"Inconvertibility" means the occurrence of any event that makes it impossible for the Issuer to convert any amount due in respect of the Notes in the general Renminbi exchange market in Hong Kong, other than

Renminbi und teilweise in U.S.-Dollar zu tätigen hat, wird sie die Zahlungen an jeden Anteilinhaber soweit wie möglich im gleichen anteiligen Verhältnis zwischen Renminbi und U.S.-Dollar gemäß den jeweils geltenden Vorschriften des Clearingsystems tätigen.

Für die Zwecke dieser Bedingungen steht der Begriff "Gegenwert in U.S.-Dollar" für den auf der Grundlage des an dem betreffenden Festlegungstag geltenden Kassakurses in U.S.-Dollar konvertierten Renminbi-Betrag.

Zu diesem Zweck:

ist die "Berechnungsstelle" die [•];

steht "Renminbi" oder "CNY" für die gesetzmäßige Währung der VRC;

ist ein "Renminbi-Händler" ein unabhängiger, international renommierter, am Renminbi-Devisenmarkt in Hongkong tätiger Devisenhändler;

ist ein "Geschäftstag zu Festlegungszwecken" ein Tag (außer Samstag und Sonntag), an dem die Geschäftsbanken in Hongkong, Peking, London, TARGET und New York City für den üblichen Geschäftsbetrieb (einschließlich Devisengeschäfte) geöffnet sind;

ist ein "Festlegungstag" der Tag, der zwei Geschäftstage zu Festlegungszwecken vor dem Tag liegt, an dem Zahlungen des betreffenden Betrags gemäß diesen Bedingungen fällig sind;

ist eine "Regierungsbehörde" jede faktische bzw. laut Gesetz bestehende Regierungsstelle (oder öffentliche Institution oder eine Unterabteilung davon), jedes Gericht, Tribunal, jede Verwaltungs- oder Regierungsbehörde oder sonstige (öffentlich-rechtliche oder zivilrechtliche) juristische Person, die mit der Regulierung der Finanzmärkte (einschließlich der Zentralbank) in der VRC und Hongkong betraut ist;

steht "Hongkong" für die Sonderverwaltungsregion Hongkong der VRC;

bezeichnet "Illiquidität" einen Zustand, der eintritt, wenn der allgemeine Devisenmarkt für Renminbi in Hongkong nicht mehr ausreichend liquide ist, und sich die Emittentin aus diesem Grund nicht genügend Renminbi zur Erfüllung ihrer Verpflichtung zur (vollständigen oder teilweisen) Zahlung von Kapitalbeträgen oder Zinsen unter den Schuldverschreibungen beschaffen kann, wobei die Emittentin dies nach Treu und Glauben, in einer nach wirtschaftlichen Gesichtspunkten angemessenen Weise, sowie (wenn möglich) nach Rücksprache mit zwei Renminbi-Händlern feststellt;

bezeichnet "Nichtkonvertierbarkeit" den Eintritt eines Ereignisses, aufgrund dessen die Emittentin nicht mehr die Möglichkeit hat, einen im Zusammenhang mit den Schuldverschreibungen fälligen Betrag auf dem

where such impossibility is due solely to the failure of the Issuer to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after *[Issue Date]* and it is impossible for the Issuer, due to an event beyond its control or any other applicable laws in Austria, to comply with such law, rule or regulation);

"Non-transferability" means the occurrence of any event that makes it impossible for the Issuer to transfer Renminbi between accounts inside Hong Kong or from an account inside Hong Kong to an account outside Hong Kong and outside the PRC or from an account outside Hong Kong and outside the PRC to an account inside Hong Kong, other than where such impossibility is due solely to the failure of the Issuer to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after *[Issue Date]* and it is impossible for the Issuer, due to an event beyond its control or any other applicable laws in Austria, to comply with such law, rule or regulation);

"PRC" means the People's Republic of China which, for the purpose of these Conditions, shall exclude Hong Kong, the Macau Special Administrative Region of the People's Republic of China and Taiwan; and

"Spot Rate" means the spot CNY/U.S. Dollar exchange rate for the purchase of U.S. dollars with Renminbi in the over-the-counter Renminbi exchange market in Hong Kong for settlement in two Determination Business Days, as determined by the Calculation Agent at or around 11 a.m. (Hong Kong time) on the Determination Date, on a deliverable basis by reference to Reuters Screen Page TRADCN3, or if no such rate is available, on a non-deliverable basis by reference to Reuters Screen Page TRADNDF. If neither rate is available, the Calculation Agent will determine the Spot Rate at or around 11 a.m. (Hong Kong time) on the Determination Date as the most recently available CNY/U.S. Dollar official fixing rate for settlement in two Determination Business Days reported by The State Administration of Foreign Exchange of the PRC, which is reported on the Reuters Screen Page CNY=SAEC. Reference to a page on the Reuters Screen means the display page so designated on the Reuters Monitor Money Rates Service (or any successor service) or such other page as may replace that page for the purpose of displaying a comparable currency exchange rate.

allgemeinen Devisenmarkt für Renminbi in Hongkong zu konvertieren, es sei denn, diese Unmöglichkeit ist alleine darauf zurückzuführen, dass die Emittentin ein Gesetz, eine Regel oder Vorschrift, die von einer Regierungsbehörde erlassen wurde, nicht einhält (es sei denn, ein solches Gesetz, eine Regel oder Vorschrift ist nach dem *[Begebungstag]* erlassen worden und die Emittentin ist aufgrund eines außerhalb ihres Einflussbereichs liegenden Ereignisses oder sonstiger, in Österreich geltender Gesetze nicht in der Lage, das betreffende Gesetz, die Regel oder Vorschrift einzuhalten);

bezeichnet "Nichttransferierbarkeit" den Eintritt eines Ereignisses, aufgrund dessen die Emittentin nicht mehr die Möglichkeit hat, Renminbi zwischen Konten innerhalb von Hongkong oder von einem Konto in Hongkong auf ein Konto außerhalb von Hongkong und außerhalb der VRC, oder von einem Konto außerhalb von Hongkong und außerhalb der VRC auf ein Konto in Hongkong zu transferieren, es sei denn, diese Unmöglichkeit ist alleine darauf zurückzuführen, dass die Emittentin ein Gesetz, eine Regel oder Vorschrift, die von einer Regierungsbehörde erlassen wurde, nicht einhält (es sei denn, ein solches Gesetz, eine Regel oder Vorschrift ist nach dem *[Begebungstag]* erlassen worden und die Emittentin ist aufgrund eines außerhalb ihres Einflussbereichs liegenden Ereignisses oder sonstiger, in Österreich geltender Gesetze nicht in der Lage, das betreffende Gesetz, die Regel oder Vorschrift einzuhalten);

steht "VRC" für die Volksrepublik China, wobei für die Zwecke dieser Bedingungen Hongkong, die Sonderverwaltungsregion Macau der Volksrepublik China und Taiwan als ausgenommen gelten; und

steht "Kassakurs" (*Spot Rate*) für den Devisenkassakurs zwischen Renminbi und U.S.-Dollar für den Kauf von U.S.-Dollar mit Renminbi auf dem außerbörslichen Renminbi Devisenmarkt in Hongkong mit Valutierung nach zwei Geschäftstagen zu Festlegungszwecken zu dem von der Berechnungsstelle am Festlegungstag um ca. 11.00 Uhr (Hongkonger Zeit), unter der Annahme einer tatsächlichen Abwicklung (*on a deliverable basis*), unter Heranziehung der Bildschirmseite TRADCN3 von Reuters festgelegten Kurs, und, sofern ein solcher Kurs nicht zur Verfügung steht, unter der Annahme eines synthetischen Geschäfts (*on a non-deliverable basis*), unter Heranziehung der Bildschirmseite TRADNDF von Reuters. Sofern keiner dieser Kurse verfügbar ist, wird die Berechnungsstelle den Kassakurs um ca. 11.00 Uhr (Hongkonger Zeit) am Festlegungstag als aktuellsten verfügbaren offiziellen Kurs für Transaktionen mit Valuta nach zwei Geschäftstagen zu Festlegungszwecken zwischen Renminbi und U.S.-Dollar festlegen, wie vom staatlichen Devisenamt der VRC (*State Administration of Foreign Exchange of the PRC*) veröffentlicht, der auf der Bildschirmseite CNY=SAEC von Reuters veröffentlicht wird. Verweise auf Bildschirmseiten von Reuters beziehen sich auf von

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this § 4(5) by the Calculation Agent, will (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Agents and all Holders.]

§ 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 **[in the case of a specified Maturity Date insert such Maturity Date]** **[in the case of a Redemption Month: the Interest Payment Date falling in [Redemption Month]]** (the "Maturity Date"). The Final Redemption Amount in respect of each Note shall be **[if the Notes are redeemed at their principal amount: its principal amount] [otherwise insert the relevant Final Redemption Amount]**.

[In case of adjustments of Interest Periods insert provisions regarding adjustment of Final Redemption Amount.]

(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, the Issuer is required to pay Additional Amounts (as defined in § 7 herein) **[in the case of Notes other than Zero Coupon Notes: on the next succeeding Interest Payment Date (as defined in § 3(2))]** **[in the case of Zero Coupon Notes: at maturity or upon the sale or exchange of any Note]**, 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 Fiscal Agent and, in accordance with § 13 to the Holders, at their Early Redemption Amount (as defined below) **[in the case of Notes other than Zero Coupon Notes: together with interest (if any) accrued to the date fixed for redemption]**.

Reuters so bezeichnete Monitor Money Rates Service Seiten (oder einen an dessen Stelle tretenden Dienst) oder auf andere Seiten, die diese Seiten zum Zwecke der Darstellung eines vergleichbaren Devisenwechselkurses gegebenenfalls ersetzen.

Sämtliche Mitteilungen, Stellungnahmen, Festlegungen, Bescheinigungen, Berechnungen, Quotierungen oder Entscheidungen, die von der Berechnungsstelle zum Zwecke der Bestimmungen dieses § 4(5) gemacht oder getroffen werden oder von dieser eingeholt werden, sind (sofern kein Vorsatz, keine Arglist und kein offensichtlicher Irrtum vorliegt) für die Emittentin, die beauftragten Stellen sowie für alle Gläubiger bindend.]

§ 5 RÜCKZAHLUNG

(1) *Rückzahlung bei Endfälligkeit.* Soweit nicht zuvor bereits ganz oder teilweise zurückgezahlt oder angekauft und entwertet, werden die Schuldverschreibungen zu ihrem Rückzahlungsbetrag am **[im Fall eines festgelegten Rückzahlungstages, Rückzahlungstag einfügen]** **[im Fall eines Rückzahlungsmonats: in den [Rückzahlungsmonat] fallenden Zinszahlungstag]** (der "Rückzahlungstag") zurückgezahlt. Der Rückzahlungsbetrag in Bezug auf jede Schuldverschreibung entspricht **[falls die Schuldverschreibungen zu ihrem Nennbetrag zurückgezahlt werden: dem Nennbetrag der Schuldverschreibungen] [ansonsten den entsprechenden Rückzahlungsbetrag einfügen]**.

[Im Fall von Anpassungen von Zinsperioden ggf. Regelungen für Anpassung des Rückzahlungsbetrages einfügen.]

(2) *Vorzeitige Rückzahlung aus steuerlichen Gründen.* Die Schuldverschreibungen können insgesamt, jedoch nicht teilweise, nach Wahl der Emittentin mit einer Kündigungsfrist von nicht weniger als 30 und nicht mehr als 60 Tagen gegenüber der Emissionsstelle und gemäß § 13 gegenüber den Gläubigern vorzeitig gekündigt und zu ihrem Vorzeitigen Rückzahlungsbetrag (wie nachstehend definiert) **[im Fall von Schuldverschreibungen, die keine Nullkupon-Schuldverschreibungen sind: zuzüglich bis zum für die Rückzahlung festgesetzten Tag aufgelaufener Zinsen]** zurückgezahlt werden, falls die Emittentin als Folge einer Änderung oder Ergänzung der Steuer- oder Abgabengesetze und -vorschriften der Republik Österreich oder deren politischen Untergliederungen oder Steuerbehörden oder als Folge einer Änderung oder Ergänzung der Anwendung oder der offiziellen Auslegung dieser Gesetze und Vorschriften (vorausgesetzt diese Änderung oder Ergänzung wird am oder nach dem Tag, an dem die letzte Tranche dieser Serie von Schuldverschreibungen begeben wird, wirksam) **[im Fall von Schuldverschreibungen, die nicht Nullkupon-Schuldverschreibungen sind: am nächstfolgenden Zinszahlungstag (wie in § 3 Absatz 2 definiert)]** **[im**

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 were 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. **[In the case of Floating Rate Notes:** The date fixed for redemption must be an Interest Payment Date.]

Any such notice shall be given in accordance with § 13. 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.

[If Notes are subject to Early Redemption at the Option of the Issuer:

(3) Early Redemption at the Option of the Issuer.

(a) The Issuer may, upon notice given in accordance with sub-paragraph (b), redeem all or some of the Notes on the Call Redemption Date(s) at the Call Redemption Amount(s) set forth below together with accrued interest, if any, to (but excluding) the Call Redemption Date. **[If Minimum Redemption Amount or Higher Redemption Amount applies:** Any such redemption must be of a principal amount equal to [at least **[Minimum Redemption Amount]]** **[Higher Redemption Amount].]**

Call Redemption Date(s)
[Call Redemption Date(s)]

Call Redemption Amount(s)
[Call Redemption Amount(s)]

[If Notes are subject to Early Redemption at the Option of the Holder: The Issuer may not exercise such option in respect of any Note which is the subject of the prior exercise by the Holder thereof of its option to require the redemption of such Note under subparagraph (4) of this § 5.]

(b) Notice of redemption shall be given by the Issuer to the Holders of the Notes in accordance with § 13. Such notice shall specify:

Fall von Nullkupon-Schuldverschreibungen: bei Fälligkeit oder im Fall des Kauf oder Tauschs einer Schuldverschreibung] zur Zahlung von zusätzlichen Beträgen (wie in § 7 dieser Bedingungen definiert) verpflichtet sein wird und diese Verpflichtung nicht durch das Ergreifen vernünftiger der Emittentin zur Verfügung stehender Maßnahmen vermieden werden kann.

Eine solche Kündigung darf allerdings nicht (i) früher als 90 Tage vor dem frühestmöglichen Termin erfolgen, an dem die Emittentin verpflichtet wäre, solche zusätzlichen Beträge zu zahlen, falls eine Zahlung auf die Schuldverschreibungen dann fällig sein würde, oder (ii) erfolgen, wenn zu dem Zeitpunkt, zu dem die Kündigung erfolgt, die Verpflichtung zur Zahlung von zusätzlichen Beträgen nicht mehr wirksam ist. **[Im Fall von variabel verzinslichen Schuldverschreibungen:** Der für die Rückzahlung festgelegte Termin muss ein Zinszahlungstag sein.]

Eine solche Kündigung hat gemäß § 13 zu erfolgen. Sie ist unwiderruflich, muss den für die Rückzahlung festgelegten Termin nennen und eine zusammenfassende Erklärung enthalten, welche die das Rückzahlungsrecht der Emittentin begründenden Umstände darlegt.

[Falls die Emittentin ein Wahlrecht hat, die Schuldverschreibungen vorzeitig zurückzuzahlen:

(3) Vorzeitige Rückzahlung nach Wahl der Emittentin.

(a) Die Emittentin kann, nachdem sie gemäß Absatz (b) gekündigt hat, die Schuldverschreibungen insgesamt oder teilweise am/an den Wahl-Rückzahlungstag (Call) zum/zu den Wahl-Rückzahlungsbetrag/beträgen (Call), wie nachstehend angegeben, nebst etwaigen bis zum Wahl-Rückzahlungstag (Call) (ausschließlich) aufgelaufenen Zinsen zurückzahlen. **[Bei Geltung eines Mindestrückzahlungsbetrages oder eines erhöhten Rückzahlungsbetrages:** Eine solche Rückzahlung muss in Höhe eines Nennbetrages von [mindestens **[Mindestrückzahlungsbetrag]]** **[erhöhten Rückzahlungsbetrag]** erfolgen.]

Wahl-Rückzahlungstag (Call)
[Wahl-Rückzahlungstag(e)]

Wahl-Rückzahlungsbetrag/beträge (Call)
[Wahl-Rückzahlungsbetrag/beträge]

[Falls der Gläubiger ein Wahlrecht hat, die Schuldverschreibungen vorzeitig zu kündigen: Der Emittentin steht dieses Wahlrecht nicht in Bezug auf eine Schuldverschreibung zu, deren Rückzahlung bereits der Gläubiger in Ausübung seines Wahlrechts nach Absatz (4) dieses § 5 verlangt hat.]

(b) Die Kündigung ist den Gläubigern der Schuldverschreibungen durch die Emittentin gemäß § 13 bekannt zu geben. Sie beinhaltet die folgenden Angaben:

- (i) the Series of Notes subject to redemption;
- (ii) whether such Series is to be redeemed in whole or in part only and, if in part only, the aggregate principal amount of the Notes which are to be redeemed;
- (iii) the Call Redemption Date, which shall be not less than **[Minimum Notice to Holders]** nor more than **[Maximum Notice to Holders]** [days] [Business Days [(as defined in § 1 (5))]] after the date on which notice is given by the Issuer to the Holders; and
- (iv) the Call Redemption Amount at which such Notes are to be redeemed.
- [(c)] In the case of a partial redemption of Notes, Notes to be redeemed shall be selected in accordance with the rules of the relevant Clearing System.

[If the Notes are subject to Early Redemption at the Option of a Holder:

[(4)] Early Redemption at the Option of a Holder.

- (a) The Issuer shall, at the option of the Holder of any Note, redeem such Note on the Put Redemption Date(s) at the Put Redemption Amount(s) set forth below together with accrued interest, if any, to (but excluding) the Put Redemption Date.

Put Redemption Date(s)
[Put Redemption Date(s)]

Put Redemption Amount(s)
[Put Redemption Amount(s)]

The Holder may not exercise such option in respect of any Note which is the subject of the prior exercise by the Issuer of its option to redeem such Note under this § 5.

- (b) In order to exercise such option, the Holder must, not less than **[Minimum Notice to Issuer]** nor more than **[Maximum Notice to Issuer]** days before the Put Redemption Date on which such redemption is required to be made as specified in the Put Notice (as defined below), send to the specified office of the Fiscal Agent an early redemption notice in written form ("Put Notice"). In the event that the Put Notice is received after 5 p.m. Vienna time on the last day of the notice period before the Put Redemption Date, the option shall not have been validly exercised. The Put Notice must specify (i) the total principal amount of the Notes in respect of which such option is exercised, [and] (ii) the securities identification numbers of such Notes, if any. The Put Notice may be in the form available from the

- (i) die zurückzuzahlende Serie von Schuldverschreibungen;

- (ii) eine Erklärung, ob diese Serie ganz oder teilweise zurückgezahlt wird und im letzteren Fall den Gesamtnennbetrag der zurückzuzahlenden Schuldverschreibungen;

- (iii) den Wahl-Rückzahlungstag (Call), der nicht weniger als **[Mindestkündigungsfrist]** und nicht mehr als **[Höchstkündigungsfrist]** [Tage] [Geschäftstage [(wie in § 1 Absatz 5 definiert)]] nach dem Tag der Kündigung durch die Emittentin gegenüber den Gläubigern liegen darf; und]

- (iv) den Wahl-Rückzahlungsbetrag (Call), zu dem die Schuldverschreibungen zurückgezahlt werden.

- [(c)] Wenn die Schuldverschreibungen nur teilweise zurückgezahlt werden, werden die zurückzuzahlenden Schuldverschreibungen in Übereinstimmung mit den Regeln des betreffenden Clearingsystems ausgewählt.

[Falls der Gläubiger ein Wahlrecht hat, die Schuldverschreibungen vorzeitig zu kündigen:

[(4)] Vorzeitige Rückzahlung nach Wahl des Gläubigers.

- (a) Die Emittentin hat eine Schuldverschreibung nach Ausübung des entsprechenden Wahlrechts durch den Gläubiger am/an den Wahl-Rückzahlungstag(en) (Put) zum/zu den Wahl-Rückzahlungsbetrag/beträgen (Put), wie nachstehend angegeben nebst etwaigen bis zum Wahl-Rückzahlungstag (Put) (ausschließlich) aufgelaufener Zinsen zurückzuzahlen.

Wahl-Rückzahlungstag(e) (Put)
[Wahl-Rückzahlungstag(e)]

Wahl-Rückzahlungsbetrag/beträge (Put)
[Wahl-Rückzahlungsbetrag/beträge]

Dem Gläubiger steht dieses Wahlrecht nicht in Bezug auf eine Schuldverschreibung zu, deren Rückzahlung die Emittentin zuvor in Ausübung ihres Wahlrechts nach diesem § 5 verlangt hat.

- (b) Um dieses Wahlrecht auszuüben, hat der Gläubiger nicht weniger als **[Mindestkündigungsfrist]** Tage und nicht mehr als **[Höchstkündigungsfrist]** Tage vor dem Wahl-Rückzahlungstag (Put), an dem die Rückzahlung gemäß der Ausübungserklärung (wie nachstehend definiert) erfolgen soll, an die bezeichnete Geschäftsstelle der Emissionsstelle eine schriftliche Mitteilung zur vorzeitigen Rückzahlung ("Ausübungserklärung") zu schicken. Falls die Ausübungserklärung am letzten Tag der Kündigungsfrist vor dem Wahl-Rückzahlungstag (Put) nach 17:00 Uhr Wiener Zeit eingeht, ist das Wahlrecht nicht wirksam ausgeübt. Die Ausübungserklärung hat anzugeben: (i) den gesamten Nennbetrag der Schuldverschreibungen, für die das Wahlrecht ausgeübt

specified offices of the Fiscal Agent and the Paying Agent[s] in the German and English language. No option so exercised may be revoked or withdrawn. The Issuer shall only be required to redeem Notes in respect of which such option is exercised against delivery of such Notes to the Issuer or to its order.]

[Senior Notes other than Zero Coupon Notes:

[(5)] *Early Redemption Amount.*

For purposes of subparagraph (2) of this § 5 and § 9, the Early Redemption Amount of a Note shall be its Final Redemption Amount in accordance with subparagraph (1) of this § 5.]

[Subordinated Instruments other than Zero Coupon Notes and Supplementary Capital Notes:

[(5)] *Early Redemption Amount.*

For the purposes of subparagraph (2) of this § 5, the Early Redemption Amount of a Note shall be its Final Redemption Amount in accordance with subparagraph (1) of this § 5.]

[In the case of Supplementary Capital Notes:

[(5)] *Early Redemption Amount.*

For purposes of subparagraph (2) of this § 5, the Early Redemption Amount of a Note shall be its Final Redemption Amount after pro rata deduction of net losses incurred during the term of the Notes.]

[In the case of Zero Coupon Notes:

[(5)] *Early Redemption Amount.*

(a) For purposes of subparagraph (2) of this § 5 **[Senior Notes:** and § 9], the Early Redemption Amount of a Note shall be equal to the Amortised Face Amount of the Note in accordance with subparagraph (b) of this paragraph 5.

(b) **[In the case of accrued interest being added:** The amortised face amount ("Amortised Face Amount") of a Note shall be an amount equal to the sum of:

- (i) **[Reference Price]** (the "Reference Price"), and
- (ii) the product of **[Amortisation Yield]** (compounded annually) and the Reference Price from (and including) **[Issue Date]** to (but excluding) the date fixed for redemption or (as the case may be) the date upon which the Notes become due and payable].

wird [und][,] (ii) die Wertpapierkennnummern dieser Schuldverschreibungen (soweit vergeben). Für die Ausübungserklärung kann ein Formblatt, wie es bei den bezeichneten Geschäftsstellen der Emissionsstelle und der Zahlstelle[n] in deutscher und englischer Sprache erhältlich ist, verwendet werden. Die Ausübung des Wahlrechts kann nicht widerrufen werden. Die Rückzahlung der Schuldverschreibungen, für welche das Wahlrecht ausgeübt worden ist, erfolgt nur gegen Lieferung der Schuldverschreibungen an die Emittentin oder deren Order.]

[Nicht nachrangige Schuldverschreibungen (außer Nullkupon-Schuldverschreibungen):

[(5)] *Vorzeitiger Rückzahlungsbetrag.*

Für die Zwecke von Absatz 2 dieses § 5 und § 9, entspricht der Vorzeitige Rückzahlungsbetrag einer Schuldverschreibung dem Rückzahlungsbetrag gemäß Absatz 1 dieses § 5.]

[Nachrang-Instrumente (außer Nullkupon-Schuldverschreibungen und Ergänzungskapital-Schuldverschreibungen):

[(5)] *Vorzeitiger Rückzahlungsbetrag.*

Für die Zwecke des Absatzes 2 dieses § 5 entspricht der vorzeitige Rückzahlungsbetrag einer Schuldverschreibung dem Rückzahlungsbetrag gemäß Absatz 1 dieses § 5.]

[Im Fall von Ergänzungskapital-Schuldverschreibungen:

[(5)] *Vorzeitiger Rückzahlungsbetrag.*

Für Zwecke des Absatzes 2 dieses § 5 entspricht der vorzeitige Rückzahlungsbetrag einer Schuldverschreibung dem Rückzahlungsbetrag abzüglich der anteiligen, während der Laufzeit der Schuldverschreibungen angefallenen Nettoverluste.]

[Im Fall von Nullkupon-Schuldverschreibungen:

[(5)] *Vorzeitiger Rückzahlungsbetrag.*

(a) Für die Zwecke des Absatzes 2 dieses § 5 **[Nicht nachrangige Schuldverschreibungen:** und § 9], entspricht der vorzeitige Rückzahlungsbetrag einer Schuldverschreibung dem Amortisationsbetrag der Schuldverschreibung gemäß Absatz b dieses Absatz 5.

(b) **[Im Falle der Aufzinsung:** Der Amortisationsbetrag einer Schuldverschreibung ("Amortisationsbetrag") entspricht der Summe aus:

- (i) **[Referenzpreis]** (der "Referenzpreis"), und
- (ii) dem Produkt aus **[Emissionsrendite]** (jährlich kapitalisiert) und dem Referenzpreis ab dem **[Tag der Begebung]** (einschließlich) bis zu dem vorgesehenen Rückzahlungstag (ausschließlich) oder (je nachdem) dem Tag, an dem die Schuldverschreibungen fällig und rückzahlbar werden.]

[In the case of unaccrued interest being deducted: The amortised face amount ("Amortised Face Amount") of a Note shall be the principal amount thereof adjusted for interest from (and including) the Maturity Date to (but excluding) the date of final repayment by the Amortisation Yield, being **[Amortisation Yield]**. Such calculation shall be made on the assumption of an annual capitalisation of accrued interest.]

Where such calculation is to be made for a period which is not a whole number of years, the calculation in respect of the period of less than a full year (the "Calculation Period") shall be made on the basis of the Day Count Fraction (as defined in § 3).

(c) If the Issuer fails to pay the Early Redemption Amount when due, the Amortised Face Amount of a Note shall be calculated as provided herein, except that references in subparagraph (b)(ii) above to the date fixed for redemption or the date on which such Note becomes due and repayable shall refer to the earlier of (i) the date on which upon due presentation and surrender of the relevant Note (if required), payment is made, and (ii) the fourteenth day after notice has been given by the Fiscal Agent in accordance with § 13 that the funds required for redemption have been provided to the Fiscal Agent.]

[In the case of other structured Notes including Dual Currency Notes, Index Linked Notes, Equity Linked Notes, Commodity Linked Notes and FX Linked Notes, insert applicable provisions herein.]

§ 6 AGENTS

(1) *Appointment; Specified Offices.* The initial agents (each an "Agent") and their respective specified offices are:

Fiscal Agent:

[Deutsche Bank Aktiengesellschaft
Grosse Gallusstrasse 10 – 14
60272 Frankfurt am Main
Germany]

[Raiffeisen Bank International AG
Am Stadtpark 9
A-1030 Wien
Austria]

[Other Agents: [●]].

[Im Falle der Abzinsung: Der Amortisationsbetrag einer Schuldverschreibung ("Amortisationsbetrag") entspricht dem Nennbetrag einer Schuldverschreibung abgezinst mit der Emissionsrendite von **[Emissionsrendite]** ab dem Rückzahlungstag (einschließlich) bis zu dem Tilgungstermin (ausschließlich). Die Berechnung dieses Betrages erfolgt auf der Basis einer jährlichen Kapitalisierung der aufgelaufenen Zinsen.]

Wenn diese Berechnung für einen Zeitraum, der nicht vollen Kalenderjahren entspricht, durchzuführen ist, hat sie im Fall des nicht vollständigen Jahres (der "Zinsberechnungszeitraum") auf der Grundlage des Zinstagequotienten (wie in § 3 definiert) zu erfolgen.

(c) Falls die Emittentin den vorzeitigen Rückzahlungsbetrag bei Fälligkeit nicht zahlt, wird der Amortisationsbetrag einer Schuldverschreibung wie vorstehend beschrieben berechnet, jedoch mit der Maßgabe, dass die Bezugnahmen in Unterabsatz (b)(ii) auf den für die Rückzahlung vorgesehenen Rückzahlungstag oder den Tag, an dem diese Schuldverschreibungen fällig und rückzahlbar werden, durch den früheren der nachstehenden Zeitpunkte ersetzt werden: (i) der Tag, an dem die Zahlung gegen ordnungsgemäße Vorlage und Einreichung der betreffenden Schuldverschreibungen (sofern erforderlich) erfolgt, und (ii) der vierzehnte Tag, nachdem die Emissionsstelle gemäß § 13 mitgeteilt hat, dass ihr die für die Rückzahlung erforderlichen Mittel zur Verfügung gestellt wurden.]

[Im Fall von anderen strukturierten Schuldverschreibungen, einschließlich Doppelwährungs-Schuldverschreibungen, indexierten Schuldverschreibungen, Equity Linked Schuldverschreibungen, Commodity Linked Schuldverschreibungen und FX Linked Schuldverschreibungen, anwendbare Bestimmungen hier einfügen.]

§ 6 BEAUFTRAGTE STELLEN

(1) *Bestellung; bezeichnete Geschäftsstelle.* Die anfänglich bestellten Erfüllungsgehilfen (die "Erfüllungsgehilfen") und deren jeweilige bezeichnete Geschäftsstelle lauten wie folgt:

Emissionsstelle:

[Deutsche Bank Aktiengesellschaft
Grosse Gallusstraße 10 – 14
60272 Frankfurt am Main
Deutschland]

[Raiffeisen Bank International AG
Am Stadtpark 9
A-1030 Wien
Österreich]

[Sonstige Stellen: [●]].

[The Fiscal Agent shall also act as Calculation Agent.]

Any Agent named above reserves the right at any time to change its respective specified office to some other location.

(2) *Variation or Termination of Appointment.* The Issuer reserves the right at any time to vary or terminate the appointment of any Agent named above and to appoint another Fiscal Agent or additional or other Agents in accordance with all applicable regulations. 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 10 days' prior notice thereof shall have been given to the Holders in accordance with § 13.

(3) *Agents of the Issuer.* Any Agent named above acts solely as agent of the Issuer and does not have any obligations towards or relationship of agency or trust to any Holder.

(4) *Determinations Binding.* All determinations, calculations, quotations and decisions given, expressed, made or obtained under these Conditions by any Agent shall (in the absence of manifest error) be binding on the Issuer and all other Agents and the Holders.

§ 7 TAXATION

All amounts payable in respect of the Notes will be made by the Issuer free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature ("Taxes") imposed, levied, collected, withheld or assessed by 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. If such withholding or deduction is required by law, the Issuer will pay such 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 respect of the Notes in the absence of such withholding or deduction (the "Additional Amounts"). However, no such Additional Amounts shall be payable on account of any Taxes which:

(1) (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

[Die Emissionsstelle handelt auch als Berechnungsstelle.]

Die oben genannten Erfüllungsgehilfen behalten sich das Recht vor, jederzeit ihre jeweilige bezeichnete Geschäftsstelle durch eine andere bezeichnete Geschäftsstelle zu ersetzen.

(2) *Änderung der Bestellung oder Abberufung.* Die Emittentin behält sich das Recht vor, jederzeit die Bestellung eines der oben genannten Erfüllungsgehilfen zu ändern oder zu beenden und eine andere Emissionsstelle oder zusätzliche oder andere Erfüllungsgehilfen im Einklang mit allen anwendbaren Vorschriften zu bestellen. Eine Änderung, Abberufung, Bestellung oder ein sonstiger Wechsel wird nur wirksam (außer im Insolvenzfall, in dem eine solche Änderung sofort wirksam wird), sofern die Gläubiger hierüber gemäß § 13 vorab unter Einhaltung einer Frist von 10 Tagen informiert wurden.

(3) *Beauftragte der Emittentin.* Die oben genannten Erfüllungsgehilfen handeln ausschließlich als Beauftragte der Emittentin und übernehmen keinerlei Verpflichtungen gegenüber den Gläubigern und es wird kein Auftrags- oder Treuhandverhältnis zwischen ihnen und den Gläubigern begründet.

(4) *Verbindlichkeit der Festsetzungen.* Alle Festsetzungen, Berechnungen, Quotierungen und Entscheidungen, die von einem Erfüllungsgehilfen für die Zwecke dieser Bedingungen gemacht, abgegeben, getroffen oder eingeholt werden, sind (sofern nicht ein offensichtlicher Irrtum vorliegt) für die Emittentin und alle sonstigen Stellen und die Gläubiger bindend.

§ 7 STEUERN

Sämtliche auf die Schuldverschreibungen zu zahlenden Beträge werden von der Emittentin ohne Einbehalt oder Abzug von Steuern, Abgaben, Festsetzungen oder behördlichen Gebühren jedweder Art ("Steuern") geleistet, die von der Republik Österreich oder einer ihrer Gebietskörperschaften oder Behörden mit der Befugnis zur Erhebung von Steuern auferlegt, erhoben, eingezogen, einbehalten oder festgesetzt werden, es sei denn, ein solcher Einbehalt oder Abzug ist gesetzlich vorgeschrieben. Ist ein solcher Einbehalt oder Abzug gesetzlich vorgeschrieben, wird die Emittentin zusätzliche Beträge in der Höhe leisten, die notwendig ist, um zu gewährleisten, dass die von den Gläubigern unter Berücksichtigung eines solchen Einbehalts oder Abzugs erhaltenen Beträge den Beträgen entsprechen, die die Gläubiger ohne einen solchen Einbehalt oder Abzug erhalten hätten (die "Zusätzlichen Beträge"). Die Verpflichtung zur Zahlung solcher Zusätzlichen Beträge besteht jedoch nicht für solche Steuern, die:

(1) (a) von einer als Depotbank oder Inkassobeauftragter des Gläubigers handelnden Person oder sonst auf andere Weise zu entrichten sind als

withholding or deduction 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; or

(c) are withheld or deducted pursuant to (i) any European Union Directive 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, treaty or understanding; or

(d) are withheld or deducted by a Paying Agent from a payment if the payment could have been made by another Paying Agent without such withholding or deduction; or

(e) 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 § 13, whichever occurs later; or

(f) would not be payable if the Holder is able to avoid such a withholding or deduction providing a certificate of residence, certificate of exemption or any other similar documents.

(2) The Issuer shall be permitted to withhold or deduct any amounts required by the rules of U.S. Internal Revenue Code Sections 1471 through 1474 (or any amended or successor provisions), pursuant to any inter-governmental agreement, or implementing legislation adopted by another jurisdiction in connection with these provisions, or pursuant to any agreement with the U.S. Internal Revenue Service ("FATCA Withholding") as a result of a holder, beneficial owner or an intermediary that is not an agent of the Issuer not being entitled to receive payments free of FATCA withholding. The Issuer will have no obligation to pay additional amounts or otherwise indemnify an investor for any such FATCA Withholding deducted or withheld by the Issuer, the paying agent or any other party.

§ 8 PRESENTATION PERIOD

The presentation period provided in § 801 subparagraph 1, sentence 1 BGB (German Civil Code) is reduced (i) to ten years in respect of principal and (ii) to five years in respect of interest under the Notes.

dadurch, dass die Emittentin aus den von ihr zu leistenden Zahlungen von Kapital oder Zinsen einen Einbehalt oder Abzug vornimmt; oder

(b) wegen einer gegenwärtigen oder früheren persönlichen oder geschäftlichen Beziehung des Gläubigers zur Republik Österreich zu zahlen sind; oder

(c) aufgrund (i) einer Richtlinie der Europäischen Union betreffend die Besteuerung von Zinserträgen oder (ii) einer zwischenstaatlichen Vereinbarung über deren Besteuerung, an der die Republik Österreich oder die Europäische Union beteiligt ist, oder (iii) einer gesetzlichen Vorschrift, die eine solche Richtlinie oder Vereinbarung umsetzt oder befolgt, einzubehalten oder abzuziehen sind; oder

(d) von einer Zahlstelle einbehalten oder abgezogen werden, wenn die Zahlung von einer anderen Zahlstelle ohne den Einbehalt oder Abzug hätte vorgenommen werden können; oder

(e) wegen einer Rechtsänderung zu zahlen sind, welche später als 30 Tage nach Fälligkeit der betreffenden Zahlung oder, wenn dies später erfolgt, nach ordnungsgemäßer Bereitstellung aller fälligen Beträge und einer diesbezüglichen Bekanntmachung gemäß § 13 wirksam wird; or

(f) nicht zu entrichten wären, wenn der Gläubiger den Einbehalt oder Abzug durch Vorlage einer Ansässigkeitsbescheinigung, Freistellungsbescheinigung oder ähnlicher Dokumente vermeiden könnte.

(2) Die Emittentin ist zum Einbehalt oder Abzug der Beträge berechtigt, die gemäß §§ 1471 bis 1474 des U.S. Internal Revenue Code (in der jeweils geltenden Fassung oder gemäß Nachfolgebestimmungen), gemäß zwischenstaatlicher Abkommen, gemäß den in einer anderen Rechtsordnung in Zusammenhang mit diesen Bestimmungen erlassenen Durchführungsvorschriften oder gemäß mit dem Internal Revenue Service geschlossenen Verträgen deshalb erforderlich sind ("FATCA-Steuerabzug"), weil ein Inhaber, wirtschaftlicher Eigentümer oder Finanzintermediär (*intermediary*), der nicht Beauftragter der Emittentin ist, nicht zum Empfang von Zahlungen ohne FATCA-Steuerabzug berechtigt ist. Die Emittentin ist nicht verpflichtet, zusätzliche Zahlungen zu leisten oder Anleger in Bezug auf einen FATCA-Steuerabzug schadlos zu halten, die von der Emittentin, der Zahlstelle oder einem anderen Beteiligten abgezogen oder einbehalten wurden.

§ 8 VORLEGUNGSFRIST

Die in § 801 Absatz 1 Satz 1 BGB bestimmte Vorlegungsfrist wird für die Schuldverschreibungen (i) im Hinblick auf das Kapital auf zehn Jahre (ii) und im Hinblick auf die Zinsen auf fünf Jahre verkürzt.

§ 9
EVENTS OF DEFAULT

[[Senior Notes:

(1) *Events of default.* Each Holder shall be entitled to declare its Notes due and demand immediate redemption thereof at the Early Redemption Amount (as described in § 5), together with accrued interest (if any) to the date of repayment, in the event that

(a) the Issuer fails to pay principal or interest and any additional amounts on the Notes within 15 days from the relevant due date, or

(b) the Issuer fails duly to perform any other material obligation arising from the Notes which failure is not capable of remedy or, if such failure is capable of remedy, such failure continues for more than 45 days after the Issuer has received notice thereof from a Holder, or

(c) the Issuer ceases to effect payments in general or announces its inability to meet its financial obligations generally; or

(d) a court opens insolvency proceedings against the Issuer and such proceedings are not dismissed or suspended within 60 days after the commencement thereof or the Issuer applies for or institutes such proceedings or offers or makes an arrangement for the benefit of its creditors generally; or

(e) the Issuer goes into liquidation; a (partial) spin-off, a spin-off for re-establishment, a reconstruction, merger, or other form of amalgamation with another company shall not be considered a liquidation to the extent that such other company assumes all obligations which the Issuer has undertaken in connection with the Notes.

(2) *Quorum, cure.* In the events specified in § 9 subparagraph (1)(b), any notice declaring the Notes due shall, unless at the time such notice is received any of the events specified in § 9 subparagraph (1)(a), (1)(c), (1)(d) or (1)(e) entitling Holders to declare their Notes due has occurred, become effective only when the Fiscal Agent has received such notices from the Holders of at least 25 per cent. in principal amount of the Notes then outstanding. The right to declare Notes due shall terminate if the situation giving rise to it has been remedied before the right is exercised.]]

§ 9
KÜNDIGUNG

[[Nicht nachrangige Schuldverschreibungen:

(1) *Kündigungsgründe.* Jeder Gläubiger ist berechtigt, seine Schuldverschreibung zu kündigen und deren sofortige Rückzahlung zu ihrem vorzeitigen Rückzahlungsbetrag (wie in § 5 beschrieben), zuzüglich etwaiger bis zum Tage der Rückzahlung aufgelaufener Zinsen zu verlangen, falls:

(a) die Emittentin Kapital oder Zinsen und etwaige zusätzliche Beträge auf die Schuldverschreibungen nicht innerhalb von 15 Tagen nach dem betreffenden Fälligkeitstag zahlt; oder

(b) die Emittentin die ordnungsgemäße Erfüllung irgendeiner anderen wesentlichen Verpflichtung aus den Schuldverschreibungen unterlässt und diese Unterlassung nicht geheilt werden kann oder, falls sie geheilt werden kann, länger als 45 Tage fort dauert, nachdem die Emittentin hierüber eine Benachrichtigung von einem Gläubiger erhalten hat; oder

(c) die Emittentin ihre Zahlungen generell einstellt oder generell ihre Zahlungsunfähigkeit bekannt gibt; oder

(d) ein Gericht ein Insolvenzverfahren gegen die Emittentin eröffnet, das nicht innerhalb von 60 Tagen nach seiner Eröffnung aufgehoben oder ausgesetzt wird, oder die Emittentin ein solches Verfahren einleitet oder beantragt oder eine allgemeine Schuldenregelung zugunsten ihrer Gläubiger anbietet oder trifft; oder

(e) die Emittentin in Liquidation tritt; eine (teilweise) Abspaltung, Abspaltung zur Neugründung, Umstrukturierung, Verschmelzung oder andere Form des Zusammenschlusses mit einer anderen Gesellschaft gilt nicht als Liquidation, sofern diese Gesellschaft alle Verpflichtungen übernimmt, die die Emittentin im Zusammenhang mit diesen Schuldverschreibungen eingegangen ist.

(2) *Quorum, Heilung.* In den Fällen des § 9 Absatz 1 (b) wird eine Kündigung, sofern nicht bei deren Eingang zugleich einer der in § 9 Absatz 1 (a), 1 (c), 1 (d) oder 1 (e) bezeichneten Kündigungsgründe vorliegt, erst wirksam, wenn bei der Emissionsstelle Kündigungserklärungen von Gläubigern von Schuldverschreibungen im Nennbetrag von mindestens 25% der dann ausstehenden Schuldverschreibungen eingegangen sind. Das Kündigungsrecht erlischt, falls der Kündigungsgrund vor Ausübung des Rechts geheilt wurde.]]

[Covered Bank Bonds:

(1) *Events of Default.* Each Holder shall be entitled to declare his Notes due and demand immediate redemption thereof at the Early Redemption Amount (as described in § 5), together with accrued interest (if any) up to (but excluding) the date of repayment in the event that the Issuer fails to pay principal or interest within 15 days from the relevant due date.

[Short-Term Subordinated Notes:

(1) *Events of default.* The Holders do not have **[If the Notes are subject to Early Redemption at the Option of a Holder:** subject to the provisions of § 5[(4)] a right to demand the early redemption of the Notes.]

[Subordinated Notes:

(1) *Events of default.* The Holders do not have **[If the Notes are subject to Early Redemption at the Option of a Holder:** subject to the provisions of § 5 [(4)] a right to demand the early redemption of the Notes.]

[Supplementary Capital Notes:

(1) *Events of default.* **[If the Notes are subject to Early Redemption at the Option of a Holder:** Subject to the provisions of § 5[(4)] the Holders do not have a right to demand the early redemption of the Notes.]

[New Style Tier 2 Notes:

(1) *Events of default.* The Holders do not have a right to demand the early redemption of the Notes.]

(2) *Cure.* The right to declare Notes due shall terminate if the situation giving rise to it has been remedied before the right is exercised.]

(3) *Notice.* Any notice, including any notice declaring Notes due in accordance with subparagraph (1), shall be made by means of a written declaration in the German or English language delivered by hand or registered mail to the specified office of the Fiscal Agent together with proof that such Holder at the time of such notice is a holder of the relevant Notes by means of a certificate of its Custodian (as defined in § 14(3)) or in other appropriate manner.]

[Fundierte Schuldverschreibungen:

(1) *Kündigungsgründe.* Jeder Gläubiger ist berechtigt, seine Schuldverschreibungen zu kündigen und deren sofortigen Rückzahlung zu ihrem vorzeitigen Rückzahlungsbetrag (wie in § 5 beschrieben), zuzüglich etwaiger bis zum Tage der Rückzahlung (ausschließlich) aufgelaufener Zinsen zu verlangen, falls die Emittentin Kapital oder Zinsen nicht innerhalb von 15 Tagen nach dem betreffenden Fälligkeitstag zahlt.

[Kurzfristige Nachrangige Schuldverschreibungen:

(1) *Kündigungsgründe.* Die Gläubiger haben **[Falls die Gläubiger ein Wahlrecht haben, die Schuldverschreibungen vorzeitig zu kündigen:** vorbehaltlich der Bestimmungen des § 5 [(4)] kein Recht, die Schuldverschreibungen vorzeitig zu kündigen.]

[Nachrangige Schuldverschreibungen:

(1) *Kündigungsgründe.* Die Gläubiger haben **[Falls die Gläubiger ein Wahlrecht haben, die Schuldverschreibungen vorzeitig zu kündigen:** vorbehaltlich der Bestimmungen des § 5 [(4)] kein Recht, die Schuldverschreibungen vorzeitig zu kündigen.]

[Ergänzungskapital-Schuldverschreibungen:

(1) *Kündigungsgründe.* Die Gläubiger haben **[Falls die Gläubiger ein Wahlrecht haben, die Schuldverschreibungen vorzeitig zu kündigen:** vorbehaltlich der Bestimmungen des § 5 [(4)] kein Recht, die Schuldverschreibungen vorzeitig zu kündigen.]

[New Style Tier 2 Schuldverschreibungen:

(1) *Kündigungsgründe.* Die Gläubiger haben kein Recht, die Schuldverschreibungen vorzeitig zu kündigen.]

(2) *Heilung.* Das Kündigungsrecht erlischt, falls der Kündigungsgrund vor Ausübung des Rechts geheilt wurde.]

(3) *Benachrichtigung.* Eine Benachrichtigung, einschließlich einer Kündigung der Schuldverschreibungen gemäß vorstehendem Absatz 1 ist schriftlich in deutscher oder englischer Sprache gegenüber der Emissionsstelle zu erklären und persönlich oder per Einschreiben an deren bezeichnete Geschäftsstelle zu übermitteln. Der Benachrichtigung ist ein Nachweis beizufügen, aus dem sich ergibt, dass der betreffende Gläubiger zum Zeitpunkt der Abgabe der Benachrichtigung Inhaber der betreffenden Schuldverschreibung ist. Der Nachweis kann durch eine Bescheinigung der Depotbank (wie in § 14 Absatz 3 definiert) oder auf andere geeignete Weise erbracht werden.]

§ 10 SUBSTITUTION

The provisions in this § 10 do not apply in any case of succession by operation of law.

[Senior Notes and Subordinated Instruments:

(1) *Substitution.* The Issuer may, irrespective of § 9, without the consent of the Holders, if no payment of principal or interest on any of the Notes is in default, at any time substitute for the Issuer any company as principal debtor in respect of all obligations arising from or in connection with this Series of Notes (the "Substitute Debtor") provided that:

(a) the Substitute Debtor assumes all obligations of the Issuer in respect of the relevant Notes;

(b) the Issuer and the Substitute Debtor have obtained all necessary authorisations and the Substitute Debtor may transfer to the Fiscal Agent in the currency required hereunder and without being obligated to deduct or withhold any taxes or other duties of whatever nature levied by the country in which the Substitute Debtor has its domicile or tax residence, all amounts required for the fulfilment of the payment obligations arising under the Notes;

(c) the Substitute Debtor has agreed to indemnify and hold harmless each Holder against any tax, duty, assessment or governmental charge imposed on such Holder in respect of such substitution;

[Senior Notes:

[(d) the rating of the long-term obligations of the Substitute Debtor is the same or better as the respective rating of the Issuer (confirmed by two rating agencies, for example S&P, Moody's or other similar agencies);]

[(d) the Issuer irrevocably and unconditionally guarantees in favour of each Holder the payment of all sums payable by the Substitute Debtor in respect of the Notes on terms equivalent to the terms of a guarantee of the Issuer in respect of senior Notes as a contract for the benefit of the Holders as third party beneficiaries pursuant to § 328(1) BGB (German Civil Code)¹;]

[Subordinated Instruments:

(d) the obligations assumed by the Substitute Debtor in

§ 10 ERSETZUNG

Die Bestimmungen dieses §10 finden keine Anwendung auf Fälle der gesetzlichen Rechtsnachfolge.

[Nicht-nachrangige Schuldverschreibungen und Nachrang-Instrumente:

(1) *Ersetzung.* Die Emittentin ist – unbeschadet des § 9 – jederzeit berechtigt, sofern sie sich nicht mit einer Zahlung von Kapital oder Zinsen auf die Schuldverschreibungen in Verzug befindet, ohne Zustimmung der Gläubiger ein Unternehmen an ihrer Stelle als Hauptschuldnerin (die "Nachfolgeschuldnerin") für alle Verpflichtungen aus und im Zusammenhang mit dieser Serie von Schuldverschreibungen einzusetzen, vorausgesetzt, dass:

(a) die Nachfolgeschuldnerin alle Verpflichtungen der Emittentin in Bezug auf die jeweiligen Schuldverschreibungen übernimmt;

(b) die Emittentin und die Nachfolgeschuldnerin alle erforderlichen Genehmigungen erlangt haben und die Nachfolgeschuldnerin berechtigt ist, an die Emissionsstelle die zur Erfüllung der Zahlungsverpflichtungen aus den Schuldverschreibungen zahlbaren Beträge in der hierin festgelegten Währung zu zahlen, ohne verpflichtet zu sein, jeweils in dem Land, in dem die Nachfolgeschuldnerin ihren Sitz oder Steuersitz haben, erhobene Steuern oder andere Abgaben jeder Art abzuziehen oder einzubehalten;

(c) die Nachfolgeschuldnerin sich verpflichtet hat, jeden Gläubiger hinsichtlich solcher Steuern, Abgaben oder behördlichen Lasten freizustellen, die einem Gläubiger bezüglich der Ersetzung auferlegt werden;

[Nicht nachrangige Schuldverschreibungen:

[(d) die langfristigen Verbindlichkeiten der Nachfolgeschuldnerin ein gleichwertiges oder besseres Rating aufweisen als das der Emittentin (bestätigt durch zwei Rating-Agenturen, wie z.B. S&P, Moody's oder andere gleichwertige Agenturen);]

[(d) die Emittentin unwiderruflich und unbedingt gegenüber den Gläubigern die Zahlung aller von der Nachfolgeschuldnerin auf die Schuldverschreibungen zahlbaren Beträge zu Bedingungen garantiert, die den Bedingungen einer Garantie der Emittentin hinsichtlich nicht nachrangiger Schuldverschreibungen als Vertrag zugunsten Dritter gemäß § 328 Absatz 1 BGB entsprechen;]

[Nachrang-Instrumente:

(d) hinsichtlich der von der Nachfolgeschuldnerin

¹ An English language translation of § 328 (1) BGB (German Civil Code) reads as follows: "A contract may stipulate performance for the benefit of a third party, to the effect that the third party acquires the right directly to demand performance."

respect of the Notes are subordinated on terms identical to the terms of the Notes and (i) the Substitute Debtor is an Affiliate of the Issuer, (ii) the Issuer provides an expert opinion by a recognised auditor to the effect that the probability of the payment of redemption and interest amounts has not decreased as a result of the substitution;]

(e) there shall have been delivered to the Fiscal Agent one opinion for each of the Issuer's and the Substitute Debtor's jurisdiction of lawyers of recognised standing to the effect that subparagraphs (a), (b), (c) and (d) above have been satisfied, provided that an opinion with regard to subparagraph (c) shall not be delivered if the Substitute Debtor has contractually committed to pay any tax, duty, assessment or governmental charge imposed on a Holder in respect of the substitution.

(2) *Notice.* Notice of any such substitution shall be published in accordance with § 13.

(3) *Change of References.* In the event of any such substitution, any reference in these Conditions to the Issuer shall from then on be deemed to refer to the Substitute Debtor and any reference to the country in which the Issuer is domiciled or resident for taxation purposes shall from then on be deemed to refer to the country of domicile or residence for taxation purposes of the Substitute Debtor. Furthermore, in the event of such substitution the following shall apply:

[if the issuance of the Guarantee for Senior Notes in accordance with § 10(1)(d) is provided: [(a)] In § 7 and § 5(2) an alternative reference to the Republic of Austria shall be deemed to have been included in addition to the reference according to the preceding sentence to the country of domicile or residence for taxation purposes of the Substitute Debtor and

(b) in § 9(1)(c) to (e) an alternative reference to the Issuer in its capacity as guarantor shall be deemed to have been included in addition to the reference to the Substitute Debtor.]

(4) In the event of any such substitution, the Substitute Debtor shall succeed to, and be substituted for, and may exercise every right and power of, the Issuer under the Notes with the same effect as if the Substitute Debtor had been named as the Issuer herein, and the Issuer (or any corporation which shall have previously assumed the obligations of the Issuer) shall be released from its liability as obligor under the Notes.

bezüglich der Schuldverschreibungen übernommenen Verpflichtungen der Nachrang zu mit den Bedingungen der Schuldverschreibungen übereinstimmenden Bedingungen begründet wird und (i) die Nachfolgeschuldnerin ein verbundenes Unternehmen der Emittentin ist, (ii) die Emittentin ein Gutachten eines anerkannten Wirtschaftsprüfers vorlegt, wonach die Wahrscheinlichkeit der Zahlung von Tilgungs- und Zinsbeträgen der Schuldverschreibungen sich durch die Ersetzung nicht verringert hat;]

(e) der Emissionsstelle jeweils eine Bestätigung bezüglich der Rechtsordnungen der Emittentin und der Nachfolgeschuldnerin von anerkannten Rechtsanwälten vorgelegt wird, dass die Bestimmungen in den vorstehenden Unterabsätzen (a), (b), (c) und (d) erfüllt wurden, wobei eine Bestätigung der Voraussetzungen nach Unterabsatz (c) dann nicht zu erbringen ist, wenn die Nachfolgeschuldnerin sich vertraglich zur Zahlung ggf. anfallender Steuern, Abgaben oder behördlicher Lasten, die einem Gläubiger bezüglich der Ersetzung auferlegt werden, verpflichtet hat.

(2) *Bekanntmachung.* Jede Ersetzung ist gemäß § 13 mitzuteilen.

(3) *Änderung von Bezugnahmen.* Im Fall einer Ersetzung gilt jede Bezugnahme in diesen Bedingungen auf die Emittentin ab dem Zeitpunkt der Ersetzung als Bezugnahme auf die Nachfolgeschuldnerin und jede Bezugnahme auf das Land, in dem die Emittentin ihren Sitz oder Steuersitz hat, gilt ab diesem Zeitpunkt als Bezugnahme auf das Land, in dem die Nachfolgeschuldnerin ihren Sitz oder Steuersitz hat. Des Weiteren gilt im Fall einer Ersetzung folgendes:

[falls Abgabe der Garantie für Nicht nachrangige Schuldverschreibungen in § 10(1)(d) vorgesehen: [(a)] In § 7 und § 5 Absatz 2 gilt eine alternative Bezugnahme auf die Republik Österreich als aufgenommen (zusätzlich zu der Bezugnahme nach Maßgabe des vorstehenden Satzes auf das Land, in dem die Nachfolgeschuldnerin ihren Sitz oder Steuersitz hat) und

(b) in § 9 Absatz 1(c) bis (e) gilt eine alternative Bezugnahme auf die Emittentin in ihrer Eigenschaft als Garantin als aufgenommen (zusätzlich zu der Bezugnahme auf die Nachfolgeschuldnerin).]

(4) Im Fall einer Ersetzung folgt die Nachfolgeschuldnerin der Emittentin als Rechtsnachfolgerin nach, ersetzt diese und darf alle Rechte und Befugnisse der Emittentin aus den Schuldverschreibungen mit der gleichen Wirkung geltend machen, als wenn die Nachfolgeschuldnerin in diesen Bedingungen als Emittentin genannt worden wäre, und die Emittentin (bzw. die Gesellschaft, die zuvor die Verpflichtungen der Emittentin übernommen hat) wird von ihren Verpflichtungen als Schuldnerin aus den Schuldverschreibungen befreit.

(5) After a substitution pursuant to this § 10, the Substitute Debtor may, without the consent of Holders, effect a further substitution. All the provisions specified in § 10 shall apply *mutatis mutandis*. **[If the issuance of the Guarantee for Senior Notes in accordance with § 10(1)(d) is provided:** In particular § 10(1)(d) shall remain applicable in relation to Raiffeisen Bank International AG.] References in these Conditions of Issue to the Issuer shall, where the context so requires, be deemed to be or include references to any such further Substituted Debtor.]

[Covered Bank Bonds:

(1) *Substitution.* The Issuer may, without the consent of the Holders, if no payment of principal of or interest on any of the Notes is in default, at any time substitute for the Issuer an Affiliate of the Issuer as principal debtor in respect of all obligations arising from or in connection with the Notes (the "Substitute Debtor") provided that:

(a) the Substitute Debtor is entitled to issue Covered Bank Bonds (*Fundierte Bankschuldverschreibungen*) pursuant to the Austrian Law on Covered Bank Bonds and its Articles of Association;

(b) the Substitute Debtor assumes all obligations of the Issuer in respect of the Notes, including all obligations in relation to the cover pool of assets which cover the Notes pursuant to the Austrian Law on Covered Bank Bonds and agrees not to alter the Conditions applicable to any outstanding Covered Bank Bonds (*Fundierte Bankschuldverschreibungen*);

(c) the Issuer and the Substitute Debtor have obtained all necessary authorisations and the Substitute Debtor may transfer to the Fiscal Agent in the Specified Currency and without being obligated to deduct or withhold any taxes or other duties of whatever nature levied by the country in which the Substitute Debtor has its domicile or tax residence, all amounts required for the fulfillment of the payment obligations arising under the Notes;

(d) the Substitute Debtor has agreed to indemnify and hold harmless each Holder against any tax, duty, assessment or governmental charge imposed on such Holder in respect of such substitution; and

(e) there shall have been delivered to the Fiscal Agent one opinion for each of the Issuer's and the Substitute Debtor's jurisdiction of lawyers of recognised standing to the effect that subparagraphs (a), (b), (c) and (d) above have been satisfied, provided that an opinion with

(5) Nach einer Ersetzung gemäß diesem § 10 kann die Nachfolgeschuldnerin ohne Zustimmung der Gläubiger eine weitere Ersetzung durchführen. Die in § 10 genannten Bestimmungen finden entsprechende Anwendung. **[Falls Abgabe der Garantie für Nicht nachrangige Schuldverschreibungen in § 10(1)(d) vorgesehen:** Insbesondere bleibt § 10 Absatz 1(d) im Hinblick auf die Raiffeisen Bank International AG weiter anwendbar.] Bezugnahmen in diesen Bedingungen auf die Emittentin gelten, wo der Zusammenhang dies erfordert, als Bezugnahmen auf eine derartige weitere Neue Nachfolgeschuldnerin.]

[Fundierte Schuldverschreibungen:

(1) *Ersetzung.* Die Emittentin ist jederzeit berechtigt, sofern sie sich nicht mit einer Zahlung von Kapital oder Zinsen auf die Schuldverschreibungen in Verzug befindet, ohne Zustimmung der Gläubiger ein verbundenes Unternehmen der Emittentin als Hauptschuldnerin für alle Verpflichtungen im Zusammenhang mit diesen Schuldverschreibungen (die "Nachfolgeschuldnerin") einzusetzen, sofern:

(a) die Nachfolgeschuldnerin berechtigt ist, Fundierte Schuldverschreibungen gemäß dem Gesetz über fundierte Bankschuldverschreibungen und gemäß ihrer Satzung zu begeben;

(b) die Nachfolgeschuldnerin alle Verpflichtungen der Emittentin aus oder im Zusammenhang mit diesen Schuldverschreibungen übernimmt, einschließlich aller Verpflichtungen im Zusammenhang mit dem Deckungsstock zur Deckung der Schuldverschreibungen in Übereinstimmung mit dem Gesetz über fundierte Bankschuldverschreibungen, und sich verpflichtet, die Bedingungen für noch ausstehende fundierte Schuldverschreibungen nicht zu ändern;

(c) die Emittentin und die Nachfolgeschuldnerin alle notwendigen Bewilligungen erhalten haben und die Nachfolgeschuldnerin in der Lage ist, sämtliche sich aus oder in dem Zusammenhang mit diesen Schuldverschreibungen ergebenden Zahlungsverpflichtungen ohne die Notwendigkeit eines Einbehalts von irgendwelchen Steuern oder Abgaben an der Quelle in dem Land, in dem die Nachfolgeschuldnerin ihren Sitz oder Steuersitz hat, zu erfüllen sowie die hierzu erforderlichen Beträge ohne Beschränkungen an die Emissionsstelle in der festgelegten Währung übertragen können;

(d) die Nachfolgeschuldnerin sich verpflichtet, jedem Gläubiger alle Steuern, Gebühren oder Abgaben zu erstatten, die ihm in Folge der Ersetzung durch die Nachfolgeschuldnerin auferlegt werden; und

(e) der Emissionsstelle jeweils eine Bestätigung bezüglich der Rechtsordnungen der Emittentin und der Nachfolgeschuldnerin von anerkannten Rechtsanwälten vorgelegt wird, dass die Bestimmungen in den vorstehenden Unterabsätzen (a), (b), (c) und (d) erfüllt

regard to subparagraph (d) shall not be delivered if the Substitute Debtor has contractually committed to pay any tax, duty, assessment or governmental charge imposed on a Holder in respect of the substitution.

(2) *Notice.* Notice of any such substitution shall be published in accordance with § 13.

(3) *Change of References.* In the event of any such substitution, any reference in these Conditions to the Issuer shall from then on be deemed to refer to the Substitute Debtor and any reference to the country in which the Issuer is domiciled or resident for taxation purposes shall from then on be deemed to refer to the country of domicile or residence for taxation purposes of the Substitute Debtor.

(4) In the event of any such substitution, the Substitute Debtor shall succeed to, and be substituted for, and may exercise every right and power of, the Issuer under the Notes with the same effect as if the Substitute Debtor had been named as the Issuer herein, and the Issuer (or any corporation which shall have previously assumed the obligations of the Issuer) shall be released from its liability as obligor under the Notes.

(5) After a substitution pursuant to this § 10, the Substitute Debtor may, without the consent of Holders, effect a further substitution. All the provisions specified in § 10 shall apply *mutatis mutandis*. References in these Conditions of Issue to the Issuer shall, where the context so requires, be deemed to be or include references to any such further Substituted Debtor.]

For the purposes of this § 10, "Affiliate" shall mean any affiliated company (*verbundenes Unternehmen*) within the meaning of section 228 Austrian Entrepreneur Act (*Unternehmensgesetzbuch*).

§ 11 AMENDMENT OF THE CONDITIONS, HOLDERS' REPRESENTATIVE

[If the Notes (except Covered Bank Bonds (*Fundierte Bankschuldverschreibungen*)) are to provide for Resolutions of Holders:

(1) *Amendment of the Conditions.* In accordance with the Act on Debt Securities (*Gesetz über Schuldverschreibungen aus Gesamtemissionen – "SchVG"*) the Holders may agree with the Issuer on amendments of the Conditions with regard to matters permitted by the SchVG by resolution with the majority specified in subparagraph (2) Majority resolutions shall be binding on all Holders. Resolutions which do not provide for identical conditions for all Holders are void, unless Holders who are disadvantaged have expressly

wurden, wobei eine Bestätigung der Voraussetzungen nach Unterabsatz (d) dann nicht zu erbringen ist, wenn die Nachfolgeschuldnerin sich vertraglich zur Zahlung ggf. anfallender Steuern, Abgaben oder behördlicher Lasten, die einem Gläubiger bezüglich der Ersetzung auferlegt werden, verpflichtet hat.

(2) *Bekanntmachung.* Jede Ersetzung ist gemäß § 13 mitzuteilen.

(3) *Änderung von Bezugnahmen.* Im Fall einer Ersetzung gilt jede Bezugnahme in diesen Bedingungen auf die Emittentin ab dem Zeitpunkt der Ersetzung als Bezugnahme auf die Nachfolgeschuldnerin und jede Bezugnahme auf das Land, in dem die Emittentin ihren Sitz oder Steuersitz hat, gilt ab diesem Zeitpunkt als Bezugnahme auf das Land, in dem die Nachfolgeschuldnerin ihren Sitz oder Steuersitz hat.

(4) Im Fall einer Ersetzung folgt die Nachfolgeschuldnerin der Emittentin als Rechtsnachfolgerin nach, ersetzt diese und darf alle Rechte und Befugnisse der Emittentin aus den Schuldverschreibungen mit der gleichen Wirkung geltend machen, als wenn die Nachfolgeschuldnerin in diesen Bedingungen als Emittentin genannt worden wäre, und die Emittentin (bzw. die Gesellschaft, die zuvor die Verpflichtungen der Emittentin übernommen hat) wird von ihren Verpflichtungen als Schuldnerin aus den Schuldverschreibungen befreit.

(5) Nach einer Ersetzung gemäß diesem § 10 kann die Nachfolgeschuldnerin ohne Zustimmung der Gläubiger eine weitere Ersetzung durchführen. Die in § 10 genannten Bestimmungen finden entsprechende Anwendung. Bezugnahmen in diesen Bedingungen auf die Emittentin gelten, wo der Zusammenhang dies erfordert, als Bezugnahmen auf eine derartige weitere Neue Nachfolgeschuldnerin.]

Für die Zwecke dieses § 10 bedeutet "verbundenes Unternehmen" ein verbundenes Unternehmen im Sinne von § 228 österreichisches UGB (*Unternehmensgesetzbuch*).

§ 11 ÄNDERUNG DER BEDINGUNGEN, GEMEINSAMER VERTRETER

[Falls die Schuldverschreibungen (außer Fundierte Bankschuldverschreibungen) Beschlüsse der Gläubiger vorsehen:

(1) *Änderung der Bedingungen.* Die Gläubiger können entsprechend den Bestimmungen des Gesetzes über Schuldverschreibungen aus Gesamtemissionen (*Schuldverschreibungsgesetz – "SchVG"*) durch einen Beschluss mit der in Absatz 2 bestimmten Mehrheit über einen im SchVG zugelassenen Gegenstand eine Änderung der Bedingungen mit der Emittentin vereinbaren. Die Mehrheitsbeschlüsse der Gläubiger sind für alle Gläubiger gleichermaßen verbindlich. Ein Mehrheitsbeschluss der Gläubiger, der nicht gleiche

consented to their being treated disadvantageously.

(2) *Majority.* Resolutions shall be passed by a majority of not less than 75 per cent. of the votes cast. Resolutions relating to amendments of the Conditions which are not material and which do not relate to the matters listed in § 5 paragraph 3, Nos. 1 to 8 of the SchVG require a simple majority of the votes cast.

(3) *Vote without a Meeting.* All votes will be taken exclusively by vote taken without a meeting. A meeting of Holders and the assumption of the fees by the Issuer for such a meeting will only take place in the circumstances of § 18 paragraph 4 sentence 2 of the SchVG.

(4) *Chair of the Vote.* The vote will be chaired by a notary appointed by the Issuer or, if the Holders' Representative (as defined below) has convened the vote, by the Holders' Representative.

(5) *Voting Rights.* Each Holder participating in any vote shall cast votes in accordance with the nominal amount or the notional share of its entitlement to the outstanding Notes.

(6) *Holders' Representative.*

[If no Holders' Representative is designated in the Conditions: The Holders may by majority resolution appoint a common representative (the "Holders' Representative") to exercise the Holders' rights on behalf of each Holder.]

[If the Holders' Representative is appointed in the Conditions: The common representative (the "Holders' Representative") shall be [●]. The liability of the Holders' Representative shall be limited to ten times the amount of its annual remuneration, unless the Holders' Representative has acted wilfully or with gross negligence.]

The Holders' Representative shall have the duties and powers provided by law or granted by majority resolution of the Holders. The Holders' Representative shall comply with the instructions of the Holders. To the extent that the Holders' Representative has been authorised to assert certain rights of the Holders, the Holders shall not be entitled to assert such rights themselves, unless explicitly provided for in the relevant majority resolution. The Holders' Representative shall provide reports to the Holders on its activities. The regulations of the SchVG apply with regard to the recall and the other rights and obligations of the Holders' Representative.]

[Covered Bank Bonds (Fundierte Bankschuldverschreibungen):

Bedingungen für alle Gläubiger vorsieht, ist unwirksam, es sei denn, die benachteiligten Gläubiger stimmen ihrer Benachteiligung ausdrücklich zu.

(2) *Mehrheitserfordernisse.* Die Gläubiger entscheiden mit einer Mehrheit von 75% der an der Abstimmung teilnehmenden Stimmrechte. Beschlüsse, durch welche der wesentliche Inhalt der Bedingungen nicht geändert wird und die keinen Gegenstand des § 5 Absatz 3, Nr. 1 bis Nr. 8 des SchVG betreffen, bedürfen zu ihrer Wirksamkeit einer einfachen Mehrheit der an der Abstimmung teilnehmenden Stimmrechte.

(3) *Abstimmung ohne Versammlung.* Alle Abstimmungen werden ausschließlich im Wege der Abstimmung ohne Versammlung durchgeführt. Eine Gläubigerversammlung und eine Übernahme der Kosten für eine solche Versammlung durch die Emittentin findet ausschließlich im Fall des § 18 Absatz 4 Satz 2 SchVG statt.

(4) *Leitung der Abstimmung.* Die Abstimmung wird von einem von der Emittentin beauftragten Notar oder, falls der gemeinsame Vertreter zur Abstimmung aufgefordert hat, vom gemeinsamen Vertreter geleitet.

(5) *Stimmrecht.* An Abstimmungen der Gläubiger nimmt jeder Gläubiger nach Maßgabe des Nennwerts oder des rechnerischen Anteils seiner Berechtigung an den ausstehenden Schuldverschreibungen teil.

(6) *Gemeinsamer Vertreter.*

[Falls kein gemeinsamer Vertreter in den Bedingungen bestellt wird: Die Gläubiger können durch Mehrheitsbeschluss zur Wahrnehmung ihrer Rechte einen gemeinsamen Vertreter für alle Gläubiger bestellen.]

[Im Fall der Bestellung des gemeinsamen Vertreters in den Bedingungen: Gemeinsamer Vertreter ist [●]. Die Haftung des gemeinsamen Vertreters ist auf das Zehnfache seiner jährlichen Vergütung beschränkt, es sei denn, dem gemeinsamen Vertreter fällt Vorsatz oder grobe Fahrlässigkeit zur Last.]

Der gemeinsame Vertreter hat die Aufgaben und Befugnisse, welche ihm durch Gesetz oder von den Gläubigern durch Mehrheitsbeschluss eingeräumt wurden. Er hat die Weisungen der Gläubiger zu befolgen. Soweit er zur Geltendmachung von Rechten der Gläubiger ermächtigt ist, sind die einzelnen Gläubiger zur selbständigen Geltendmachung dieser Rechte nicht befugt, es sei denn, der Mehrheitsbeschluss sieht dies ausdrücklich vor. Über seine Tätigkeit hat der gemeinsame Vertreter den Gläubigern zu berichten. Für die Abberufung und die sonstigen Rechte und Pflichten des gemeinsamen Vertreters gelten die Vorschriften des SchVG.]

[Fundierte Bankschuldverschreibungen:

The Act on Debt Securities (*Gesetz über Schuldverschreibungen aus Gesamtemissionen* – "SchVG") is not applicable.]

§ 12

FURTHER ISSUES, PURCHASES AND CANCELLATION

(1) *Further Issues.* The Issuer may from time to time, without the consent of the Holders [**Covered Bank Bonds:** subject to availability of the statutory cover (security)], issue further Notes having the same 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 [**Subordinated Instruments:** within the limits established under § 23 subparagraph 16 BWG or subject to other statutory restrictions] at any time purchase Notes in any market or otherwise and at any price. Notes purchased by the Issuer may, at the option of the Issuer, be held, resold or [**Subordinated Instruments:** subject to compliance with statutory prerequisites] surrendered to the Fiscal Agent for cancellation.

§ 13

NOTICES

(1) The Issuer shall deliver all notices concerning the Notes to the Clearing System for communication by the Clearing System to the Holders. Any such notice shall be deemed to have been given to the Holders on the [third] [seventh] [●] day after the day on which said notice was given to the Clearing System.

[(2) In the case of Notes which are admitted to listing, trading and/or quotation by any listing authority, stock exchange and/or quotation system, notices shall be published in accordance with the rules and regulations of such listing authority, stock exchange and/or quotation system.

Any such notice shall be deemed to have been validly given to the Holders on the day of such publication.]

(3) The Issuer may at its option also publish in a leading daily newspaper having general circulation in [Austria][insert other country]. This newspaper is expected to be [Amtsblatt zur Wiener Zeitung] [other newspaper]. Any notice so given will be deemed to have been validly given on the [seventh][●] day

Die Bestimmungen des Gesetzes über Schuldverschreibungen aus Gesamtemissionen (Schuldverschreibungsgesetz – "SchVG") sind nicht anwendbar.]

§ 12

BEGEBUNG WEITERER SCHULDVERSCHREIBUNGEN, ANKAUF UND ENTWERTUNG

(1) *Begebung weiterer Schuldverschreibungen.* Die Emittentin ist berechtigt, jederzeit [**Fundierte Bankschuldverschreibungen:** vorbehaltlich der gesetzlichen Deckung (Kautio)] ohne Zustimmung der Gläubiger weitere Schuldverschreibungen mit gleicher Ausstattung (gegebenenfalls mit Ausnahme des Tages der Begebung, des Verzinsungsbeginns und/oder des Ausgabepreises) in der Weise zu begeben, dass sie mit diesen Schuldverschreibungen eine einheitliche Serie bilden.

(2) *Ankauf.* Die Emittentin ist [**Nachrang-Instrumente:** im Rahmen der von § 23 Abs. 16 BWG festgelegten Grenzen oder vorbehaltlich anderer gesetzlicher Einschränkungen] berechtigt, Schuldverschreibungen im Markt oder anderweitig zu jedem beliebigen Preis zu kaufen. Die von der Emittentin erworbenen Schuldverschreibungen können nach Wahl der Emittentin von ihr gehalten, weiterverkauft oder [**Nachrang-Instrumente:** vorbehaltlich der Erfüllung gesetzlicher Voraussetzungen] bei der Emissionsstelle zwecks Entwertung eingereicht werden.

§ 13

MITTEILUNGEN

(1) Die Emittentin wird alle die Schuldverschreibungen betreffenden Mitteilungen an das Clearingsystem zur Weiterleitung durch das Clearingsystem an die Gläubiger übermitteln. Jede derartige Mitteilung gilt am [dritten] [siebten] [●] Tag nach dem Tag der Mitteilung an das Clearingsystem als den Gläubigern mitgeteilt.

[(2) Im Falle von Schuldverschreibungen, die durch eine Notierungsbehörde, Börse und/oder durch ein Kursnotierungssystem zugelassen und/oder einbezogen sind und/oder deren Kurse durch sie bzw. es notiert werden, werden Mitteilungen im Einklang mit den Regeln und Bestimmungen einer solchen Notierungsbehörde, Börse und/oder eines solchen Kursnotierungssystems veröffentlicht werden.

Jede derartige Mitteilung gilt am Tag der Veröffentlichung als wirksam erfolgt.]

(3) Die Emittentin kann nach ihrer Wahl Mitteilungen auch in einer führenden Tageszeitung mit allgemeiner Verbreitung in [Österreich][anderes Land einfügen], voraussichtlich [dem Amtsblatt zur Wiener Zeitung] [andere Zeitung] veröffentlichen. Jede derartige Mitteilung gilt am [siebten][●] Tag nach dem Tag der

following the date of such publication.

(4) Any notice so given [except in case of para 2] will be deemed to have been validly given if published more than once, on the [third] [seventh] [●] day after the date of the first such publication.

[Insert other provisions for the publication of notices here.]

(5) *Form of Notice of Holders.* Notices to be given by any Holder shall be made to the Fiscal Agent through the Clearing System in such manner as the Fiscal Agent and the Clearing System may approve for such purpose.

§ 14 FINAL PROVISIONS

(1) *Applicable Law.* The Notes, as to form and content, and all rights and obligations of the Holders and the Issuer, **[Senior Notes:** shall be governed by German law] **[Subordinated Instruments according to BWG:** shall be governed by German law except for § 2 and conditions relating to the subordination as well as § 9 which will be governed by Austrian law] **[Covered Bank Bonds:** shall be governed by German law, except for § 2, § 9 and § 10 which will be governed by Austrian law and shall comply with the Austrian Law on Covered Bank Bonds, as amended (*Gesetz über fundierte Bankschuldverschreibungen*) dated December 27, 1905 RGBI. No. 213/1905]**[New Style Tier 2 Notes:** shall be governed by German law except for § 2 and conditions relating to the subordination as well as § 9 which will be governed by Austrian law].

(2) *Jurisdiction.* The District Court (*Landgericht*) in Frankfurt am Main, Germany, shall have non-exclusive jurisdiction for any action or other legal proceedings ("Proceedings") arising out of or in connection with the Notes. **[In case of Notes offered in Austria:** Any claims raised by or against Austrian consumers shall be subject to the statutory jurisdiction set forth by the Austrian Consumer Protection Act and the Jurisdiction Act (*Jurisdiktionsnorm*).]

[In case of Covered Bank Bonds, Subordinated Instruments and Notes for which an Austrian Fiscal Agent has been appointed: (2) *Submission to Jurisdiction.* The competent court in Vienna 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 its own name its rights arising under such Notes on the basis of (i) a statement issued by the Custodian (as defined

Veröffentlichung als wirksam erfolgt.

(4) Jede derartige Mitteilung [, außer im Fall von Abs 2,] gilt bei mehreren Veröffentlichungen am [dritten] [siebten] [●] Tag nach dem Tag der ersten solchen Veröffentlichung als wirksam erfolgt.

[Andere Bestimmungen zur Veröffentlichung von Mitteilungen hier einfügen.]

(5) *Form der Mitteilung der Gläubiger.* Mitteilungen, die von einem Gläubiger gemacht werden, müssen an die Emissionsstelle über das Clearingsystem in der von der Emissionsstelle und dem Clearingsystem dafür vorgesehenen Weise erfolgen.

§ 14 SCHLUSSBESTIMMUNGEN

(1) *Anwendbares Recht.* Form und Inhalt der Schuldverschreibungen sowie die Rechte und Pflichten der Gläubiger und der Emittentin bestimmen sich **[Nicht nachrangige Schuldverschreibungen:** nach deutschem Recht] **[Nachrang-Instrumente gemäß BWG:** nach deutschem Recht, bis auf § 2 und die Regelungen im Hinblick auf die Nachrangigkeit sowie § 9, die österreichischem Recht unterliegen] **[Fundierte Bankschuldverschreibungen:** nach deutschem Recht, bis auf § 2, § 9 und § 10, die österreichischem Recht unterliegen, und entsprechen dem österreichischen Gesetz vom 27. Dezember 1905 betreffend fundierte Bankschuldverschreibungen RGBI. 213/1905 idgF]**[New Style Tier 2 Schuldverschreibungen:** nach deutschem Recht, bis auf § 2 und die Regelungen im Hinblick auf die Nachrangigkeit sowie § 9, die österreichischem Recht unterliegen].

(2) *Gerichtsstand.* Nicht ausschließlich zuständig für sämtliche im Zusammenhang mit den Schuldverschreibungen entstehenden Klagen oder sonstige Verfahren ("Rechtsstreitigkeiten") ist das Landgericht Frankfurt am Main, Deutschland. **[Im Fall von Angeboten nach Österreich:** Für Klagen von und gegen österreichische Konsumenten sind die im österreichischen Konsumentenschutzgesetz und in der Jurisdiktionsnorm zwingend vorgesehenen Gerichtsstände maßgeblich.]

[Im Fall von Fundierten Bankschuldverschreibungen, Nachrang-Instrumenten und Schuldverschreibungen für die eine österreichische Emissionsstelle bestellt wurde: (2) *Gerichtsstand.* Nicht ausschließlich zuständig für sämtliche im Zusammenhang mit den Schuldverschreibungen entstehenden Klagen oder sonstige Verfahren ("Rechtsstreitigkeiten") ist das zuständige Gericht in Wien.]

(3) *Gerichtliche Geltendmachung.* Jeder Gläubiger von Schuldverschreibungen ist berechtigt, in jedem Rechtsstreit gegen die Emittentin oder in jedem Rechtsstreit, in dem der Gläubiger und die Emittentin Partei sind, seine Rechte aus diesen

below) 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 Global Note representing the Notes 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 its rights under the Notes also in any other way which is admitted in the country of the proceedings.

(4) *Service of Process.* For any legal disputes or other proceedings before German courts, the Issuer appoints Raiffeisen Bank International AG, Representative Office Frankfurt am Main, Mainzer Landstrasse 51, 60329 Frankfurt am Main, Germany, as authorised agent for accepting service of process.

(5) *Language.*

[These Conditions are written in the German language and provided with an English language translation. The German text shall be controlling and binding. The English language translation is non-binding.]

[These Conditions are written in the English language only.]

[These Conditions are written in the English language and provided with a German language translation. The English text shall be controlling and binding. The German language translation is non-binding.]

Schuldverschreibungen im eigenen Namen auf der folgenden Grundlage zu schützen oder geltend zu machen: (i) indem er eine Bescheinigung der Depotbank (wie nachfolgend definiert) beibringt, bei der er für die Schuldverschreibungen ein Wertpapierdepot unterhält, welche (a) den vollständigen Namen und die vollständige Adresse des Gläubigers enthält, (b) den Gesamtnennbetrag der Schuldverschreibungen bezeichnet, die unter dem Datum der Bestätigung auf dem Wertpapierdepot verbucht sind und (c) bestätigt, dass die Depotbank gegenüber dem Clearingsystem eine schriftliche Erklärung abgegeben hat, die die vorstehend unter (a) und (b) bezeichneten Informationen enthält; und (ii) indem er eine Kopie der die betreffenden Schuldverschreibungen verbriefenden Globalurkunde vorlegt, deren Übereinstimmung mit dem Original eine vertretungsberechtigte Person des Clearingsystems oder des Verwahrers des Clearingsystems bestätigt hat, ohne dass eine Vorlage der Originalbelege oder der die Schuldverschreibungen verbriefenden Globalurkunde in einem solchen Verfahren erforderlich wäre. Für die Zwecke des Vorstehenden bezeichnet "Depotbank" jede Bank oder ein sonstiges anerkanntes Finanzinstitut, das berechtigt ist, das Wertpapierverwahrungsgeschäft zu betreiben und bei der/dem der Gläubiger ein Wertpapierdepot für die Schuldverschreibungen unterhält, einschließlich des Clearingsystems. Unbeschadet des Vorstehenden kann jeder Gläubiger seine Rechte aus den Schuldverschreibungen auch auf jede andere Weise schützen oder geltend machen, die im Land des Rechtsstreits prozessual zulässig ist.

(4) *Zustellungsbevollmächtigter.* Für etwaige Rechtsstreitigkeiten oder sonstige Verfahren vor deutschen Gerichten bestellt die Emittentin Raiffeisen Bank International AG, Repräsentanz Frankfurt am Main, Mainzer Landstraße 51, 60329 Frankfurt am Main, Bundesrepublik Deutschland, zum Zustellungsbevollmächtigten.

(5) *Sprache.*

[Diese Bedingungen sind in deutscher Sprache abgefasst. Eine Übersetzung in die englische Sprache ist beigelegt. Der deutsche Text ist bindend und maßgeblich. Die Übersetzung in die englische Sprache ist unverbindlich.]

[Diese Anleihebedingungen sind ausschließlich in deutscher Sprache abgefasst.]

[Diese Bedingungen sind in englischer Sprache abgefasst. Eine Übersetzung in die deutsche Sprache ist beigelegt. Der englische Text ist bindend und maßgeblich. Die Übersetzung in die deutsche Sprache ist unverbindlich.]

In the case of Notes listed on the official list of the Luxembourg Stock Exchange or publicly offered in the Grand Duchy of Luxembourg, the Final Terms will be displayed on the website of the Luxembourg Stock Exchange (www.bourse.lu).

**FORM OF FINAL TERMS
(MUSTER – ENDGÜLTIGE BEDINGUNGEN)**

[Date]
[Datum]

**Final Terms
Endgültige Bedingungen**

[Title of relevant Series of Notes] (the "Notes")
[Bezeichnung der betreffenden Serie der Schuldverschreibungen] (die "Schuldverschreibungen")

Series: [], Tranche []
Serie: [], Tranche []

ISIN [•]

issued pursuant to the
begeben aufgrund des

**EUR [•]
Debt Issuance Programme
for the issue of Notes**

of
der

Raiffeisen Bank International AG

Issue Price: [] per cent.
Ausgabepreis: []%

Issue Date: []
Tag der Begebung: []

These are the Final Terms of an issue of Notes under the EUR 25,000,000,000 Debt Issuance Programme of Raiffeisen Bank International AG (the "Programme"). Full information on Raiffeisen Bank International AG and the offer of the Notes is only available on the basis of the combination of, these Final Terms, the Debt Issuance Programme Prospectus pertaining to the Programme dated 26 June 2012 (the "Prospectus") and the terms and conditions contained in the Prospectus. [Full information on Raiffeisen Bank International AG and the offer of the Notes is only available on the basis of the combination of, these Final Terms, the Debt Issuance Programme Prospectus pertaining to the Programme dated 26 June 2012 (the "Prospectus") and the Integrated Conditions.] The Prospectus (and any supplement thereto) is available for viewing in electronic form on the website of the Luxembourg Stock Exchange (www.bourse.lu) and copies may be obtained from Raiffeisen Bank International AG, Am Stadtpark 9, A-1030 Vienna, Austria.

Dies sind die Endgültigen Bedingungen einer Emission von Schuldverschreibungen unter dem EUR 25.000.000.000 Debt Issuance Programme der Raiffeisen Bank International AG (das "Programm"). Vollständige Informationen über die Raiffeisen Bank International AG und das Angebot der Schuldverschreibungen sind nur verfügbar, wenn diese Endgültigen Bedingungen und der Debt Issuance Programme Prospectus vom 26. Juni 2012 über das Programm (der "Prospekt") sowie die im Prospekt enthaltenen Anleihebedingungen zusammengekommen werden. [Vollständige Informationen über die Raiffeisen Bank International AG und das Angebot der Schuldverschreibungen sind nur verfügbar, wenn diese Endgültigen Bedingungen und der Debt Issuance Programme Prospectus vom 26. Juni 2012 über das Programm (der "Prospekt") sowie die konsolidierten Bedingungen zusammengekommen werden.]. Der Prospekt (sowie jeder Nachtrag zum Prospekt) kann in elektronischer Form auf der Internetseite der Luxemburger Börse (www.bourse.lu) eingesehen werden. Kopien sind erhältlich bei der Raiffeisen Bank International AG, Am Stadtpark 9, A-1030 Wien, Österreich.

Part I.: Terms and Conditions

Teil I.: Anleihebedingungen

[This part I. of the Final Terms is to be read in conjunction with the Terms and Conditions of the Notes (the "Terms and Conditions") set forth in the [Prospectus] [Debt Issuance Programme Prospectus dated []¹] as the same may be supplemented from time to time. All provisions in the Terms and Conditions corresponding to items in these Final Terms which are either not selected or completed or which are deleted shall be deemed to be deleted from the terms and conditions applicable to the Notes (the "Conditions").

Dieser Teil I. der Endgültigen Bedingungen ist in Verbindung mit den Anleihebedingungen für Schuldverschreibungen] (die "Anleihebedingungen") zu lesen, die in dem durch etwaige Nachträge ergänzten [Prospekt] [Debt Issuance Programme Prospectus vom []¹] enthalten sind. Sämtliche Bestimmungen der Anleihebedingungen, die sich auf Variablen dieser Endgültigen Bedingungen beziehen und die weder angekreuzt noch ausgefüllt werden oder die gestrichen werden, gelten als in den auf die Schuldverschreibungen anwendbaren Anleihebedingungen (die "Bedingungen") gestrichen.]²

[The Integrated Conditions applicable to the Notes (the "Conditions") and the German or English language translation thereof, if any, are attached hereto and replace in full the Terms and Conditions of the Notes (the "Terms and Conditions") as set out in the Prospectus and take precedence over any conflicting provisions in part I. of these Final Terms.

Die für die Schuldverschreibungen geltenden konsolidierten Bedingungen (die "Bedingungen") sowie eine etwaige deutsch- oder englischsprachige Übersetzung sind beigefügt. Die Bedingungen ersetzen in Gänze die im Prospekt abgedruckten Anleihebedingungen für Schuldverschreibungen (die "Anleihebedingungen") und gehen etwaigen abweichenden Bestimmungen in Teil I. dieser Endgültigen Bedingungen vor.]³

All references in this part of the Final Terms to numbered sections and subparagraphs are to sections and subparagraphs of the Terms and Conditions.

Bezugnahmen in diesem Abschnitt der Endgültigen Bedingungen auf Paragraphen und Absätze beziehen sich auf die Paragraphen und Absätze der Anleihebedingungen.

Capitalised terms not otherwise defined herein shall have the meanings specified in the Terms and Conditions.

Begriffe, die in den Anleihebedingungen definiert sind, haben, falls diese Endgültigen Bedingungen nicht etwas anderes bestimmen, die gleiche Bedeutung, wenn sie in diesen Endgültigen Bedingungen verwendet werden.

Form of Conditions⁴

Form der Bedingungen⁴

- ☐ Long-Form Conditions
Nicht-Konsolidierte Bedingungen
- ☐ Integrated Conditions
Konsolidierte Bedingungen

¹ In the case of an increase of Notes which were issued prior to the date of this Prospectus, insert date of the Prospectus under which the original tranche was issued.

Im Fall einer Aufstockung von Schuldverschreibungen, die vor dem Datum dieses Prospekts begeben wurden, Angabe des Datums des ursprünglichen Prospekts.

² To be inserted in the case of Long-Form Conditions.

Im Falle von nicht-konsolidierten Bedingungen einfügen.

³ To be inserted in the case of Integrated Conditions.

Im Fall von konsolidierten Bedingungen einfügen.

⁴ To be determined in consultation with the Issuer. It is anticipated that Long-Form Conditions will generally be used for Notes in bearer form, which are neither publicly offered nor distributed, in whole or in part, to non-qualified investors. Integrated Conditions will be required where the Notes are to be publicly offered, in whole or in part, or to be initially distributed, in whole or in part, to non-qualified investors.

Die Form der Bedingungen ist in Abstimmung mit der Emittentin festzulegen. Es ist vorgesehen, dass nicht-konsolidierte Bedingungen für Inhaberschuldverschreibungen verwendet werden, die weder ganz noch teilweise öffentlich zum Verkauf angeboten werden oder an nicht qualifizierte Anleger verkauft werden. Konsolidierte Bedingungen sind erforderlich, wenn die Schuldverschreibungen insgesamt oder teilweise nicht qualifizierten Anlegern öffentlich angeboten oder diesen anfänglich verkauft werden.

Language of Conditions⁵
Sprache der Bedingungen⁵

- ☐ German only
Ausschließlich Deutsch
- ☐ English only
Ausschließlich Englisch
- ☐ English and German (English controlling)
Englisch und Deutsch (englischer Text maßgeblich)
- ☐ German and English (German controlling)
Deutsch und Englisch (deutscher Text maßgeblich)

Issuer
Emittentin

Raiffeisen Bank International AG
Raiffeisen Bank International AG

Type of Notes
Art der Schuldverschreibungen

- ☐ Senior (Unsubordinated) Notes
Nicht-Nachrangige Schuldverschreibungen
- ☐ Short-Term Subordinated Notes
Kurzfristige Nachrangige Schuldverschreibungen
- ☐ Subordinated Notes
Nachrangige Schuldverschreibungen
- ☐ Supplementary Capital Notes
Ergänzungskapital Schuldverschreibungen
- ☐ New Style Tier 2 Notes
New Style Tier 2 Schuldverschreibungen
- ☐ Covered Bank Bonds
Fundierte Bankschuldverschreibungen

CURRENCY, DENOMINATION, FORM, DEFINITIONS (§ 1)⁶
WÄHRUNG, STÜCKELUNG, VERBRIEFUNG, DEFINITIONEN (§ 1)⁶

Currency and Denomination
Währung und Stückelung

Specified Currency
Festgelegte Währung

[]

⁵ To be determined in consultation with the Issuer. It is anticipated that, subject to any stock exchange or legal requirements applicable from time to time, and unless otherwise agreed, in the case of Notes in bearer form publicly offered, in whole or in part, in the Federal Republic of Germany or the Republic of Austria, or distributed, in whole or in part, to non-qualified investors in the Federal Republic of Germany, or the Republic of Austria, German will be the controlling language. If, in the event of such public offer or distribution to non-qualified investors, however, English is chosen as the controlling language, a German language translation of the Conditions will be available from the principal office of the Issuer.

In Abstimmung mit der Emittentin festzulegen. Es wird erwartet, dass vorbehaltlich geltender Börsen- oder anderer Bestimmungen und soweit nicht anders vereinbart, die deutsche Sprache für Inhaberschuldverschreibungen maßgeblich sein wird, die insgesamt oder teilweise öffentlich zum Verkauf in der Bundesrepublik Deutschland oder der Republik Österreich angeboten oder an nicht qualifizierte Anleger in der Bundesrepublik Deutschland oder der Republik Österreich verkauft werden. Falls bei einem solchen öffentlichen Verkaufsangebot oder Verkauf an nicht qualifizierte Anleger die englische Sprache als maßgeblich bestimmt wird, wird eine deutschsprachige Übersetzung der Bedingungen bei der Hauptgeschäftsstelle der Emittentin erhältlich sein.

⁶ If not applicable, the following items may be deleted.
Falls nicht anwendbar, können die folgenden Angaben gelöscht werden.

Aggregate Principal Amount []
Gesamtnennbetrag

Specified Denomination []
Festgelegte Stückelung

Other (specify) []
Sonstige (angeben)

☐ **TEFRA C**
TEFRA C

Permanent Global Note
Dauerglobalurkunde

☐ **TEFRA D**
TEFRA D

Temporary Global Note exchangeable for Permanent Global Note
Vorläufige Globalurkunde austauschbar gegen Dauerglobalurkunde

☐ **Neither TEFRA D nor TEFRA C⁷**
Weder TEFRA D noch TEFRA C⁷

ECB-eligible Security⁸ [Yes][No]
EZB-fähige Sicherheit⁸ [Ja][Nein]

NGN [Yes][No]
NGN [Ja][Nein]

Certain Definitions **Definitionen**

Clearing System
Clearingsystem

☐ Clearstream Banking, société anonyme, Luxembourg ("CBL")
42 Avenue JF Kennedy, L-1855 Luxembourg

☐ Euroclear Bank SA/NV, as Operator of the Euroclear System ("Euroclear")
Euroclear Bank SA/NV, als Betreiberin des Euroclear System ("Euroclear")
1 Boulevard du Roi Albert II, B-1210 Brussels

☐ Oesterreichische Kontrollbank Aktiengesellschaft ("OeKB")
Am Hof 4, 1010 Vienna, Austria

☐ Other (specify) []
Sonstige (angeben)

Business Day
Geschäftstag

☐ TARGET

☐ Other (specify all relevant financial centres) []
Sonstige (sämtliche relevante Finanzzentren angeben)

⁷ To be completed only if the Notes have an initial maturity of one year or less.

Nur ausfüllen bei Schuldverschreibungen mit einer ursprünglichen Laufzeit von einem Jahr oder weniger.

⁸ Note that the designation "yes" simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intraday credit operations by Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of Eurosystem eligibility criteria. **[Include this text if "yes" selected in which case the Notes must be issued in NGN form.]**

*Die Auswahl "ja" zeigt lediglich die Absicht an, die Schuldverschreibungen nach der Emission bei einem der ICSDs als common safekeeper zu hinterlegen. Es bedeutet jedoch nicht zwangsläufig, dass die Schuldverschreibungen deshalb als geeignete Sicherheit im Sinne der Eurosystem Monetary Richtlinien und Intraday Kreditoperationen von Eurosystem eingestuft werden, weder vom Tag der Begebung noch zu irgendeinem Zeitpunkt ihrer Laufzeit. Die Einstufung der Geeignetheit hängt allein von der Erfüllung der Eurosystem Eignungskriterien ab. **[Text einfügen, wenn "Ja" gewählt wurde, in diesem Fall müssen die Schuldverschreibungen als NGN emittiert werden.]***

STATUS (§ 2)**STATUS (§ 2)**

- ☐ Senior (Unsubordinated)
Nicht nachrangig
- ☐ Short-Term Subordinated []
Kurzfristig Nachrangig
- ☐ Subordinated []
Nachrangig
- ☐ Supplementary Capital []
Ergänzungskapital
- ☐ New Style Tier 2 Notes []
New Style Tier 2 Schuldverschreibungen
- ☐ Covered Bank Bonds
Fundierte Bankschuldverschreibungen

INTEREST (§ 3)**ZINSEN (§ 3)**

- ☐ **Fixed Rate Notes⁹**
Festverzinsliche Schuldverschreibungen⁹
- Rate of Interest and Interest Payment Dates**
Zinssatz und Zinszahlungstage
- Rate of Interest [] per cent. *per annum*
Zinssatz [] % *per annum*
- Interest Commencement Date []
Verzinsungsbeginn
- Interest Payment Date(s) []
Zinszahlungstag(e)
- First Interest Payment Date []
Erster Zinszahlungstag
- Adjustment of Interest Payment Date(s) and Interest Periods [Yes][No]
Anpassung der Zinszahlungstage und Zinsperioden [Ja][Nein]
- Deemed Interest Commencement Date¹⁰ []
Fiktiver Verzinsungsbeginn¹⁰
- Deemed Interest Payment Date(s)⁹ []
Fiktive(r) Zinszahlungstag(e)⁹
- Initial Broken Amount (for the specified Denomination) []
Anfänglicher Bruchteilzinsbetrag (für die festgelegte Stückelung)
- Interest Payment Date preceding the Maturity Date []
Zinszahlungstag, der dem Rückzahlungstag vorangeht
- Final Broken Amount (for the specified Denomination) []
Abschließender Bruchteilzinsbetrag (für die festgelegte Stückelung)

⁹ If not applicable, the following items may be deleted.
Falls nicht anwendbar, können die folgenden Angaben gelöscht werden.

¹⁰ Only applicable, if Actual/Actual (ICMA) is applicable.
Nur anwendbar, falls der Zinstagequotient Actual/Actual (ICMA) anwendbar ist.

☐ **Floating Rate Notes¹¹**
Variabel verzinsliche Schuldverschreibungen¹¹

Interest Commencement Date []
Verzinsungsbeginn

☐ Interest Payment Dates []
Zinszahlungstage

☐ Interest Period(s) [] [weeks/months/other – specify]
Zinsperiode(n) [] [Wochen/Monate/andere – angeben]

Adjustment of Interest Payment Dates and Interest Periods [Yes][No]
Anpassung der Zinszahlungstage und Zinsperioden [Ja][Nein]

Relevant Financial Centres []
Relevante Finanzzentren

Rate of Interest
Zinssatz

☐ Screen Rate Determination
Bildschirmfeststellung

☐ EURIBOR (Brussels time/TARGET2 Business Day/
EURIBOR panel/Interbank Market in the Euro-Zone)
*EURIBOR (Brüsseler Ortszeit/TARGET2 Geschäftstag/
EURIBOR Panel/Interbankenmarkt in der Euro-Zone)*

Screen Page []
Bildschirmseite

☐ EURO-LIBOR (London time/TARGET2 Business Day/City of London/
London Office/London Interbank Market)
*EURO-LIBOR (Londoner Ortszeit/TARGET2 Geschäftstag/City of London/
Londoner Geschäftsstelle/ Londoner Interbankenmarkt)*

Screen page []
Bildschirmseite

☐ LIBOR (London time/London Business Day/City of London/
London Office/London Interbank Market)
*LIBOR (Londoner Ortszeit/Londoner Geschäftstag/City of London/
Londoner Geschäftsstelle/ Londoner Interbankenmarkt)*

Screen page []
Bildschirmseite

☐ Other (specify) []
Sonstige (angeben)

Screen page(s) []
Bildschirmseite(n)

Interest Period
Zinsperiode

☐ three months
drei Monate

☐ six months
sechs Monate

☐ twelve months
zwölf Monate

¹¹ If not applicable, the following items may be deleted.
Falls nicht anwendbar, können die folgenden Angaben gelöscht werden.

☐ Other []
Sonstige

Margin
Marge

☐ flat
keine

☐ plus [] per cent. *per annum*
zuzüglich []% *per annum*

☐ minus [] per cent. *per annum*
abzüglich []% *per annum*

Interest Determination Date

Zinsfestlegungstag

☐ second [[TARGET] [London] [other relevant location]] Business Day [(as defined in § 1 (5))] prior to
[commencement] [end] of Interest Period
zweiter [[TARGET] [Londoner-] [zutreffenden anderen Ort]] Geschäftstag [(wie in § 1 Absatz 5 definiert)]
vor [Beginn] [Ende] der jeweiligen Zinsperiode

☐ [other applicable number of days] [TARGET] [London] [other relevant location] Business Day prior to
commencement of Interest Period
[zutreffende andere Zahl von Tagen] [TARGET] [Londoner-] [zutreffenden anderen Ort] Geschäftstag vor
Beginn der jeweiligen Zinsperiode

Reference Banks (if other than as specified in § 3(2)) (specify) []
Referenzbanken (sofern abweichend von § 3 Absatz 2) (angeben)

☐ Other Method of Determination (insert details
(including Margin, Interest Determination Date,
Reference Banks, fallback provisions))
Andere Methoden der Bestimmung (Einzelheiten angeben
(einschließlich Zinsfestlegungstag, Marge, Referenzbanken,
Ersatzregelungen))

Minimum and Maximum Rate of Interest

Mindest- und Höchstzinssatz

☐ Minimum Rate of Interest (floor) [] per cent. *per annum*
Mindestzinssatz (floor) []% *per annum*

☐ Maximum Rate of Interest (cap) [] per cent. *per annum*
Höchstzinssatz (cap) []% *per annum*

Calculation of Interest Amount

Berechnung des Zinsbetrags

☐ on the basis of the aggregate principal amount of the Notes
auf Basis des Gesamtnennbetrags der Schuldverschreibungen

☐ on the basis of the Specified Denomination
auf Basis der festgelegten Stückelung

☐ other
andere Bestimmungen

Notification of Rate of Interest and Interest Amount

Mitteilung von Zinssatz und Zinsbetrag

☐ Interest determination in advance
Zinsfestlegung im Vorhinein

☐ Interest determination in arrears
Zinsfestlegung im Nachhinein

To the Issuer, Paying Agent, and the stock exchange
An die Emittentin, jede Zahlstelle, und die Börse

- ☐ first day of the relevant Interest Period
erster Tag der jeweiligen Zinsperiode
- ☐ other time
anderer Zeitpunkt

☐ **Zero Coupon Notes**
Nullkupon-Schuldverschreibungen

Amortisation Yield
Emissionsrendite

[]

☐ **Other structured Notes including**
Dual Currency Notes, Index Linked Notes, Commodity Linked Notes, FX Linked Notes and Equity Linked Notes

Andere strukturierte Schuldverschreibungen, einschließlich Doppelwährungs-Schuldverschreibungen, indexierten Schuldverschreibungen, Commodity Linked Schuldverschreibungen, FX Linked Schuldverschreibungen und Equity Linked Schuldverschreibungen

(set forth details in full here)
(Einzelheiten einfügen)

[]

Day Count Fraction
Zinstagequotient

- ☐ Actual/Actual (ICMA Rule 251)
- ☐ Actual/Actual (ISDA)
- ☐ Actual/365 (Fixed)
- ☐ Actual/360
- ☐ 30/360 (Bond Basis)
- ☐ 30E/360 (Eurobond Basis)
- ☐ 360/360
- ☐ Other Day Count Fraction
Sonstiger Zinstagequotient

Business Day Convention
Geschäftstagskonvention

- ☐ Modified Following Business Day Convention
Modifizierte folgende Geschäftstagskonvention
- ☐ FRN Convention (specify period(s))
FRN Konvention (Zeitraum angeben)
- ☐ Following Business Day Convention
Folgende Geschäftstagskonvention
- ☐ Preceding Business Day Convention
Vorangegangene Geschäftstagskonvention

[] [months/other – specify]
[] [Monate/andere – angeben]

PAYMENTS (§ 4)
ZAHLUNGEN (§ 4)

Business Day Convention
Geschäftstagskonvention

- ☐ Modified Following Business Day Convention
Modifizierte folgende Geschäftstagskonvention
- ☐ FRN Convention (specify period(s))
FRN Konvention (Zeitraum angeben)
- ☐ Following Business Day Convention
Folgende Geschäftstagskonvention
- ☐ Preceding Business Day Convention
Vorangegangene Geschäftstagskonvention

[] [months/other – specify]
[] [Monate/andere – angeben]

Adjustment
Anpassung

[Yes/No]
[Ja/Nein]

Payment Business Day
Zahltag

- ☐ Business Day (as defined in § 1(5))
Geschäftstag (wie in § 1 Absatz 5 definiert)
- ☐ TARGET
- ☐ Other (specify all relevant financial centres)
Sonstige (sämtliche relevanten Finanzzentren angeben)

[]

REDEMPTION (§ 5)
RÜCKZAHLUNG (§ 5)

Redemption at Maturity
Rückzahlung bei Endfälligkeit

- ☐ Maturity Date
Rückzahlungstag
- ☐ Redemption Month
Rückzahlungsmonat

[]

[]

Final Redemption Amount
Rückzahlungsbetrag

- ☐ Principal amount
Nennbetrag
- ☐ Final Redemption Amount
Rückzahlungsbetrag

[]

Early Redemption
Vorzeitige Rückzahlung

Early Redemption at the Option of the Issuer¹²
Vorzeitige Rückzahlung nach Wahl der Emittentin¹²

[Yes/No]
[Ja/Nein]

Minimum Redemption Amount¹³
Mindestrückzahlungsbetrag¹³

[]

Higher Redemption Amount¹³
Erhöhter Rückzahlungsbetrag¹³

[]

¹² If not applicable, the following items may be deleted.
Falls nicht anwendbar, können die folgenden Angaben gelöscht werden.

¹³ Only applicable for Bearer Notes.
Nur bei Inhaberschuldverschreibungen anwendbar.

Call Redemption Date(s) <i>Wahlrückzahlungstag(e) (Call)</i>	[]
Call Redemption Amount(s) <i>Wahlrückzahlungsbetrag/-beträge (Call)</i>	[]
Minimum Notice <i>Mindestkündigungsfrist</i>	[]
Maximum Notice <i>Höchstkündigungsfrist</i>	
☐ days <i>Tage</i>	
☐ Business Days <i>Geschäftstage</i>	
☐ (as defined in § 1(5)) <i>(wie in § 1 Absatz 5 definiert)</i>	
☐ TARGET	
☐ Other (specify all relevant financial centres) <i>Sonstige (sämtliche relevanten Finanzzentren angeben)</i>	[]
Early Redemption at the Option of a Holder¹⁴ <i>Vorzeitige Rückzahlung nach Wahl des Gläubigers¹⁴</i>	[Yes/No] [Ja/Nein]
Put Redemption Date(s) <i>Wahlrückzahlungstag(e) (Put)</i>	[]
Put Redemption Amount(s) <i>Wahlrückzahlungsbetrag/-beträge (Put)</i>	[]
Minimum Notice <i>Mindestkündigungsfrist</i>	[]
Maximum Notice <i>Höchstkündigungsfrist</i>	
Early Redemption Amount <i>Vorzeitiger Rückzahlungsbetrag</i>	
Zero Coupon Notes <i>Nullkupon-Schuldverschreibungen</i>	
☐ Addition of accrued interest <i>Aufzinsung</i>	
Reference Price <i>Referenzpreis</i>	[]
☐ Deduction of unaccrued interest <i>Abzinsung</i>	
Other structured Notes including Dual Currency Notes, Index Linked Notes, Commodity Linked Notes, FX Linked Notes and Equity Linked Notes <i>Andere strukturierte Schuldverschreibungen, einschließlich Doppelwährungs-Schuldverschreibungen, indexierten Schuldverschreibungen, Commodity Linked Schuldverschreibungen, FX Linked Schuldverschreibungen und Equity Linked Schuldverschreibungen</i> (Set forth details in full here) <i>(Einzelheiten einfügen)</i>	[]

¹⁴ If not applicable, the following items may be deleted.
Falls nicht anwendbar, können die folgenden Angaben gelöscht werden.

AGENTS (§ 6)

BEAUFTRAGTE STELLEN (§ 6)

Fiscal Agent
Emissionsstelle

[Deutsche Bank Aktiengesellschaft][Raiffeisen Bank International AG]

☐ Calculation Agent
Berechnungsstelle

[insert name and address]
[Name und Adresse einfügen]

☐ Paying Agents¹⁵
Zahlstellen¹⁵

☐ Additional Paying Agent(s)/specified office(s)
Weitere Zahlstelle(n)/bezeichnete Geschäftsstelle(n)

[]

SUBSTITUTION (§ 10)

ERSETZUNG (§ 10)

Senior Notes

Nicht nachrangige Schuldverschreibungen

☐ Issuer guarantee
Garantie der Emittentin

☐ Substitute Debtor to have the same rating as the Issuer
Nachfolgeschuldnerin hat dasselbe Rating wie die Emittentin

AMENDMENT OF THE CONDITIONS; HOLDERS' REPRESENTATIVE (§ 11)

ÄNDERUNG DER BEDINGUNGEN, GEMEINSAMER VERTRETER (§ 11)

☐ Applicable
Anwendbar

Appointment of Holders' Representative

Bestellung eines Gemeinsamen Vertreters der Gläubiger

☐ by resolution passed by Holders
durch Beschluss der Gläubiger

☐ In the Conditions
In den Bedingungen

Name and address of the Holders' Representative (specify details)
Name und Anschrift des Gemeinsamen Vertreters (Einzelheiten einfügen)

☐ Not applicable
Nicht anwendbar

NOTICES (§ 13)

MITTEILUNGEN (§ 13)

Place and medium of publication

Ort und Medium der Bekanntmachung

☐ Clearing System
Clearingsystem

☐ Rules of listing authority /stock exchange (specify listing authority /stock exchange)
Regeln einer Notierungsbehörde / Börse (Notierungsbehörde /Börse angeben)

[]

☐ Newspaper (specify)
Tageszeitung (angeben)

[]

☐ Other (specify)

[]

¹⁵ Only applicable for Bearer Notes.
Nur bei Inhaberschuldverschreibungen anwendbar.

Sonstige (angeben)

☐ Notice period
Mitteilungsfrist

[7 days][•]
[7 Tage][•]

Part II.: OTHER INFORMATION
Teil II.: ZUSÄTZLICHE INFORMATIONEN

[Additional Risk Factors]¹⁶
Zusätzliche Risikofaktoren]¹⁶

[]

Interests of natural and legal persons involved in the issue/offer
Interessen von Seiten natürlicher und juristischer Personen,
die an der Emission/dem Angebot beteiligt sind

☐ Save as discussed in the Prospectus under "Interests of Natural and Legal Persons involved in the Issue/Offer", so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer.
Mit Ausnahme der im Prospekt unter "Interests of Natural and Legal Persons involved in the Issue/Offer" ("Interessen von Seiten natürlicher und juristischer Personen, die an der Emission/dem Angebot beteiligt sind") angesprochenen Interessen besteht bei den an der Emission beteiligten Personen nach Kenntnis der Emittentin kein wesentliches Interesse an dem Angebot.

☐ Other interests (specify)
Andere Interessen (angeben)

[Reasons for the offer]¹⁷
Gründe für das Angebot¹⁷

[as set out in the Prospectus][specify other]
[wie im Prospekt angegeben][andere Einzelheiten einfügen]

Estimated net proceeds¹⁸
Geschätzter Nettoerlös¹⁸ []

Estimated total expenses of the issue¹⁹
Geschätzte Gesamtkosten der Emission¹⁹ []

Securities Identification Numbers
Wertpapierkennnummern

ISIN []
ISIN []

Common Code []
Common Code

German Securities Code []
Wertpapierkennnummer (WKN)

Any other securities number []
Sonstige Wertpapiernummer

¹⁶ Include only issue specific risk factors which are not covered under "Risk Factors" in the Prospectus.

Nur emissionsbezogene Risikofaktoren aufnehmen, die nicht bereits im Abschnitt "Risk Factors" des Prospekts enthalten sind.

¹⁷ See paragraph "Use of Proceeds" in the Prospectus. If reasons for the offer are different from making profit and/or hedging certain risks include those reasons here. Not to be completed in the case of Notes with a Specified Denomination of at least EUR 50,000 (or EUR 100,000 upon respective implementation of Directive 2010/73/EU) which are not derivative securities to which Annex XII of the Regulation 809/2004 applies.

Siehe Abschnitt "Use of Proceeds" im Prospekt. Sofern die Gründe für das Angebot nicht in der Gewinnerzielung und/oder der Absicherung bestimmter Risiken bestehen, sind die Gründe hier anzugeben. Nicht auszufüllen bei Schuldverschreibungen mit einer festgelegten Stückelung von mindestens EUR 50.000 (bzw. EUR 100.000 ab der entsprechenden Umsetzung der Richtlinie 2010/73/EU), bei denen es sich nicht um derivative Wertpapiere handelt, auf die Anhang XII der Verordnung 809/2004 Anwendung findet.

¹⁸ If the Notes are derivative securities (i. e. if the final redemption amount may be different than 100 per cent. of the principal amount of a Note) to which Annex XII of the Regulation 809/2004 applies it is only necessary to include disclosure of estimated net proceeds where disclosure regarding reasons for the offer is included in these Final Terms.

Sofern es sich um derivative Wertpapiere (d.h. Wertpapiere, bei denen der Rückzahlungsbetrag nicht 100 % des Nennbetrags sein muss) handelt, auf die Anhang XII der Verordnung 809/2004 Anwendung findet, sind Angaben zu dem Geschätzten Nettoerlös nur dann zu veröffentlichen, wenn Angaben in diesen Endgültigen Bedingungen zu den Gründen für das Angebot gemacht worden sind.

¹⁹ If the Notes are derivative securities to which Annex XII of the Regulation 809/2004 applies it is only necessary to include disclosure of estimated total expenses where disclosure regarding reasons for the offer is included.

Sofern es sich um derivative Wertpapiere handelt, auf die Anhang XII der Verordnung 809/2004 Anwendung findet, sind Angaben zu den geschätzten Gesamtkosten nur dann zu veröffentlichen, wenn Angaben zu den Gründen für das Angebot gemacht worden sind.

Yield²⁰
Rendite²⁰

Yield
Rendite

[]

Method of calculating the yield²¹
Berechnungsmethode der Rendite²¹

- ☐ ICMA method: The ICMA method determines the effective interest rate of notes taking into account accrued interest on a daily basis.
ICMA Methode: Die ICMA Methode ermittelt die Effektivverzinsung von Schuldverschreibungen unter Berücksichtigung der täglichen Stückzinsen.

- ☐ Other methods (specify)
Andere Methoden (angeben)

- ☐ **Historic Interest Rates²²**
Zinssätze der Vergangenheit²²

Details of historic [EURIBOR][OTHER] rates can be obtained from *[insert relevant Screen Page]*
Einzelheiten der Entwicklung der [EURIBOR][ANDERE] Sätze in der Vergangenheit können abgerufen werden unter [relevante Bildschirmseite einfügen]

- ☐ **Details Relating to the past and future Performance and Volatility of the [Index][Formula] [other Variable]. Explanation of Effect on Value of Investment and Associated Risks and other Information concerning the Underlying²³**
Einzelheiten hinsichtlich der vergangenen und zukünftigen Entwicklung und der Volatilität des [Index] [der Formel][einer anderen Variablen]. Erläuterung der Auswirkungen auf den Wert der Anlage sowie verbundene Risiken und andere Informationen betreffend die Basiswerte²³
[Specify details here]

²⁰ Only applicable for Fixed Rate Notes and Zero Coupon Notes.

Nur bei festverzinslichen und Nullkupon-Schuldverschreibungen anwendbar.

²¹ Not required for Notes with a Specified Denomination of at least EUR 50,000 (or EUR 100,000 upon respective implementation of Directive 2010/73/EU)

Nicht erforderlich bei Schuldverschreibungen mit einer festgelegten Stückelung von mindestens EUR 50.000 (bzw. EUR 100.000 ab der entsprechenden Umsetzung der Richtlinie 2010/73/EU).

²² Only applicable for Floating Rate Notes. Not required for Notes with a Specified Denomination of at least EUR 50,000 (or EUR 100,000 upon respective implementation of Directive 2010/73/EU).

Nur bei variabel verzinslichen Schuldverschreibungen anwendbar. Nicht anwendbar auf Schuldverschreibungen mit einer festgelegten Stückelung von mindestens EUR 50.000 (bzw. EUR 100.000 ab der entsprechenden Umsetzung der Richtlinie 2010/73/EU).

²³ Only applicable for Index Linked or other Variable Linked Notes: Need to include details of where information relating to past and future performance and volatility of the index/formula/other variable can be obtained. If the Notes are derivative securities to which Annex XII of the Regulation 809/2004 applies and where the underlying is an index, need to include the name of the index, the ISIN of the index and a description if composed by the Issuer and if the index is not composed by the Issuer need to include details of where the information about the index can be obtained. Where the underlying is not an index need to include equivalent information. In the case of Notes with a Specified Denomination of less than EUR 50,000 (or EUR 100,000 upon respective implementation of Directive 2010/73/EU) or a minimum transfer amount of less than EUR 50,000 (or EUR 100,000 upon respective implementation of Directive 2010/73/EU) need to include a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when risks are most evident.

Nur bei Index Linked und anderen an eine Variable gebundene Schuldverschreibungen anwendbar. Es sind Angaben darüber erforderlich, wo Informationen über die vergangene und künftige Wertentwicklung sowie die Volatilität des Index/der Formel/einer anderen Variablen eingeholt werden können. Sofern es sich um derivative Wertpapiere handelt, auf die Anhang XII der Verordnung 809/2004 Anwendung findet, und sofern es sich bei dem Basiswert um einen Index handelt, ist die Bezeichnung des Index und die ISIN des Index anzugeben und – sofern der Index von der Emittentin zusammengestellt wird – eine Indexbeschreibung. Wird der Index nicht von der Emittentin zusammengestellt, Angabe erforderlich, wo Informationen zu diesem Index zu finden sind. Handelt es sich bei dem Basiswert nicht um einen Index, so sind entsprechende Informationen einzufügen. Bei Schuldverschreibungen mit einer festgelegten Stückelung von weniger als EUR 50.000 (bzw. EUR 100.000 ab der entsprechenden Umsetzung der Richtlinie 2010/73/EU) oder Schuldverschreibungen, die zu einem Mindestübertragungsbetrag von weniger als EUR 50.000 (bzw. EUR 100.000 ab der entsprechenden Umsetzung der Richtlinie 2010/73/EU) pro Wertpapier erworben werden können, ist eine umfassende Erläuterung vorzunehmen, wie der Wert der Anlage durch den Wert des Basiswerts beeinflusst wird, insbesondere in Fällen, in denen die Risiken am offensichtlichsten sind.

[Einzelheiten hier angeben]

Market disruption or settlement disruption events that may affect the underlying²⁴
Störungen des Markts oder bei der Abrechnung, die den Basiswert beeinflussen²⁴

[insert details here]

[Einzelheiten hier einfügen]

Adjustment rules with relation to events concerning the underlying
Anpassungsregeln in Bezug auf Vorfälle, die den Basiswert beeinflussen

[insert details here]

[Einzelheiten hier einfügen]

- ☐ **Details Relating to the past and future Performance and the Volatility of Rate(s) of Exchange and Explanation of Effect on Value of Investment²⁵**

Einzelheiten der vergangenen und zukünftigen Entwicklung und der Volatilität des bzw. der Wechselkurse und Erläuterung der Auswirkungen auf den Wert der Anlage²⁵

[Specify details here]

[Einzelheiten hier angeben]

Selling Restrictions

Verkaufsbeschränkungen

The Selling Restrictions set out in the Prospectus shall apply.

Es gelten die im Prospekt wiedergegebenen Verkaufsbeschränkungen.

- ☐ TEFRA C
TEFRA C

- ☐ TEFRA D
TEFRA D

- ☐ Neither TEFRA C nor TEFRA D
Weder TEFRA C noch TEFRA D

Additional Selling Restrictions (specify)

[None] []

Zusätzliche Verkaufsbeschränkungen (angeben)

[Keine] []

Restrictions on the free transferability of the Notes

Beschränkungen der freien Übertragbarkeit der Wertpapiere

[None] [specify details]

[Keine] [Einzelheiten einfügen]

Consent to use the Prospectus pursuant to Article 3(2) of the Prospectus Directive

Only the Dealers and/or further financial intermediaries or third persons, which are placing or subsequently reselling the Notes, listed below and only for the period specified below and subject to any further conditions as specified below are entitled to use the Prospectus and the Final Terms in **[specify relevant jurisdictions]**, provided however, that the Prospectus is still valid in accordance with Article 9 of the Prospectus Directive. The Final Terms and the Prospectus may only be delivered to potential investors together with all supplements published before such delivery. Any supplement to the Prospectus is available for viewing in electronic form on the website of the Luxembourg Stock Exchange (www.bourse.lu). When using the Prospectus, each of the Dealers and/or relevant financial intermediaries or third parties listed below must make certain that it complies with all applicable laws and regulations in force in the respective jurisdictions.

²⁴ To be completed only if applicable.
Nur falls anwendbar einzufügen.

²⁵ Only applicable for Dual/Multi Currency Notes. Need to include details of where past and future performance and volatility of the relevant rate(s) can be obtained. In the case of Notes with a Specified Denomination of less than EUR 50,000 (or EUR 100,000 upon respective implementation of Directive 2010/73/EU) need to include a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident.
Nur bei Doppel-/Multiwährungsschuldverschreibungen anwendbar. Es sind Angaben darüber erforderlich, wo Informationen über die vergangene und künftige Wertentwicklung und Volatilität der maßgeblichen Wechselkurse eingeholt werden können. Bei Schuldverschreibungen mit einer festgelegten Stückelung von weniger als EUR 50.000 (bzw. EUR 100.000 ab der entsprechenden Umsetzung der Richtlinie 2010/73/EU) ist eine umfassende Erläuterung vorzunehmen, wie der Wert der Anlage durch den Wert des Basiswerts beeinflusst wird, insbesondere in Fällen, in denen die Risiken am offensichtlichsten sind.

[Yes] [Not applicable]

[Specify names and addresses of authorised Dealers and/or financial intermediaries]

[Specify period for which consent to use the Prospectus is given]

[Specify offer period upon which the subsequent resale or the final placement may be made by the authorized Dealers and/or financial intermediaries or third persons]

[Specify conditions attached to the consent which are relevant for the use of the Prospectus]

[Specify publication details of any new information with respect to authorized Dealers, financial intermediaries or third parties] [] [website of the Issuer]

Zustimmung zur Nutzung des Prospekts gemäß Artikel 3(2) der Prospektrichtlinie

Ausschließlich die unten angeführten Platzeure und/oder weiteren Finanzintermediäre oder Dritten, welche die emittierten Schuldverschreibungen platzieren oder nachfolgend weiter verkaufen, sind berechtigt, und nur für den nachstehend angeführten Zeitraum und unter allfälligen weiteren Bedingungen wie nachstehend angeführt, den Prospekt und die Endgültigen Bedingungen in [die jeweiligen Rechtsordnungen angeben] zu nutzen, vorausgesetzt jedoch, dass der Prospekt in Übereinstimmung mit Artikel 9 der Prospektrichtlinie noch gültig ist. Die Endgültigen Bedingungen und der Prospekt dürfen potentiellen Investoren nur zusammen mit sämtlichen bis zur Übergabe veröffentlichten Nachträgen übergeben werden. Jeder Nachtrag zum Prospekt kann in elektronischer Form auf der Internetseite der Wertpapierbörse Luxemburg (www.bourse.lu) eingesehen werden. Bei der Nutzung des Prospektes hat jeder der unten angeführten Platzeure und/oder Finanzintermediäre oder Dritte sicherzustellen, dass er alle anwendbaren, in den jeweiligen Rechtsordnungen geltenden Gesetze und Rechtsvorschriften beachtet.

[Ja] [Nicht anwendbar]

[Namen und Adressen der autorisierten Platzeure und/oder Finanzintermediäre einfügen]

[Angabe des Zeitraums, für den die Zustimmung zur Prospektverwendung erteilt wird]

[Angabe der Angebotsfrist, während der die spätere Weiterveräußerung oder die endgültige Platzierung durch die autorisierten Platzeure und/oder Finanzintermediäre oder Dritte erfolgen kann]

[Angabe der Bedingungen, an die die Zustimmung gebunden ist und die für die Verwendung des Prospekts relevant sind]

[Angabe der Einzelheiten der Veröffentlichung allfälliger neuer Informationen betreffend autorisierte Platzeure und/oder Finanzintermediäre oder Dritte][][Homepage der Emittentin]

Additional Information for Public Offers²⁶
Zusätzliche Informationen für öffentliche Angebote²⁶

[Applicable] [Not Applicable]
[Anwendbar] [Nicht anwendbar]

[Conditions to which the offer is subject²⁷
Bedingungen, denen das Angebot unterliegt²⁷

[]

Time period, including any possible amendments,
during which the offer will be open
Frist – einschließlich etwaiger Änderungen –
während der das Angebot vorliegt

[]

Description of the application process
Beschreibung des Prozesses für die Umsetzung des Angebots

[]

A description of the possibility to reduce subscriptions and the manner
for refunding excess amount paid by applicants
Beschreibung der Möglichkeit zur Reduzierung der Zeichnungen und der Art
und Weise der Erstattung des zu viel gezahlten Betrags an die Zeichner

[]

Details of the minimum and/or maximum amount of application,
(whether in number of notes or aggregate amount to invest)
Einzelheiten zum Mindest- und/oder Höchstbetrag der Zeichnung
(entweder in Form der Anzahl der Schuldverschreibungen oder des aggregierten
zu investierenden Betrags)

[]

Method and time limits for paying up the notes and for delivery of the notes
Methode und Fristen für die Bedienung der Wertpapiere und ihre Lieferung

[]

Manner and date in which results of the offer are to be made public
Art und Weise und Termin, auf die bzw. an dem die Ergebnisse des
Angebots offen zu legen sind

[]

The procedure for the exercise of any right of pre-emption, the negotiability of
subscription rights and the treatment of subscription rights not exercised.
Verfahren für die Ausübung eines etwaigen Vorzugsrechts, die Marktfähigkeit
der Zeichnungsrechte und die Behandlung der nicht ausgeübten
Zeichnungsrechte

[]

Various categories of potential investors to which the Notes are offered
Angabe der verschiedenen Kategorien der potentiellen
Investoren, denen die Schuldverschreibungen angeboten werden

[]

Process for notification to applicants of the amount allotted and indication
whether dealing may begin before notification is made
Verfahren zur Meldung des den Zeichnern zugeteilten Betrags und Angabe,
ob eine Aufnahme des Handels vor dem Meldeverfahren möglich ist

[]

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.
Name und Anschrift des Koordinator/der Koordinatoren des globalen Angebots
oder einzelner Teile des Angebots und – sofern der Emittentin oder dem
Anbieter bekannt – Angaben zu den Platzeuren in den einzelnen Ländern des Angebots]

[]

²⁶ Only applicable in case of a non-exempt offer.
Nur anwendbar bei einem nicht prospektfreiem Angebot.

²⁷ Items 5.1.1, 5.1.3 – 5.1.8, 5.2, 5.4.1 of Annex V and items 5.1.1, 5.1.3 – 5.1.6, 5.2, 5.4.1 of Annex XII of the Regulation 809/2004 are to be checked for each individual case whether applicable or not. However, in respect of each issue of Notes with a Specified Denomination of less than EUR 50,000 (or EUR 100,000 upon respective implementation of Directive 2010/73/EU) (Annex V) and in the case of derivative securities (Annex XII), the Issuer shall consider whether one of these items is applicable and, if so, specify the relevant details relating thereto. If not applicable, the following items may be deleted.
Die Unterpunkte 5.1.1, 5.1.3 – 5.1.8, 5.2 und 5.4.1 von Anhang V sowie die Unterpunkte 5.1.1, 5.1.3 – 5.1.6, 5.2, 5.4.1 von Anhang XII der Verordnung 809/2004 sind für den Einzelfall auf ihre Anwendbarkeit zu prüfen. Bei jeder Emission mit einer festgelegten Stückelung von weniger als EUR 50.000 (bzw. EUR 100.000 ab der entsprechenden Umsetzung der Richtlinie 2010/73/EU) (Anhang V) bzw. im Fall von derivativen Wertpapieren (Anhang XII) hat die Emittentin jedoch zu prüfen, ob einer der genannten Unterpunkte anwendbar ist, und falls ja, die entsprechenden Einzelheiten einzufügen. Falls nicht anwendbar können die folgenden Angaben gelöscht werden.

Method of distribution**Vertriebsmethode**

☐ Non-syndicated
Nicht syndiziert

☐ Syndicated
Syndiziert

Date of Subscription Agreement²⁸

[]

Datum des Subscription Agreements²⁸

Management details including form of commitment²⁹**Einzelheiten bezüglich des Bankenkonsortiums einschließlich der Art der Übernahme²⁹**

Dealer/Management Group (specify name(s) and address(es))

[]

Platzeur/Bankenkonsortium (Name(n) und Adresse(n) angeben)

☐ Firm commitment
Feste Zusage

[]

☐ No firm commitment / best efforts arrangements
Keine feste Zusage / zu den bestmöglichen Bedingungen

[]

Commissions**Provisionen**

Management/Underwriting Commission (specify)

[]

Management- und Übernahme provision (angeben)

Selling Concession (specify)

[]

Verkaufsprovision (angeben)

Listing Commission (specify)

[]

Börsenzulassungsprovision (angeben)

Other (specify)

[]

Andere (angeben)

Stabilising Dealer/Manager

[insert details][None]

Kursstabilisierender Dealer/Manager

[Einzelheiten einfügen][Keiner]

Admission(s) to Trading and Listing(s)

[Yes][No]

Börsenzulassung(en) und –notierung(en)

[Ja][Nein]

☐ Luxembourg Stock Exchange: Admission: Regulated Market / Listing: Official List
Luxemburger Wertpapierbörse: Börsenzulassung: Regulierter Markt / Notierung: Official List

☐ WBAG Vienna Stock Exchange: Second Tier of Regulated Market
WBAG Wiener Wertpapierbörse: Geregelter Freiverkehr

☐ Other (insert details)
Sonstige (Einzelheiten einfügen)

[]

Expected date of admission³⁰

[]

Erwarteter Termin der Zulassung³⁰

²⁸ Required only for Notes issued on a syndicated basis in the case of Notes with a Specified Denomination of less than EUR 50,000 (or EUR 100,000 upon respective implementation of Directive 2010/73/EU) or derivative securities.

Nur erforderlich bei Schuldverschreibungen mit einer festgelegten Stückelung von weniger als EUR 50.000 (bzw. EUR 100.000 ab der entsprechenden Umsetzung der Richtlinie 2010/73/EU) sowie bei derivativen Wertpapieren, wenn es sich um Schuldverschreibungen handelt, die auf syndizierter Basis begeben werden.

²⁹ Not required for Notes with a Specified Denomination of at least EUR 50,000 (or EUR 100,000 upon respective implementation of Directive 2010/73/EU).

Nicht erforderlich bei Schuldverschreibungen mit einer festgelegten Stückelung von mindestens EUR 50.000 (bzw. EUR 100.000 ab der entsprechenden Umsetzung der Richtlinie 2010/73/EU).

³⁰ To be completed only, if known.

Nur auszufüllen, sofern bekannt.

Estimate of the total expenses related to admission to trading³¹

[]

Geschätzte Gesamtkosten für die Zulassung zum Handel³¹

Regulated Markets or equivalent markets on which, to the knowledge of the Issuer, notes of the same class of the Notes to be offered or admitted to trading are already admitted to trading.³²

Angabe geregelter oder gleichwertiger Märkte, auf denen nach Kenntnis der Emittentin Schuldverschreibungen der gleichen Wertpapierkategorie, die zum Handel angeboten oder zugelassen werden sollen, bereits zum Handel zugelassen sind³²

- ☐ Luxembourg (Regulated Market of the Luxembourg Stock Exchange)
Luxemburg (Regulierter Markt der Luxemburger Börse)
- ☐ Vienna (Second Tier of Regulated Market of the Vienna Stock Exchange)
Wien (Geregelter Freiverkehr der Wiener Börse)
- ☐ Other (insert details)
Sonstige (Einzelheiten einfügen)

[]

Name and address of the entities which have a firm commitment to act as intermediaries in secondary trading, providing liquidity through bid and offer rates and description of the main terms of their commitment³³

Name und Anschrift der Institute, die aufgrund einer festen Zusage als Intermediäre im Sekundärhandel tätig sind und Liquidität mittels Geld- und Briefkursen erwirtschaften, und Beschreibung der Hauptbedingungen der Zusagevereinbarung³³

[not applicable]

[specify details]

[nicht anwendbar]

[Einzelheiten einfügen]

Rating³⁴

[]

[The [Issuer/Programme has/Notes to be issued have] been rated:

[S&P's: []]

[Moody's: []]

[[Other]: []]

[This credit rating has / These credit ratings have] been issued by [insert full name of legal entity which has given the rating] which

[is not established in the European Union but a European Union affiliate has applied for registration under Regulation (EC) No. 1060/2009 indicating an intention to endorse its ratings, although notification of the corresponding registration decision (including its ability to endorse [•] ratings) has not yet been provided by the relevant competent authority.]

³¹ Not required for Notes with a Specified Denomination of less than EUR 50,000 (or EUR 100,000 upon respective implementation of Directive 2010/73/EU).

Nicht erforderlich bei Schuldverschreibungen mit einer festgelegten Stückelung von weniger als EUR 50.000 (bzw. EUR 100.000 ab der entsprechenden Umsetzung der Richtlinie 2010/73/EU).

³² Only to be completed in the case of an increase. In the case of a fungible issue, need to indicate that the original notes are already admitted to trading. Not required for Notes with a Specified Denomination of at least EUR 50,000 (or EUR 100,000 upon respective implementation of Directive 2010/73/EU).

Nur auszufüllen im Falle einer Aufstockung. Im Falle einer Aufstockung, die mit einer vorangegangenen Emission fungibel ist, ist die Angabe erforderlich, dass die ursprünglichen Schuldverschreibungen bereits zum Handel zugelassen sind. Nicht erforderlich bei Schuldverschreibungen mit einer festgelegten Stückelung von mindestens EUR 50.000 (bzw. EUR 100.000 ab der entsprechenden Umsetzung der Richtlinie 2010/73/EU).

³³ Not required for Notes with a Specified Denomination of at least EUR 50,000 (or EUR 100,000 upon respective implementation of Directive 2010/73/EU).

Nicht erforderlich bei Schuldverschreibungen mit einer festgelegten Stückelung von mindestens EUR 50.000 (bzw. EUR 100.000 ab der entsprechenden Umsetzung der Richtlinie 2010/73/EU).

³⁴ Do not complete, if the Notes are not rated on an individual basis. In the case of Notes with a Specified Denomination of less than EUR 50,000 (or EUR 100,000 upon respective implementation of Directive 2010/73/EU), need to include a brief explanation of the meaning of the ratings if this has been previously published by the rating provider.

Nicht auszufüllen, wenn kein Einzelrating für die Schuldverschreibungen vorliegt. Bei Schuldverschreibungen mit einer festgelegten Stückelung von weniger als EUR 50.000 (bzw. EUR 100.000 ab der entsprechenden Umsetzung der Richtlinie 2010/73/EU), kurze Erläuterung der Bedeutung des Ratings, wenn dieses unlängst von der Ratingagentur erstellt wurde.

[is established in the European Union and has applied for registration under Regulation (EC) No. 1060/2009, although notification of the corresponding registration decision has not yet been provided by the relevant competent authority.]

[[is][is not] established in the European Union and [is][is not] registered [(pursuant to the list of registered and certified credit rating agencies published on the website of the European Securities and Markets Authority (www.esma.europa.eu))] under Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies.]]

Rating³⁴

[Die Emittentin/Das Programm wurde / die zu begebenden Schuldverschreibungen wurden] von:

[S&P's: []]

[Moody's: []]

[[Andere]: []]

geratet.

[Dieses Rating wurde][Diese Ratings wurden] von [vollständigen Namen der juristischen Person, die das Rating abgibt einfügen] abgegeben. [vollständigen Namen der juristischen Person, die das Rating abgibt einfügen]

[hat [ihren][seinen] Sitz nicht in der europäischen Union, aber eine europäische Tochtergesellschaft hat die Registrierung gemäß der Verordnung (EG) Nr. 1060/2009 beantragt und die Absicht angezeigt, Ratings abzugeben, obwohl die entsprechende Registrierungsentscheidung (einschließlich der Entscheidung über die Nutzung von Ratings, die von [•] abgegeben wurden) durch die zuständige Aufsichtsbehörde noch nicht zugestellt wurde.]

[hat [ihren][seinen] Sitz

[in der Europäischen Union und die Registrierung gemäß der Verordnung (EG) Nr. 1060/2009 beantragt, wenngleich die Registrierungsentscheidung der zuständigen Aufsichtsbehörde noch nicht zugestellt worden ist.]

[[nicht] in der Europäischen Union und [ist][ist nicht] [(gemäß der Liste der registrierten und zertifizierten Kreditratingagenturen, veröffentlicht auf der Internetseite der European Securities and Markets Authority (www.esma.europa.eu))] gemäß der Verordnung (EG) Nr. 1060/2009 über Ratingagenturen registriert.]]

Other relevant terms and conditions (specify)

[]

Andere relevante Bestimmungen (einfügen)

[Listing:³⁵

[Börsenzulassung:³⁵

The above Final Terms comprise the details required to list this issue of Notes (as from **[insert Issue Date for the Notes]**) under the EUR 25,000,000,000 Debt Issuance Programme of Raiffeisen Bank International AG.

Die vorstehenden Endgültigen Bedingungen enthalten die Angaben, die für die Zulassung dieser Emission von Schuldverschreibungen (ab dem **[Tag der Begebung der Schuldverschreibungen einfügen]**) unter dem EUR 25.000.000.000 Debt Issuance Programme der Raiffeisen Bank International AG erforderlich sind.]

³⁵ Include only in the version of the Final Terms which is submitted to the relevant stock exchange in the case of Notes to be listed on such stock exchange.

Nur in derjenigen Fassung der Endgültigen Bedingungen einfügen, die der betreffenden Börse, bei der die Schuldverschreibungen zugelassen werden sollen, vorgelegt wird.

Responsibility:
Verantwortlichkeit:

The Issuer accepts responsibility for the information contained in these Final Terms as set out in the Responsibility Statement on page 2 of the Prospectus, provided that, 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 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. *Die Emittentin übernimmt die Verantwortung für die in diesen Endgültigen Bedingungen enthaltenen Informationen, wie im Responsibility Statement auf Seite 2 des Prospekts bestimmt. Hinsichtlich der hierin enthaltenen und als solche gekennzeichneten Informationen von Seiten Dritter gilt Folgendes: (i) Die Emittentin bestätigt, dass diese Informationen zutreffend wiedergegeben worden sind und – soweit es der Emittentin bekannt ist und sie aus den von diesen Dritten zur Verfügung gestellten Informationen ableiten konnte – keine Fakten verschwiegen wurden, die die reproduzierten Informationen unzutreffend oder irreführend gestalten würden; (ii) die Emittentin hat diese Informationen nicht selbständig überprüft und übernimmt keine Verantwortung für ihre Richtigkeit.*

Raiffeisen Bank International AG

[Name & title of signatories]
[Name und Titel der Unterzeichnenden]

DESCRIPTION OF RAIFFEISEN BANK INTERNATIONAL AG

INFORMATION ON THE ISSUER

1. Corporate history and development of the Issuer

The Issuer was formed in 1991 by Raiffeisen Zentralbank Österreich Aktiengesellschaft ("**RZB**"; and together with its consolidated subsidiaries, the "**RZB Group**") as a holding company for bundling the RZB Group's investments and interests in Central and Eastern Europe ("**CEE**"). It was renamed several times and operated under the name of "**Raiffeisen International Bank-Holding AG**" ("**RI**") from 2003 until the corporate reorganisation and name change to "**Raiffeisen Bank International AG**" ("**RBI**") in 2010. The Issuer has remained a fully consolidated subsidiary of RZB up to date.

The Initial Public Offering ("**IPO**") and stock exchange listing of the Issuer, until that time a 86 per cent. subsidiary of RZB, occurred in April 2005. After the listing and initial quotation on the Vienna Stock Exchange, RZB held 100 million shares of common stock; this corresponded to an equity interest of about 70 per cent. in the Issuer. The principal motive for the IPO was to secure funding for a further expansion in CEE, a region with more than 300 million inhabitants.

On 19 September 2007, the Issuer started a Secondary Public Offering ("**SPO**"). In the wake of such capital increase, 11,897,500 new shares were issued; the nominal share capital of the Issuer increased from EUR 435,448,500 to EUR 471,735,875. Half of the capital increase was subscribed for by RZB so that its percentage shareholding was reduced to 68.5 per cent.

In April 2010, the Management Boards of RI and RZB passed a resolution on the spin-off and subsequent merger of major parts of RZB's banking business with RI (the "**Reorganisation**" or the "**Merger**") in order to secure the long-term future prospects by strengthening the competitive position in CEE but also in Austria, to facilitate access to the money and capital markets and to achieve a broader product range.

On 7 July 2010 and 8 July 2010, respectively, the general meetings of the companies involved approved the Reorganisation with an overwhelming majority.

Prior to the Merger, RZB held via its 100 per cent. shareholding in Raiffeisen International Beteiligungs GmbH ("**RI-Bet**") indirectly a 100 per cent. shareholding in Cembra Beteiligungs AG ("**Cembra**"). Cembra held a shareholding of approximately 72.8 per cent. in RI.

In a first step, with retroactive effect as of 31 December 2009, 24:00, the corporate customer business and all associated equity participations of RZB were transferred to Cembra based on a spin-off and acquisition agreement. The corporate customer business in particular included trade finance, project finance, cash management, treasury and fixed income products with domestic and foreign-based corporate clients and multinationals. The equity participations included in particular Kathrein Privatbank Aktiengesellschaft (formerly: Kathrein & Co. Privatgeschäftsbank AG), Raiffeisen Centrobank AG, Raiffeisen Investment AG, Raiffeisen Malta Bank plc, RZB Finance LLC and BAILE Handels- und Beteiligungsgesellschaft m.b.H.

Following the spin-off, also with retroactive effect as of 31 December 2009, 24:00, Cembra, as the transferring company, was merged with RI as the acquiring company, by means of a merger by absorption. As a consequence, Cembra's corporate assets, together with the assets transferred to it as a result of the preceding spin-off, were transferred to RI by way of universal succession.

The exchange ratio of RI to Cembra was fixed as follows: 30.701845 bearer shares in RI were granted for each share in Cembra. The exchange ratio was based on valuations by RI and Cembra, confirmed by two independent auditing companies as independent assessors and further strengthened by fairness opinions of three international investment banks.

RI increased its share capital from EUR 471,735,875.00 by EUR 124,554,753.20 to EUR 596,290,628.20 by issuing 40,837,624 new shares. RZB received these shares through RI-Bet as compensation for the transfer of assets by Cembra in the Merger. Furthermore, the shares held by Cembra in RI were transferred ex lege to RI-Bet as sole shareholder of Cembra, as partial compensation. After the Merger became legally effective, RI-Bet held all of those shares in RI which had been held by Cembra prior to the Merger. Thus, following the Merger, RZB indirectly holds approximately 78.5 per cent. (calculated on the total number of shares, including treasury shares) in RBI.

The Merger was recorded in the commercial register and became effective on October 10, 2010. With such effective date, RI changed its name to Raiffeisen Bank International AG and obtained an Austrian banking license. Its shares continued to be listed on the Vienna Stock Exchange.

Raiffeisen Bankengruppe Österreich ("RBG")

RBI is a member of the Raiffeisen Banking Group Austria (*Raiffeisen Bankengruppe Österreich*, "RBG") and thus part of one of Austria's largest banking groups.

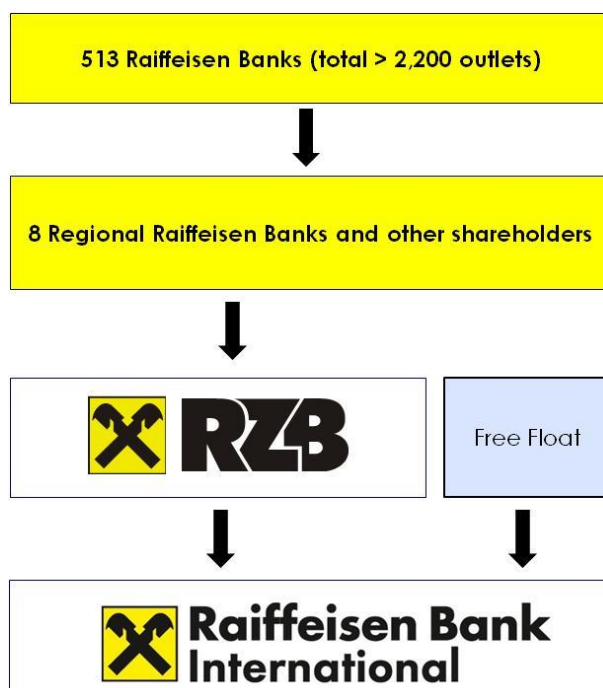
RBG is a three-tier organization comprising the autonomous and locally active Raiffeisen banks ("**Raiffeisen banks**" – first tier), the autonomous regional Raiffeisen banks ("**Raiffeisen-Landeszentralen**" - second tier) as well as RZB (third tier).

In each of Austria's federal provinces, the Raiffeisen banks, which are organized as cooperatives, act as so-called *universal banks*, offering a complete range of banking products and services, and collectively own the *Raiffeisen-Landeszentrale* in the respective federal province. The *Raiffeisen-Landeszentralen* operate at a regional level, render central services for the Raiffeisen banks within their region and also operate as universal banks. The Raiffeisen banks and the *Raiffeisen-Landeszentralen* are neither part of the RZB Group nor of the RBI Group.

RZB, in which the Raiffeisen-Landeszentralen directly and indirectly hold together a share of approximately 90 per cent. of its share capital, acts as the central institution of RBG as provided in § 23 subparagraph 13 no. 6 and § 25 subparagraph 13 of the Austrian Banking Act (*Bankwesengesetz* - "**BWG**"). In its capacity as the central institution of the RBG, RZB acts as representative of RBG with respect to nationwide issues as well as as central interface for liquidity reserves held by those associated institutions that are members of the decentralized RBG. After the Reorganisation, RBI also joined the common liquidity balancing system.

In terms of total assets, market share data relating to the business with retail customers as well as small and medium-sized enterprises and the number of branch offices, RBG is one of the largest banking groups in Austria. However, RBG does not constitute a group of companies (*Konzern*) within the meaning of § 15 of the Austrian Stock Corporation Act (*Aktiengesetz*, BGBl. 1965/98, as amended).

Structure of RBG:



Source: Internal Data (unaudited) as at 31 December 2011

Membership in the Raiffeisen-Kundengarantiegemeinschaft Österreich ("RKÖ") and Österreichische Raiffeisen-Einlagensicherung eGen ("ÖRE")

According to the Austrian Banking Act, any credit institution which receives deposits or provides securities services requiring protection under applicable Austrian law must join the deposit guarantee and investor compensation scheme of its sector within the banking system. RBI is a member of *Österreichische Raiffeisen-Einlagensicherung eGen ("ÖRE")*, which takes on the function as statutory deposit guarantor and investor compensator for RBG.

Since 1 January 2010, the deposit balances (i.e. deposit and credit balances on savings book accounts and other accounts, e.g. salary accounts, savings accounts, pension accounts, other current accounts, term deposit and fixed-term, fixed-rate savings books (*Kapitalsparbücher*)) of private individuals are protected up to a maximum of EUR 100,000. Since 1 January 2011, the maximum protection amount of EUR 100,000 also applies to deposits of legal persons; however, large corporations (*große Kapitalgesellschaften*) within the meaning of the Austrian Commercial Code are excluded from protection. Monetary claims from securities services are protected up to a maximum of EUR 20,000, with an additional cap of 90 per cent. of the receivables arising from securities transactions for legal persons (other than large corporations).

Payments made by a deposit insurance scheme to restore insured deposits are met by contributions from each member credit institution in the relevant sector. Each bank's contribution is determined in proportion to the aggregate amount of such credit institution's deposits, subject to a maximum contribution amount equal to 1.5 per cent. of most classes of risk-weighted assets calculated for capital adequacy purposes, plus 12.5 times of the regulatory capital requirement for certain positions of the trading book, each as per the most recent balance sheet date.

In the event that the aggregate maximum amount that a sector's members can be called upon to contribute is less than the payment liability under the insurance scheme, each deposit insurance scheme of the other banking sectors will contribute a pro rata portion of the amount then remaining unpaid. The participation of each deposit insurance scheme is to be determined as per the previous paragraph. If the amount contributed by all insurance schemes is insufficient to make the required payment, the insurance scheme that is primarily obligated to repay such protected deposits must take up loans or issue bonds to cover any amount then remaining unpaid. The Republic of Austria may guarantee such liabilities.

In addition to the statutory deposit insurance, the nationwide voluntary Raiffeisen customer guarantee scheme *Raiffeisen-Kundengarantiegemeinschaft Österreich ("RKÖ")*, which consists of the provincial customer guarantee associations open to every Austrian Raiffeisen bank, protects customers from financial damages in the event of bankruptcy. Approximately 82 per cent. of all the Austrian Raiffeisen banks currently belong to a customer guarantee association. The Issuer is also a member of RKÖ. In the case of bankruptcy of a Raiffeisen bank (which has not happened to date) which is a member of RKÖ, its customers can hold the respective provincial customer guarantee association liable for their money claims from deposits and issued securities as specified in RKÖ's statutes. Its members are contractually obliged to guarantee to meet all such customer deposits and money claims arising from the issue of securities, subject to their economic capacity. Customers of the insolvent bank are offered equivalent claims against other members of the RKÖ instead of bankruptcy claims. If a provincial customer guarantee association is unable to fulfil all protected customer claims, the members of the RKÖ guarantee to meet all protected claims against an insolvent member in good time according to the statutes and, again, subject to their economic capacity. Funds are raised within RKÖ by contributions from all members. The economic reserves of all member banks are applied in a legally binding manner in accordance with a precisely stipulated allocation and debiting system so that the value of customer deposits, in certain circumstances, will be safeguarded beyond the amount guaranteed under the statutory deposit insurance in the event of bankruptcy.

The legal framework on deposit guarantee and investor compensation schemes of the European Union is currently the subject of reform efforts. Such new European directives will need to be implemented by the Austrian legislation. Most probably a compensation fund will have to be established within ÖRE. The structure is not yet clear and will depend on the final versions of the above mentioned legislative acts.

Furthermore, it is being proposed by the European Commission to introduce resolution funds in order to provide supplementary funding for tools in connection with crisis management measures and the recovery and resolution of banks. Such resolution funds might also be amalgamated with deposit guarantee schemes and thus might result in increased contributions. According to current proposals, the resolution funds, if not amalgamated with deposit guarantee schemes, would raise contributions from banks proportionate to their liabilities and risk profile up to a capacity of 1% of covered deposits in a time span of 10 years. It is currently also unclear what effect the introduction of such resolution funds will have on the existing statutory and voluntary deposit guarantee and investor compensation schemes in which RBI participates.

1.1 General Information about the Issuer

The Issuer operates under the name of "**Raiffeisen Bank International AG**"; the Issuer's commercial name is "Raiffeisen Bank International" or "RBI".

The Issuer is registered in the company register of the Commercial Court of Vienna (Republic of Austria) under number FN 122119m.

The Issuer was established in 1991 for an unlimited duration under the name of *DOIRE Handels- und Beteiligungsgesellschaft mbH*.

RBI is a stock corporation under Austrian law. RBI was incorporated and its registered office is in Vienna (Republic of Austria). Its head office is located at:

Am Stadtpark 9
A-1030 Vienna
Austria

Telephone number: +43 (1) 717-07 – 0

The principal place of business is identical with the head office.

1.2 Statutory purpose of the Issuer

Statutory purpose of the Issuer is to engage in banking business of any kind pursuant to § 1 para. 1 of the BWG and associated transactions; with the exception, however, of any investment fund business, real estate investment fund business, participation fund business, severance and retirement fund business, building savings and loan business, and the issuance of mortgage bonds and municipal bonds.

Further purposes of the Issuer are:

- (a) Consulting and management services of any kind for the business enterprises in which the Issuer holds a participation or which are otherwise affiliated with the Issuer;
- (b) Activities and services of any kind which are directly or indirectly connected with the banking business of the Issuer, including in particular the activities set out in § 1 paras. 2 and 3 of the Banking Act, the performance of management consulting services, including company organisation services and services in the field of automatic data processing and information technology.

In compliance with applicable law the Issuer is authorized to raise supplementary capital, subordinated capital and short-term subordinated capital as well as hybrid capital pursuant to the Banking Act, and to issue financial instruments that are comparable thereto.

The Issuer is authorised to acquire real estate, to establish branches and subsidiaries in Austria and elsewhere, and to acquire shareholdings in other companies. Moreover, the Issuer is entitled to engage in any and all transactions and to take all measures which are deemed necessary or expedient for the fulfilment of the Issuer's purposes, including without limitation in areas that are similar or related to such purpose.

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 Issuer is not aware of any recent adverse events (i.e. occurring after the most recent audited financial statements/consolidated financial statements of the Issuer as of 31 December 2011) in the context of its business activities that are to a material extent relevant for the evaluation of its solvency.

Nonetheless, the difficult overall macroeconomic environment with decreasing growth rates and negative forecasts, exchange rate volatility as well as the continuing tense situation on the financial and capital markets naturally have had and may continue to have a negative impact on the Issuer's business activity and results of operations, in particular also on the Issuer's liquidity costs.

In particular, the following negative impacts with regard to the Issuer are described below:

Recent developments in Hungary

In September 2011 the Hungarian Parliament passed the "Home Protection Law" which allowed foreign exchange mortgage debtors to repay their loans early out of savings or from new loans in Hungarian forint ("HUF") at a rate notably lower than the current market rate. This scheme ended on 31 December 2011 and resulted in significant loan losses for RBI Group.

Meanwhile, a new programme in favour of foreign exchange mortgage debtors has been prepared. The exchange rate protection scheme is open to performing foreign exchange debtors until the end of 2012. For those debtors who opted for this scheme the amount of the monthly instalment (principal and interest) will be fixed at 250 EUR/HUF and 180 CHF/HUF. The portion of the monthly instalments above the fixed exchange rate will go to a buffer account. The principal part on the buffer account still needs to be paid by the customer. The interest on the buffer account will be paid by the government and the banks split by 50%-50%. If exchange rates go above 340 EUR/HUF and 270 CHF/HUF, the government will pay 100% of the interest. With a 100% participation rate in this scheme, a negative impact of approximately EUR 25 million on RBI Group's net interest income over the next five years is expected.

Additional capital requirement of RZB Group according to EBA calculations

In October 2011, EBA and the Council of the European Union issued a comprehensive package of measures in response to the Eurozone debt crisis (the "**EBA Capital Package**"), that among other things, requires RBI's major shareholder RZB to increase its core tier 1 capital ratio (based on the definitions of the EBA as outlined in its publication of 15 July 2011) to 9 per cent. by 30 June 2012. Based on RZB Group's figures as of 30 September 2011, the RZB Group would have had additional capital requirements of approximately EUR 2.1 billion to achieve the necessary capital buffers. Furthermore, RZB Group's actual capital requirement as of 30 June 2012 will be affected by RBI Group's profits in this period as well as other factors that may be beyond RBI Group's control.

If the RZB Group is unable to achieve 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 recapitalisation measures or the (partial) nationalization of RZB and thus a dilution of the present shareholders of RZB. As a consequence, the Austrian government could hold a portion of RZB's issued share capital.

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, has already implemented certain measures and is implementing a bundle of measures.

The implemented / intended measures include:

- Reducing the capital required through a *capital clean-up* and reducing especially non-core business with a focus on market risk positions
- Generating regulatory capital through a transformation of other own funds into core tier 1 capital according to EBA definition for 30 June 2012
- Release of hidden reserves, allowing for and allocating earnings (on a pro rata basis of regular dividend distributions)
- A multiplicity of smaller measures, eg liability management

Participation Capital:

For purposes of calculating core tier 1 capital under the EBA requirements, only the EUR 1.75 billion of RBI's EUR 2.5 billion participation capital issue which was subscribed by the Republic of Austria will be recognised, while the EUR 750 million subscribed by private investors will not be recognized as core tier 1 capital.

Hybrid Capital

In the first quarter of 2012, the Issuer conducted a tender offer for the repurchase of hybrid capital instruments, and on 6 March 2012, the Issuer accepted for purchase EUR 358 million aggregate principal amount of the hybrid capital instruments tendered at prices below par. This transaction generated a positive core tier one capital effect for the consolidated RZB Group.

EU sanctions with regard to Belarus:

The European Union has extended the sanctions against Belarus in March 2012. The Issuer's subsidiary in Belarus, Priorbank JSC, has business relationships with sanctioned entities with a currently outstanding loan volume of approximately EUR 29 million. It is difficult at this point of time to evaluate the exact economic impact of the amended EU sanctions on the Issuer.

2. BUSINESS OVERVIEW

2.1 Principal areas of activity

Business activities of RBI and the RBI Group

RBI Group is a universal banking group offering a comprehensive range of banking and financial products as well as services to retail and corporate customers, financial institutions and public sector entities. RBI Group focuses its business on its core markets CEE and Austria. In CEE, the RBI Group operates a network of universal banks, leasing companies and other financial service providers in 17 markets (in 15 of which it operates majority-owned banking subsidiaries, "**Network Banks**"). Since the Merger, RBI Group has been providing commercial and investment banking services to Austrian and international corporate clients and multinationals. The RBI Group also has long-standing operations in Asia, including China and Singapore, to take advantage of selected business opportunities. With approximately 2,900 business outlets, RBI serves approximately 13.8 million customers and employs approximately 59,000 employees, all as of 31 December 2011, as one of the largest pan-CEE (incl. Austria) banking groups.

The RBI Group's products and services include loans, deposits, payment and account services, credit and debit cards, leasing, asset management, distribution of insurance products, export and project financing, cash management, foreign exchange and fixed income products as well as investment banking services. While RBI Group's CEE business covers both retail and corporate customers, RBI Group's business in Austria and other countries outside CEE services corporate clients (medium and large-sized corporates and financial institutions), with a particular focus on clients that offer cross-selling opportunities in CEE.

The RBI Group has had a presence in Poland since 1991 through its wholly-owned subsidiary Raiffeisen Bank Polska S.A. On 3 February 2011, RBI concluded an agreement with EFG Eurobank Ergasias S.A. ("**Eurobank EFG**") to acquire a 70 per cent. majority stake in Polbank EFG ("**Polbank**"), the Polish branch of Eurobank EFG which subsequently and in accordance with the closing conditions was converted to a separate bank with a Polish banking license. Following the completion of all regulatory requirements, the acquisition was closed on 30 April 2012.

The transaction structure provided that concurrently with the acquisition of the 70 per cent stake in Polbank by RBI Group, both RBI Group and Eurobank EFG have transferred their respective shareholdings in Polbank by way of a contribution in kind to Raiffeisen Bank Polska S.A. As a result of such contribution, the stake of Eurobank EFG in Polbank has been exchanged for a 13 per cent. stake in Raiffeisen Bank Polska S.A. operations, while following this transaction step RBI Group holds a stake of 87 per cent in the combined Raiffeisen Bank Polska S.A. – Polbank operations.

For the acquisition of the 70 per cent stake in Polbank a cash purchase price of EUR 460 million was paid by RBI to Eurobank EFG at closing. The pricing of the transaction was based on a guaranteed minimum equity of EUR 400 million for Polbank and EUR 750 million for Raiffeisen Bank Polska S.A., and, RBI had agreed, in addition to the provisional cash purchase price of EUR 460 million, to compensate Eurobank EFG (without premium) for the amount by which the equity position of Polbank and Raiffeisen Bank Polska S.A. at closing exceeded the guaranteed minimum amounts.

Upon closing of the Polbank acquisition the RBI Group further has been required to replace the funding provided to Polbank by Eurobank EFG on a pro rata basis, with an initial EUR 1 billion equivalent in funding required to be provided by RBI at the time of the closing of the acquisition. If either party should decide to exercise its respective put or call option, Eurobank EFG's commitment for a continued contribution to funding of Polbank and RBI's Polish operations would no longer apply.

According to the agreements entered into between Eurobank EFG and RBI in the context of the acquisition of Polbank shares, Eurobank also received a put option allowing it to sell its 13 per cent stake in the combined bank to RBI Group at any time subsequent to closing, and immediately following closing of the acquisition Eurobank EFG has informed RBI that it executes this put option. The settlement of the option, which however is subject to a renewed merger approval by the EU anti-trust authorities, will make RBI the sole shareholder of the combined bank. The agreed price payable upon settlement of the option is not less than a floor price of EUR 175 million (again, as in

the case of the initial acquisition of Polbank shares by RBI Group, as adjusted to account for an increased capital position of Polbank and Raiffeisen Bank Polska S.A. respectively).

Since Raiffeisen Bank Polska S.A. has primarily focused on corporate customers and Polbank focuses on the retail market, RBI Group believes that the complementary strategic focus will provide high client cross-referral potential and thus Polbank will complement RBI Group's existing operations in Poland and fit well into its strategic framework. The intended legal merger of Raiffeisen Bank Polska S.A. and Polbank is expected to be finalised within one year. The merged bank will operate under the brand "Raiffeisen Polbank".

Furthermore, it is envisaged that 15 per cent of the shares in the combined bank will be listed on the Warsaw Stock Exchange by June 2016 and RBI's shares will be listed in Poland by June 2018 in addition to their listing on the Vienna Stock Exchange.

Strategy

RBI Group focuses its business on its core markets, CEE and Austria. Building on a strong convergence potential of the CEE banking market, the RBI Group's goal is to strengthen its position in its core markets primarily by realizing organic growth potential, although it may still consider selective acquisitions, portfolio realignments, or divestments on an opportunistic basis. RBI Group intends to pursue its goal in particular by implementing the following strategies:

- **Expand retail client base by leveraging strong distribution network:** The RBI Group's goal is to leverage the RBI Group's distribution network in CEE. The RBI Group plans to achieve this by (i) growing the affluent and micro business banking customer segment across the RBI Group; (ii) further roll-out premium and private banking solutions and (iii) selectively penetrating the mass market via its existing network. Furthermore, RBI Group's distribution channels in the CEE region are expected to be strengthened by the RBI Group's direct internet bank initiative ZUNO (ZUNO Bank AG, a direct bank subsidiary of RBI Group), which was launched in Slovakia in 2010, expanded to the Czech Republic in July 2011 and is intended to be expanded to further selected markets to cater to the growing segment of internet-focused customers. At the same time, the RBI Group is in the process of upgrading its delivery model in the retail business by further developing its IT integration. This initiative, together with further product standardization and ongoing sales efficiency initiatives is directed towards enabling RBI Group to better realize cross-network synergy potentials. The RBI Group is also focusing on strengthening and further developing key product capabilities targeting its retail customer clientele, such as asset management, insurance distribution, credit and debit cards and international payment services.
- **Continue to increase customer penetration and improve efficiency in the corporate business:** The RBI Group intends to build on its - in its opinion - strong market position and direct client access to increase corporate customer penetration by implementing a group-wide customer coverage approach and by cross-selling products and services. In this respect, the RBI Group has different sales and coverage approaches for its various customer groups, in particular more standardised product and service delivery models for smaller clients and more tailored sales and service models for large and mid-cap clients. As part of these efforts, RBI is rolling out a group-wide account planning model for large corporate clients to increase customer penetration. A particular focus of this initiative will be the offering of high value added and capital- and liquidity-light products (such as foreign exchange and fixed income products, trade finance, cash management, custody services and investment banking products) through closer cooperation within the RBI Group. At the same time, the RBI Group intends to reduce lower margin business with clients that do not offer cross-selling potential. Furthermore the RBI Group intends to shift focus onto the CEE business of Austrian and international clients and to expand business with existing clients by offering financial services catering to trans-regional trade-flows, in particular between Asia and CEE and to develop its corporate and capital markets businesses in Asia, through its long-established presence in financial centers in the region.
- **Maintain a strong liquidity and funding position:** In order to maintain and strengthen its liquidity and funding position, RBI Group intends to continue to focus on customer deposit generation in CEE at comparably attractive margins, by using traditional branch-based distribution channels as well as more recently established direct banking initiatives (via ZUNO). In line with current regulatory discussions, RBI Group intends to self-fund its business in CEE primarily on a local level. RBI Group intends to complement this with a further diversification of its wholesale funding sources at a group and subsidiary level, in particular an expansion of secured funding. RBI Group's goal is to maintain its diversified funding profile including both a strong and growing customer deposit base as well as continued access to wholesale funding markets.

- **Focus on core assets:** Driven by RBI Group's focus on optimising capital efficiency and funding allocation across the RBI Group, which was a key rationale of the Merger, as well as its focus on its client-centric business model in CEE, Austria and Asia (including capturing trans-regional trade flows into this region), RBI Group intends to take advantage of strategic opportunities to deleverage non-core portfolios.

Strengths

In its own opinion, the RBI Group's competitive position is based in particular on the following strengths:

- **Leading positions in most CEE markets:** RBI Group was one of the first Western European banks to build a pan-CEE presence after the markets opened up for foreign investments. Given its long-term presence in CEE markets, RBI Group benefits from its long-standing relationships with clients in the region, having resulted in a leading market position in CEE markets with an anticipated growth potential in the medium to long term. Based on the product expertise of a leading corporate bank in Austria, RBI Group believes that it is well positioned to serve the needs of customers in CEE, which require increasingly complex banking and financial services solutions, particularly in the area of corporate banking. In terms of customer loan volume, RBI Group ranks among the five largest banks in Austria and 12 countries in CEE (according to internal estimates on the basis of local central bank data), of which half of the countries are EU member states. Although set against the background of a challenging market environment and regulatory developments imposing additional constraints, RBI Group believes that its strong position in key markets in the CEE region provides a sound basis for RBI Group to benefit from continued market growth prospects. Recently, some of RBI Group's competitors have been scaling back or withdrawing their operations in CEE markets, and RBI Group believes that this trend provides an opportunity to strengthen its competitive position in those markets.
- **Extensive CEE network and recognized brand:** The Raiffeisen brand is well established and recognised in the CEE region. In combination with one of the largest distribution networks in CEE (approximately 2,900 outlets) RBI Group believes that it is well positioned to service an increasing client base and diverse customer needs in and in relation to the CEE region. The RBI Group's distribution network provides both a distribution channel for loan and investment products, as well as a platform for deposit taking business and the generation of fee income services. The RBI Group's local client coverage approach combined with high group-wide service standards and its highly recognised brand ensure connectivity to and loyalty from customers.
- **Strongly positioned in resilient CEE markets:** RBI Group believes that its local presence in CEE combined with its international network helps to reduce the impact on RBI Group of adverse economic developments in any individual market while still providing RBI Group with exposure to the overall CEE region's structurally superior long-term growth prospects relative to Western Europe. In the medium and long term, the macroeconomic outlook in the CEE region is generally considered to be better than in the Eurozone with varying degrees of resilience in the various CEE countries. Economic downturns may occur with regard to individual countries in the CEE region. In addition, in a scenario of a positive market development in these markets in general, banking asset growth is expected to outperform nominal GDP growth based on the significant potential for convergence to the Western European average in terms of banking intermediation. RBI Group believes that it is well positioned to take advantage of the long-term structural growth potential in the CEE region, which RBI Group considers its core market on the back of its market knowledge built over more than 20 years.
- **Western bank with a strong focus on Russia:** In Russia, RBI Group is one of the ten largest banks and the third largest foreign owned bank in terms of assets (according to local central bank data). In 2011, approximately 32 per cent. of RBI Group's profit before tax and approximately 11 per cent. of its customer loans were generated in Russia. With approximately 200 branches across Russia, RBI Group is one of the few Western European banks who can offer a platform for its corporate clients in Russia. RBI Group believes that this local presence will enable it to service both Russian as well as international clients in the fast growing Russian market, which is expected to outgrow the other CEE markets. RBI Group's management believes that RBI Group is well positioned compared to other CEE banks to benefit from this expected growth momentum.
- **Diversified and profitable business model with established track record:** The RBI Group has demonstrated the resilience of its business model during the financial and economic crisis in the past. Unlike many of its local and international competitors, RBI Group avoided reporting losses during the past developments of the financial and debt crisis and has been profitable in every quarter since RI's initial public offering in 2005. The RBI Group believes that its strategic geographical and business diversification positions it well for the future. Key to RBI Group's past performance is the RBI Group's broad geographic footprint in CEE

and Austria with a presence in 17 markets in CEE. The RBI Group's footprint comprises both CEE markets perceived as stable, such as the Czech Republic and Poland, as well as markets with a higher growth potential and higher return dynamics such as Russia. RBI Group believes that its broad and diversified business model, which targets markets with different economic cycles and stages of development provides a basis for stability in times of financial crises. By applying experience gained in other markets, RBI Group believes it is able to take advantage of profit generation potential across the CEE region ahead of competition with only a local presence. In addition, RBI Group considers its focus on both retail and corporate customers in CEE to be an important pillar of its business model: While its retail customers provide access to a more sustainable local deposit base, the corporate customer business typically produces more stable revenue income. The resilience of the RBI Group's business model is further supported by the RBI Group's client-centric approach in both corporate and retail banking, as evidenced by the relatively small contribution of proprietary businesses such as securities and trading to the RBI Group's profits.

- ***Universal bank with large client base and comprehensive product platform:*** As a result of the Merger, through which the RBI Group gained control of significant product capabilities, it may now offer the services of a fully integrated universal bank with a comprehensive product portfolio covering both corporate banking products and services (such as export finance, foreign exchange and fixed income sales, investment management products as well as cash management and project finance) and retail banking products and services (such as asset and wealth management, credit and debit cards, insurance distribution and, through ZUNO, online banking products). RBI Group leverages its product know-how by utilizing its product distribution capabilities and access to markets across its network. The RBI Group believes that it is well positioned to benefit from and serve the growing demand for sophisticated products and increasingly complex financial services solutions in RBI Group's markets in CEE, which in turn is expected to increase the generation of fee income, and that regionally diverse customer demands will offer the potential to enhance cross-selling opportunities and capture an additional share of revenues from its clientele across CEE. In addition, the RBI Group intends to leverage its product knowledge by establishing organisational hubs for certain investment banking products that service and assist the entire network.
- ***Experienced and stable management team:*** The RBI Group has an established and experienced management team with in-depth industry experience. The strengths of the RBI Group's management team are not only evidenced by leading market positions in many CEE markets, in which the RBI Group operates, but also by various strategic acquisitions in the past. RBI Group believes that its history as a pioneer in CEE banking markets has given it an excellent reputation as international bank to work for in the region, and RBI considers the skill and dedication of its employees as key factors of the RBI Group's success.

Management and organization of the RBI Group

The RBI Group's business is divided into 7 segments: (i) Central Europe; (ii) Southeastern Europe; (iii) Russia; (iv) CIS Other; (v) Group Corporates; (vi) Group Markets; and (vii) Corporate Center. The four geographic segments (Central Europe, Southeastern Europe, Russia and CIS Other) focus on traditional banking business. The functional segments (Group Corporates and Group Markets) focus on corporate customers in Austria and the rest of the world outside CEE, as well as on financial institutions, institutional and sovereign customers and capital markets products and to a limited extent on proprietary trading. The Corporate Center segment comprises the RBI Group's headquarters function. The Group Corporates, Group Markets and the Corporate Center segments were introduced in 2010 in connection with the Merger and comprise substantially all of the business areas transferred to RBI with effect as of 1 January 2010 in connection with the Merger.

The stakes in the Network Banks, which have been held directly by RBI so far, except from the share in Raiffeisen Bank Zrt., Hungary, are currently transferred to wholly-owned holding companies of RBI in order to bundle the stakes of the Network Banks corresponding to the geographic segments Central Europe, Southeastern Europe and CIS Other (including, in this case, Russia). The geographical allocation is intended to improve the Issuer's management, steering and control functions over the Network Banks.

Description of segments

Central Europe segment

This segment comprises the five countries that joined the European Union on 1 May 2004, i.e. the Czech Republic, Hungary, Poland, Slovakia and Slovenia. They represent not only the most developed banking markets in CEE in terms of banking intermediation but also the countries in which the RBI Group had its earliest presence.

Southeastern Europe segment

This segment comprises Albania, Bosnia and Herzegovina, Croatia, Kosovo, Moldova and Serbia, as well as Bulgaria and Romania, both of which joined the EU on 1 January 2007. Due to its close economic ties to Romania, Moldova is managed out of the Romanian subsidiary bank and, consequently, is included as part of Romania.

Russia segment

The Russia segment comprises the RBI Group's assets and business activities in the Russian Federation.

CIS Other segment

The CIS Other segment comprises the RBI Group's activities carried out in the Commonwealth of Independent States excluding Russia, i.e. Belarus, Ukraine and Kazakhstan.

Group Corporates segment

The Group corporates segment, one of the three new segments resulting from the Merger, covers commercial and investment banking business carried out by the Issuer's operations in its Vienna headquarters with Austrian and international corporate customers, including CEE multinationals. The segment also includes the corporate customer business conducted at the China, Malaysia and Singapore branches, the Maltese banking subsidiary and lending business of RB International Finance (USA) and RB International Finance (Hong Kong), all of which provide a selection of products for niche market customers. The Group Corporates segment's product range includes global corporate banking products such as investment and export financing, acquisition financing and project and structured finance and cash management.

RBI Group's strategic priority in this segment is to continually develop its service and sales model through group-wide account planning by offering tailor-made solutions for large corporate customers and to exploit cross selling opportunities with the RBI Group's local operations in other countries. The Group Corporates segment has a distribution emphasis on funding- and capital –light products. The Group Corporates segment also provides a central hub function for commercial and investment banking products offered across the RBI Group's network.

Group Markets segment

The Group Markets segment, one of the three new segments resulting from the Merger, covers the RBI Group's capital markets, investment banking and securities trading business, as well as business with institutional and sovereign customers.

Under its capital markets operations, RBI Group generates income from currency and securities trading and interest-based transactions executed for its customers, from investment banking services, which are provided by Raiffeisen Centrobank AG, and from securities trading for own accounts carried out in the Issuer's headquarters in Vienna and in its London and Singapore branches. Within the Group Markets segment, the Vienna headquarters are also responsible for the RBI Group's coverage of banking, institutional and sovereign customers, including governments and local authorities. The strategic focus is on capital-light products (such as trade finance, cost management and custody), equity and debt capital market products as well as M&A advisory activities (via its hub-model). Furthermore, the focus is on credit exposure on customer related and trade finance business. The Group Markets segment also includes private banking, carried out through Kathrein Privatbank Aktiengesellschaft, which advises on wealth and asset management for private banking clients and provides advisory services for foundations.

Corporate Center segment

The Corporate Center segment, one of the three new segments resulting from the Merger, encompasses all the services as well as the oversight function provided by RBI Group headquarters for various divisions to realize the RBI Group's strategy. Results from these activities are allocated to this segment to ensure comparability. This segment also includes liquidity management and balance sheet structure management linked to securities trading, as well as net income from the equity investment portfolio. In addition, the Corporate Center segment covers net income from intra-group financing carried out by RBI Group headquarters and the Maltese subsidiary (whose business with external customers is included in the Group Corporates segment). Net income from certain customers, for which members of the Management Board are directly responsible, is also shown in this segment, as is income from the Austrian transaction services business operated by Raiffeisen Data Service Center GmbH. Net income from holding companies and other companies not directly allocated to any other segment, as well as interest expenses linked to refinancing using hybrid instruments, are also included in this segment. Net income from treasury and balance sheet structure management controlling is also included in this segment.

Business lines:

In addition to the RBI Group's reporting segments, the RBI Group has five business lines which are focused on customer groups and products: (i) Corporate Customers, (ii) Retail Customers, (iii) Financial Institutions & Public Sector, (iv) Capital Markets & Treasury and (v) Participations & Other.

2.1.1. Major new products and/or services

The Issuer's products and services are subject to ongoing reviews and adjustments against the background of a changing legal framework and market conditions; thus there are frequent legislation and market related adjustments in this area.

The RBI Group's direct bank subsidiary ZUNO BANK AG, currently with branches in Slovakia and the Czech Republic ("ZUNO") was launched in Slovakia in 2010, expanded to the Czech Republic in July 2011 and is intended to be expanded to further selected markets to cater to the growing segment of internet-focused customers. Its products and services are aimed primarily at private individuals and include deposit products such as time deposits, savings and current accounts and a broad spectrum of payment transaction products including currency exchange. Subsequently, ZUNO intends to continuously expand its product portfolio in line with customer requirements.

A bank license for ZUNO was granted by the Austrian Financial Markets Authority (Finanzmarktaufsicht - "FMA") in December 2009. Pursuant to the "Single European Passport" principle, it will be able to enter other EU markets by way of notification to the local authorities.

2.1.2 Competitive position

The RBI Group's core markets comprise Austria and CEE; CEE countries include Central Europe ("CE"), Southeastern Europe ("SEE"), Russia and CIS Other. CE comprises the countries with the most developed banking markets in terms of banking intermediation in the CEE region, i.e. countries that joined the European Union in 2004, Poland, Hungary, the Czech Republic, Slovenia and Slovakia, the latter two also being Eurozone members. SEE comprises Bulgaria and Romania, which joined the European Union in 2007, as well as Albania, Bosnia and Herzegovina, Croatia, Kosovo, Moldova and Serbia. Due to its close economic ties to Romania, Moldova is managed out of the Romanian subsidiary bank. The Russian economy and banking sector is by far the largest individual market in CEE. CIS Other comprises Ukraine, Belarus and Kazakhstan. Banking penetration and consolidation in CIS Other is not yet as advanced as in other regions in CEE.

In addition to its core markets (Austria and CEE), the Issuer also has long-standing operations in Asia, including China and Singapore, to take advantage of selected business opportunities, which require specific financing solutions.

The following table presents the RBI Group's competitive position as of 31 December 2011:

Country	RBI market share by total loans	RBI market position by total loans
Albania	22.82%	1
Belarus	5.30%	5
Bosnia and Herzegovina	17.50%	2
Bulgaria	9.02%	4
Croatia	9.38%	5
Czech Republic	6.86%	5
Hungary	9.37%	5
Kosovo	27.75%	2
Poland*	2.33%	12
Romania	7.70%	3
Russia	1.62%	8
Serbia	6.46%	5
Slovakia	17.38%	3
Slovenia	3.30%	10
Ukraine	5.20%	4

*without Polbank

Source: Internal estimates (unaudited).

Competitive landscape in CEE: The RBI Group is facing strong competition in all business segments in CEE, but the level of competition varies from country to country and depends on a number of country specific factors, including concentration of local banking markets, capital resources and management quality of local competitors. Many of the

international competitors in the CEE region have a very high asset concentration in just a few countries of the region, whereas RBI's asset base is diversified across most countries in CEE. The RBI Group considers itself as one of the leading banking groups serving customers throughout CEE with particularly strong positions in Belarus, Bulgaria, Hungary, Romania, Russia, Slovakia and Ukraine.

Competitive landscape in Austria: The Austrian banking market is mainly composed of private, savings and state mortgage banks as well as credit cooperatives and loan associations. According to the Austrian Central Bank (OeNB), as of 31 December 2011, there were a total of 824 banks in Austria (source: OeNB). As the RBI Group generally does not engage in retail banking in Austria, the Austrian retail banking system is not discussed in detail in this Prospectus. The Austrian commercial banking market is highly competitive, with substantial pricing pressure among the various players and relatively high operating cost levels. As a result, profitability levels are relatively low in the Austrian market, and, in addition, the growth prospects are rather limited for the future as the penetration level is already relatively high.

3. ORGANISATIONAL STRUCTURE

Relationship with RZB in general

Pursuant to § 30 of the BWG, RBI Group is part of the RZB credit institution group (*Kreditinstitutsgruppe*) which comprises all credit institutions, financial institutions, securities companies and enterprises offering banking related support services in which RZB, in its capacity as superordinated credit institution (*übergeordnetes Kreditinstitut*), holds an indirect or direct majority interest or exerts a controlling influence.

Austrian banking law requires RZB in its function as superordinated credit institution to control inter alia risk management, accounting and control processes and the risk strategy for the entire RZB Group.

Approx. 78.5 per cent. of the shares of the Issuer, which are listed on the Vienna Stock Exchange, are (indirectly) owned by RZB. This shareholding enables RZB to effectively control all decisions by the Issuer, subject only to statutory minority rights. Decisions which RZB may control include amendments of the Issuer's articles of association, appointments to the Issuer's Supervisory Board (which appoints the Issuer's Management Board), approval of the Issuer's annual financial statements and resolutions regarding the appropriation of the Issuer's net income. RZB is also able to block resolutions in shareholders' meetings, in particular resolutions requiring a qualified majority of votes cast or share capital represented. The Issuer's CRO is at the same time a member of the management board of RZB in order to safeguard the alignment of the Issuer's risk policies with the policies of the RZB Group in accordance with the requirements of Austrian law. Several members of RZB's management also serve on the Issuer's Supervisory Board, which allows RZB to determine the Management Board's composition and thus to influence significantly business and financial decisions of the RBI Group. The remaining approx. 21.5 per cent. of the Issuer's shares are free float and held by institutional and private investors.

Approximately 90 per cent. of RZB's share capital are directly and indirectly (through holding companies, in particular the *Raiffeisen-Landesbanken-Holding GmbH*) held by the members of RBG.

As a result of the Issuer's inclusion as part of the RZB Group, RZB's influence resulting from majority ownership and certain legal requirements, RBI Group has a number of important business relationships with RZB, members of the RZB Group as well as other entities of RBG, which are affiliated with RZB. Moreover, the Issuer is member of the tax group (*steuerliche Unternehmensgruppe*) headed by RZB as group parent.

The relationships with RZB include in particular the maintenance of liquidity reserves, intra-group funding and deposit transactions, the provision of loans and other financings, contracts for the provision of services, the use of distribution channels and marketing of products as well as agreements concerning the management of certain aspects of the RBI Group's business, including in particular a coordinated approach towards the allocation of business or capital and risk management.

Furthermore, RBI Group from time to time also enters into business transactions with RBG members in the ordinary course of its business.

Service level agreements

Since the Merger RBI has been providing services relating to, *inter alia*, accounting, legal, global treasury and markets, transaction services, cash management, human resources, research, IT, etc. to RZB pursuant to a framework agreement and certain individual specific service level agreements entered into in connection with the Merger. On the other hand, RZB and RBI have also entered into some service level agreements pursuant to which RZB provides services to RBI.

Licenses

The Raiffeisen Bank International name and logo have been registered as a combined trademark by RZB in Austria, and the protection of the Raiffeisen Bank International name and logo has been expanded to all relevant countries where the RBI Group presently operates. On that basis RZB has given RBI Group the right to use the Raiffeisen Bank International name and logo for an unlimited period of time in all jurisdictions in which the trademark is presently, or in the future will be, registered. If RZB or together with other members of the RBG ceases to hold at least 50 per cent. of the voting rights in the Issuer, RZB may terminate the licensing agreement. In addition, the *Österreichischer Raiffeisenverband* (Austrian Raiffeisen Association, "**ÖRV**") has registered the name "*Raiffeisen*" and the "*Giebelkreuz*" logo (the logo of the Raiffeisen organization) as trademarks. RBI, as a member of the ÖRV and RZB Group and due to various agreements with RZB, is entitled to use these trademarks.

Liquidity reserves and funding

RZB has been and continues to be an important funding source for the RBI Group.

Following the Merger, the Issuer joined RBG's joint liquidity clearing system with RZB in accordance with § 25 para. 13 of the Banking Act, where RZB acts as central institution. As a consequence, RBI Group holds its statutory liquidity reserves with RZB. RZB in its capacity as central institution of the RBG also has an important clearing function for the Raiffeisen-Landeszentralen and certain other members of the RBG that also maintain their respective statutory liquidity reserves with RZB. RZB, in turn, holds a significant portion of deposits received in its capacity as central institution of RBG with the Issuer. The Issuer, like any other member of the liquidity clearing system, may access funds held with RZB as liquidity reserves, if so required, as a resort liquidity buffer.

In addition to its statutory function as central institution of RBG, RZB continues to serve as a central point of contact for business with other RBG members and holds short and long term deposits taken from other entities of the RBG.

Capital adequacy and restriction on capital resources

RBI Group does not form an independent credit institution group (*Kreditinstitutsgruppe*) as defined by the Austrian Banking Act and therefore is not subject to the regulatory provisions on a consolidated basis, but it is part of the RZB credit institution group with RZB as superordinated credit institution.

The disclosed consolidated regulatory capital calculations of the RBI Group are prepared on a voluntary basis and for illustrative purposes only by applying Austrian legal total own funds requirements to the RBI Group; these calculations are based on the assumption that the Issuer is the superordinated credit institution (*übergeordnetes Kreditinstitut*) of the RBI Group. Such consolidated regulatory capital calculations are however also used for purposes of steering and decisions with regard to asset allocation of the RBI Group.

In addition to internal restrictions resulting from these internal capital valuations within the RBI Group, the allocation of capital and an expansion of RBI Group's operations may also be subject to restrictions on capital as measured for regulatory purposes on the level of RZB Group. The potential impact resulting from these limitations is reflected also in certain functions allocated to RZB in connection with the RBI Group's risk management and will be especially relevant once Basel III, the Capital Requirements Directive IV, and the implementing Capital Requirements Regulation becomes effective. Likewise the current measures in connection with the EBA Capital Package focus on the RZB Group as a whole.

4. TREND INFORMATION

A negative statement to the effect that there has been no material adverse change in the prospects of the Issuer since 31 December 2011 cannot be given in view of the fact that the difficult overall macroeconomic environment with decreasing growth rates and negative forecasts, exchange rate volatility as well as the continuing tense situation on the financial and capital markets naturally have had and may continue to have a negative impact on the Issuer's business activity and results of operations, in particular also on the Issuer's liquidity costs.

Furthermore, negative impacts with regard to the Issuer include the following:

RBI Group is exposed to credit risk in EU countries that recently have experienced deteriorating fiscal conditions and heightened risk of default, such as the "**periphery**" EU member states (see also "*Credit and counterparty risk incurred by the Issuer*" in "**Risk Factors**").

RBI Group total exposure* in and to periphery EU countries as at 31 March 2012 (in EUR mn):

	Corporate Exposure		FI Exposure		Sovereign Exposure		Total Mar 2012	Total Dec 2011	Change y-o-y
	Bank book	Trading book	Bank book	Trading book	Bank Book	Trading book			
Greece	21	0	0	0	0	0	21	61	(64.8)%
Ireland	5	6	22	240	0	0	273	273	0.0%
Italy	263	15	692	37	8	18	1,033	1,209	(14.6)%
Portugal	0	0	86	0	0	0	83	109	(20.8)%
Spain	30	21	515	73	0	0	639	795	(19.6)%
Total	319	41	1,316	350	8	18	2,052	2,447	(16.1)%

*) Defined as exposure at default including on- and off-balance sheet positions excluding secured repo business before recognition of collateral.

Source: Internal data (unaudited)

EU sanctions with regard to Belarus:

The European Union has extended the sanctions against Belarus in March 2012. The Issuer's subsidiary in Belarus, Priorbank JSC, has business relationships with sanctioned entities with a currently outstanding loan volume of approximately EUR 29 million. It is difficult at this point of time to evaluate the exact economic impact of the amended EU sanctions on the Issuer.

Recent developments in Hungary:

The market environment in Hungary continues to be difficult. 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.

In December 2011 the Hungarian State Treasury took over the financing and cash management of the county municipalities. This regulation, however, does not affect the municipalities of towns and villages. As at the end of February 2012, Raiffeisen Bank Zrt. had an outstanding volume of local government debt in the currency equivalent of approximately EUR 820 million in the form of bonds and loans. About 70 per cent. of the outstanding debt is denominated in CHF and EUR. The debt portfolio and difficult economic and political environment in Hungary are continuously monitored by the Issuer but uncertainties with regard to future developments make it difficult at this point of time to evaluate the negative impact on the Issuer.

In September 2011 the Hungarian Parliament passed the "Home Protection Law" which allowed foreign exchange mortgage debtors to repay their loans early out of savings or from new loans in Hungarian forint ("HUF") at a rate notably lower than the current market rate. This scheme ended on 31 December 2011 and resulted in significant loan losses for RBI Group.

Meanwhile, a new programme in favour of foreign exchange mortgage debtors has been prepared. The exchange rate protection scheme is open to performing foreign exchange debtors until the end of 2012. For those debtors who opted for this scheme the amount of the monthly instalment (principal and interest) will be fixed at 250 EUR/HUF and 180 CHF/HUF. The portion of the monthly instalments above the fixed exchange rate will go to a buffer account. The principal part on the buffer account still needs to be paid by the customer. The interest on the buffer account will be paid by the government and the banks split by 50%-50%. If exchange rates go above 340 EUR/HUF and 270 CHF/HUF, the government will pay 100% of the interest. With a 100% participation rate in this scheme, a negative impact of approximately EUR 25 million on RBI Group's net interest income over the next five years is expected.

Bank levies:

Various countries have already implemented bank specific taxes or levies.

In Hungary, a bank levy was introduced in 2010 and is calculated on the basis of total assets. The tax burden in 2012 is expected to have an impact of EUR 40 million on the RBI Group's 2012 results. According to recent public announcements in Hungary such bank levy might be replaced by a financial transaction tax generating higher amounts.

In Austria, a bank levy was introduced in December 2010 and has been effective as of 1 January 2011. The Austrian bank levy is deductible from corporate income tax and consists of two components, one of which is levied on total assets, the other on average derivative volumes in the trading book. Following the increase of the Austrian bank levy in March 2012, the total amount of the Austrian bank levy is expected to negatively impact the RBI Group's 2012 results by EUR 100 million.

In 2011, Slovakia introduced a bank levy on banks' corporate deposits effective as of 2012 which is expected to reduce the RBI Group's 2012 result by EUR 20 million.

Other countries in which the RBI Group operates, such as Poland, are currently discussing the implementation of similar bank levies.

EU Financial transaction tax:

The European Commission has presented its proposal for a financial transaction tax, intended to take effect on 1 January 2014. Pursuant to such proposal, it is planned to introduce a 0.1 per cent. tax on bond and equity transactions and a 0.01 per cent. tax on derivative transactions. The proposed tax is aimed at transactions between financial institutions, including banks, hedge funds and insurance companies, irrespective of whether such transactions take place on a stock exchange or not. At this point of time, due to ongoing discussions within Europe, it is not possible to make any statement on whether or when such tax will actually be introduced and on the impact on the Issuer.

Basel III regulatory framework:

The RBI Group is subject to comprehensive banking and financial services laws, regulations, administrative actions and policies in each of the countries they operate in. In addition, the RBI Group is part of the RZB Group, which is subject to such regulation on a consolidated basis. Among other things, in each of these countries, the RBI Group's banking operations require a banking or similar license or must be notified to national regulators and the regulations include requirements that the Issuer and/or the relevant Network Bank maintain certain capital adequacy and liquidity ratios and limit their exposure to certain risks, on an RZB Group level, on an RBI Group level and on the level of the Network Banks. All of these regulations are subject to change, particularly in the current market environment, where there have been unprecedented levels of government intervention and changes to the regulations governing banking and other financial institutions. In response to the global financial crisis, national legislators and supervisory authorities as well as supranational organizations, such as the EU, have introduced or are considering significant changes to current regulatory frameworks, including those pertaining to capital adequacy, liquidity and the permissible scope of banks' operations. As a result of these and other ongoing and possible future changes in the banking and financial services regulatory landscape, the Issuer and the Network Banks may face greater regulation, additional regulatory burdens and significant costs to implement such requirements in the countries where they operate.

Compliance with these new regulations may on the level of the RZB Group, the RBI Group and on the level of the Network Banks, among others, increase the regulatory capital and liquidity requirements and related costs, expand disclosure requirements, restrict certain types of transactions and activities, affect the strategy, and limit or require the modification of activities, rates or fees charged on certain loan and other products, any of which could lower the return on investments, assets and equity. The RBI Group may also face significant costs to implement new regulatory requirements, costs relating to the implementation of system solutions to adhere to reporting requirements, increased compliance and other ongoing costs and limitations on its ability to pursue certain business opportunities. The new regulatory framework may have significant scope and may have unintended consequences for the Network Banks' and the RBI Group's business, the financial system in Austria and CEE countries, and the global financial system, including affecting competition, increasing general uncertainty in the markets or favoring or disfavoring certain lines of business. The Issuer is not in a position to predict the effect of any such changes on its business, financial condition, cash flow or future prospects.

Regulation of the banking and financial industry in Austria and the CEE countries has changed in recent years largely as a result of the implementation of applicable EU directives and in response to the economic crisis. In addition, a number of regulatory initiatives have recently been proposed, which would significantly alter the RZB Group's and the RBI Group's regulatory capital requirements.

In particular in the aftermath of the financial crisis, the Basel Committee on Banking Supervision (the "**Basel Committee**") proposed major revisions and additions to the existing Basel II framework ("**Basel III**").

Among others, Basel III endorses:

- an increase of minimum regulatory capital requirements to be maintained by banks and banking groups (including an increase of the minimum tier 1 and common equity tier 1 capital ratios with common equity being the predominant part of tier 1 capital, new requirements for hybrid instruments to qualify as tier 1 or tier 2 capital, the phasing out of tier 3 capital, and revised rules for the deduction of certain positions from regulatory capital);
- higher capital charges for certain counterparty risk exposures including exposures arising from derivatives, repos, securities financing transactions and related activities;
- the introduction of a maximum leverage ratio (which is the ratio of a bank's capital to its total exposures);
- the introduction of a capital buffer beyond minimum capital requirements which can be drawn on in a downturn (capital conversion buffer), of a counter-cyclical buffer set by the relevant national regulator, and additional capital requirements for systemically important institutions (on a European Union and national level); and
- increased liquidity requirements.

Within the EU and the EEA, the Basel III standards are expected to be implemented by means of a regulation and a directive (the Regulation of the European Parliament and of the Council on prudential requirements for credit institutions and investment firms ("**CRR**") and the Directive of the European Parliament and of the Council on the access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms ("**CRD IV**"). While the proposed CRD IV must be transposed by member states into national law, the proposed CRR will be directly applicable in the member states without the need for further action on the member state level. The new rules set out in CRD IV are expected to apply as of 1 January 2013 with full implementation finalized by 31 December 2023. It is expected that for certain of the new rules transitional provisions will apply. Notwithstanding such transitional measures, it cannot be excluded that market expectations will apply certain rules at an earlier stage as may be provided for in the European Union or relevant national legislative framework.

Some uncertainty remains around the implementation of certain of the above legislative changes. Insofar as certain of these measures are implemented as currently proposed, in particular the changes proposed by the Basel Committee, the CRR and the CRD IV, they are expected to have a significant impact on the capital, liquidity and asset and liability management of the RZB Group and the RBI Group. Furthermore, regulatory authorities in countries in which the RBI Group operates may expect or prescribe capital adequacy and liquidity requirements for credit institutions beyond the statutory minimum requirements (cf. "*Future development of banking sector related regulations, such as Basel III*", page 53).

Capital Planning and Evaluation:

Against the backdrop of the Issuer's further strengthening of the bank's capital structure and preparation for the changing regulatory requirements, the Issuer is, in its capital planning, evaluating on a continuous basis whether a strengthening of the Issuer's equity is advisable. Depending on market developments, a capital increase may be a possible option within the next 12 months.

Additional capital requirement of RZB Group according to EBA calculations

In October 2011, EBA and the Council of the European Union issued the EBA Capital Package that among other things, requires RBI's major shareholder RZB to increase its core tier 1 capital ratio (based on the definitions of the EBA as outlined in its publication of 15 July 2011) to 9 per cent. by 30 June 2012. Based on RZB Group's figures as of 30 September 2011, the RZB Group would have had additional capital requirements of approximately EUR 2.1 billion to achieve the necessary capital buffers. Furthermore, RZB Group's actual capital requirement as of 30 June 2012 will be affected by RBI Group's profits in this period as well as other factors that may be beyond RBI Group's control.

If the RZB Group is unable to achieve 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 and thus a dilution of the present shareholders of RZB. As a consequence, the Austrian government could hold a portion of RZB's issued share capital.

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, has already implemented certain measures and is implementing a bundle of measures.

The implemented / intended measures include:

- Reducing the capital required through a *capital clean-up* and reducing especially non-core business with a focus on market risk positions
- Generating regulatory capital through a transformation of other own funds into core tier 1 capital according to EBA definition for 30 June 2012
- Release of hidden reserves, allowing for and allocating earnings (on a pro rata basis of regular dividend distributions)
- A multiplicity of smaller measures, eg liability management

Participation Capital

For purposes of calculating core tier 1 capital under the EBA requirements, only the EUR 1.75 billion of RBI's EUR 2.5 billion participation capital issue which was subscribed by the Republic of Austria will be recognized, while the EUR 750 million subscribed by private investors will not be recognized as core tier 1 capital.

Hybrid Capital

In the first quarter of 2012, the Issuer conducted a tender offer for the repurchase of hybrid capital instruments, and on 6 March 2012, the Issuer accepted for purchase EUR 358 million aggregate principal amount of the hybrid capital instruments tendered at prices below par. This transaction generated a positive core tier one capital effect for the consolidated RZB Group.

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 and on 14 March 2012 released a supervisory guideline to strengthen the sustainability of the business models of large internationally active Austrian banks, including RZB Group.

According to the guideline, the following measures will in particular be implemented:

- First, to strengthen the sustainability of banking groups' capitalization, the Basel III standards on common equity tier 1 capital (CET1) must be fully implemented from 1 January 2013 without transitional provisions being applicable. However, any fully loss-absorbent private and government participation capital subscribed under the bank support package will be included in the capital base according to transitional provisions. Furthermore, there will be an additional capital surcharge of up to 3 percentage points of CET1 (depending on the riskiness of the banks' business models) from 1 January 2016.
- Second, to strengthen and ensure a balanced refinancing structure of banking subsidiaries the Austrian regulatory authorities will continually monitor and analyze the ratio of net new lending to local stable funding. According to the Austrian regulatory authorities' analysis of past experience, exceeding a reference ratio of 110 per cent. can be considered an alarm signal. The results of the monitoring process will be discussed and assessed between the Austrian and the host regulators to agree on any necessary measures.
- Third, to ensure that in the event of crisis, a bank can be reorganized swiftly and efficiently or, if need be, wound up in an orderly manner, parent institutions, including RZB, are required to submit groupwide recovery and dissolution schemes to the FMA by the end of 2012.

5. ADMINISTRATIVE, MANAGING AND SUPERVISORY BODIES

Members of the administrative, management and supervisory bodies of RBI

All board members have their commercial address at the seat of the Issuer and may be contacted there.

Body (members)	Major functions/positions outside RBI
Management Board	
Chairman of the Management Board: Dkfm. Dr. Herbert Stepic	<i>Supervisory Board</i> - Oesterreichische Kontrollbank Aktiengesellschaft - OMV Aktiengesellschaft - Raiffeisen Centrobank AG - Tatra Banka a.s., Bratislava, Slovakia (chairman) - Raiffeisenbank a.s., Prague, Czech Republic (chairman) - Raiffeisenbank Polska S.A., Warsaw, Poland (chairman) - Raiffeisenbank (Bulgaria) EAD, Sofia, Bulgaria (chairman) - ZAO Raiffeisenbank, Moscow, Russia (chairman) - Polbank EFG S.A., Poland (chairman) - Raiffeisen Bank Zrt, Budapest, Hungary (chairman) - Raiffeisen Bank Sh.a., Tirana, Albania (chairman) - Priorbank JSC, Minsk, Belarus - Raiffeisen Bank S.A., Bucharest, Romania (chairman) - Raiffeisen Bank Aval JSC, Kiev, Ukraine (chairman) - ZUNO BANK AG (chairman) - Asia Pacific Regional Office (chairman) <i>Managing Director</i> - H.Stepic FC GmbH <i>Limited Partner</i> - "NONUSDECIMUS" FRANKE IMMOBILIEN HANDEL KG - "SEPTIMUS" FRANKE IMMOBILIEN HANDEL KG
Deputy chairman of the Management Board: Mag. Dr. Karl Sevelda	<i>Management Board</i> - BestLine Privatstiftung - Bene Privatstiftung <i>Supervisory Board</i> - BENE AG - Raiffeisen Centrobank AG - Raiffeisen Investment Aktiengesellschaft - Raiffeisen-Leasing Management GmbH - Raiffeisen Bank Aval JSC, Kiev, Ukraine - Raiffeisen Bank Zrt, Budapest, Hungary - Raiffeisen Bank S.A., Bucharest, Romania - ZAO Raiffeisenbank, Moscow, Russia - Raiffeisen Banka d.d., Maribor, Slovenia - Raiffeisenbank a.s., Prague, Czech Republic - Tatra banka a.s., Bratislava, Slovakia <i>Limited partner</i> - "MILLETERTIUS" Kreihlsler Immobilienhandel KG - "SECUNDUS" FRANKE IMMOBILIEN HANDEL KG

Mag. Martin Gröll	<i>Management Board</i> - Stefan Stolzka Privatstiftung <i>Supervisory Board</i> - ZUNO BANK AG - Raiffeisen Bank Aval JSC, Kiev, Ukraine - ZAO Raiffeisenbank , Moscow, Russia - Polbank EFG S.A., Poland - Raiffeisen Bank S.A., Bucharest, Romania - Raiffeisenbank Polska S.A., Warsaw, Poland - RB International Finance (USA) LLC, New York - RB International Markets (USA), New York <i>Managing Director</i> - Raiffeisen CEE Region Holding GmbH - Raiffeisen CIS Region Holding GmbH - Raiffeisen RS Beteiligungs GmbH - Raiffeisen SEE Region Holding GmbH
Dr. Johann Strobl	<i>Management Board</i> - Raiffeisen Zentralbank Österreich AG - Österreichische Raiffeisen-Einlagensicherung eGen <i>Supervisory Board</i> - Raiffeisen Centrobank AG - Raiffeisen-Leasing Management GmbH - Raiffeisen Bank Aval JSC, Kiev, Ukraine - ZAO Raiffeisenbank , Moscow, Russia - Raiffeisen Bank Zrt., Budapest, Hungary
Aris Bogdaneris, M.A	<i>Supervisory Board</i> - ZUNO BANK AG - RSC Raiffeisen Service GmbH - Raiffeisen Bank Aval JSC, Kiev, Ukraine - Polbank EFG S.A., Poland - ZAO Raiffeisenbank , Moscow, Russia - Tatra Banka a.s., Bratislava, Slovakia - Raiffeisenbank Polska S.A., Warsaw, Poland <i>SeniorClient Council</i> - Visa Worldwide Pte. Limited
Dkfm. Klemens Breuer	<i>Supervisory Board</i> - Raiffeisen Centrobank AG - Polbank EFG S.A., Poland - Raiffeisen Bank S.A., Bucharest, Romania - Raiffeisenbank Polska S.A., Warsaw, Poland - ZAO Raiffeisenbank , Moscow, Russia - Raiffeisen Bank International AG, London Branch, United Kingdom - RB International Markets (USA), New York - Asia Pacific Regional Office
Mag. Peter Lennkh	<i>Supervisory Board</i> - HFA Zwei Mittelstandsfinanzierungs-AG (<i>chairman</i>) - Raiffeisen Bank Aval JSC, Kiev, Ukraine - ZAO Raiffeisenbank, Moscow, Russia

	- Raiffeisen Bank Sh.a., Tirana, Albania - Raiffeisenbank d.d. Bosna i Hercegovina, Sarajevo, Bosnia and Herzegovina (<i>chairman</i>) - Raiffeisenbank Austria d.d., Zagreb, Croatia (<i>chairman</i>) - Raiffeisen banka a.d., Belgrad, Serbia (<i>chairman</i>) - Raiffeisenbank (Bulgaria) EAD, Sofia, Bulgaria - Asia Pacific Regional Office <i>Managing Director</i> - Raiffeisen CEE Region Holding GmbH - Raiffeisen CIS Region Holding GmbH - Raiffeisen RS Beteiligungs GmbH - Raiffeisen SEE Region Holding GmbH
Supervisory Board	
Chairman of the Supervisory Board: Dr. Walter Rothensteiner	<i>Management Board</i> - HK Privatstiftung - Raiffeisen Zentralbank Österreich Aktiengesellschaft (<i>chairman</i>) - Österreichische Raiffeisen-Einlagensicherung eGen <i>Supervisory Board</i> - Austria Versicherungsverein auf Gegenseitigkeit Privatstiftung - Casinos Austria Aktiengesellschaft (<i>chairman</i>) - Casinos Austria International Holding GmbH - Kathrein Privatbank Aktiengesellschaft (<i>chairman</i>) - KURIER Redaktionsgesellschaft m.b.H. - KURIER Zeitungsverlag und Druckerei Gesellschaft m.b.H. - LEIPNIK-LUNDENBURGER INVEST Beteiligungs Aktiengesellschaft - Oesterreichische Kontrollbank Aktiengesellschaft - Österreichische Lotterien Gesellschaft m.b.H. (<i>chairman</i>) - Raiffeisen Centrobank AG (<i>chairman</i>) - Raiffeisen Informatik GmbH (<i>chairman</i>) - UNIQA Versicherungen AG (<i>chairman</i>) - Valida Holding AG (<i>chairman</i>) - Wiener Staatsoper GmbH <i>Managing Director</i> - Raiffeisen International Beteiligungs GmbH <i>Other</i> - Generalrat of Oesterreichische Nationalbank AG - Generalanwalt of Österreichischer Raiffeisenverband
First Deputy member: Mag. Erwin Hameseder	<i>Management Board</i> - ARS BOHEMIAE - Privatstiftung Rotter - Dr. Erwin Pröll Privatstiftung - Österreichische Raiffeisen-Einlagensicherung eGen - RAIFFEISEN-REVISIONSVERBAND NIEDERÖSTERREICH-WIEN eGen - Raiffeisen-Einlagensicherung Niederösterreich-Wien registrierte Genossenschaft mit beschränkter Haftung <i>Supervisory Board</i> - AGRANA Beteiligungs-Aktiengesellschaft - AGRANA Zucker, Stärke und Frucht Holding AG

	- Flughafen Wien Aktiengesellschaft (<i>chairman</i>) - LEIPNIK-LUNDENBURGER INVEST Beteiligungs Aktiengesellschaft - Mediaprint Zeitungs- und Zeitschriftenverlag Gesellschaft m.b.H. (<i>chairman</i>) - NÖM AG (<i>chairman</i>) - NÖM International AG - Raiffeisen Bausparkasse Gesellschaft m.b.H. - RAIFFEISENLANDESBANK NIEDERÖSTERREICH – WIEN AG - Raiffeisen Zentralbank Österreich Aktiengesellschaft (<i>chairman</i>) - Südzucker AG, Mannheim, Deutschland - STRABAG SE - UNIQA Versicherungen AG - Z&S Zucker und Stärke Holding AG (<i>chairman</i>) <i>Managing Director</i> - "CARPETA" Holding GmbH - "TALIS" Holding GmbH - Medial Beteiligungs-Gesellschaft m.b.H. - Medicur - Holding Gesellschaft m.b.H. - Medicur Sendeanlagen GmbH - Printmedien Beteiligungsgesellschaft m.b.H. - R-Landesbanken Beteiligung GmbH - RAIFFEISEN-HOLDING NÖ-Wien Beteiligungs GmbH - Raiffeisen-Landesbanken-Holding GmbH <i>Executive Manager</i> - RAIFFEISEN-HOLDING NIEDERÖSTERREICH-WIEN registrierte Genossenschaft mit beschränkter Haftung
Dr. Kurt Geiger	<i>Supervisory Board</i> - Demir Bank <i>Member of the Advisory Board</i> -Alpha Associates, Zurich <i>Member of the Investment Committee</i> -Innova Capital, Poland - Genesis, Czech Republic
Stewart D. Gager	<i>Supervisory Board</i> - Strategic Active Trading Funds PLC
Mag. Markus Mair	<i>Management Board</i> - Raiffeisen-Landesbank Steiermark AG (<i>chairman</i>) - Österreichische Raiffeisen-Einlagensicherung eGen <i>Representative</i> - Raiffeisen – Einlagensicherung Steiermark registrierte Genossenschaft mit beschränkter Haftung <i>Supervisory Board</i> - Energie Steiermark AG - GRAWE-Vermögensverwaltung - Grazer Wechselseitige Versicherung Aktiengesellschaft - Landes-Hypothekenbank Steiermark Aktiengesellschaft (<i>chairman</i>) - Raiffeisen Bausparkasse Gesellschaft m.b.H.

	- Raiffeisen Zentralbank Österreich Aktiengesellschaft - SAG Immobilien AG - Styria Media Group AG <i>Managing Director</i> - KONKRETA Beteiligungsverwaltungs GmbH - NWB Beteiligungs GmbH - R-Landesbanken-Beteiligung GmbH - Raiffeisen-Landesbanken-Holding GmbH - RLB-Stmk Management GmbH
Dr. Heinrich Schaller	<i>Management Board</i> - AMAG Austria Metall AG - Raiffeisen-Kredit-Garantiesellschaft m.b.H. - Österreichische Raiffeisen Einlagensicherung eGen - Raiffeisenlandesbank Oberösterreich Aktiengesellschaft (<i>Vorsitzender</i>) - Raiffeisen-Einlagensicherung Oberösterreich registrierte Genossenschaft mit beschränkter Haftung - Raiffeisenverband Oberösterreich eGen - Privatstiftung der Raiffeisenlandesbank Oberösterreich Aktiengesellschaft <i>Supervisory Board</i> - Privatbank AG - Raiffeisen Zentralbank Österreich Aktiengesellschaft - Oberösterreichische Landesbank Aktiengesellschaft - Salzburger Landeshypothekenbank AG (ab 28.06.2012) - EXAA Abwicklungsstelle für Energieprodukte AG <i>Managing Director</i> - R-Landesbanken-Holding GmbH - Raiffeisen Landesbanken-Holding GmbH - RLB Holding reg. Gen.m.b.H - RBG OÖ Verbund eGen
Mag. Dr. Günther Reibersdorfer	<i>Management Board</i> - Raiffeisenverband Salzburg registrierte Genossenschaft mit beschränkter Haftung - Raiffeisen-Einlagensicherung Salzburg registrierte Genossenschaft mit beschränkter Haftung - Österreichische Raiffeisen-Einlagensicherung eGen - Österreichischer Raiffeisenverband - FLEIWA Salzburger Fleischwarenzentrale registrierte Genossenschaft mit beschränkter Haftung - Landwirtschaftliche Besitzbefestigungsgenossenschaft Salzburg registrierte Genossenschaft mit beschränkter Haftung <i>Supervisory Board</i> - BVG Liegenschaftsverwaltung GmbH (<i>Vorsitzender</i>) - GEISLINGER GmbH, Salzburg - Porsche Bank Aktiengesellschaft - Raiffeisen Zentralbank Österreich Aktiengesellschaft - Salzburg München Bank AG (<i>Vorsitzender</i>) - Salzburger Landes-Versicherungen AG - UNIQA Versicherungen AG <i>Managing Director</i>

	- RAIFFEISEN BETEILIGUNG GmbH - Raiffeisen Warenbetriebe Salzburg GmbH - Raiffeisenverband Salzburg Anteils- und BeteiligungsverwaltungsGmbH
Dr. Johannes P. Schuster	<i>Management Board</i> - Raiffeisen Zentralbank Österreich Aktiengesellschaft - Österreichische Raiffeisen-Einlagensicherung eGen <i>Supervisory Board</i> - ADF Service GmbH - card complete Service Bank AG - GELDSERVICE AUSTRIA Logistik für Wertgestionierung und Transportkoordination G.m.b.H. - PayLife Bank GmbH - Raiffeisen Bausparkasse Gesellschaft m.b.H. - Raiffeisen e-force GmbH (<i>chairman</i>) - Raiffeisen Factor Bank AG (<i>chairman</i>) - Raiffeisen Informatik GmbH - Raiffeisen-Leasing Gesellschaft m.b.H. (<i>chairman</i>) - Raiffeisen-Leasing Management GmbH (<i>chairman</i>) - Raiffeisen Wohnbaubank Aktiengesellschaft - Raiffeisen Vermögensverwaltungsbank AG - Raiffeisen Versicherung AG - RSC Raiffeisen Service Center GmbH - UNIQUA Versicherungen AG <i>Managing Director</i> - Raiffeisen International Beteiligungs GmbH
Dr. Friedrich Sommer	<i>Supervisory Board</i> - NOTARTREUHANDBANK AG - Valida Pension AG <i>Managing Director</i> - BL Syndikat Beteiligungs Gesellschaft m.b.H. - RALT Raiffeisen-Leasing Gesellschaft m.b.H
Mag. Christian Teufl	<i>Management Board</i> - LEIPNIK-LUNDENBURGER INVEST Beteiligungs Aktiengesellschaft <i>Supervisory Board</i> - AGRANA Beteiligungs-Aktiengesellschaft - AGRANA Zucker, Stärke und Frucht Holding AG - EPAMEDIA – EUROPÄISCHE PLAKAT- UND AUSSENMEDIEN GmbH - Raiffeisen-Leasing GmbH - Raiffeisen-Leasing Management GmbH - Österreichische Rundfunksender GmbH - VK Mühlen Aktiengesellschaft-Hamburg - Z&S Zucker und Stärke Holding AG <i>Managing Director</i> - BL Syndikat Beteiligungs Gesellschaft m.b.H - Marchfelder Zuckerfabriken Gesellschaft m.b.H - Raiffeisen-Invest-Gesellschaft m.b.H - SALVELINUS Handels- und Beteiligungsgesellschaft m.b.H

	- VECTRA Handels- und Beteiligungsgesellschaft m.b.H - Zucker Invest GmbH - Zucker-Beteiligungsgesellschaft m.b.H - Zuckermarkt - Studiengesellschaft m.b.H
Members of the Supervisory Board delegated by the Staff Council:	
Chairman of the Staff Council Martin Prater	<i>Supervisory Board</i> - Valida Pension AG
1st Deputy to the Chairman of the Staff Council Mag. Peter Anzeletti-Reikl	
2nd Deputy to the Chairman of the Staff Council Mag. Rudolf Korten Hof	
Dr. Susanne Unger	
Mag. Helge Rechberger	

Source: Internal data.

Other/state commissioners (<i>Staatskommissäre</i>)
Unless otherwise provided for by law, a state commissioner (<i>Staatskommissär</i>) and a deputy must be appointed for a term of office of no more than five years by the Austrian Federal Minister of Finance with respect to credit institutions whose balance sheet total exceeds EUR 1 billion. Re-appointments are permissible.

Conflicts of Interest

Raiffeisen Bank International AG is not aware of any conflicts of interest between the obligations of the Supervisory Board members and/or the Management Board members and their private or other interests.

In addition, the Issuer has internal guidelines pursuant to the Securities Supervision Act (*Wertpapieraufsichtsgesetz – "WAG"*) 2007 as well as compliance rules in place regulating the management of conflicts of interest and the ongoing application of such guidelines and rules. Their objective is to prevent conflicts of interests which may adversely affect the interests of customers or of the Issuer. If any conflicts of interest are identified with respect to the members of the Management Board, Supervisory Board or the upper management level, procedures will be in place or measures will be taken in order to cope with and in particular to disclose such conflicts of interest:

The guidelines and rules relate to potential or actual conflicts which may affect the Group, the employees themselves (including management), their spouses/partners, dependent children or other family members living in the same household for at least one year to the extent that these persons have a close relationship with customers or other contractual partners (in particular suppliers) or issuers of financial instruments.

Such close relationship may arise from a contractual relationship exceeding the scope of everyday transactions or from a direct or indirect shareholding in excess of 5 per cent. of the share capital (on an accumulated basis in case of an indirect holding), membership of any managing or supervisory body (Managing Director, Management Board or Supervisory Board member, etc.), any other opportunity, as determined by the relevant person, to exert a material influence on management or under a general commercial power of attorney (*Prokura*).

Each member of the Management Board must according to the Austrian Code of Corporate Governance immediately disclose any conflict of interest to the Supervisory Board and inform the other members of the Management Board of

the conflict. Management Board members may hold offices, including supervisory board positions in unrelated companies, subject only to the approval of the Working Committee (Arbeitsausschuss) of the Supervisory Board.

The various functions held by the Supervisory Board members might cause a potential conflict of interest in specific circumstances. However, the Supervisory Board members are required to disclose immediately any conflict of interest to the Supervisory Board, especially if such conflicts may arise as a result of consultancy services or by holding a board position with a business partner.

No family ties between the members of the Management Board or Supervisory Board or any senior managers of the Issuer exist.

No potential conflict of interests exists in respect of any member of the Management Board or Supervisory Board between his duties to the Issuer and his private or other duties. Members of the Management Board or Supervisory Board may enter into business transactions with the RBI Group in the ordinary course of business on an arm's length basis.

Individual members of the Management and the Supervisory Board own capital stock of the Issuer or of its subsidiaries.

Members of the Management Board of RBI serving on the management boards or supervisory boards of or performing any similar functions in other companies/foundations (see section 5 *Administrative managing and supervisory bodies* of this Prospectus) may in individual cases be confronted with conflicts of interest arising in the context of the RBI Group's banking operations if the Issuer maintains active business relations with such other companies.

The Supervisory Board of RBI is almost exclusively composed of qualified banking experts (see section 5 *Administrative managing and supervisory bodies* of this Base Prospectus). To the extent such Supervisory Board members have not been recruited from within the Raiffeisen-Bankengruppe, conflicts of interest may arise if they are members of the supervisory boards of companies competing with RBI.

Generally, members of executive bodies serving on management or supervisory boards outside the RBI Group may, in individual cases, be confronted with potential conflicts of interest if the Issuer maintains active business relations with said companies.

To the extent that members of executive bodies simultaneously serve on the management or supervisory boards of companies outside the RBI Group, such companies (including the companies of the RBG not associated with RZB) may also compete with RBI.

6. MAJOR SHAREHOLDERS

As at the date of this Prospectus, the Issuer is majority-owned by RZB who holds approx. 78.5 per cent. of the shares in RBI. RBI is thus majority-controlled by RZB.

The Issuer's nominal share capital consists of 195,505,124 shares, all of which are outstanding with equal voting rights. The following table sets forth the number of shares and the percentage of outstanding shares beneficially owned by RBI's principal shareholder RZB.

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 December 2011)	943,771	0.48%
Freefloat (as of 31 December 2011)	41,032,428	20.99%
Total shares issued.....	195,505,124	100.00%

Source: Internal data.

To the Issuer's knowledge, no other shareholder beneficially owns more than 5 per cent. of the Issuer's shares. RZB does not have voting rights different from other shareholders.

RZB as parent company of RBI

In the Annual General Meeting of RZB on 23 May 2012, it was decided to convert existing preference shares to ordinary shares in preparation for the new regulatory capital requirements of the forthcoming CRD IV/CRR which assign a higher own funds quality to ordinary shares. Furthermore, it was decided to redeem all of RZB's participation capital outstanding in the amount of approximately EUR 842 million, which was held by some of RZB's shareholders. The redemption was financed by means of a capital increase of approximately EUR 852 million. This transaction transformed RZB's participation capital which had already been recognized as core tier 1 capital according to Austrian law but not according to EBA calculations to share capital considered as core tier 1 capital pursuant to the EBA definition.

The redemption of RZB's participation capital came into effect with publication of the relevant shareholders' resolution in the Viennese Gazette ("Amtsblatt zur Wiener Zeitung") on 1 June 2012.

The registration of the capital increase and the conversion of preference shares to ordinary shares into the company register of the Commercial Court of Vienna were effected on 12 June 2012 and 20 June 2012.

Following the registration of the capital measures above, just under 90 per cent of the shares of RZB, the parent company of RBI, are held by the *Raiffeisen-Landeszentralen*. These regional Raiffeisen banks (excluding ZVEZA BANK) collectively hold approx. 78.52 per cent. of RZB's shares in R-Landesbanken-Beteiligungs-GmbH which, in turn, is wholly-owned by Raiffeisen Landesbanken Holding GmbH. Thus RZB is majority-owned by that company (a mere holding company) as well as indirectly by the shareholders of that company. As Raiffeisen Landesbanken Holding GmbH is a mere holding company held by seven Raiffeisenlandesbanken and the Raiffeisenverband Salzburg via intermediate holding companies and does not pursue any other activities, RZB is the central core company of the RZB Group, irrespective of any formal classification.

Accumulated (direct and indirect) shareholdings:

Total number of shares	6,776,750
Total nominal capital, in EUR	492,466,422.50

Shareholder	Common stock (in %)**
R-Landesbanken-Beteiligung GmbH *	78.525
RAIFFEISENLANDESBANK NIEDERÖSTERREICH-WIEN AG	0.527
RLB NÖ - Wien Sektorbeteiligungs GmbH	4.466
Raiffeisenlandesbank Oberösterreich Aktiengesellschaft	0.055
RLB OÖ Sektorholding GmbH	0.229
RLB OÖ Unternehmensbeteiligungs GmbH	0.109
Raiffeisen-Landesbank Steiermark AG	0.221
Rana Beteiligungs GmbH	0.28
Raiffeisenlandesbank Kärnten - Rechenzentrum und Revisionsverband, registrierte Genossenschaft mit beschränkter Haftung	0.212
RLB Unternehmensbeteiligungs GmbH	0.952
Raiffeisen-Landesbank Tirol AG	0.016
Raiffeisenlandesbank Burgenland und Revisionsverband registrierte Genossenschaft mit beschränkter Haftung	0.209
Raiffeisenlandesbank Vorarlberg Waren- und Revisionsverband, registrierte Genossenschaft mit beschränkter Haftung	0.157
RAIFFEISEN BETEILIGUNG GmbH	3.868
ZVEZA BANK, registrirana zadruška z omejenim jamstvom, Bank und Revisionsverband, registrierte Genossenschaft mit beschränkter Haftung	0.035
Total Raiffeisen Landeszentralen	89.861
UBG-Bankenbeteiligungs GmbH	4.640
RWA - Raiffeisen Ware Austria Aktiengesellschaft	2.397
UNIQA Finanzbeteiligung GmbH	2.378
UNIQA Sachversicherung AG	0.019
UNIQA Personenversicherung AG	0.075
Raiffeisen Versicherung AG	0.060
HSE Beteiligungs GmbH	0.570
Total Non-Raiffeisen Landeszentralen	10.139
Total	100

*R-Landesbanken-Beteiligung GmbH is wholly-owned by Raiffeisen-Landesbanken-Holding GmbH which, in turn, is owned by the following companies:

Agroconsult Austria Gesellschaft m.b.H. (2.20 per cent.)
 KONKRETA Beteiligungsverwaltungs GmbH (18.14 per cent.)
 RLB Burgenland Sektorbeteiligungs GmbH (5.51 per cent.)
 RLB NÖ-Wien Sektorbeteiligungs GmbH (37.89 per cent.)
 RLB OÖ Sektorholding GmbH (18.14 per cent.)
 RLB Tirol Holding Verwaltungs GmbH (7.16 per cent.)
 RLB Unternehmensbeteiligungs GmbH (5.44 per cent.)
 RLB-Vorarlberg Sektorbeteiligungs GmbH (5.51 per cent.)

**Stakeholdings of the individual shareholders might differ slightly due to rounding.

Source: RZB share register.

7. LEGAL AND ARBITRATION PROCEEDINGS

From time to time, the Issuer and its subsidiaries are party to certain legal, governmental or arbitration proceedings before various courts and governmental agencies arising in the ordinary course of business involving contractual, labor and other matters.

The following is a description of the most significant proceedings in which the RBI Group is currently involved:

A large number of customers of AMIS Asset Management Investment Services AG (formerly: AMV Asset Management Vermögensverwaltung AG, "AMIS") granted direct debit authorization in connection with entering into investment contracts with AMIS. Initially, certain Luxembourg-based banks managing the funds distributed by AMIS collected investment amounts from customers pursuant to such direct debit authorizations. The direct debit processing was later made by an intermediate company, which instructed RZB (prior to the Merger) – which was

otherwise not in any way involved in the business practices of AMIS – to handle such withdrawals from customers' accounts with other banks, based on the direct debiting instructions given by them to AMIS. Insolvency proceedings were instituted against AMIS in 2005 when it became known that customers' assets entrusted to AMIS had been applied in breach of trust. The customers of AMIS who in some cases were represented by a "**class action association**" or by joint legal counsel claimed that they suffered damages due to the use of amounts to be invested by AMIS contrary to contractual provisions (a fact established in the meantime by the criminal court). The claimants alleged against RZB (prior to the Merger) that the direct debit authorizations granted by them had been inadequate so that the amounts collected would have to be refunded by RZB (prior to the Merger). RZB denied this obligation but has, nevertheless, made adequate provisions in line with its assessment of the associated risk. In the course of the Merger these provisions were transferred to the Issuer which has continued to deny the claimed obligation. So far no formal services of process have been made upon RZB or the Issuer.

Legal action was filed against RZB (prior to the Merger) and Raiffeisen Investment AG ("**RIAG**") (prior to the Merger) in New York. The claimant alleged that RZB had unlawfully paid USD 150,000 on a bid bond and that RIAG had been involved in a fraud committed by the Serbian privatization agency resulting in a damage of USD 31 million to USD 52 million. According to the defendants' and Issuer's assessment the claim is unfounded and very unlikely to succeed.

In August 2011 a U.S. company filed a law suit against F.J. Elsner Trading Gesellschaft m.b.H. ("**FJ Elsner**"), a commodities trader and wholly-owned subsidiary of the Issuer, with the Commercial Court in Vienna. According to the claimant, FJ Elsner delivered steelcoils that did not satisfy the agreed upon quality criteria, so that the claimant was not able to use such steelcoils for further processing. The claimant alleges damages of USD 41.9 million and further requests a declaratory judgment that FJ Elsner has to hold it harmless from any third-party claims resulting from the delivery of the steelcoils. FJ Elsner has filed a reply to the claim in October 2011. FJ Elsner is involved in other lawsuits, the claims currently filed against FJ Elsner amount to an aggregate of approximately EUR 12.3 million. The RBI Group expects an overall success rate of less than 50 per cent. in favor of the claimants.

In the course of a tax audit for the periods 2004-2007, Polish tax authorities challenged tax results reported by Raiffeisen Bank Polska S.A. and its leasing subsidiary on sales of Singaporean bonds in 2004 and 2007. The authorities imposed additional tax liabilities plus penalty interest total EUR 13.2 million for Raiffeisen Bank Polska S.A. and EUR 4.1 million for its leasing subsidiary. The bank paid the outstanding tax liability along with penalty interest in order to prevent further accrual of interest and the bank and its leasing subsidiary are going to appeal the tax authorities' decisions. The bank also expects a tax inspection for the 2006 period with a potential tax liability of about EUR 7 million. Furthermore, Polish tax authorities changed the interpretation of VAT rules and started to impose VAT on insurance reimbursements charged by leasing companies to lessees (which had previously been interpreted as VAT exempt). The RBI Group's Polish leasing subsidiary paid VAT of EUR 20.4 million but has appealed the authorities' decision.

In April 2000, a customer of the Issuer's subsidiary in Slovakia, Tatra banka, a.s., filed a lawsuit against Tatra banka, a.s. seeking damages in an amount of approximately EUR 5.3 million. The amount claimed includes amounts to set aside losses incurred under a foreign exchange derivative contract and amounts withheld by Tatra banka a.s. under collateral agreements. The claimants alleged that the currency transactions were invalid due to formal errors such as missing signatures. A first decision rendered against Tatra banka, a.s. in 2004 was set aside by the appellate court and the case upon appeal was referred back to the court of first instance. On 17 May 2012 the first instance court has dismissed the claim. In March 2009, another customer of Tatra banka, a.s. filed a lawsuit against Tatra banka, a.s. seeking damages in an amount of approximately EUR 33 million, representing damages suffered from treasury trades due to the bank's alleged violation of statutory and contractual obligations. So far, the claimant did not submit relevant evidence. Tatra banka, a.s. has filed a statement of defense. Two similar lawsuits were filed against Tatra banka, a.s., each in an amount of EUR 33 million. However, both claimants have withdrawn their claims with regard to considerable amounts. The claims currently filed amount to approximately EUR 2 million and EUR 1.7 million respectively. Tatra banka, a.s. filed an appeal against the court decision in relation to the first claim and the case was referred back to the court of first instance, and a statement of defense in relation to the second claim.

In 2011, a class action lawsuit was filed in Virginia/USA against several banks including ZAO Raiffeisenbank, Russia before the U.S. district court for the Eastern District of Virginia. The claim alleges that the defendants processed payments in connection with fraudulent sales over the internet via its bank accounts and that the defendants acted negligently. To date, the Issuer has not been informed about a specific amount of damages claimed and the alleged extent of involvement of ZAO Raiffeisenbank, Russia. After a motion for dismissal was filed with the court in December 2011, the court dismissed the case for grounds of lack of jurisdiction. The plaintiffs may appeal against this decision.

Claims for the repayment of deducted loan account maintenance fees have been filed against ZAO Raiffeisenbank, Russia, by its clients based upon a decision of an arbitration court in Russia in 2009. Currently, various claims

amounting to a repayment of estimated EUR 4.4 million are pending, for 2012 new claims resulting in a loss of approximately EUR 2.5 million are expected. The maximum loss in relation to potential claims for the repayment of such commission fees could amount to up to EUR 67 million.

In 2012 a claim was submitted to RZB and RBI in which it was alleged that a borrower made a voluntary repayment under a syndicated loan agreement to RZB and/or RBI in the amount of EUR 75 million prior to its maturity date. The borrower became insolvent and it is now claimed that RZB and/or RBI has to repay a part of this amount, namely EUR 25 million.

The Hungarian competition authority claimed that various financial institutions, including the Raiffeisen Bank in Hungary (*Raiffeisen Bank Zrt*), have offered products with higher interest rates and have limited the access to lower interest rate products in connection with the Hungarian home protection law's early repayments of foreign currency loans and therefore unfairly manipulated competition. The Hungarian competition authority is currently investigating the case. In case a proceeding is initiated against Raiffeisen Bank Zrt, a potential fine imposed by the Hungarian competition authority to Raiffeisen Bank Zrt could amount to Hungarian Forint 300 to 500 million (corresponding to approximately EUR 1 million to 1.7 million) according to the bank's current estimation. Pursuant to the applicable regulation the fine shall be a maximum of 10 per cent. of the bank's net sales revenue for the financial year preceeding the year when the resolution on the illegal conduct was adopted.

Furthermore, there is a tendency, in particular in the wake of the financial market and economic crisis, towards a more aggressive behavior on the part of competitors in the context of legal or other disputes. This also applies to banks with whom an agreement could be reached in the past as well as to credit institutions with whom the Issuer maintains business relationships in connection with syndicated loan facilities where it acts inter alia as co-manager or agent.

8. MATERIAL CONTRACTS

Material contracts relating to the Reorganisation are described in "**Corporate history and development of the Issuer**".

Between 1999 and 2009, RZB issued, among others, notes under an English law-governed Euro Medium Term Note program (updated for the last time on 2 March 2009). In connection with the Merger, all notes issued and outstanding under such program were allocated to the Issuer. However, due to the program being governed by English law, only the economic rights and obligations arising in connection with such notes were transferred to the Issuer, whereas, from a civil law perspective, RZB remained the issuer and fully liable towards noteholders for all payments under the notes. Reflecting the transfer of all economic effects from the notes, the Issuer (i) issued an irrevocable and unconditional guarantee towards the holders of senior notes and an irrevocable and unconditional subordinated payment undertaking towards the holders of subordinated notes and (ii) undertook towards RZB to compensate RZB for all payments made under the notes to the extent and as if RBI were itself issuer of the Notes.

In 2003, 2004 and 2006, RZB via special purpose vehicles incorporated in Jersey issued hybrid capital in the aggregate principal amount of EUR 800 million. The issue proceeds were on-lent in the form of supplementary capital (*Ergänzungskapital*) by the Jersey special purpose vehicles to RZB, which as the "**superordinated credit institution**" (*übergeordnetes Kreditinstitut*) of the RZB credit institution group was entitled to show the hybrid capital in its consolidated accounts. In connection with the Merger, the supplementary capital subscribed by the Jersey special purpose vehicles was transferred to the Issuer. In order to enable RZB to continue to show the hybrid capital in its consolidated accounts, the Issuer contractually assumed the obligation toward RZB to make available to RZB own funds in an amount equivalent to the amount of outstanding supplementary capital contributions upon request by RZB if RZB's own funds ratio on a non-consolidated basis would be less than 1 percentage-point above the Austrian legal requirement. The hybrid capital was subject of a liability management transaction in the first quarter of 2012 in which part of it was purchased by the Issuer in a tender offer.

In 2008 and 2009, RZB issued the Participation Capital 2008/2009 (*Raiffeisen-Partizipationskapital 2008/2009*) in the aggregate principal amount of EUR 2,500 million of which EUR 1,750 million were subscribed by the Republic of Austria in connection with financial market support measures. The Participation Capital 2008/2009 was transferred to the Issuer in connection with the Merger. The dividends payable on the Participation Capital 2008/2009 in the amount of 8 per cent. per annum for the business years 2009 until and including 2013, and increasing thereafter up to a maximum of 12 months-Euribor plus 10 per cent. per annum, are to be paid from the Issuer's annual profit before any distributions to the Issuer's shareholders are paid. Dividends on the Participation Capital 2008/2009 may be distributed only to the extent of the Issuer's profit for the preceding business year as reported in the Issuer's unconsolidated financial statements prepared in accordance with Austrian GAAP. Pursuant to an agreement with the Republic of Austria in the context of the issuance of the Participation Capital 2008/2009, the Issuer, among others, is obliged to use best efforts to grant loans in a certain amount to the Austrian economy, to refrain from distorting

competition by offering unusual conditions or engaging in aggressive competitive activities, to pursue a sustainable business policy as well as to comply with reporting and disclosure obligations.

In 2009, RZB issued three bonds in an aggregate principal amount of EUR 4,250 million with maturities of two to five years which are guaranteed by the Republic of Austria in connection with financial market support measures. These bonds were transferred to the Issuer in the course of the Merger. As of 31 December 2011, one of these bonds with an aggregate principal amount of EUR 1.5 billion and an interest rate of 3.625 per cent. was outstanding. Pursuant to the agreements with the Republic of Austria, the Issuer is obliged to pay a remuneration to the Republic of Austria for the guarantees and comply with similar restrictions, limitations and obligations as under the Participation Capital 2008/2009.

RBI has, as a member of the RZB credit institution group (*Kreditinstitutsgruppe*) connected to the central institution RZB, joined on an agreement according to §25(13) BWG (system of a common liquidity balance).

With respect to the Issuer's membership in the RKÖ and ÖRE, reference is made to the Section "*Membership in the Raiffeisen-Kundengarantiegemeinschaft Österreich and Österreichische Raiffeisen-Einlagensicherung eGen*" in "**1. Corporate history and development of the Issuer**" of this Base Prospectus.

In the ordinary course of its business, the RBI Group enters into a variety of contracts with various other entities. Other than set forth above, the Issuer has not entered into any material contracts outside the ordinary course of its business which could result in any group member being under an obligation or entitlement that has a material adverse impact on the Issuer's ability to meet its obligations under the Notes.

**DESCRIPTION OF COVERED BANK BONDS ACCORDING TO THE AUSTRIAN LAW ON COVERED
BANK BONDS
(FUNDIERTE BANKSCHULDVERSCHREIBUNGEN)**

Covered Bank Bonds (*Fundierte Bankschuldverschreibungen*) are issued according to the Austrian law of 27 December 1905 regarding Covered Bank Bonds, Imperial Law Gazette 1905 No. 213 as amended ("*Gesetz vom 27. Dezember 1905, betreffend fundierte Bankschuldverschreibungen*", hereinafter **Law on Covered Bank Bonds**). The following description of Covered Bank Bonds is based on the Law on Covered Bank Bonds currently in effect, which is subject to change. In particular, there may be a change in the types of assets that are eligible for the cover pool. As a result, the Issuer could be entitled and/or obliged to adapt the composition of the cover pool accordingly.

Covered Bank Bonds may not be issued without the cover stipulated in the Law on Covered Bank Bonds.

The Issuer is obliged to designate appropriate assets which thereafter constitute the cover pool (*Kaution* or *Deckungsstock*) for the Covered Bank Bonds and whose purpose is to create a distinct pool of assets to satisfy the claims of the holders of Covered Bank Bonds and – in particular in case of insolvency of the Issuer – to preferentially satisfy the claims arising out of Covered Bank Bonds (as described below). The cover pool must at any time cover at least the redemption amount and interest of the outstanding Covered Bank Bonds as well as the administration costs which are expected to arise in case of insolvency of the Issuer. The Articles of Association of the Issuer may specify that the fair value (*Verkehrswert*) of the assets must cover at least the discounted present value (*Barwert*) of the Covered Bank Bonds outstanding plus an additional safety margin which has to be determined with due regard to market risks, and which shall amount to at least 2 per cent.

Assets which qualify for the cover pool include (i) claims and securities that are suitable for the investment of assets of minors, (ii) claims and securities which are secured by a pledge that is registered with a public register, (iii) claims against or guaranteed by the Republic of Austria, Austrian provinces or municipalities, a Member State of the European Economic Area, Switzerland and certain of their respective regional governments or local communities if, pursuant to Article 43(1)(b)(5) of Directive 2000/12/EC the competent authorities have assigned to them a risk weighting not exceeding 20 per cent., and (iv) securities issued or guaranteed by any of the aforementioned entities. A separate cover pool may be formed for Covered Bank Bonds covered by assets pursuant to items (iii) and (iv), and for other Covered Bank Bonds.

Further, the Cover Pool may include hedging (derivative) transactions if they serve to hedge future interest rate, foreign exchange or debtor default risks with respect to the relation of the cover pool assets to the Covered Bank Bonds, including in the case of the Issuer's insolvency.

Assets or parts of assets of another credit institution allocated to the cover pool are equivalent to assets of which the Issuer is the creditor, if it has been agreed in writing that they shall be held in trust by such other credit institution for the Issuer and it is ascertained that they comply with the provisions of the Law on Covered Bank Bonds.

If the required coverage is not fully available, for instance in the case of repayment of an asset of the cover pool, or for any other reason, such shortfall shall be met by assets of the Issuer arising out of deposits maintained at a central bank of, or credit institution in, a Member State of the European Economic Area or member state of the OECD (other than states who have applied to restructure, or have during the past five years restructured, their external debt) or by cash (any and all, the Substitute Coverage). The Substitute Coverage must not exceed 15 per cent. of the aggregate amount of the outstanding Covered Bank Bonds.

The Law on Covered Bonds provides that any set-off against assets which belong to the cover pool is prohibited (other than the set-off as between claims arising under one and the same hedging agreement where the entire agreement pertains to the pool).

A Government Commissioner (*Regierungskommissär*) must be appointed who performs the duties provided in the Law on Covered Bank Bonds. The Issuer may dispose of any asset of the cover pool only with the consent of the Government Commissioner.

In the event of insolvency proceedings against the Issuer the insolvency court will appoint a joint attorney (*Kurator*) for the purpose of representing the holders of Covered Bank Bonds, as well as a Special Administrator for the administration of the cover pool. The entire cover pool is to be sold in accordance with the procedure set out in Section 3 of the Law on Covered Bank Bonds to an appropriate credit institution which then assumes all obligations under the Covered Bank Bonds, under the continued joint liability of the Issuer.

Should it be impossible to sell the entire cover pool and should the cover pool not be sufficient to satisfy all holders of Covered Bank Bonds then the cover pool shall be liquidated (with the consent of the bankruptcy court). In such case all claims under the Covered Bank Bonds shall be deemed due. The claims of the holders of Covered Bank

Bonds shall be satisfied from the proceeds on a pro rata basis.

Furthermore, holders of Covered Bank Bonds would also have recourse to any assets of the Issuer outside the cover pool to the extent that their claims arising out of the Covered Bank Bonds are not satisfied. As regards these assets, holders of Covered Bank Bonds would rank equally with other unsecured and unsubordinated creditors of the Issuer (and eventually also with other secured creditors in respect of any shortfall of such other creditor's security).

DESCRIPTION OF RULES REGARDING RESOLUTIONS OF HOLDERS

The Terms and Conditions pertaining to a certain issue of Notes provide that the Holders may agree to amendments or decide on other matters relating to the Notes by way of resolution to be passed by taking votes without a meeting. Any such resolution duly adopted by resolution of the Holders shall be binding on each Holder of the respective issue of Notes, irrespective of whether such Holder took part in the vote and whether such Holder voted in favor or against such resolution.

If the Notes are for their life represented by Global Notes, the Terms and Conditions of such Notes fully refer to the rules pertaining to resolutions of Holders in the form of such Schedule to the Fiscal Agency Agreement. Under the German Act on Debt Securities (*Schuldverschreibungsgesetz* – "**SchVG**"), these rules are largely mandatory, although they permit in limited circumstances supplementary provisions set out in or incorporated into the Terms and Conditions.

The following is a brief summary of some of the statutory rules regarding the taking of votes without meetings and the convening and conduct of meetings of Holders, the passing and publication of resolutions as well as their implementation and challenge before German courts.

Specific Rules regarding Votes without Meeting

The voting shall be conducted by the person presiding over the taking of votes. Such person shall be (i) a notary public appointed by the Issuer, (ii) where a common representative of the Holders (the "**Holders' Representative**") has been appointed, the Holders' Representative if the vote was solicited by the Holders' Representative, or (iii) a person appointed by the competent court.

The notice soliciting the Holders' votes shall set out the period within which votes may be cast. During such voting period, the Holders may cast their votes to the person presiding over the taking of votes. Such notice shall also set out in detail the conditions to be met for the votes to be valid.

The person presiding over the taking of votes shall ascertain each Holder's entitlement to cast a vote based on evidence provided by such Holder and shall prepare a list of the Holders entitled to vote. If it is established that no quorum exists, the person presiding over the taking of votes may convene a meeting of the Holders. Within one year following the end of the voting period, each Holder participating in the vote may request a copy of the minutes of such vote and any annexes thereto from the Issuer.

Each Holder participating in the vote may object in writing to the result of the vote within two weeks following the publication of the resolutions passed. The objection shall be decided upon by the person presiding over the taking of votes. If he remedies the objection, the person presiding over the taking of votes shall promptly publish the result. If the person presiding over the taking of votes does not remedy the objection, he shall promptly inform the objecting Holder in writing.

The Issuer shall bear the costs of the vote and, if the court has convened a meeting, also the costs of such proceedings.

Rules regarding Holders' Meetings applicable to Votes without Meeting

In addition, the statutory rules applicable to the convening and conduct of Holders' meetings will apply mutatis mutandis to any vote without a meeting. The following summarises some of such rules.

Meetings of Holders may be convened by the Issuer or the Holders' Representative, if any. Meetings of Holders must be convened if one or more Holders holding five per cent. or more of the outstanding Notes so require for specified reasons permitted by statute.

Meetings may be convened not less than 14 days prior to the date of the meeting. Attendance and exercise of voting rights at the meeting may be made subject to prior registration of Holders. The convening notice will provide what proof will be required for attendance and voting at the meeting. The place of the meeting in respect of a German issuer is the place of the issuer's registered office, provided, however, that where the relevant Notes are listed on a stock exchange within the European Union or the European Economic Area, the meeting may be held at the place of such stock exchange.

The convening notice shall be made publicly available together with the agenda of the meeting setting out the proposals for resolution.

Each Holder may be represented by proxy. A quorum exists if Holders' representing by value not less than 50 per cent. of the outstanding Notes. If the quorum is not reached, a second meeting may be called at which no quorum will

be required, provided that where a resolution may only be adopted by a qualified majority, a quorum requires the presence of at least 25 per cent. of the aggregate principal amount of outstanding Notes.

All resolutions adopted must be properly published. In the case of Notes represented by one or more Global Notes, resolutions which amend or supplement the Terms and Conditions have to be implemented by supplementing or amending the relevant Global Note(s).

In insolvency proceedings instituted in Germany against an Issuer, a Holders' Representative, if appointed, is obliged and exclusively entitled to assert the Holders' rights under the Notes. Any resolutions passed by the Holders are subject to the provisions of the Insolvency Code (*Insolvenzordnung*).

If a resolution constitutes a breach of the statute or the Terms and Conditions, Holders may bring an action to set aside such resolution. Such action must be filed with the competent court within one month following the publication of the resolution.

SUBSCRIPTION AND SALE

The Issuer and the Dealers have entered into a dealer agreement of even date herewith (the "**Dealer Agreement**") as a basis upon which they or any of them may from time to time agree to purchase Notes.

Selling Restrictions

1. General

Each Dealer has agreed that it will comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Notes or possesses or distributes the Prospectus and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and neither the Issuer and any other Dealer shall have any responsibility therefor. Neither the Issuer nor any of the Dealers has represented that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

With regard to each Tranche, the relevant Dealer(s) will be required to comply with such other additional restrictions as the Issuer and the relevant Dealer(s) shall agree and as shall be set out in the applicable Final Terms.

2. Public Offer Selling Restriction under the Prospectus Directive

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**"), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "**Relevant Implementation Date**") it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Prospectus as completed by the Final Terms in relation thereto to the public in that Relevant Member State, except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Notes to the public in that Relevant Member State:

- (i) if the Final Terms in relation to the Notes specify that an offer of those Notes may be made other than pursuant to Article 3 (2) of the Prospectus Directive in that Relevant Member State (a "**Non-exempt Offer**"), following the date of publication of a prospectus in relation to such Notes which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, provided that any such prospectus has subsequently been completed by the Final Terms contemplating such Non-exempt Offer, in accordance with the Prospectus Directive, in the period beginning and ending on the dates specified in such prospectus or Final Terms, as applicable and the Issuer has consented in writing to its use for the purposes of that Non-exempt Offer;
- (ii) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (iii) at any time to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive), subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (iv) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Notes referred to in (ii) to (iv) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an "**offer of Notes to the public**" in relation to any Notes in any Relevant Member State means the communication to persons in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, the expression "**Prospectus Directive**" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State and the expression "**2010 PD Amending Directive**" means Directive 2010/73/EU.

3. United States of America

Each Dealer has acknowledged that the Notes have not been and will not be registered under the Securities Act, and may not be offered, sold or delivered within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Each Dealer has represented and agreed that it has not offered, sold or delivered, and will not offer, sell or deliver, any Note constituting part of its allotment within the United States except in accordance with Rule 903 of Regulation S under the Securities Act. Accordingly, each Dealer has further represented and agreed that neither it, its affiliates nor any persons acting on its or their behalf have engaged or will engage in any directed selling efforts with respect to a Note.

From and after the time that the Issuer notifies the Dealers in writing that it is no longer able to make the representation set forth in Article 4.1(n) of the Dealer Agreement, each Dealer (a) has acknowledged that the Notes have not been and will not be registered under the Securities Act; (b) has represented and agreed that it has not offered, sold or delivered any Notes, and will not offer, sell or deliver any Notes, (i) as part of its distribution at any time and (ii) otherwise until 40 days after the later of the commencement of the offering and closing date, within the United States or to, or for the account or benefit of, U.S. persons and it has and will only offer, sell or deliver any Notes in accordance with Rule 903 of Regulation S under the Securities Act; and accordingly, (c) has further represented and agreed that neither it, its affiliates nor any persons acting on its or their behalf have engaged or will engage in any directed selling efforts with respect to any Note, and it and they have complied and will comply with the offering restrictions requirements of Regulation S; and (d) has also agreed that, at or prior to confirmation of any sale of Notes, it will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration that purchases Notes from it during the distribution compliance period a confirmation or notice to substantially the following effect:

"The Securities covered hereby have not been registered under the U. S. Securities Act of 1933 (the "**Securities Act**") and may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons by any person referred to in Rule 903(b)(2)(iii) (i) as part of its distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering and the closing date, except in either case in accordance with Regulation S under the Securities Act. Terms used above have the meanings given to them by Regulation S".

Each Dealer who has purchased Notes of a Tranche hereunder (or in the case of a sale of a Tranche of Notes issued to or through more than one Dealer, each of such Dealers as to the Notes of such Tranche purchased by or through it or, in the case of a syndicated issue, the relevant Lead Manager) shall determine and notify to the Fiscal Agent the completion of the distribution of the Notes of such Tranche. On the basis of such notification or notifications, the Fiscal Agent has agreed to notify such Dealer/Lead Manager of the end of the restricted period with respect to such Tranche.

Terms used in the above paragraphs have the meanings given to them by Regulation S.

Each Dealer has represented and agreed that it has not entered and will not enter into any contractual arrangement with respect to the distribution or delivery of Notes, except with its affiliates or with the prior written consent of the Issuer.

Notes, other than Notes with an initial maturity of one year or less, will be issued in accordance with provisions identical to those described in the United States Treasury Regulation § 1.163-5(c)(2)(i)(D) (the "**D Rules**"), or in accordance with provisions identical to those described in the United States Treasury Regulation § 1.163-5(c)(2)(i)(C) (the "**C Rules**"), as indicated in the applicable Final Terms.

In addition, in respect of Notes issued in accordance with the D Rules, each Dealer has represented and agreed that:

- (a) except to the extent permitted under the D Rules, (i) it has not offered or sold, and during the restricted period will not offer or sell, Notes in bearer form to a person who is within the United States or its possessions or to a United States person, and (ii) such Dealer has not delivered and will not deliver within the United States or its possessions definitive Notes in bearer form that are sold during the restricted period;
- (b) it has and throughout the restricted period will have in effect procedures reasonably designed to ensure that its employees or agents who are directly engaged in selling Notes in bearer form are aware that such Notes may not be offered or sold during the restricted period to a person who is within the United States or its possessions or to a United States person, except as permitted by the D Rules;
- (c) if such Dealer is a United States person, it represents that it is acquiring the Notes in bearer form for purposes of resale in connection with their original issuance and if such Dealer retains Notes in bearer form for its own account, it will only do so in accordance with the requirements of provisions identical to those described in the United States Treasury Regulation § 1.163-5(c)(2)(i)(D)(6);

- (d) it acknowledges that an offer or sale will be considered to be made in the United States or its possessions if it has an address within the United States or its possessions for the offeree or purchaser of a Note subject to such offer or sale; and
- (e) with respect to each affiliate that acquires from such Dealer Notes in bearer form for the purposes of offering or selling such Notes during the restricted period, such Dealer either (i) has repeated and confirmed the representations and agreements contained in paragraphs (a), (b), (c) and (d) on such affiliate's behalf or (ii) has agreed that it will obtain from such affiliate for the benefit of the Issuer the representations and agreements contained in paragraphs (a), (b), (c) and (d).

Terms used in the above paragraphs (a) to (e) have the meanings given to them by the U.S. Internal Revenue Code and regulations thereunder, including the D Rules.

In addition, where the C Rules are indicated in the relevant Final Terms as being applicable to any Tranche of Notes, Notes in bearer form must be issued and delivered outside the United States and its possessions in connection with their original issuance. Each Dealer has represented and agreed that it has not offered, sold or delivered and will not offer, sell or deliver, directly or indirectly, Notes in bearer form within the United States or its possessions in connection with their original issuance. Further, each Dealer has represented and agreed in connection with the original issuance of Notes in bearer form, that it has not communicated, and will not communicate, directly or indirectly, with a prospective purchaser if either such Dealer or purchaser is within the United States or its possessions and will not otherwise involve its U.S. office in the offer or sale of Notes in bearer form. Each Dealer has further represented that it has not advertised or promoted, and will not advertise or promote, directly or indirectly, any Notes in bearer form from or within the United States or its possessions or to prospective purchasers in the United States or its possessions. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code and regulations thereunder, including the C Rules.

Each issue of index, commodity- or currency-linked Notes shall be subject to such additional U.S. selling restrictions as the Issuer and the relevant Dealer(s) may agree as a term of the issue and purchase of such Notes, which additional selling restrictions shall be set out in the Final Terms. Each Dealer has agreed that it shall offer, sell and deliver such Notes only in compliance with such additional U. S. selling restrictions.

4. Selling Restrictions Addressing Additional United Kingdom Securities Laws

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (a) No deposit-taking: in relation to any Notes which have a maturity of less than one year (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses, where the issue of the Notes would otherwise constitute a contravention of Section 19 of the Financial Services and Markets Act 2000 (the "FSMA") by the Issuer;
- (b) Financial Promotion: it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and
- (c) General Compliance: it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

5. Selling Restrictions Addressing Additional Netherlands Securities Laws

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that with effect from and including 1 January 2012 it will not make an offer of Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto to the public in The Netherlands in reliance on Article 3(2) of the Prospectus Directive unless:

- (a) such offer is made exclusively to legal entities which are qualified investors as defined in the Prospectus Directive; or
- (b) standard exemption wording is disclosed as required by article 5:20(5) of the Dutch Financial Supervision Act (Wet op het financieel toezicht, the "FMSA"); or

(c) such offer is otherwise made in circumstances in which article 5:20(5) of the FMSA is not applicable,

provided that no such offer of Notes shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expressions (i) an "**offer of Notes to the public**" in relation to any Notes in the Netherlands; and (ii) "**Prospectus Directive**", have the meaning given to them above in the paragraph headed with "**Public Offer Selling Restriction Under the Prospectus Directive**".

6. Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948, as amended) and, accordingly, each Dealer has undertaken that it will not offer or sell any Notes, directly or indirectly, in Japan or to, or for the benefit of, any Japanese Person or to others for re-offering or resale, directly or indirectly, in Japan or to any Japanese Person except under circumstances which will result in compliance with all applicable laws, regulations and guidelines promulgated by the relevant Japanese governmental and regulatory authorities and in effect at the relevant time. For the purposes of this paragraph, "**Japanese Person**" shall mean any person resident in Japan, including any corporation or other entity organised under the laws of Japan.

7. Hong Kong

In relation to each Tranche of Notes to be issued by the Issuer under the Programme, each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that:

- (a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes, except for Notes which are a "**structured product**" as defined in the SFO (Cap. 571) of Hong Kong (the "**SFO**") – for which additional selling restrictions apply – , other than (i) to "**professional investors**" as defined in the SFO and any rules made under the SFO; or (ii) in other circumstances which do not result in the document being a "**Prospectus**" as defined in the Companies Ordinance (Cap. 32) of Hong Kong (the "**Companies Ordinance**") or which do not constitute an offer to the public within the meaning of the Companies Ordinance; and
- (b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "**professional investors**" as defined in the SFO and any rules made under the SFO.

8. People's Republic of China

Each Dealer has represented, warranted and agreed that the offer of the Notes is not an offer of securities within the meaning of the PRC Securities Law or other pertinent laws and regulations of the People's Republic of China and the Notes are not being offered or sold and may not be offered or sold, directly or indirectly, in the PRC (for such purposes, not including the Hong Kong and Macau Special Administrative Regions or Taiwan), except as permitted by the securities laws of the PRC.

9. Singapore

Each of the Dealers has acknowledged that the Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore under the Securities and Futures Act, Cap. 289 of Singapore (the "**SFA**") and accordingly, the Notes may not be offered or sold, nor may the Notes be the subject of an invitation for subscription or purchase, nor may the Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase of the Notes be circulated or distributed, whether directly or indirectly, to any person in Singapore other than (a) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 274 of the SFA, (b) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to an offer referred to in Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA or (c) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA. In any case, the Issuer has to consent in writing to any use of the Prospectus.

Where the Notes are acquired by persons who are relevant persons specified in Section 276 of the SFA, namely:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

the shares, debentures and units of shares and debentures of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

- 1) to an institutional investor (under Section 274 of the SFA) or to a relevant person as defined in Section 275(2) of the SFA, or any person pursuant to an offer that is made on terms that such shares, debentures and units of shares and debentures of that corporation or such rights or interest in that trust are acquired at a consideration of not less than S\$200,000 (or its equivalent in a foreign currency) for each transaction, whether such amount is to be paid for in cash or by exchange of securities or other assets and further for corporations, in accordance with the conditions specified in Section 275(1A) of the SFA;
- 2) where no consideration is or will be given for the transfer;
- 3) where the transfer is by operation of law; or
- 4) as specified in Section 276(7) of the SFA.

10. Taiwan

The Notes may be sold to Taiwan domiciled investors purchasing such Notes outside Taiwan but may not be sold, issued or offered in Taiwan. No person or entity in Taiwan has been authorized to offer, sell, give advice regarding or otherwise intermediate the offering and sale of the Notes in Taiwan.

TAXATION

The following is a general discussion of certain German, Luxembourg and Austrian tax consequences of the acquisition and ownership of Notes and certain aspects of the EU Savings Tax Directive. This discussion does not purport to be a comprehensive description of all tax considerations which may be relevant to a decision to purchase Notes. As each Tranche of Notes may be subject to a different tax treatment due to the specific terms of such Tranche of Notes as set out in the respective Final Terms, the following section only provides some very general information on the possible tax treatment. In particular, this discussion does not consider any specific facts or circumstances that may apply to a particular purchaser. This summary is based on the laws of Germany, the Grand Duchy of Luxembourg and Austria currently in force and as applied on the date of this Prospectus, which are subject to change, possibly with retroactive or retrospective effect. The information contained within this section are limited to taxation issues, and prospective investors should not apply any information set out below to other areas, including (but not limited to) the legality of transactions involving the Notes.

PROSPECTIVE PURCHASERS OF NOTES ARE ADVISED TO CONSULT THEIR OWN TAX ADVISORS AS TO THE TAX CONSEQUENCES OF THE PURCHASE, OWNERSHIP AND DISPOSITION OF NOTES, INCLUDING THE EFFECT OF ANY STATE OR LOCAL TAXES, UNDER THE TAX LAWS OF GERMANY, THE GRAND DUCHY OF LUXEMBOURG, AUSTRIA AND EACH COUNTRY OF WHICH THEY ARE RESIDENTS.

1. Taxation in Germany

The information about the German taxation of the Notes issued under this Programme set out in the following section is not exhaustive and is based on current tax laws in force at the time of printing of this Prospectus which may be subject to change at short notice and, within certain limits, also with retroactive effect.

As under this Programme different types of Notes may be issued, the tax treatment of such Notes can be different due to their specific terms. The following section only provides some very generic information on the possible tax treatment of the Notes in Germany and has to be read in conjunction with the more specific information on the taxation as provided in the relevant Final Terms of each tranche of Notes. As a consequence, with regard to specific types of Notes issued under this Programme, the tax consequences of an acquisition, holding, sale and redemption might be more disadvantageous than described below. With regard to certain types of Notes, neither official statements of the tax authorities nor court decisions exist, and it is not clear how these Notes will be treated. Furthermore, there is often no consistent view in legal literature about the tax treatment of instruments like the Notes, and it is neither intended nor possible to mention all different views in the following section. Where reference is made to statements of the tax authorities, it should be noted that the tax authorities may change their view even with retroactive effect and that the tax courts are not bound by circulars of the tax authorities and, therefore, may take a different view. Even if court decisions exist with regard to certain types of instruments, it is not certain that the same reasoning will apply to the Notes due to certain peculiarities of such Notes. Furthermore, the tax authorities may restrict the application of judgements of tax courts to the individual case with regard to which the judgement was rendered.

Moreover, the following section cannot take into account the individual tax situation of the investor. Therefore, we recommend that prospective investors should ask their own tax adviser for advice on their individual taxation with respect to an acquisition, holding, sale and redemption of the Notes. Only these advisers are in a position to duly consider the specific situation of the investor. The following statement is, therefore, limited to the provision of a general outline of certain tax consequences in Germany for investors.

1.1 Tax Residents

Persons (individuals and corporate entities) who are tax resident in Germany (in particular, persons having a residence, habitual abode, seat or place of management in Germany) are subject to income taxation (income tax or corporate income tax, as the case may be, plus solidarity surcharge thereon plus church tax and/or trade tax, if applicable) on their worldwide income, regardless of its source, including interest from debt of any kind (such as the Notes) and, in general, capital gains.

1.1.1 Taxation if the Notes are held as private assets (*Privatvermögen*)

In the case of German tax-resident individual investors (*unbeschränkt Steuerpflichtige*) holding the Notes as private assets (*Privatvermögen*), the following applies:

(a) Income

The Notes should qualify as other capital receivables (*sonstige Kapitalforderungen*) in terms of section 20 para 1 no. 7 German Income Tax Act ("**ITA**" – *Einkommensteuergesetz*).

Accordingly, payments of interest on the Notes should qualify as taxable savings income (*Einkünfte aus Kapitalvermögen*) pursuant to section 20 para 1 no 7 ITA.

Capital gains / capital losses realised upon sale of the Notes, computed as the difference between the acquisition costs and the sales proceeds reduced by expenses directly and factually related to the sale, should qualify as positive or negative savings income in terms of section 20 para 2 sentence 1 no 7 ITA. Where the Notes are acquired and/or sold in a currency other than Euro, the acquisition costs will be converted into Euro at the time of acquisition, the sales proceeds will be converted into Euro at the time of sale and the difference will then be computed in Euro. If the Notes are assigned, redeemed, repaid or contributed into a corporation by way of a hidden contribution (*verdeckte Einlage in eine Kapitalgesellschaft*) rather than sold, as a rule, such transaction is treated like a sale. Losses from the sale of Notes can only be offset against other savings income and, if there is not sufficient other positive savings income, carried forward in subsequent assessment periods.

Pursuant to a tax decree issued by the Federal Ministry of Finance dated 22 December 2009, as amended on 16 November 2010 a bad debt loss (*Forderungsausfall*) and a waiver of a receivable (*Forderungsverzicht*), to the extent the waiver does not qualify as a hidden contribution, shall not be treated like a sale. Accordingly, losses suffered upon such bad debt loss or waiver shall not be tax-deductible. However, the Issuer takes the view that losses suffered for other reasons (e.g. because the Notes are linked to a reference value, e.g. Index Linked Notes, and such reference value decreases in value) should be tax-deductible, subject to the ring-fencing rules described above and subject to the following paragraph. Investors should note that such view of the Issuer must not be understood as a guarantee that the tax authorities and/or courts will follow such view.

Further, pursuant to said tax decree, where notes provide for instalment payments (e.g. Instalment Notes), such instalment payments shall always qualify as taxable savings income (*Einkünfte aus Kapitalvermögen*) in the sense of section 20 para 1 no 7 ITA, unless the terms and conditions of the notes provide explicit information regarding redemption or partial redemption during the term of the notes and the contractual parties comply with these terms and conditions. It is further stated in the tax decree that, if, in the case of notes with instalment payments, there is no final payment at maturity, the expiry of such notes shall not qualify as a sale-like transaction, which means that any remaining acquisition costs could not be deducted for tax purposes. Similarly, any remaining acquisition costs of notes with instalment payments shall not be tax-deductible if the notes do not provide for a final payment or are terminated early without a redemption payment because the respective underlying has left the defined corridor or has broken certain barriers (e.g. in knock-out structures). Although this tax decree only refers to notes with instalment payments, it cannot be excluded that the tax authorities apply the above principles also to other kinds of full risk notes.

If the Notes provide for a physical delivery of bonds, shares, interests in funds, shares in exchange-traded-funds ("ETF-shares") or other interests, the Notes may qualify as convertible, exchangeable or similar instruments, subject to the relevant Terms and Conditions of the Notes (e. g. whether the Issuer or the investor has the right to opt for a physical delivery). In such a case, the sales proceeds from the Notes and the acquisition costs of the received securities may be deemed to be equal to the initial acquisition costs of the Notes (section 20 para 4a sentence 3 ITA) so that no taxable capital gains would be achieved due to the conversion. However, capital gains realised upon an on-sale of the received securities generally qualify as taxable income. If the Notes expire worthless, any loss suffered by an investor might not be tax-deductible.

Against the background of a decision of the fiscal court of Hesse dated 22 October 2010 (8 V 1268/10), it cannot be excluded that Notes where the redemption amount and/or the interest is linked to a reference value qualify as contract for differences (*Termingeschäfte*) in terms of section 20 para 2 sentence 1 no. 3 ITA rather than as other capital receivables (*sonstige Kapitalforderungen*) in terms of section 20 para 1 no. 7 ITA. In such a case, in principle also all income from the Notes including capital gains should be taxed as savings income.

If the Notes are allocated to an activity of letting and leasing of property, the income from the Notes qualifies, deviating from the above, as income from letting and leasing of property. In such a case, the taxable income is calculated as the difference between the income and income-related expenses (*Werbungskosten*).

(b) Taxation of income

Savings income is taxed at a separate tax rate for savings income (*gesonderter Steuertarif für Einkünfte aus Kapitalvermögen*), which is 26.375 per cent. (including solidarity surcharge (*Solidaritätszuschlag*)) plus, if applicable, church tax. When computing the savings income, the saver's lump sum amount (*Sparer-Pauschbetrag*) of EUR 801 (EUR 1,602 in the case of jointly assessed husband and wife) will be deducted. The deduction of the actual income related expenses, if any, is excluded.

The taxation of savings income shall take place mainly by way of levying withholding tax (please see (c) below). If and to the extent German withholding tax has been levied, such withholding tax shall, in principle, become definitive and replace the investor's income taxation. If no withholding tax has been levied other than by virtue of a withholding tax exemption certificate (*Freistellungsauftrag*) and in certain other cases, the investor is nevertheless obliged to file

a tax return, and the savings income will then be taxed within the assessment procedure. However, the separate tax rate for savings income applies in most cases also within the assessment procedure. In certain cases, the investor may apply to be assessed on the basis of its personal tax rate if such rate is lower than the above tax rate.

If the income from the Notes qualifies as income from letting and leasing of property, the investor has to report income and income-related expenses (*Werbungskosten*) in its tax return and the balance will be taxed at the investor's individual income tax rate of up to 47.475 per cent. (including solidarity surcharge) plus, if applicable, church tax.

(c) German withholding tax (Kapitalertragsteuer)

With regard to savings earnings (*Kapitalerträge*), e.g. interest or capital gains, German withholding tax (*Kapitalertragsteuer*) will be levied if the Notes are held in a custodial account which the investor maintains with a German branch of a German or non-German credit or financial services institution or with a German securities trading business or a German securities trading bank (a "**German Disbursing Agent**") and such German Disbursing Agent credits or pays out the earnings.

The tax base is, in principle, equal to the taxable gross income as set out in (a) above (i.e. prior to withholding). However, in the case of capital gains, if the acquisition costs of the Notes are not proven to the German Disbursing Agent, in the form required by law (e.g. if the Notes are transferred from a non-EU custodial account), withholding tax is applied to 30 per cent. of the proceeds from the redemption or sale of the Notes. When computing the tax base for withholding tax purposes, the German Disbursing Agent may deduct any negative savings income or accrued interest paid of the same calendar year or of previous calendar years.

The Issuer is, in general, not obliged to levy German withholding tax in respect of payments on the Notes.

German withholding tax will be levied at a flat withholding tax rate of 26.375 per cent. (including solidarity surcharge) plus, if applicable, church tax.

Individuals who are subject to church tax may apply in writing for this tax to be withheld as a surcharge to the withholding tax. Individuals subject to church tax but declining to apply have to include their savings income in their tax return and will then be assessed to church tax. For German credit institutions an electronic information system as regards church withholding tax will presumably be introduced as of 2014, with the effect that a written application for church withholding tax is no longer necessary. Accordingly, the obligation to include savings income in the tax return for church tax purposes will no longer apply.

No German withholding tax will be levied if the investor filed a withholding tax exemption certificate (*Freistellungsauftrag*) with the German Disbursing Agent, but only to the extent the savings income does not exceed the maximum exemption amount shown on the withholding tax exemption certificate. Currently, the maximum exemption amount is EUR 801 (EUR 1,602 in the case of jointly assessed husband and wife). Similarly, no withholding tax will be levied if the investor has submitted to the German Disbursing Agent a certificate of non-assessment (*Nichtveranlagungs-Bescheinigung*) issued by the relevant local tax office.

1.1.2 Taxation if the Notes are held as business assets (Betriebsvermögen)

In the case of German tax-resident corporations or individual investors (*unbeschränkt Steuerpflichtige*) holding the Notes as business assets (*Betriebsvermögen*), interest payments and capital gains will be subject to corporate income tax at a rate of 15 per cent or income tax at a rate of up to 45 per cent, as the case may be, (in each case plus 5.5 per cent. solidarity surcharge thereon). In addition, trade tax may be levied, the rate of which depends on the municipality where the business is located. Further, in the case of individuals, church tax may be levied. Capital losses may be ring-fenced.

If instead of a cash-settlement at maturity of a Note, a physical delivery of bonds, shares, interests in funds or ETF-shares takes place, such delivery would be regarded as a taxable sale of the Note and the corresponding capital gain will be taxable.

The provisions regarding German withholding tax (*Kapitalertragsteuer*) apply, in principle, as set out in section 1.1.1(c) above. However, investors holding the Notes as business assets cannot file a withholding tax exemption certificate with the German Disbursing Agent. Instead, no withholding tax will be levied on capital gains from the redemption, sale or assignment of the Notes if, for example, (a) the Notes are held by a company satisfying the requirements of section 43 para 2 sentence 3 no 1 ITA or (b) the proceeds from the Notes qualify as income of a domestic business and the investor notifies this to the German Disbursing Agent by use of the officially required form.

Any withholding tax levied is credited as prepayment against the German (corporate) income tax amount. If the tax withheld exceeds the respective (corporate) income tax amount, the difference will be refunded within the tax assessment procedure.

1.2 Non-residents

Persons who are not tax resident in Germany are not subject to tax with regard to income from the Notes unless (i) the Notes are held as business assets (*Betriebsvermögen*) of a German permanent establishment (including a permanent representative) which is maintained by the investor or (ii) the income from the Notes qualifies for other reasons as taxable German source income. If a non-resident person is subject to tax with its income from the Notes, in principle, similar rules apply as set out above with regard to German tax resident persons (please see 1.1 above).

If the income is subject to German tax as set out in the preceding paragraph, German withholding tax will be applied like in the case of a German tax resident person.

1.3 Taxation if the Notes qualify as equity or equity-like

If a Note qualifies as equity or equity-like from a German tax perspective, in addition to the rules set out above, income and deemed income may be subject to income taxation, trade tax and, even if interest on the Note is not paid out by a German Disbursing Agent, to withholding tax.

Further, capital gains achieved by an investor holding the Notes as private assets might be re-qualified as business income and, thus, taxable at the investor's individual income tax rate. Capital gains and dividend income might also be partly tax-exempt according to section 8b German Corporate Income Tax Act (*Körperschaftsteuergesetz*) and section 3 no. 40 ITA respectively.

1.4 Inheritance and Gift Tax

Inheritance or gift taxes with respect to any Note will, in principle, arise under German law if, in the case of inheritance tax, either the decedent or the beneficiary or, in the case of gift tax, either the donor or the donee is a resident of Germany or if such Note is attributable to a German trade or business for which a permanent establishment is maintained or a permanent representative has been appointed. In addition, certain German expatriates will be subject to inheritance and gift tax.

1.5 Other Taxes

No stamp, issue, registration or similar taxes or duties are payable in Germany in connection with the issuance, delivery or execution of the Notes. Currently, net assets tax (*Vermögensteuer*) is not levied in Germany.

2. Taxation in Luxembourg

The following is a general description of certain Luxembourg withholding tax considerations relating to the Notes. It does not purport to be a complete analysis of all tax considerations relating to the Notes, whether in Luxembourg or elsewhere. Prospective purchasers of the Notes should consult their own tax advisers as to which countries' tax laws could be relevant to acquiring, holding and disposing of the Notes and receiving payments of interest, principal and/or other amounts under the Notes and the consequences of such actions under the tax laws of Luxembourg. This summary is based upon the law as in effect on the date of this Prospectus. The information contained within this section is limited to withholding taxation issues, and prospective investors should not apply any information set out below to other areas, including (but not limited to) the legality of transactions involving the Notes.

2.1 Withholding Tax

All payments of interest and principal by the Issuer in the context of the holding, disposal, redemption or repurchase of the Notes, which are not profit sharing, can be made free and clear of any withholding or deduction for or on account of any taxes of whatsoever nature imposed, levied, withheld, or assessed by Luxembourg or any political subdivision or taxing authority thereof or therein, in accordance with the applicable Luxembourg law, subject however to:

- (i) the application of the Luxembourg laws of 21 June, 2005 implementing the Council Directive 2003/48/EC on the taxation of savings income in the form of interest payments (the "**EU Savings Directive**") and several agreements concluded with certain dependent or associated territories and providing for the possible application of a withholding tax (35 per cent. from 1 July 2011) on interest paid to certain non Luxembourg resident investors (individuals and certain types of entities called "**Residual Entities**" as defined in Article 4.2 of the EU Savings Directive) in the event of the Issuer appointing a paying agent in Luxembourg within the meaning of the above-mentioned directive (see section "**EU Savings Directive**" below) or agreements;
- (ii) the application as regards Luxembourg resident individuals of the Luxembourg law of 23 December 2005 which has introduced a 10 per cent. withholding tax on savings income (i.e. with certain exemptions, savings income within the meaning of the Luxembourg laws of 21 June 2005 implementing the EU Savings Directive) paid by a paying agent within the meaning of the EU Savings Directive established in Luxembourg.

Pursuant to the law of 23 December 2005 as amended by the law of 17 July 2008, Luxembourg resident individuals who are the beneficial owners (within the meaning of the EU Savings Directive) of savings income paid by a paying agent within the meaning of the EU Savings Directive established outside Luxembourg, in a Member State of either the European Union or the European Economic Area, or in a jurisdiction having concluded an agreement with Luxembourg in connection with the EU Savings Directive, can opt to self declare and pay a 10 per cent. levy on these savings income.

The 10 per cent withholding tax as described above or the 10 per cent. levy are final when Luxembourg resident individuals are acting in the context of the management of their private wealth.

Responsibility for the withholding of tax in application of the above-mentioned Luxembourg laws of 21 June 2005 and 23 December 2005 is assumed by the Luxembourg paying agent within the meaning of these laws and not by the Issuer.

3. Austria

Austrian Residents

Income derived from the Notes by individuals with a domicile or their habitual abode in Austria or corporate entities having their corporate seat or place of management in Austria is taxable in Austria pursuant to the Austrian income tax act (*Einkommensteuergesetz*) or the Austrian corporate income tax act (*Körperschaftsteuergesetz*).

Generally, income arising from the Notes should qualify as income from capital (*Einkünfte aus Kapitalvermögen*), particularly as income from debt-securities or as income from derivatives. Income from capital (*Einkünfte aus Kapitalvermögen*) includes:

- (i) Interest payments (*Zinsen*) and other income from capital claims (*Einkünfte aus der Überlassung von Kapital*).
- (ii) Income realized upon redemption as the difference (*Unterschiedsbetrag*) between the redemption price and the acquisition costs (*Einkünfte aus realisierten Wertsteigerungen von Kapitalvermögen*).
- (iii) Capital Gains (i.e. the difference between the sales price and the acquisition costs, including accrued interest) realized upon sale or other disposal (*Einkünfte aus realisierten Wertsteigerungen von Kapitalvermögen*).
- (iv) In the case of the redemption, sale or disposal of Index Linked Notes and certain comparable Notes (income from derivatives) the difference between the redemption or sales price and the acquisition costs is taxable income from derivatives (*Einkünfte aus Derivaten*).

If income from capital is paid out by a paying agent or depositary bank (*auszahlende Stelle or depotführende Stelle*) located in Austria, it is subject to a 25 per cent. Austrian deduction tax (*Kapitalertragsteuer-KESt, "capital yield tax"*). The paying agent is the bank, including an Austrian branch of a foreign bank or investment firm, which pays out such income to the Noteholder.

Austrian Resident Individuals

For individuals the 25 per cent. capital yield tax on interest payments constitutes a final taxation (*Endbesteuerung*), no matter whether they act as private investors or hold the Notes as business property. Final taxation means that no further income tax will be assessed and the income is not to be included in the Noteholder's income tax return.

The 25 per cent. capital yield tax on the difference (*Unterschiedsbetrag*) between the redemption or sales price and the acquisition costs in the case of the realization of capital gains or income from derivatives is, however, not a final withholding tax, if the Notes are held as business property. This means that, contrary to interest income (*Einkünfte aus der Überlassung von Kapital*), income from realized capital gains (*Einkünfte aus realisierten Wertsteigerungen von Kapitalvermögen*) and income from derivatives (*Einkünfte aus Derivaten*) shall be included in the Noteholder's income tax return if the Notes are held as business property. If the Notes are publicly placed within the meaning of section 27a of the Austrian income tax act, income from capital will be taxed at a special rate of 25 per cent. (flat income tax rate for income from capital), no matter whether individuals hold the Notes as business or private property.

Where there is no deduction of Austrian capital yield tax because the income from the Notes is not received in Austria (not paid out by a paying agent or depositary bank located in Austria), Austrian resident noteholders will have to declare the income from the Notes in their income tax returns pursuant to the Austrian income tax act. If the Notes are publicly placed within the meaning of section 27a of the Austrian income tax act, a special 25 per cent. income tax rate is applicable.

Individuals may opt for taxation of the income from the Notes at their regular, progressive personal income tax rate. In this case, the capital yield tax will be credited against the personal income tax liability and the excess amount refunded. The same applies, if the investor files an application to compensate losses from the Notes in the course of the income tax assessment procedure. There are numerous limitations for offsetting losses from the Notes in the course of the tax assessment.

Expenses incurred by an individual noteholder in connection with income derived from Notes qualifying for (final) taxation or the special 25 per cent. income tax rate are in neither case deductible.

If the Notes are not publicly placed within the meaning of section 27a of the Austrian income tax act, the income derived from the Notes is taxable at the respective noteholder's progressive personal income tax rate amounting up to 50 per cent. The Austrian capital yield tax will be credited against the income tax liability.

Accrued interest realised upon a sale of the Notes is taxed as income from capital gains being subject to capital yield tax as set out above. For private investors, any capital gain on the sale or disposal of the Notes is taxable pursuant to section 27 (3) of the Austrian income tax act (*Einkünfte aus realisierten Wertsteigerungen von Kapitalvermögen* – capital gains). Such capital gain shall be taxed at a special income tax rate of 25 per cent. (flat tax) in the case of publicly placed Notes within the meaning of section 27a of the Austrian income tax act.

In the case of the sale or redemption of Index Linked Notes and certain comparable Notes the whole capital gain realized upon the redemption or sale of the Notes (difference between sales or redemption price and acquisition costs) is treated as income from derivatives (*Einkünfte aus Derivaten*) and therefore also subject to capital yield tax (where such capital yield tax applies), if the income is paid out by an Austrian depositary bank. Income from derivatives shall be included in the Noteholder's income tax return if the Notes are held as business property. In the case of publicly placed Notes, the special income tax rate of 25 per cent. applies.

This entire outline is based on the assumption that the Notes qualify as debt-securities (*Wertpapiere, die ein Forderungsrecht verbriefen*) or as derivative notes (*verbriefte Derivate*) and will not be qualified as equity instruments for tax purposes.

Special rules apply if a noteholder transfers his residence or deposit account outside of Austria.

Austrian Resident Corporate Investors

Corporate noteholders deriving business income from the Notes may avoid the application of Austrian capital yield tax by filing a declaration of exemption (*Befreiungserklärung*) with the paying agent (depository bank) pursuant to section 94 no. 5 Austrian income tax act. Income including any capital gain derived from the Notes by corporate noteholders is subject to Austrian corporate income tax at the general rate of 25 per cent. There is, *inter alia*, a special tax regime for Private Foundations established under Austrian law (*Privatstiftungen*).

Non-Residents

Income from capital including any capital gain derived from the Notes by individuals who do not have a domicile or their habitual abode in Austria or by corporate investors who do not have their corporate seat or their place of management in Austria ("**non-residents**") is basically not taxable in Austria provided that the income is not attributable to an Austrian permanent establishment (for capital yield tax under the EU Savings Directive see below).

Thus, non-resident noteholders – in case they receive income from the Notes through a coupon paying agent or a depository bank located in Austria – may avoid the application of Austrian capital yield tax if they evidence their non resident-status vis-à-vis the paying agent (depository bank). Non-residents will have to confirm their non-resident status in writing to the paying agent (depository bank). The provision of evidence that the noteholder is not subject to Austrian capital yield tax is the responsibility of the noteholder.

If any Austrian capital yield tax is deducted by the paying agent or depository bank, the tax withheld shall be refunded to the non-resident noteholder upon his application, which has to be filed with the competent Austrian tax authority within five calendar years following the date of the imposition of the capital yield tax at the latest.

Where non-residents receive income from the Notes as part of business income taxable in Austria (e.g. through a permanent establishment), they will be, in general, subject to the same tax treatment as resident investors.

Other Taxes

There should be no transfer tax, registration tax or similar tax payable in Austria by noteholders as a consequence of the acquisition, ownership, disposition or redemption of the Notes. The sale and purchase of Notes is not subject to Austrian stamp duty provided that no other transaction potentially taxable under the Austrian Stamp Duty Act (*Gebührengesetz*) is entered into for which a document (*Urkunde*) within the meaning of the stamp duty act is

executed. The Austrian inheritance and gift tax (*Erbschafts- und Schenkungssteuer*) was abolished with effect as of 1 August 2008. However, gifts have to be notified to the tax authorities within a three-month notification period. There are certain exemptions from such notification obligation, e.g. for gifts among relatives that do not exceed an aggregate amount of EUR 50,000 per year or gifts among unrelated persons that do not exceed an aggregate amount of EUR 15,000 within five years.

4. EU Savings Directive

Under EC Council Directive 2003/48/EC on the taxation of savings income in the form of interest payments (the "**EU Savings Directive**"), each Member State is required to provide to the tax authorities of another Member State details of payments of interest or other similar income in the meaning of the EU Savings Directive paid by a person within its jurisdiction to, or collected by such a person for, an individual resident or certain limited types of entity (called Residual Entities within the meaning of Article 4.2 of the EU Savings Directive) established in that other Member State; however, for a transitional period, Austria and Luxembourg may instead apply a withholding system in relation to such payments, deducting tax at a rate of 35 per cent., unless in the case of Luxembourg the beneficial owner of the interest payments opts for one of the two information exchange procedures available. The transitional period is to terminate at the end of the first full fiscal year following agreement by certain non-EU countries to the exchange of information relating to such payments.

A number of non-EU countries and certain dependent or associated territories of certain Member States have adopted similar measures (either provision of information or transitional withholding) in relation to payments made by a person within its jurisdiction to, or collected by such a person for, an individual resident or certain limited types of entity established in a Member State. In addition, the Member States have entered into provision of information or transitional withholding arrangements with certain of those dependent or associated territories in relation to payments made by a person in a Member State to, or collected by such a person for, an individual resident or Residual Entities established in one of those territories.

The European Commission has proposed certain amendments to the EU Savings Directive, which may, if implemented, amend or broaden the scope of the requirements described above. Investors who are in any doubt as to their position should consult their professional advisers.

5. U.S. Taxation

The Issuer shall be permitted to withhold or deduct any amounts required by the rules of U.S. Internal Revenue Code Sections 1471 through 1474 (or any amended or successor provisions), pursuant to any inter-governmental agreement, or implementing legislation adopted by another jurisdiction in connection with these provisions, or pursuant to any agreement with the U.S. Internal Revenue Service ("**FATCA Withholding**") as a result of a holder, beneficial owner or an intermediary that is not an agent of the Issuer not being entitled to receive payments free of FATCA withholding. The Issuer will have no obligation to pay additional amounts or otherwise indemnify an investor for any such FATCA Withholding deducted or withheld by the Issuer, the paying agent or any other party.

GENERAL INFORMATION

Listing and Admission to Trading Information

Application has been made to list Notes issued under the Programme on the official list of the Luxembourg Stock Exchange, to admit Notes to trading on the Regulated Market of the Luxembourg Stock Exchange and application may be made to admit Notes issued under the Programme on the Second (tier of the) Regulated Market (*Geregelter Freiverkehr*) of the Vienna Stock Exchange or on any other stock exchange. The Regulated Market of the Luxembourg Stock Exchange and the Second Regulated Market (*Geregelter Freiverkehr*) of the Vienna Stock Exchange are regulated markets for the purposes of the Markets in Financial Instruments Directive 2004/39/EEC. However, Notes may be issued pursuant to the Programme which will not be listed on any stock exchange or which will be listed on such stock exchange as the Issuer and the relevant Dealer(s) may agree.

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

Certain Dealers and their affiliates may be customers of, borrowers from or creditors of the Issuer and its affiliates. In addition, certain Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for the Issuer and its affiliates in the ordinary course of business.

In addition, in the ordinary course of their business activities, the Dealers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or Issuer's affiliates. Certain of the Dealers or their affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, such Dealers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes issued under the Programme. Any such short positions could adversely affect future trading prices of Notes issued under the Programme. The Dealers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

Use of Proceeds and Reasons for the Offer

Unless specified otherwise in the Final Terms, the net proceeds from each issue will be used for general funding purposes within the normal business of the Issuer and the RBI Group companies or for purposes of taking advantage of current market opportunities (arbitrage).

Authorisation

The establishment of the Programme was authorised by the Board of Management of the Issuer on 4 October 2010 and thereafter approved by the Supervisory Board of the Issuer on 11 October 2010. The issuance of Notes thereunder is covered by the Issuer's Board of Management's and Supervisory Boards's approval of an annual funding plan determining the total annual issuance volume.

Post Issuance Information

In the case of Notes where payment of interest and/or principal is determined by reference to an underlying, the Issuer will not provide any post-issuance information regarding such underlying, except if required by any applicable laws and regulations.

Legal and Arbitration Proceedings

Save as disclosed in section "7. Legal and Arbitration Proceedings" (pages 159 *et seqq.*) of this Prospectus and based on the Issuer's and the RBI Group's current assessment of the facts and legal implication, there were no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) during the previous 12 months, which may have, or have had in the recent past, significant effects on the financial position or profitability of the Issuer or the RBI Group.

Significant Change in the Financial Position of the Issuer

There has occurred no significant change in the financial position of RBI Group since 31 March 2012.

Auditor for the RBI Group in 2010 and 2011:

KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft*, 1090 Vienna, Porzellangasse 51, a member of the Austrian chamber of auditors (Kammer der Wirtschaftstreuhänder), represented by Mag. Wilhelm Kovsca and Mag. Bernhard Mechtler for the business year 2010 and by Mag. Rainer Hassler and Mag. Bernhard Mechtler for the business year 2011.

* KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft changed its legal form to an "Aktiengesellschaft" as of 5 April 2012. With effect from that date the new legal name is "KPMG Austria AG Wirtschaftsprüfungs- und Steuerberatungsgesellschaft".

Documents incorporated by reference

The specified pages of the following documents which have been previously published or are simultaneously published with this Prospectus and which have been filed with the CSSF are incorporated by reference into and form part of this Prospectus:

1. Unaudited interim consolidated financial statements of RBI for the three months ended 31 March 2012	Extracted from the First Quarter Report as of 31 March 2012 of RBI
– Statement of Comprehensive Income	– pages 54 – 56
– Statement of Financial Position	– page 57
– Statement of changes in Equity	– page 58
– Statement of Cash Flows	– page 58
– Segment Reporting	– pages 59 – 63
– Notes	– pages 64 – 94
2. Audited consolidated financial statements of RBI for the fiscal year 2011	Extracted from the Annual Report 2011 of RBI
– Statement of Comprehensive Income	– pages 134 – 137
– Statement of Financial Position	– page 138
– Statement of Changes in Equity	– page 139
– Statement of Cash Flows	– pages 140 – 141
– Segment Reporting	– pages 142 – 149
– Notes	– pages 150 – 261
– Auditor's Report	– pages 262 – 263
3. Audited consolidated financial statements of RBI for the fiscal year 2010	Extracted from the Annual Report 2010 of RBI
Statement of Comprehensive Income	- pages 126 - 127
Profit development	- page 128
Statement of financial position	- page 129
Statement of changes in equity	- page 130
Statement of cash flows	- pages 131 - 132
Segment reporting	- pages 133 - 138
Notes	- pages 139 - 254
Auditor's Report	- pages 255 - 256

The auditor's reports, dated 11 March 2011 and 12 March 2012, respectively, regarding the full year financial statements of RBI for the fiscal years 2010 and 2011 do not contain any qualifications.

Any information not listed in the cross reference list above but included in the documents referred to in this context are either not relevant for the investor or covered elsewhere in the Prospectus.

Documents on Display

This Prospectus, any supplements thereto and the documents incorporated herein by reference are available on the website of the Luxembourg Stock Exchange (www.bourse.lu).

This Prospectus, any supplements thereto and copies of any Final Terms prepared in connection with the issue and listing on a regulated market or public offer of Notes will be available in printed form at the registered office of the Issuer.

In addition, the following documents are available from the specified offices (as set out in the back of this Prospectus) of the Issuer and the Fiscal Agent on any working day during usual business hours:

- all documents set out in "General Information – Documents Incorporated by Reference" above,
- the Articles of Association of Raiffeisen Bank International AG,
- this Prospectus and any supplements thereto,
- any Final Terms and Conditions which have been prepared for an issue of Notes to be listed on the regulated market of a stock exchange located within the European Economic Area or offered in the European Economic Area in circumstances in which a prospectus is required to be published under the Prospectus Directive.

In the case of Notes listed on the official list of the Luxembourg Stock Exchange and traded on the Regulated Market "*Bourse de Luxembourg*" of the Luxembourg Stock Exchange, the Final Terms will also be displayed on the website of the Luxembourg Stock Exchange (www.bourse.lu).

In the case of Notes which are admitted to trading on the Vienna Stock Exchange the Final Terms, this Prospectus and any supplements thereto will also be displayed on the website of the Vienna Stock Exchange (www.wienerborse.at).

NAMES AND ADDRESSES

Issuer

Raiffeisen Bank International AG
Am Stadtpark 9
A-1030 Wien
Austria

Arranger

Deutsche Bank Aktiengesellschaft
Grosse Gallusstrasse 10–14
60272 Frankfurt am Main
Germany

Dealers

Barclays Bank PLC

5 The North Colonnade
Canary Wharf
London E14 4BB
United Kingdom

BNP PARIBAS

10 Harewood Avenue
London NW1 6AA
United Kingdom

Citigroup Global Markets Limited

Citigroup Centre
Canada Square
Canary Wharf
London E14 5LB
United Kingdom

Crédit Agricole Corporate and Investment Bank

9, Quai du Président Paul Doumer
92920 Paris – La Défense Cedex
France

Coöperatieve Central Raiffeisen Boerenleenbank B.A. (trading as Rabobank International)

Thames Court
One Queenhithe
London EC4V 3RL
United Kingdom

Credit Suisse Securities (Europe) Limited

One Cabot Square
London E14 4QJ
United Kingdom

Deutsche Bank Aktiengesellschaft

Grosse Gallusstrasse 10-14
60272 Frankfurt am Main
Germany

DZ BANK AG Deutsche Zentral- Genossenschaftsbank, Frankfurt am Main

Platz der Republik
60265 Frankfurt am Main
Germany

HSBC France

103, avenue des Champs Elysees
75008 Paris
France

J.P. Morgan Securities Ltd.

125 London Wall
London EC2Y 5AJ
United Kingdom

Merrill Lynch International

2 King Edward Street
London EC1A 1HQ
United Kingdom

Morgan Stanley & Co. International plc

25 Cabot Square
Canary Wharf
London E14 4QA
United Kingdom

Raiffeisen Bank International AG

Am Stadtpark 9
A-1030 Vienna
Austria

Société Générale

29, boulevard Haussmann
75009 Paris
France

UBS Limited

1 Finsbury Avenue
London EC2M 2PP
United Kingdom

Fiscal Agent

Deutsche Bank Aktiengesellschaft
Grosse Gallusstrasse 10–14
60272 Frankfurt am Main
Germany

Listing Agent

Deutsche Bank Luxembourg S. A.
2, Boulevard Konrad Adenauer
L-1115 Luxembourg
Luxembourg

Legal Advisors to the Dealers

as to German law

Clifford Chance
Partnerschaftsgesellschaft
Mainzer Landstrasse 46
60325 Frankfurt am Main
Germany

as to Austrian law

Freshfields Bruckhaus Deringer LLP
Seitsgasse 16
1010 Vienna
Austria

Auditors

KPMG Austria AG Wirtschaftsprüfungs- und Steuerberatungsgesellschaft
Porzellangasse 51
A-1090 Vienna
Austria