

Sixth Supplement dated 10 June 2015
to the Debt Issuance Programme Prospectus dated 19 August 2014
relating to the EUR 25,000,000,000 Debt Issuance Programme

This document constitutes a supplement (the "Sixth Supplement") for the purpose of Art. 16 of the Directive 2003/71/EC of the European Parliament and the Council of 4 November 2003, as amended (the "Prospectus Directive"), as well as Article 13 of Chapter 1 of Part II of the Luxembourg law dated 10 July 2005 on prospectuses for securities, as amended (Loi relative aux prospectus pour valeurs mobilières, the "Luxembourg Prospectus Law"), to the two base prospectuses for securities relating to the EUR 25,000,000,000 Debt Issuance Programme for the issue of Notes of Raiffeisen Bank International AG (the "Issuer" or "RBI"): (i) the base prospectus in respect of non-equity securities within the meaning of Art. 22 No. 6 (4) of the Commission Regulation (EC) No. 809/2004 of 29 April 2004, as amended (the "Commission Regulation") and (ii) the base prospectus in respect of Covered Bank Bonds (non-equity securities within the meaning of Art. 22 No. 6(3) of the Commission Regulation) (the two base prospectuses together, the "Original Base Prospectus") (the Original Base Prospectus as supplemented by the First Supplement dated 29 August 2014, the Second Supplement dated 25 September 2014, the Third Supplement dated 12 December 2014, the Fourth Supplement dated 5 March 2015 and the Fifth Supplement dated 2 April 2015, the "Supplemented Base Prospectus" and the Supplemented Base Prospectus together with the Sixth Supplement, the "Base Prospectus").



Raiffeisen Bank International

RAIFFEISEN BANK INTERNATIONAL AG

EUR 25,000,000,000 Debt Issuance Programme

for the issue of Notes

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

This Sixth Supplement has been approved by the *Commission de Surveillance du Secteur Financier* (the "CSSF") and will be published in electronic form on the website of the Luxembourg Stock Exchange (www.bourse.lu) and on the website of Raiffeisen Bank International AG (www.rbinternational.com).

Raiffeisen Bank International AG has requested the CSSF in its capacity as competent authority under the Luxembourg Prospectus Law to approve this Sixth Supplement and to provide the competent authorities in the Federal Republic of Germany and in the Republic of Austria with a certificate of approval (a "Notification") attesting that this Sixth Supplement has been drawn up in accordance with the Luxembourg Prospectus Law which implements the Prospectus Directive into Luxembourg law. The Issuer may request the CSSF to provide competent authorities in additional Member States within the European Economic Area with a Notification.

By approving this Sixth Supplement, the CSSF shall give no undertaking as to the economic and financial soundness of the operation or the quality or solvency of the Issuer in line with the provisions of article 7 (7) of the Luxembourg Prospectus Law.

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

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

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

IN ACCORDANCE WITH ARTICLE 16 PARAGRAPH 2 OF THE PROSPECTUS DIRECTIVE AND WITH ARTICLE 13 PARAGRAPH 2 OF THE LUXEMBOURG PROSPECTUS LAW, WHERE THE PROSPECTUS RELATES TO AN OFFER OF SECURITIES TO THE PUBLIC, INVESTORS WHO HAVE ALREADY AGREED TO PURCHASE OR SUBSCRIBE FOR ANY NOTES BEFORE THIS SIXTH SUPPLEMENT IS PUBLISHED HAVE THE RIGHT, EXERCISABLE WITHIN TWO WORKING DAYS AFTER THE PUBLICATION OF THIS SIXTH SUPPLEMENT, I.E. UNTIL 12 JUNE 2015, TO WITHDRAW THEIR ACCEPTANCES, PROVIDED THAT THE NEW FACTOR, MISTAKE OR INACCURACY AROSE BEFORE THE FINAL CLOSING OF THE OFFER TO THE PUBLIC AND THE DELIVERY OF THE NOTES.

- 1) On page 11 of the Supplemented Base Prospectus, in the section "**Any known trends affecting the issuer and its industries in which it operates**" in the "**SUMMARY**", "**Section B**", **Element "B.4b"**", the four bullet points shall be deleted and replaced by the following bullet points:

- Central Europe ("CE"): Czech Republic, Hungary and Slovakia
- Southeastern Europe ("SEE"): Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Kosovo, Romania and Serbia
- Eastern Europe ("EE"): Belarus, Kazakhstan, Russia and Ukraine
- as well as Poland and Slovenia."

- 2) On page 12 of the Supplemented Base Prospectus, in the section "**Profit forecasts or estimates**" in the "**SUMMARY**", "**Section B**", **Element "B.9"**", the existing wording shall be fully deleted and replaced by the following wording:

"Not applicable; no profit forecast or estimate is made."

- 3) On pages 12 and 13 of the Supplemented Base Prospectus, in the section "**Selected historical key information regarding the issuer, for each financial year and any subsequent interim financial period (accompanied by comparative data)**" in the "**SUMMARY**", "**Section B**", **Element "B.12"**", shall be deleted and replaced by the following section:

The following table shows extracts from the consolidated financial data of RBI Group. The following selected consolidated financial data of the RBI Group should be read in conjunction with the consolidated financial statements and consolidated interim financial statements of the Issuer incorporated by reference in this Prospectus.

Results for the three months ended 31 March 2015 are not necessarily indicative for results that may be expected for the entire year.

Income Statement in EUR million	1-3/2015	1-3/2014	1-12/2014	1-12/2013	1-12/2012
	unaudited			audited	
Net interest income	820	979	3,789	3,729	3,472
Net provisioning for impairment losses	(260)	(281)	(1,716)	(1,149)	(1,009)
Net interest income after provisioning	560	697	2,073	2,580	2,463
Net fee and commission income.....	360	376	1,586	1,626	1,516
Net trading income.....	(62)	(19)	(30)	321	215
General administrative expenses	(691)	(755)	(3,024)	(3,340)	(3,258) ⁽¹⁾
Net income from derivatives and liabilities.....	20	(27)	88	(257)	(127)
Net income from financial investments.....	64	37	62	58	318
Profit/loss before tax.....	188	240	23	835	1,037 ⁽¹⁾
Profit/loss after tax.....	100	173	(463)	603	752 ⁽¹⁾
Consolidated profit/loss	83	161	(493)	557	730 ⁽¹⁾

⁽¹⁾ Adaption due to the retrospective application of IAS 19

Source: Full year results 2014, 2013 and 2012 and the unaudited first quarter reports 2015 and 2014.

Balance Sheet in EUR million	31/3/2015	31/3/2014	31/12/2014	31/12/2013	31/12/2012
	unaudited			audited	
Equity.....	8,654	12,821	8,302	10,364	10,873
Total assets.....	124,176	125,410	121,624	130,640	136,116
Selected Key Ratios					
NPL ratio ¹	11.9%	10.6%	11.3%	10.7%	9.8%
NPL coverage ratio ¹	65.9%	65.2%	67.4%	63.1%	67.0%

Source: Full year results 2014, 2013 and 2012 and the unaudited first quarter reports 2015 and 2014.

¹ NPL ratio and NPL coverage ratio "Total non-banks"

Bank Specific Information	31/3/2015	31/3/2014	31/12/2014	31/12/2013	31/12/2012
	unaudited			audited	
Common equity tier 1 (transitional)	10.4%	13.9%	10.9%	10.7%	10.7%
Common equity tier 1 (fully loaded)	9.9%	9.9%	10.0%	-	-
Total capital ratio (transitional)	15.3%	18.3%	16.0%	15.9%	15.6%
Total capital ratio (fully loaded)	14.8%	14.6%	15.2%	-	-

Source: Full year results 2014, 2013 and 2012 and the unaudited first quarter reports 2015 and 2014.

Performance	1-3/2015	1-3/2014	1-12/2014	1-12/2013	1-12/2012
	unaudited			audited	
Net interest margin ⁽¹⁾	2.94%	3.35%	3.24%	3.11%	2.66%
Return on equity before tax	9.0%	7.9%	0.2%	7.8%	9.7%
Cost/income ratio	61.8%	56.1%	56.5%	58.3%	61.5%
Earnings per share in EUR	0.29	0.60	(1.73)	1.83	2.72

Source: Full year results 2014, 2013 and 2012 and the unaudited first quarter reports 2015 and 2014.

⁽¹⁾ Net interest margin (average interest-bearing assets) – Net interest income in relation to average interest-bearing assets

Resources	31/3/2015	31/3/2014	31/12/2014	31/12/2013	31/12/2012
	unaudited			audited	
Employees.....	54,468	57,217	54,730	57,901	60,084
Business outlets.....	2,851	2,991	2,866	3,025	3,106

Source: Full year results 2014, 2013 and 2012 and the unaudited first quarter reports 2015 and 2014

- 4) On pages 14 et seq. of the Supplemented Base Prospectus, in the section "**Significant changes in the financial or trading position of the Issuer**" in the "SUMMARY", "Section B", Element "B.12", the existing wording shall be fully deleted and replaced by the following wording:

"Negative impacts with regard to the Issuer, in particular since the date of its last published financial statements (first quarter report 2015/not audited) include the following:

Results for the full year 2014 of RBI Group as reported in the audited consolidated financial statements of RBI as of and for the full year ended 31 December 2014, as incorporated by reference herein

The consolidated loss of EUR 493 million includes one-off effects such as goodwill impairments totaling EUR 306 million, primarily for subsidiary banks in Russia (EUR 148 million), Poland (EUR 101 million) and Albania (EUR 51 million), as well as deferred tax asset (DTA) write-downs amounting to EUR 196 million, primarily at Group head office (EUR 161 million) and in Asia (EUR 35 million).

The Issuer will neither pay dividends on ordinary shares nor on participation capital for 2014.

Results as reported in the unaudited interim consolidated financial statements of RBI as of and for the three months ended 31 March 2015, as incorporated by reference herein

The difficult environment continued in the first quarter of 2015 and led to negative impacts on the results such as:

- Net interest income of EUR 820 million (down 16.2% year-on-year)
- Net trading income of minus EUR 62 million (down EUR 43 million year-on-year), largely due to a EUR 109 million decline in currency-based transactions to minus EUR 149 million. This was largely attributable to exchange rate-related valuation losses on foreign currency positions in Ukraine, where net trading income reduced due to the sharp depreciation of the Ukrainian hryvnia (down EUR 64 million) and to a valuation loss on a hedging transaction for dividend income in Russian roubles (down EUR 53 million) at RBI Group head office.
- Profit before tax decreased to EUR 188 million (down 21.9% year-on-year)
- Consolidated profit decreased to EUR 83 million (down EUR 77 million year-on-year)

Additional information:

No restructuring charges for the strategic review, as described below, have been booked as of the first quarter 2015. Furthermore, the majority of net provisioning for impairment losses tend to be booked in the second half of the year. The contribution to the Single Resolution Fund for 2015, as described in "*Bank Recovery and Resolution Regime*" below, was not booked in the total amount but on an accrued basis in the first quarter 2015.

Measures in the course of a strategic review

On 9 February 2015, RBI has resolved to take a number of steps to increase its capital buffers. The measures are intended to facilitate an improvement in the CET1 ratio (fully loaded) to 12 per cent. by end-2017, compared to 10 per cent. at end-2014. The planned steps will affect a number of operations across the RBI Group, in particular those areas which generate low returns, have high capital consumption or are of limited strategic fit.

The measures to be implemented include the intended sale of the operations in Poland and Slovenia, as well as the direct banking unit Zuno.

In the context of the announced sale of Raiffeisen Bank Polska S.A., the Polish Financial Supervision Authority ("PFSA") informed RBI about the initiation of an administrative proceeding claiming the potential breach of commitments towards PFSA undertaken by RBI during the approval process of the acquisition of Polbank EFG by RBI in 2012. The Issuer is of the opinion that the commitments have not been breached; although a potential outcome of proceedings could result in a prohibition of exercising voting rights on shares of RBI's subsidiary Raiffeisen Bank Polska S.A. until the sale of shares, the Issuer believes that the allegations are unsubstantiated, and such proceedings ultimately shall be dismissed. The Issuer believes that proceedings have no impact on day-to-day business, or the sales process.

The exposure to the Russian market is intended to be reduced, with a risk-weighted asset (RWA) reduction of approximately 20 per cent. planned by end-2017 (RWA in the Russian market as at 31.12.2014: EUR 8.4 billion). A reduction in exposure is also foreseen in Ukraine, where risk-weighted assets shall be decreased by approximately 30 per cent. by end-2017 (RWA as at 31.12.2014: EUR 3.0 billion). In Hungary, further optimization of the operation is intended to be undertaken. As part of the drive to increase Group focus on the re-defined CEE region, operations are to be significantly scaled back or exited in Asia by end-2017 and in the US by end-2016.

The concrete decisions will be subject to approval by the Supervisory Board. The implementation of these measures is intended to result in an aggregate gross risk-weighted asset reduction in the selected markets of approximately EUR 16 billion by end-2017 (RWA as at 31.12.2014: EUR 68.7 billion). The total gross reduction from end-Q3 2014 to end-2017 is intended to amount to approximately EUR 26 billion.

The reduction is expected to be partially offset by an increase in RWA in other business areas – regulatory-driven as well as business driven.

The full year 2015 consolidated result may be negative as the majority of the restructuring costs (estimated amount around EUR 550 million in total) are expected to be booked in 2015 and net provisioning for impairment losses is expected to remain elevated in 2015.

RBI Group's CHF exposure

RBI Group's CHF exposure is mainly in Poland (approximately EUR 2.8 billion) as well as in Romania (approximately EUR 350 million), Croatia (approximately EUR 270 million) and Serbia (approximately EUR 80 million) as of 31 December 2014. In Hungary, CHF loans have been mostly addressed by the recent agreement between the government, the banks and the central bank, however there is a remaining position of approximately EUR 130 million (mainly corporate loans) at the end of 2014.

In the wake of the Swiss National Bank decision to abandon the CHF's peg to the EUR in January 2015, the Croatian government decided at the end of January 2015 to fix the CHF / HRK exchange rate at 6.39 HRK for the next twelve months which corresponds to the exchange rate before the decision of the Swiss National Bank. At this point of time and based on current conditions, RBI Group expects a negative influence in the mid single digit million range for the business year 2015 as clients should be able to pay back their regular maturing annuities (only those are in scope of the decision) based on the fixed exchange rate in the law.

In Poland, potential measures in favour of CHF-mortgage loan debtors are currently under discussion between Poland's financial supervisor KNF, the National Bank of Poland, the Polish Banking Association and the Polish government. The proposals include, *inter alia*, the right of CHF borrowers to replace the terms and conditions of their CHF loans with new terms as they would have applied to a Polish Zloty ("PLN") loan, the right to convert their CHF loans into PLN at historic exchange rates as well as different models of sharing costs and risks. Any of these measures, if decided and implemented, could have a negative impact on Raiffeisen Bank Polska S.A. and, thus, on the Issuer. At this point in time and due to ongoing discussions in Poland with uncertain results, it is difficult to evaluate the impact of potential measures on the Issuer.

Exchange rates - sharp depreciation of Ukrainian hryvnia and Russian rouble / CET1 ratio

The political and economic developments in the Ukraine and in Russia since the beginning of the year 2014 (see below "Recent developments / political and economic turbulence in Ukraine" and "Recent developments in Russia") have led to a sharp depreciation of the Ukrainian hryvnia ("UAH") and the Russian rouble ("RUB"). In the year 2014, the UAH devaluated 47.9 per cent. against the US dollar and 40.7 per cent. against the Euro. From the beginning of the year 2015 until 31 March 2015, the devaluation of the UAH against the Euro amounted to approximately 24 per cent. against the Euro and approximately 32.5 per cent. against the US dollar. In the year 2014, the devaluation of the RUB amounted to 45.2 per cent. against the US dollar and 37.6 per cent. against the Euro. In the first quarter of 2015 the RUB showed an upward trend and an increase against the Euro of approximately 16.3 per cent. and against the US dollar of approximately 3.2 per cent.

The foreign currency ("FX") devaluations have had a negative impact on RBI Group's capital. From the total FX impact of minus 0.94 per cent. on the fully loaded common equity tier one ratio ("CET 1 ratio") for the year 2014, a minus of 0.47 per cent. results from the devaluation of the RUB and a minus of 0.19 per cent. results from the devaluation of the UAH. The rest results in a minus of 0.13 per cent. from US dollars as well as from a split across other currencies having no larger single effects. Given the currency devaluations, in particular of RUB and UAH, a further negative impact on the capital ratios of the Issuer cannot be excluded.

Recent developments / political and economic turbulence in Ukraine

The political turmoil in the Ukraine resulted in the annexation of Crimea by the Russian Federation as well as an armed conflict between the Ukrainian government and pro-Russian separatists in the Eastern regions of the Ukraine. Thus, the political situation in the Ukraine has become extremely unstable and serious geopolitical tensions have arisen between Russia and the west.

The political crisis in the Ukraine has aggravated the country's long standing economic problems, and the falling value of the currency as described above (see Exchange rates - sharp depreciation of Ukrainian hryvnia and Russian rouble / CET 1 ratio) is one of the consequences. The outlook of the currency remains highly uncertain. This already led and could further lead to higher provisioning needs due to increased risk costs and credit default rates and could continue to have a negative impact on the capital position of RBI Group.

Due to the annexation of Crimea, Raiffeisen Bank Aval's local branches, including their infrastructure, were sold, the corporate business was transferred to AO Raiffeisenbank, Moscow. In Eastern Ukraine, the number of branches had been reduced to 80 and the majority of them has been closed.

The high sovereign foreign exchange refinancing needs and the low foreign exchange reserves of the Ukraine as well as the fact that Ukraine's parliament had passed a bill granting the government the authority to suspend certain foreign debt payments while talks are being held to restructure Ukraine's sovereign and state-guaranteed debt have intensified concerns about a sovereign default/moratorium.

The development in the Ukraine might be exacerbated by repercussions of the current crisis on the political situation, the economies and foreign exchange rates of other countries in which the Issuer operates.

Ukraine peace summit

On 12 February 2015, a peace plan was agreed by the political leaders of Ukraine, Russia, France and Germany and also signed by pro-Russian separatists in Minsk.

However, the measures agreed upon are yet to be implemented; the risks in connection therewith remain. It is still uncertain whether the sanctions against Russia, which would otherwise end automatically in 2015, will be prolonged or whether additional sanctions will be required. All in all, a return to political and economic normality is expected to be difficult and challenging.

Recent developments in Russia

The developments in the Ukraine and the political turmoil in the region have had an impact on Russia, where uncertainties resulted in a sharp devaluation of the Russian rouble ("RUB") as described above (see *Exchange rates - sharp depreciation of Ukrainian hryvnia and Russian rouble / CET1 ratio*). The outlook on the currency remains highly uncertain. Moreover, the sanctions imposed in the course of the crisis as outlined below, the sharp devaluation of the Russian rouble, in particular until February 2015, the decline in the oil prices as well as an increasingly critical risk perception in the international capital markets towards Russia adversely affected and will continue to affect the economy in Russia.

The massive devaluation of the Russian rouble in the fourth quarter 2014 showed substantial impact on RBI's Russian operations' balance sheets, risk weighted assets and results. The much stronger negative impact on the profit is mainly due to higher risk costs, but also almost all income as well as expense positions show impacts. Lower assets lead to lower income and despite a tough cost reduction program this may not be compensated. The devaluation of the Russian currency had an adverse impact on RBI Groups capital ratios due to a reduction of the RUB-denominated equity position which was not fully compensated by the currency-driven reduction of RUB-denominated risk weighted assets.

As a consequence of the developments in Russia, a review of the mid-term planning for the Russian unit of RBI has become necessary. The RBI Board of Management decided to rescale the Russian operations by approximately 20 per cent. until 2017 and the business plans will be adjusted accordingly.

As from 20 February 2015, there was a change of name of RBI's bank subsidiary in Russia from "ZAO Raiffeisenbank" to the following new name: "Joint stock company Raiffeisenbank" or, abbreviated, "AO Raiffeisenbank."

Sanctions

As a consequence of the political developments in Ukraine and Russia, the EU as well as the United States and other countries implemented several measures of sanctions, causing restrictions in the business of the Issuer's Group associated with high costs of implementation. Additional sanctions may be imposed, if the situation in Eastern Ukraine deteriorates further. In reaction to the sanctions, counter-sanctions were imposed by Russia; further measures are expected to follow.

Developments in Hungary

The market environment in Hungary continues to be difficult and is currently under special review. Restructuring of Raiffeisen Bank in Hungary (*Raiffeisen Bank Zrt.*) is in progress, involving selective portfolio reductions and a strong focus on collection and work out. Moreover, a further optimization of the Hungarian unit will be undertaken.

New legislation was passed by the Hungarian parliament in July 2014 relating to (a) the foreign exchange ("FX") margins which can be applied to foreign currency loan disbursement and instalments and (b) unilateral rate changes on consumer loans. The new law applies to all banks operating in Hungary and requires retroactive modifications to margins and potentially to rates.

As a result of such legislation RBI expected total costs of EUR 245 million related to foreign currency loans and unilateral rate changes on retail loans which were booked in 2014. In April 2015 the actual impact after reimbursements to customers amounts to approximately EUR 225 million which might slightly increase in the course of the year.

Due to amended local accounting standards, the Hungarian National Bank started a local review, among others with respect to the Issuer's Network Bank in Hungary and including the Network Bank's commercial real estate portfolio, having a net exposure of about EUR 275 million. The process and its outcome is finally negotiated with the Hungarian authorities and resulted in additional impairment requirements of approximately 37 million booked in the financial statements of the Network Bank in Hungary according to Hungarian Accounting Standards in 2014.

Mid-April 2015 the Hungarian parliament passed a law on setting up a fund to compensate the clients of brokerage firm Quaestor who suffered losses because of the bankruptcy of Quaestor. Quaestor reportedly sold HUF 210 billion worth of bonds to approximately 32,000 – 36,000 customers. The cost of compensating Quaestor's victims (up to an amount of HUF 30 million (approximately EUR 100,000) each) will affect financial institutions in Hungary, among them the Issuer's Network Bank in Hungary. Owing to various aspects which are still not clarified, it is not possible to evaluate the impact on the Issuer's Network Bank in Hungary at this point of time.

In the light of the current political and economic developments in Hungary, the RBI Group considers the risk that additional legislative measures, which adversely affect the banking sector as a whole and foreign banks in particular, are taken by the Hungarian government to be significant.

Developments in Slovenia

The Slovenian market is currently under special review and an intended withdrawal from this market was resolved by RBI in February 2015.

Developments in Croatia

Amendments to the Consumer Loans Act (the "**Amendments Act**") were approved by the Croatian parliament in November 2013 and came into force on 1 January 2014.

The Amendments Act has an impact on future lending business as well as on existing loans, as it authorizes the Ministry of Finance to determine the fees which may be charged by the banks in connection with consumer loans, defines the criteria for the setting of interest rates and imposes maximum interest rates as well as additional information requirements on banks.

The Amendments Act is expected to affect the Issuer's net interest margin on loans. For 2015, the estimated negative impact amounts to EUR 3 million and up to EUR 36 million over the whole duration of the CHF-loan portfolio (until 2048).

Developments in Asia

The Asian business has been negatively impacted by lower commodity prices, which have affected the debt servicing capability of borrowers in the Asia-Pacific region. As a consequence, the increase in the non-performing loans ("NPLs") reported in the Group Corporates segment mainly relates to Asia (EUR 734 million as of year-end 2014) and hereof mainly to Indonesia from several clients operating in the raw material and mining business.

Given the Group's total assets in Asia of approximately EUR 6 billion as of 31 December 2014, RBI intends to significantly scale back or exit its business in Asia by end-2017.

Developments in Serbia

In February 2015 the National Bank of Serbia passed a resolution with regard to foreign currency loans. One part of the resolution deals with increases in non-specific elements of variable interest rates in case of foreign currency loans generally, the other part is applicable to CHF-linked mortgage loans only. In both cases, banks, among them Raiffeisen banka a.d., Serbia, are required to take specific steps of action as regards changes in the treatment and in the terms and conditions of the affected loans. The process of implementing said resolution is still ongoing. Raiffeisen banka a.d. expects the negative impact following the implementation of the resolution to amount to approximately EUR 6 million.

Bank levies and specific taxes

Various countries in which RBI Group operates have already implemented bank levies or specific taxes (i.e. financial transaction tax). The expected total negative impact resulting from such taxes or levies for RBI Group for 2015 amounts to approximately EUR 142 million, and

additionally from the Hungarian financial transaction tax to approximately EUR 43 million for 2015. Other countries in which RBI Group operates are currently discussing or planning the implementation of similar bank levies.

Bank Recovery and Resolution Regime

An Austrian Recovery and Resolution Law came into force as of 1 January 2015 (the Federal Act on the Recovery and Resolution of Banks; Bundesgesetz über die Sanierung und Abwicklung von Banken; "BaSAG"). Payments under this law refer to European rules implementing the Bank Recovery and Resolution Directive ("BRRD"), which are not yet adopted (expected to happen sometime in 2015) and which foresee a contribution payment mechanism starting in 2015. Starting from 2016 the Austrian Resolution Fund, like all other EURO-zone-resolution funds will be transferred to the Single Resolution Fund, being in process of establishment for all EU-Eurozone members (on an optional basis also for other EU members).

The specific amount of overall payments (with respect to RBI Group members, payments based on their respective national laws) can only be determined once the respective EU regulation / national laws have been passed and EU wide data are available. Using external benchmark estimates, however, the contributions for Austria for a bank of the size of RBI Group in Austria might be in the range of approximately EUR 40 million for 2015. Contributions are to be made annually in the next ten years, starting in 2015.

Regulatory capital requirement of RBI's main shareholder RZB

In spring 2014, the Austrian Financial Markets Authority (Finanzmarktaufsicht – "FMA") issued a decree imposing on RZB as superordinated credit institution of the RZB credit institution group (Kreditinstitutsgruppe) a total capital ratio requirement of 13.77 per cent. applicable from July 2014. The calculation of this ratio also included Raiffeisen-Landesbanken-Holding GmbH as parent financial holding company.

The European Central Bank ("ECB") assumed its role as consolidating supervisor for RZB as from 4 November 2014. Meanwhile, the above capital requirement has been replaced by a decision of the ECB, which, however, must be treated as confidential.

In addition to the capital requirements set out above, capital buffer requirements based on the respective regulations of the Austrian Banking Act (*Bankwesengesetz*) may be set. On 1 June 2015, the Austrian Financial Market Stability Board (*Finanzmarktstabilitätsgremium*) has issued a recommendation to the FMA to impose on RZB, among other banks, a systemic risk buffer in the amount of 3 per cent. of its risk weighted assets. Pursuant to the recommendation, the systemic risk buffer is to become effective as from 1 July 2016, however starting with a reduced systemic risk buffer requirement of 2 per cent. of risk weighted assets during a transitional period from 1 July 2016 until 30 June 2017.

Regulatory capital requirement of RBI

Following the Austrian regulator's decision to set up a second level of supervision at the level of RBI Group, on 24 October 2014, RBI received notification from the FMA that it would be required to fulfil regulatory capital requirements as a separate group (i.e. RBI Group on a consolidated basis) in addition to RZB Group. Thus, RBI is sub-consolidated and also regulated separately by the European Central Bank. As a consequence, as from 30 November 2014 RBI was required to adhere to a SREP Ratio (Supervisory Review Evaluation Process Ratio) (i.e. a total capital ratio (transitional)) of 13.76 per cent. Furthermore, the volume of guarantees between RZB and RBI will have to be reduced which is expected to have a negative impact on direct business transactions between RBI and the Regional Raiffeisen Banks, i.e. the Raiffeisen-Landeszentralen, in particular as regards liquidity flows. As part of the measures relating to organisational and functional separation, respectively the unbundling of bank-specific operations between RZB and RBI, it is also required to discontinue identical board functions such as RBI's chief risk officer acting also as a member of the management board of RZB. Thus, Mr. Strobl's position as chief risk officer of RZB will terminate prior to or on 30 June 2015 at the latest.

The European Central Bank ("ECB") assumed its role as competent authority for RBI as from 4 November 2014. Meanwhile, the above capital requirement has been replaced by a decision of the ECB, which, however, must be treated as confidential.

In addition to the capital requirements set out above, capital buffer requirements based on the respective regulations of the Austrian Banking Act (*Bankwesengesetz*) may be set. On 1 June 2015, the Austrian Financial Market Stability Board (*Finanzmarktstabilitätsgremium*) has issued a recommendation to the FMA to impose on RBI, among other banks, a systemic risk buffer in the amount of 3 per cent. of its risk weighted assets. Pursuant to the recommendation, the systemic risk buffer is to become effective as from 1 July 2016, however starting with a reduced systemic risk buffer requirement of 2 per cent. of risk weighted assets during a transitional period from 1 July 2016 until 30 June 2017.

In order to comply with capital requirements in the future, RZB Group and/or RBI Group may have to raise additional tier 1 or tier 2 capital or reduce its risk-weighted assets.

Securitization

As part of RBI's strategic priority of strengthening capital, the bank is actively managing the securitization of assets. By the end of 2014, the Issuer closed a securitization that resulted in a reduction of Risk Weighted Assets (RWAs) by around EUR 500 million and CET1 relief of around EUR 50 million or 0.07 per cent. Going forward, the Issuer aims to securitize assets on a regular basis generating around 0.20 per cent. of CET1 capital relief p.a."

Apart from the above stated effects there has been no significant change in the financial or trading position of RBI Group since 31 March 2015."

- 5) On page 16 of the Supplemented Base Prospectus, in the section "**Recent events particular to the issuer which are to a material extent relevant to the evaluation of the issuer's solvency**" in the "SUMMARY", "Section B", Element "B.13", the first paragraph starting with "The Issuer is not aware of any recent adverse events" shall be deleted and replaced by the following paragraph:

"The Issuer is not aware of any recent adverse events particular to the Issuer (i.e. occurring after the most recent published unaudited interim financial information of the Issuer as of 31 March 2015) in the context of its business activities that are to a material extent relevant for the evaluation of its solvency."

- 6) On page 18 of the Supplemental Base Prospectus, in the the section "**Credit ratings assigned to the issuer or its debt securities**" in the "**SUMMARY**", "**Section B**", **Element "B.17"** , the existing table shall be deleted and replaced by the following table:

	Moody's ¹	S&P ²	Fitch ³
Rating for long term obligations (senior)	Baa2 / Rating under Review uncertain	BBB / Outlook negative	BBB / Outlook negative
Rating for short term obligations (senior)	P-2	A-2	F3

- 7) On pages 26 and 27 of the Supplemental Base Prospectus, the first paragraph as well as the formula and definition of formula components under the heading "**In case the offered quotation is determined on the basis of HICP, insert:**" in the "**SUMMARY**", "**Section C**", **Element "C.9"** shall be deleted and replaced by the following wording:

"The rate of interest for each Interest Period shall be expressed as a rate in per cent. *per annum* ("*Ian*") and calculated by the Calculation Agent in accordance with the following formula:

$$I_{an}(t) = [\text{Min} \{ \ }] [\text{Max} \{ \ }] (\text{Index RP}(t) - \text{Index RP}(t-1)) / \text{Index RP}(t-1) [*100] [* \text{insert Factor}] [+] [-] [\text{insert Surcharge or Reduction}] [; \text{insert Value}] [+] [-] [\text{insert Margin}]$$

Index RP(t) = The level of the Index that is published by reference to the Reference Period (t).

Index RP(t-1) = The level of the Index that is published by reference to the Reference Period (t-1).

RP(t) = the Reference Period (t), i.e. [insert reference period].

RP(t-1) = the Reference Period (t-1), i.e. [insert reference period].

[Factor = Multiplier of Inflation Rate]

"Index" is the unrevised Harmonised Index of Consumer Prices (excluding Tobacco) ("**HICP**") for the Euro Zone, which is calculated on a monthly basis by the statistical office of the European Union (the "EUROSTAT" or the "Index Sponsor") and published on the Screen Page on the Interest Determination Date."

- 8) On pages 28 and 29 of the Supplemental Base Prospectus, the first paragraph as well as the formula and definition of formula components under the heading "**In case the offered quotation is determined on the basis of HICP, insert:**" in the "**SUMMARY**", "**Section C**", **Element "C.9"** shall be deleted and replaced by the following wording:

"The rate of interest for each Interest Period shall be expressed as a rate in per cent. *per annum* ("*Ian*") and calculated by the Calculation Agent in accordance with the following formula:

$$I_{an}(t) = [\text{Min} \{ \ }] [\text{Max} \{ \ }] (\text{Index RP}(t) - \text{Index RP}(t-1)) / \text{Index RP}(t-1) [*100] [* \text{insert Factor}] [+] [-] [\text{insert Surcharge or Reduction}] [; \text{insert Value}] [+] [-] [\text{insert Margin}]$$

Index RP(t) = The level of the Index that is published by reference to the Reference Period (t).

Index RP(t-1) = The level of the Index that is published by reference to the Reference Period (t-1).

RP(t) = the Reference Period (t), i.e. [insert reference period].

RP(t-1) = the Reference Period (t-1), i.e. [insert reference period].

[Factor = Multiplier of Inflation Rate]

"Index" is the unrevised Harmonised Index of Consumer Prices (excluding Tobacco) ("**HICP**") for the Euro Zone, which is calculated on a monthly basis by the statistical office of the European Union (the "EUROSTAT" or the "Index Sponsor") and published on the Screen Page on the Interest Determination Date."

- 9) On pages 30 and 31 of the Supplemental Base Prospectus, the first paragraph as well as the formula and definition of formula components under the heading "**In case the offered quotation is determined on the basis of HICP, insert:**" in the "**SUMMARY**", "**Section C**", **Element "C.9"** shall be deleted and replaced by the following wording:

"The rate of interest for each Interest Period shall be expressed as a rate in per cent. *per annum* ("*Ian*") and calculated by the Calculation Agent in accordance with the following formula:

$$I_{an}(t) = [\text{Min} \{ \ }] [\text{Max} \{ \ }] (\text{Index RP}(t) - \text{Index RP}(t-1)) / \text{Index RP}(t-1) [*100] [* \text{insert Factor}] [+] [-] [\text{insert Surcharge or Reduction}] [; \text{insert Value}] [+] [-] [\text{insert Margin}]$$

Index RP(t) = The level of the Index that is published by reference to the Reference Period (t).

Index RP(t-1) = The level of the Index that is published by reference to the Reference Period (t-1).

RP(t) = the Reference Period (t), i.e. [insert reference period].

RP(t-1) = the Reference Period (t-1), i.e. [insert reference period].

[Factor = Multiplier of Inflation Rate]

"Index" is the unrevised Harmonised Index of Consumer Prices (excluding Tobacco) ("HICP") for the Euro Zone, which is calculated on a monthly basis by the statistical office of the European Union (the "EUROSTAT" or the "Index Sponsor") and published on the Screen Page on the Interest Determination Date."

- 10) On page 47 of the Supplemented Base Prospectus, in the section "Alle bereits bekannten Trends, die sich auf die Emittentin und die Branchen, in denen sie tätig ist, auswirken" in the German translation of the Summary "ZUSAMMENFASSUNG", "Abschnitt B", Element "B.4b", the first paragraph as well as the four bullet points shall be deleted and replaced by the following wording:

"Bei der Emittentin und ihren konsolidierten Tochtergesellschaften (der "RBI Konzern") handelt es sich um einen Universalbankkonzern, der eine umfassende Palette von Bank- und Finanzprodukten sowie Dienstleistungen für Privat- und Firmenkunden, Finanzinstitute und den öffentlichen Sektor anbietet. Die Geschäfte des RBI Konzerns konzentrieren sich auf seine Kernbereiche in Österreich und die folgenden Regionen, die zusammen als "CEE" bezeichnet werden:

- Mitteleuropa ("CE"): Tschechische Republik, Ungarn, Slowakei;
- Südosteuropa ("SEE"): Albanien, Bosnien und Herzegowina, Bulgarien, Kroatien, Kosovo, Rumänien, Serbien;
- Osteuropa ("EE"): Russland, Weißrussland, Kasachstan und die Ukraine.
- sowie Polen und Slowenien."

- 11) On page 48 of the Supplemented Base Prospectus, in the section "Gewinnprognosen oder -schätzungen" in the German translation of the Summary "ZUSAMMENFASSUNG", "Abschnitt B", Element "B.9", the existing wording shall be fully deleted and replaced by the following wording:

"Entfällt; es erfolgt keine Gewinnprognose oder Schätzung."

- 12) On page 49 of the Supplemented Base Prospectus, in the section "Ausgewählte wesentliche historische Finanzinformationen, die für jedes Geschäftsjahr und für jeden nachfolgenden Zwischenberichtszeitraum vorgelegt werden (begleitet von Vergleichszahlen)" in the German translation of the Summary "ZUSAMMENFASSUNG", "Abschnitt B", Element "B.12", shall be deleted and replaced by the following section:

Die folgenden Tabellen zeigen Auszüge aus den konsolidierten Finanzdaten des RBI Konzerns. Die folgenden ausgewählten konsolidierten Finanzdaten sollten in Verbindung mit den durch Verweis in diesen Prospekt einbezogenen konsolidierten Konzernabschlüssen und Konzernzwischenabschlüssen der Emittentin gelesen werden.

Ergebnisse für das am 31. März 2015 endende erste Quartal sind nicht unbedingt ein Indiz für die Ergebnisse, welche für das gesamte Jahr erwartet werden können.

Gewinn- und Verlustrechnung in EUR mn	1-3/2015	1-3/2014	1-12/2014	1-12/2013	1-12/2012
	ungeprüft			geprüft	
Zinsüberschuss	820	979	3.789	3.729	3.472
Nettodotierungen zu Kreditrisikovorsorgen	(260)	(281)	(1.716)	(1.149)	(1.009)
Zinsüberschuss nach Kreditrisikovorsorgen	560	697	2.073	2.580	2.463
Provisionsüberschuss	360	376	1.586	1.626	1.516
Handelsergebnis	(62)	(19)	(30)	321	215
Verwaltungsaufwendungen	(691)	(755)	(3.024)	(3.340)	(3.258) ⁽¹⁾
Ergebnis aus Derivaten und Verbindlichkeiten	20	(27)	88	(257)	(127)
Ergebnis aus Finanzinvestitionen	64	37	62	58	318
Ergebnis vor Steuern	188	240	23	835	1.037 ⁽¹⁾
Ergebnis nach Steuern	100	173	(463)	603	752 ⁽¹⁾
Konzernergebnis	83	161	(493)	557	730 ⁽¹⁾

⁽¹⁾Anpassung aufgrund der rückwirkenden Anwendung der IAS 19.

Quelle: Jahresergebnisse 2014, 2013 und 2012 und die ungeprüften Berichte zum ersten Quartal 2015 und 2014.

Bilanz in EUR mn	31/3/2015	31/3/2014	31/12/2014	31/12/2013	31/12/2012
	ungeprüft			geprüft	
Eigenkapital	8.654	12.821	8.302	10.364	10.873
Bilanzsumme	124.176	125.410	121.624	130.640	136.116
Ausgewählte wesentliche Ratios					
NPL Ratio ¹	11,9%	10,6%	11,3%	10,7%	9,8%
NPL Coverage Ratio ¹	65,9%	65,2%	67,4%	63,1%	67,0%

Quelle: Jahresergebnisse 2014, 2013 und 2012 und die ungeprüften Berichte zum ersten Quartal 2015 und 2014.

¹ NPL Ratio und NPL Coverage Ratio "Summe Nichtbanken (Total non-banks)"

Bankspezifische Kennzahlen	31/3/2015	31/3/2014	31/12/2014	31/12/2013	31/12/2012
	ungeprüft			geprüft	
Common equity tier 1 (transitional)	10,4%	13,9%	10,9%	10,7%	10,7%
Common equity tier 1 (fully loaded)	9,9%	9,9%	10,0%	-	-
Eigenmittelquote (transitional)	15,3%	18,3%	16,0%	15,9%	15,6%
Eigenmittelquote (fully loaded)	14,8%	14,6%	15,2%	-	-

Quelle: Jahresergebnisse 2014, 2013 und 2012 und die ungeprüften Berichte zum ersten Quartal 2015 und 2014.

Entwicklung	1-3/2015	1-3/2014	1-12/2014	1-12/2013	1-12/2012
	ungeprüft			geprüft	
Nettozinsspanne ⁽¹⁾	2,94%	3,35%	3,24%	3,11%	2,66%
Return on equity vor Steuern	9,0%	7,9%	0,2%	7,8%	9,7%
Cost/Income Ratio	61,8%	56,1%	56,5%	58,3%	61,5%
Gewinn je Aktie in EUR	0,29	0,60	(1,73)	1,83	2,72

Quelle: Jahresergebnisse 2014, 2013 und 2012 und die ungeprüften Berichte zum ersten Quartal 2015 und 2014.

⁽¹⁾ Nettozinsspanne (Ø zinstragende Aktiva) – Nettozinserträge im Verhältnis zu den durchschnittlichen zinstragenden Aktiva.

Ressourcen	31/3/2015	31/3/2014	31/12/2014	31/12/2013	31/12/2012
	ungeprüft			geprüft	
Angestellte	54.468	57.217	54.730	57.901	60.084
Geschäftsstellen	2.851	2.991	2.866	3.025	3.106

Quelle: Jahresergebnisse 2014, 2013 und 2012 und die ungeprüften Berichte zum ersten Quartal 2015 und 2014.

13) On pages 50 et seq. of the Supplemented Base Prospectus, in the section "**Wesentliche Veränderungen der Finanzlage oder Handelsposition der Emittentin**" in the German translation of the Summary "**ZUSAMMENFASSUNG**", "**Abschnitt B**", **Element "B.12"** the existing wording shall be fully deleted and replaced by the following wording:

"Negative Auswirkungen auf die Emittentin, insbesondere seit dem Datum des letzten veröffentlichten Zwischenberichts (1. Quartalsbericht 2015/ungeprüft) haben unter anderem:

Ergebnisse für das Jahr 2014 des RBI Konzerns wie im geprüften konsolidierten Jahresabschluss der RBI zum und für das Jahr endend am 31. Dezember 2014 berichtet und wie per Verweis in diesen Basis-Prospekt inkorporiert

Der konsolidierte Konzernverlust in Höhe von EUR 493 Millionen inkludiert Einmaleffekte wie Wertberichtigungen auf Firmenwerte in Höhe von EUR 306 Millionen, vor allem für die Tochterbanken in Russland (EUR 148 Millionen), Polen (EUR 101 Millionen) und Albanien (EUR 51 Millionen), sowie Abschreibungen auf latente Steuern (DTA) in Höhe von EUR 196 Millionen, vor allem in der Konzernzentrale (EUR 161 Millionen) und in Asien (EUR 35 Millionen).

Die Emittentin wird für 2014 weder eine Dividende auf Aktien noch auf das Partizipationskapital ausschütten.

Ergebnisse wie berichtet im ungeprüften Konzernzwischenabschluss der RBI zum und für die drei Monate endend mit 31. März 2015 und wie per Verweis in diesen Basis-Prospekt inkorporiert

Das schwierige Umfeld hat sich im ersten Quartal 2015 fortgesetzt und hat zu negativen Auswirkungen auf die Ergebnisse geführt wie zum Beispiel:

- Zinsüberschuss in Höhe von EUR 820 Millionen (minus 16,2% im Jahresvergleich)
- Handelsergebnis von minus EUR 62 Millionen (minus EUR 43 Millionen im Jahresvergleich), maßgeblich hervorgerufen durch einen Rückgang im währungsbezogenen Geschäft um EUR 109 Millionen auf minus EUR 149 Millionen. Hauptgründe dafür waren wechselkursbedingte Bewertungsverluste aus Fremdwährungspositionen in der Ukraine, wo sich das Handelsergebnis durch die starke Abwertung der ukrainischen Griwna reduzierte (minus EUR 64 Millionen) sowie ein Bewertungsverlust aus einem Absicherungsgeschäft für Dividendenerträge in russischen Rubeln (minus EUR 53 Millionen) in der Konzernzentrale.
- Ergebnis vor Steuern fiel auf EUR 188 Millionen (minus 21,9% im Jahresvergleich)
- Konzernergebnis fiel auf EUR 83 Millionen (minus EUR 77 Millionen im Jahresvergleich)

Zusätzliche Information:

Für die Maßnahmen im Zuge der Überprüfung der Strategie, wie unten beschrieben, wurden keine Restrukturierungskosten im ersten Quartal 2015 gebucht. Darüber hinaus wird der Großteil der Nettodotierungen zu Kreditrisikovorsorgen tendenziell im zweiten Halbjahr verbucht. Der Beitrag zum Bankenabwicklungsfonds für 2015, wie unten unter "*Regime zur Sanierung und Abwicklung von Kreditinstituten*" näher beschrieben, wurde nicht in seiner Gesamtheit, sondern aliquot für das erste Quartal verbucht.

Maßnahmen im Zuge der Überprüfung der Strategie

Am 9. Februar 2015 beschloss RBI eine Reihe von Maßnahmen, um den Kapital-Puffer zu erhöhen. Diese Maßnahmen sollen zu einer Verbesserung der CET1 Ratio (fully loaded) auf 12 Prozent bis Ende 2017 führen. Ende 2014 lag dieser Wert bei 10 Prozent. Die geplanten Schritte werden insbesondere jene Geschäftsfelder innerhalb des RBI Konzerns betreffen, die geringe Ergebnisse erwirtschaften, einen hohen Kapitalbedarf haben oder von untergeordneter strategischer Bedeutung sind.

Die umzusetzenden Maßnahmen umfassen den beabsichtigten Verkauf der Einheiten in Polen und Slowenien sowie der Direktbank Zuno.

Im Zusammenhang mit dem angekündigten Verkauf von Raiffeisen Bank Polska S.A. hat die polnische Finanzmarktaufsichtsbehörde ("PFSA") RBI von der Einleitung eines Verwaltungsverfahrens informiert. Dieses ist gestützt auf die Behauptung der möglichen Nicht-Einhaltung von Verpflichtungen, die seitens RBI während des Genehmigungsprozesses des Kaufs von Polbank EFG durch RBI im Jahr 2012 gegenüber PFSA eingegangen worden waren. Die Emittentin ist der Meinung, dass die Verpflichtungen nicht verletzt wurden; obwohl ein mögliches Ergebnis des Verfahrens zu einem Stimmverbot in Bezug auf die Aktien von Raiffeisen Bank Polska S.A., der Tochtergesellschaft von RBI, bis zum Verkauf der Aktien führen könnte, ist die Emittentin der Ansicht, dass die Vorwürfe unbegründet sind und das Verfahren letztendlich eingestellt werden sollte. Die Emittentin ist der Meinung, dass das Verfahren keine Auswirkungen auf das Tagesgeschäft oder den Verkaufsprozess haben wird.

Es ist geplant, das Obligo gegenüber dem russischen Markt durch einem Abbau der Risikoaktiva (RWA) um rund 20 Prozent bis Ende 2017 zu reduzieren (RWA im russischen Markt per 31.12.2014: EUR 8,4 Milliarden). Ein Abbau des Obligos ist auch in der Ukraine, wo die Risikoaktiva um rund 30 Prozent bis Ende 2017 reduziert werden sollen, vorgesehen (RWA per 31.12.2014: EUR 3,0 Milliarden). In Ungarn ist eine weitere Optimierung beabsichtigt. Im Sinne der beabsichtigten Fokussierung des Konzerns auf ein neu definiertes CEE sollen die Geschäftsaktivitäten in Asien bis Ende 2017 und in den USA bis Ende 2016 signifikant zurückgefahren oder aufgegeben werden.

Die konkreten Entscheidungen bedürfen der Zustimmung durch den Aufsichtsrat. Die Umsetzung dieser Maßnahmen soll bis Ende 2017 in den ausgewählten Märkten zu einer Reduzierung der Risikoaktiva von brutto rund EUR 16 Milliarden führen (RWA per 31.12.2014: EUR 68,7 Milliarden). Der Gesamtabbau soll sich zwischen Ende des dritten Quartals 2014 bis Ende 2017 auf brutto rund EUR 26 Milliarden belaufen.

Es wird erwartet, dass der Abbau zum Teil durch den Anstieg der Risikoaktiva in anderen Geschäftsfeldern ausgeglichen wird – sowohl regulatorisch- als auch geschäftsbedingt.

Das Konzernergebnis für 2015 kann negativ ausfallen, da der Großteil der Restrukturierungskosten (geschätzter Betrag gesamt rund EUR 550 Millionen) voraussichtlich noch 2015 gebucht werden wird und erwartet wird, dass die Nettodotierungen zu Kreditrisikovorsorgen auch 2015 erhöht bleiben.

Das CHF-Exposure des RBI Konzerns

Das CHF-Exposure des RBI Konzerns per 31. Dezember 2014 ist vorwiegend in Polen (rund EUR 2,8 Mrd.) sowie in Rumänien (rund EUR 350 Mio.), in Kroatien (rund EUR 270 Mio.) und Serbien (rund EUR 80 Mio.) angesiedelt. In Ungarn sind die CHF-Kredite weitgehend durch das neue Abkommen zwischen Regierung, Banken und Notenbank abgedeckt. Darüber hinaus gibt es in Ungarn per Jahresende 2014 noch ein verbleibendes Exposure von rund CHF 130 Mio. (vorwiegend Kredite an Unternehmen).

Als Folge der Entscheidung der Schweizerischen Nationalbank, den EUR-Mindestkurs für den Franken im Januar 2015 aufzuheben, hat die kroatische Regierung Ende Januar 2015 angekündigt, den CHF/HRK Wechselkurs für die nächsten zwölf Monate bei 6,39 HRK zu fixieren. Dies entspricht dem Wechselkurs vor der Entscheidung der Schweizerischen Nationalbank. Zu diesem Zeitpunkt und auf Basis derzeitiger Gegebenheiten, erwartet der RBI Konzern für das Geschäftsjahr 2015 eine negative Auswirkung im mittleren einstelligen Millionenbereich, da die Kunden in der Lage sein sollten, ihre regelmäßig fällig werdenden Annuitäten (und nur diese sind von der Entscheidung umfasst) auf Basis des gesetzlich festgelegten fixen Wechselkurses zu zahlen.

In Polen werden derzeit mögliche Maßnahmen zu Gunsten von Kreditnehmern von hypothekarischen Fremdwährungskrediten in Schweizer Franken (CHF) zwischen der polnischen Finanzmarktaufsicht KNF, der polnischen Nationalbank, dem polnischen Bankenverband und der polnischen Regierung diskutiert. Die Vorschläge umfassen unter anderem das Recht von CHF Kreditnehmern, die Bedingungen ihrer CHF-Kredite durch solche Bedingungen zu ersetzen, wie sie auf einen Kredit in polnischen Zloty (PLN) anzuwenden gewesen wären, das Recht, ihre CHF-Kredite zu historischen Wechselkursen in PLN-Kredite zu konvertieren als auch verschiedene Modelle, das Risiko und die Kosten aufzuteilen. Jede solche Maßnahme, sollte sie beschlossen und umgesetzt werden, könnte eine negative Auswirkung auf die Raiffeisen Bank Polska S.A. und damit auf die Emittentin haben. Zu diesem Zeitpunkt und aufgrund der anhaltenden Diskussionen mit unbekanntem Ausgang in Polen ist es schwierig, die Auswirkungen der möglichen Maßnahmen auf die Emittentin zu evaluieren.

Wechselkurse – starke Abwertung des ukrainischen Griwna und des russischen Rubels / CET 1 ratio

Die politischen und wirtschaftlichen Entwicklungen in der Ukraine und Russland seit Beginn des Jahres 2014 (siehe dazu unten "*Jüngste Entwicklungen / politische und wirtschaftliche Unruhen in der Ukraine und "Jüngste Entwicklungen in Russland"*") haben zu einer starken Abwertung des ukrainischen Griwna ("UAH") und des russischen Rubels ("RUB") geführt. Der UAH hat im Jahr 2014 gegenüber dem US-Dollar um 47,9 % und gegenüber dem Euro um 40,7 % abgewertet. Seit Jahresbeginn 2015 bis zum 31. März 2015 hat der UAH gegenüber dem Euro um ca. 24 % und gegenüber dem US-Dollar um ca. 32,5 % abgewertet. Die Abwertung des russischen Rubels im Jahr 2014 betrug gegenüber dem US Dollar 45,2 % und gegenüber dem Euro 37,6 %. Im ersten Quartal 2015 hat der Rubel einen Aufwärtstrend gezeigt und hat gegenüber dem Euro um ca. 16,3 % und gegenüber dem US-Dollar um ca. 3,2 % aufgewertet.

Die Fremdwährungsabwertungen hatten einen negativen Effekt auf das Kapital des RBI Konzerns. Von der gesamten aus Fremdwährungsabwertungen resultierenden Auswirkung von Minus 0,94 % auf die harte Kernkapitalquote (CET 1 ratio fully loaded "CET 1 ratio") für das Jahr 2014 entfällt ein Minus von 0,47 % auf die Abwertungen des RUB und ein Minus von 0,19 % auf die Abwertungen des UAH. Der Rest entfällt in Höhe von Minus 0,13 % auf den US Dollar und teilt sich ansonsten ohne größeren Einzeleffekt auf andere Währungen auf. Angesichts der Währungsabwertungen, insbesondere des RUB und UAH, kann eine weitere negative Auswirkung auf die Kapitalquoten der Emittentin nicht ausgeschlossen.

Jüngste Entwicklungen / politische und wirtschaftliche Unruhen in der Ukraine

Die politischen Unruhen in der Ukraine mündeten in die Annexion der Krim durch Russland sowie in einem bewaffneten Konflikt zwischen der ukrainischen Regierung und pro-russischen Separatisten in den östlichen Regionen der Ukraine. Die politische Situation in der Ukraine ist somit extrem instabil und ernste geopolitische Spannungen sind zwischen Russland und dem Westen entstanden.

Die politische Krise in der Ukraine hat die anhaltenden wirtschaftlichen Probleme des Landes verschärft und der fallende Wert der Währung, wie oben beschrieben (siehe *Wechselkurse – starke Abwertung des ukrainischen Griwna und des russischen Rubels / CET 1 ratio*), ist eine der Konsequenzen. Der Ausblick für die Währung bleibt höchst unsicher. Dies könnte zu einem höheren Rückstellungsbedarf aufgrund gestiegener Risikokosten und erhöhter Kreditausfallraten führen und weiterhin einen negativen Einfluss auf die Kapitalposition des RBI Konzerns haben.

Aufgrund der Annexion der Krim wurden die lokalen Filialen der Raiffeisen Bank Aval sowie die Infrastruktur verkauft und das Firmenkundengeschäft auf die AO Raiffeisenbank, Moskau, übertragen. In der Ostukraine wurde die Anzahl der Filialen auf 80 reduziert, von welchen die Mehrheit geschlossen wurde.

Der hohe Bedarf des Staates an Refinanzierungen in Fremdwährung und die niedrigen Fremdwährungsreserven der Ukraine als auch die Tatsache, dass das ukrainische Parlament ein Gesetz verabschiedet hat, welches der Regierung die Befugnis einräumt, bestimmte in Fremdwährung denominierte Schuldentilgungen auszusetzen, während es gleichzeitig Gespräche über die Restrukturierung der ukrainischen Staatsschulden und durch den Staat garantierter Schulden gibt, haben die Besorgnis über eine Zahlungsunfähigkeit des Staates bzw. ein Moratorium intensiviert.

Die Entwicklung in der Ukraine könnte durch die Auswirkung der gegenwärtigen Krise auf die politische Situation, die Wirtschaft und die Wechselkurse anderer Länder, in denen die Emittentin tätig ist, verschärft werden.

Ukrainische Friedensgespräche

Am 12. Februar 2015 wurde zwischen den politischen Vertretern der Ukraine, Russlands, Frankreichs und Deutschlands ein Friedensplan abgestimmt und auch von pro-russischen Separatisten in Minsk unterzeichnet. Allerdings müssen die vereinbarten Maßnahmen erst umgesetzt werden wobei die damit verbundenen Risiken bleiben. Es ist noch unklar, ob die Sanktionen gegen Russland, die andernfalls automatisch im Jahr 2015 enden würden, verlängert werden oder ob zusätzliche Sanktionen erforderlich sein werden. Insgesamt ist zu erwarten, dass eine Rückkehr zu politischer und wirtschaftlicher Normalität schwierig und herausfordernd werden wird.

Jüngste Entwicklungen in Russland

Die Entwicklungen in der Ukraine und die politischen Unruhen in der Region hatten negative Auswirkungen auf Russland, wo diese Unsicherheiten zu einer starken Abwertung des russischen Rubels ("RUB"), wie oben unter *"Wechselkurse – starke Abwertung des ukrainischen Griwna und des russischen Rubel / CET 1 Ratio"* beschrieben, geführt haben. Der Ausblick für die Währung bleibt höchst unsicher. Darüber hinaus haben die im Zuge der Krise gegen Russland verhängten – unten näher beschriebenen - Sanktionen, die starke Abwertung des russischen Rubels, insbesondere bis Februar 2015, der Verfall des Ölpreises und die zunehmend kritische Risikowahrnehmung Russlands in den internationalen Kapitalmärkten die Wirtschaft in Russland nachteilig beeinträchtigt und werden sie weiter beeinträchtigen.

Die massive Abwertung des russischen Rubels im 4. Quartal 2014 hat substantielle Effekte auf die Bilanz, die risikogewichteten Aktiva und die Ergebnisse der russischen Einheit der RBI gezeigt. Die weit stärkere negative Auswirkung auf den Gewinn resultiert hauptsächlich aus höheren Risikokosten, aber auch so gut wie alle Ergebnis- als auch Aufwandspositionen zeigen Auswirkungen. Niedrigere Aktiva führen zu niedrigeren Ergebnissen und ungeachtet eines strengen Kostenreduktions-Programmes könnte dies möglicherweise nicht kompensiert werden. Die Abwertung des russischen Rubels hatte, bedingt durch die Reduktion der in russischen Rubel denominierten Eigenkapitalposition, einen negativen Effekt auf die Kapitalquoten des RBI Konzerns, was nicht vollständig durch die währungsgetriebene Reduktion von in RUB-denominierten risikogewichteten Aktiva ausgeglichen werden konnte.

Als Folge der Entwicklungen in Russland wurde eine Überprüfung der mittelfristigen Planung für die russische Einheit der RBI erforderlich. Der Vorstand der RBI hat eine Reduktion des Russlandgeschäfts um ca. 20 % bis 2017 beschlossen und entsprechend werden die Geschäftspläne angepasst werden.

Der Name der russischen Tochterbank der RBI hat sich mit 20. Februar 2015 von "ZAO Raiffeisenbank" auf folgenden Namen geändert: "Joint stock company Raiffeisenbank" oder abgekürzt "AO Raiffeisenbank".

Sanktionen

Infolge der politischen Entwicklungen in der Ukraine und in Russland haben die EU, die Vereinigten Staaten und andere Länder verschiedene Sanktionen verhängt, die die Geschäftstätigkeit des Konzerns der Emittentin einschränken und deren Umsetzung mit hohen Kosten verbunden ist. Zusätzliche Sanktionen könnten verhängt werden, wenn sich die Situation in der Ostukraine weiter verschlechtert. Als Reaktion auf die Sanktionen wurden von Russland Gegensanktionen verhängt; weitere Maßnahmen sind zu erwarten.

Entwicklungen in Ungarn

Das Marktumfeld in Ungarn bleibt schwierig und ist derzeit unter besonderer Beobachtung. Eine Restrukturierung der ungarischen Raiffeisen Bank Zrt., einhergehend mit selektiver Portfolioreduktion, einem strengen Fokus auf Inkasso und Problemerkredite läuft. Darüber hinaus wird eine weitere Optimierung der ungarischen Einheit umgesetzt.

Ein neues Gesetz wurde durch das ungarische Parlament im Juli 2014 erlassen zu (a) den auf die Auszahlung von und Ratenzahlungen auf Fremdwährungsdarlehen anwendbaren Fremdwährungs- ("FX") Margen sowie zu (b) einseitigen Änderungen der Zinssätze bei Verbraucherdarlehen. Das neue Gesetz betrifft alle in Ungarn tätigen Banken und erfordert eine rückwirkende Änderung der Margen und gegebenenfalls auch der Zinssätze.

Als Ergebnis dieser Gesetzgebung hat RBI Gesamtkosten im Ausmaß von EUR 245 Millionen im Zusammenhang mit Fremdwährungsdarlehen und einseitigen Änderungen von Zinssätzen bei Verbraucherdarlehen erwartet, welche 2014 verbucht wurden. Die im April 2015 vorliegende tatsächliche Auswirkung nach Rückerstattungen an Kunden lag bei ungefähr EUR 225 Millionen, diese kann sich im Laufe des Jahres noch etwas erhöhen.

Aufgrund geänderter lokaler Rechnungslegungsstandards hat die ungarische Nationalbank eine Überprüfung auf lokaler Ebene von - unter anderem - der ungarischen Netzwerkbank der Emittentin, einschließlich des Portfolios an Geschäftsimmobilien der Netzwerkbank mit einem Netto-Obligo von EUR 275 Millionen, begonnen. Der Prozess und dessen Ergebnis ist mit den ungarischen Behörden final verhandelt und hat zu einem zusätzlichen Abschreibungsbedarf in der Höhe von ungefähr 37 Millionen geführt, der entsprechend den ungarischen Rechnungslegungsstandards noch in den Jahresabschluss 2014 der Netzwerkbank in Ungarn zu buchen war.

Mitte April 2015 hat das ungarische Parlament ein Gesetz verabschiedet, welches die Errichtung eines Fonds vorsieht, um Anleger, die aufgrund der Insolvenz des Wertpapierhandelshauses Quaestor Verluste erlitten haben, zu entschädigen. Quaestor soll Anleihen im Wert von HUF 210 Milliarden an ca. 32.000 bis 36.000 Anleger verkauft haben. Die Entschädigungskosten für die durch Quaestor Geschädigten (für jeden bis zu einem Betrag von HUF 30 Millionen (ca. EUR 100.000,-)) werden die ungarischen Finanzinstitute, unter ihnen auch die ungarische Netzwerkbank der Emittentin, belasten. Aufgrund verschiedener Aspekte, welche noch nicht geklärt sind, ist es derzeit nicht möglich, die Auswirkung auf die ungarische Netzwerkbank der Emittentin zu evaluieren.

Im Lichte der aktuellen politischen und wirtschaftlichen Entwicklung in Ungarn erachtet der RBI Konzern das Risiko als signifikant, dass die ungarische Regierung zusätzliche Gesetzgebungsmaßnahmen in Ungarn durchführen könnte, welche einen nachteiligen Effekt auf den Bankensektor generell und auf ausländische Banken im Speziellen haben können.

Entwicklungen in Slowenien

Der slowenische Markt steht derzeit unter besonderer Beobachtung und ein beabsichtigter Rückzug aus diesem Markt wurde von RBI im Februar 2015 beschlossen.

Entwicklungen in Kroatien

Änderungen des Gesetzes über Konsumentenkredite (das "Änderungs-Gesetz") wurden im November 2013 vom kroatischen Parlament beschlossen und traten mit 1. Januar 2014 in Kraft.

Das Änderungs-Gesetz hat Auswirkungen auf das zukünftige Kreditgeschäft sowie auf bestehende Darlehen, da es das Finanzministerium ermächtigt, Gebühren festzulegen, die die Banken im Zusammenhang mit Konsumentenkrediten erheben können, Kriterien für die Festlegung von Zinssätzen definiert und Höchstzinssätze auferlegt sowie zusätzliche Informationsanforderungen an Banken stellt.

Das Änderungs-Gesetz wird sich voraussichtlich auf die Nettoszinsmarge aus Darlehen der Emittentin auswirken. Es wird erwartet, dass der geschätzte negative Effekt für 2015 EUR 3 Millionen und über die gesamte Laufzeit des CHF-Darlehensportfolios (bis 2048) bis zu EUR 36 Millionen betragen wird.

Entwicklungen in Asien

Die Geschäftstätigkeit in Asien ist durch niedrigere Rohstoffpreise negativ beeinflusst worden, die die Fähigkeit der Kreditnehmer im asiatisch-pazifischen Raum zur Bedienung der Schulden beeinträchtigt haben. Als Folge davon ist der Anstieg der notleidenden Kredite ("NPLs"), die im Segment Group Corporates gebucht wurden, hauptsächlich auf Asien (EUR 734 Millionen per Jahresende 2014) zurückzuführen und davon wieder vor allem auf mehrere Kunden aus Indonesien, die im Rohstoff- und Bergbaugeschäft tätig sind.

Angesichts der Gesamtaktiva in Asien in Höhe von ungefähr EUR 6 Mrd. zum 31. Dezember 2014, beabsichtigt RBI, das Asiengeschäft bis Ende 2017 signifikant zurückzuführen oder aufzugeben.

Entwicklungen in Serbien

Die Serbische Nationalbank hat im Februar 2015 eine Resolution hinsichtlich Fremdwährungskrediten verabschiedet. Ein Teil dieser Resolution beschäftigt sich mit Erhöhungen unklar festgelegter Bestandteile von variablen Zinssätzen im Fall von Fremdwährungskrediten im Allgemeinen, der andere Teil ist nur auf hypothekarische Fremdwährungskredite in Schweizer Franken (CHF) anwendbar. In beiden Fällen sind Banken, darunter Raiffeisen banka a.d., Serbien, verpflichtet, bestimmte Schritte betreffend Änderungen in der Behandlung und den Konditionen von betroffenen Krediten einzuleiten. Die Umsetzung der vorgenannten Resolution ist noch im Gange. Raiffeisen banka a.d. erwartet eine negative Auswirkung in der Höhe von ca. EUR 6 Millionen in Folge der Umsetzung dieser Resolution.

Bankenabgaben und spezifische Steuern:

Verschiedene Länder, in denen der RBI Konzern aktiv ist, haben bereits Bankenabgaben oder bankspezifische Steuern (z.B. eine Finanztransaktionssteuer) eingeführt. Die erwartete Ergebnisbelastung aus diesen Steuern oder Abgaben beläuft sich für den RBI Konzern für 2015 auf circa EUR 142 Millionen und aus der ungarischen Finanztransaktionssteuer auf zusätzlich circa EUR 43 Millionen. Andere Länder, in denen der RBI Konzern tätig ist, diskutieren bzw. planen die Einführung ähnlicher Bankenabgaben.

Regime zur Sanierung und Abwicklung von Kreditinstituten

Ein österreichisches Gesetz über die Sanierung und Abwicklung von Banken trat per 1. Januar 2015 in Kraft (Bundesgesetz über die Sanierung und Abwicklung von Banken; "BaSAG"). Zahlungen unter diesem Gesetz beziehen sich auf europäische Regelungen, die die EU-Richtlinie zur Sanierung und Abwicklung von Kreditinstituten und Wertpapierfirmen ("BRRD") ausführen, aber noch nicht verabschiedet sind (dies wird für 2015 erwartet) und die einen Mechanismus für Beitragszahlungen beginnend im Jahr 2015 vorsehen. Beginnend mit 2016 wird der österreichische Abwicklungsfinanzierungsmechanismus, wie alle anderen Abwicklungsfinanzierungsmechanismen in der Euro-Zone, in einen einheitlichen Abwicklungsfonds (Single Resolution Fund) übertragen, der derzeit gerade für alle EU-Eurozonen Mitglieder (für andere EU-Mitglieder auf freiwilliger Basis) eingerichtet wird.

Der konkrete Gesamtbetrag der Zahlungen (RBI Konzernmitglieder betreffend, Zahlungen basierend auf den jeweiligen nationalen Gesetzen) kann erst festgestellt werden, wenn die jeweiligen EU Regelungen / nationalen Gesetze verabschiedet wurden und EU-weite Daten verfügbar sind. Unter Heranziehung externer Vergleichsmaßstäbe würden die Beitragszahlungen für Österreich für eine Bank in der Größe des RBI-Konzerns in Österreich, in einem Bereich von ca. EUR 40 Millionen für 2015 liegen. Beitragszahlungen sind jährlich in den nächsten zehn Jahren zu leisten, beginnend mit 2015.

Regulatorisches Kapitalerfordernis der RZB, dem Hauptgesellschafter der RBI

Im Frühjahr 2014 wurde von der österreichischen Finanzmarktaufsicht („FMA“) ein Bescheid erlassen, der RZB als übergeordnetem Kreditinstitut der RZB Kreditinstitutsgruppe ein Eigenmittelquotenerfordernis in Höhe von 13,77 % auferlegt. Die Quote galt ab Juli 2014 und umfasste auch Raiffeisen-Landesbanken-Holding GmbH als Mutterfinanzholdinggesellschaft.

Die Europäische Zentralbank („EZB“) übernahm die Funktion der konsolidierenden Aufsichtsbehörde ab 4. November 2014. Zwischenzeitlich wurde das o.a. Kapitalerfordernis durch einen Beschluss der EZB ersetzt, der jedoch vertraulich zu behandeln ist.

Zusätzlich zu den o.a. Kapitalerfordernissen können Kapitalpuffer-Anforderungen auf Basis des österreichischen Bankwesengesetzes festgelegt werden. Am 1. Juni 2015 hat das österreichische Finanzmarktstabilitätsgremium eine Empfehlung an die FMA abgegeben, RZB, neben anderen Banken, einen Systemrisikopuffer in Höhe von 3% der risikogewichteten Aktiva aufzuerlegen. Gemäß Empfehlung soll der Systemrisikopuffer mit 1. Juli 2016 in Kraft treten, jedoch beginnend mit einem reduzierten Systemrisikopuffer-Erfordernis von 2 % der risikogewichteten Aktiva während einer Übergangszeit vom 1. Juli 2016 bis 30. Juni 2017.

Regulatorisches Kapitalerfordernis der RBI

Im Anschluss an die Entscheidung der österreichischen Aufsichtsbehörde zur Einrichtung einer zweiten Aufsichtsebene auf Ebene des RBI Konzerns, erhielt RBI am 24. Oktober 2014 einen Bescheid der FMA, der sie – zusätzlich zum RZB Konzern - verpflichtet, regulatorische Kapitalerfordernisse als eigene Gruppe (dh RBI Konzern auf konsolidierter Basis) zu erfüllen. RBI wird subkonsolidiert und von der Europäischen Zentralbank auch gesondert reguliert. Daher hatte RBI ab dem 30. November 2014 eine Eigenmittelquote (transitional) in Höhe von 13,76 % zu erfüllen. Ferner muss das Volumen der Garantien zwischen RZB und RBI reduziert werden, wodurch eine negative Auswirkung auf direkte Geschäftstransaktionen zwischen RBI und den Raiffeisen-Landeszentralen, insbesondere auf Liquiditätsflüsse, zu erwarten ist. Als Teil der organisatorischen und funktionellen Trennungsmaßnahmen, insbesondere die Entflechtung der bankbetrieblichen Funktionen zwischen RZB und RBI, ist die Beendigung von Personalidentität bei Vorstandsfunktionen, wie die gleichzeitige Funktion als Chief Risk Officer der RBI und als Mitglied des Vorstandes der RZB, erforderlich. Daher wird die Bestellung von Dr. Strobl als Chief Risk Officer der RZB vor oder spätestens am 30. Juni 2015 enden.

Die Europäische Zentralbank („EZB“) übernahm die Funktion der zuständigen Behörde ab 4. November 2014. Zwischenzeitlich wurde das o.a. Kapitalerfordernis durch einen Beschluss der EZB ersetzt, der jedoch vertraulich zu behandeln ist.

Zusätzlich zu den o.a. Kapitalerfordernissen können Kapitalpuffer-Anforderungen auf Basis des österreichischen Bankwesengesetzes festgelegt werden. Am 1. Juni 2015 hat das österreichische Finanzmarktstabilitätsgremium eine Empfehlung an die FMA abgegeben, RBI, neben anderen Banken, einen Systemrisikopuffer in Höhe von 3% der risikogewichteten Aktiva aufzuerlegen. Gemäß Empfehlung soll der Systemrisikopuffer mit 1. Juli 2016 in Kraft treten, jedoch beginnend mit einem reduzierten Systemrisikopuffer-Erfordernis von 2 % der risikogewichteten Aktiva während einer Übergangszeit vom 1. Juli 2016 bis 30. Juni 2017.

Um die Kapitalerfordernisse in der Zukunft zu erfüllen, könnte die RZB Gruppe und/oder die RBI Gruppe gezwungen sein, zusätzliches Additional Tier 1- oder Tier 2-Kapital zu begeben oder risikogewichtete Aktiva abzubauen.

Verbriefungen

Als Teil der strategischen Schwerpunktsetzung der RBI zur Stärkung des Kapitals nimmt die Bank aktiv die Verbriefung von Vermögenswerten vor. Zum Ende des Jahres 2014 hat die Emittentin eine Verbriefung abgeschlossen, die zu einer Reduktion der risikogewichteten Aktiva (RWAs) um rund 500 Millionen Euro und einer Entlastung der CET1 Ratio von ca. 50 Millionen oder 0,07 % führte. Die Emittentin beabsichtigt, künftig Vermögenswerte auf regelmäßiger Basis zu verbrieften und so eine Entlastung der CET1 Ratio von 0,20 % pro Jahr zu generieren.

Von den oben dargestellten Effekten abgesehen sind seit dem 31. März 2015 keine wesentlichen Änderungen in der Finanzlage oder Handelsposition des RBI Konzerns eingetreten.

- 14) On page 53 of the Supplemented Base Prospectus, in the section "**Ereignisse aus der jüngsten Zeit der Geschäftstätigkeit des Emittenten, die für die Bewertung seiner Zahlungsfähigkeit in hohem Maße relevant sind**" in the German translation of the Summary "**ZUSAMMENFASSUNG**", "**Abschnitt B**", **Element "B.13"** the first paragraph starting with "Der Emittentin sind keine nachteiligen Ereignisse aus jüngster Zeit....." shall be deleted and replaced by the following paragraph:

"Der Emittentin sind keine nachteiligen Ereignisse aus jüngster Zeit (d.h. eingetreten nach dem zuletzt veröffentlichten ungeprüften Konzernzwischenabschluss der Emittentin zum 31. März 2015) im Zusammenhang mit ihrer Geschäftstätigkeit bekannt, die in maßgeblicher Weise für die Beurteilung der Solvenz der Emittentin relevant sind."

- 15) On page 55 of the Supplemented Base Prospectus, in the section "**Ratings für die Emittentin oder ihre Schuldtitel**" in the German translation of the Summary "**ZUSAMMENFASSUNG**", "**Abschnitt B**", **Element "B.17"**, the existing table shall be deleted and replaced by the following table:

	Moody^{s1}	S&P²	Fitch³
Langfristiges Rating (nicht nachrangig)	Baa2 / Rating under Review uncertain	BBB / negativer Ausblick	BBB / negativer Ausblick
Kurzfristiges Rating (nicht nachrangig)	P-2	A-2	F3

- 16) On pages 64 and 65 of the Supplemented Base Prospectus, the first paragraph as well as the formula and definition of formula components under the heading "**[Im Fall, dass der Zinssatz auf Basis des HVPI bestimmt wird, einfügen:]**" in the German translation of the Summary "**ZUSAMMENFASSUNG**" **Abschnitt C**", **Element "C.9"** shall be deleted and replaced by the following wording:

"Der Zinssatz für die jeweilige Zinslaufperiode wird als Zinssatz in % p.a. ("I_{an}") ausgedrückt und von der Berechnungsstelle gemäß

folgender Formel bestimmt:

$$I_{an}(t) = [\text{Min} \{ \ }] [\text{Max} \{ \ }] (\text{Index BZ}(t) - \text{Index BZ}(t-1)) / \text{Index BZ}(t-1) [*100] [* \text{Faktor einfügen}] [+][-] [\text{Zuschlag oder Abschlag einfügen}] ; \text{Wert einfügen} \}] [+][-] [\text{Marge einfügen}]$$

Index BZ(t) = der Stand des Index, der in Bezug auf den Bezugszeitraum (t) veröffentlicht wird.

Index BZ(t-1) = der Stand des Index, der in Bezug auf den Bezugszeitraum (t-1) veröffentlicht wird.

BZ(t) = der Bezugszeitraum (t), d.h. **[Bezugszeitraum einfügen]**.

BZ(t-1) = der Bezugszeitraum (t-1), d.h. **[Bezugszeitraum einfügen]**.

[Faktor = Multiplikator des Inflationsssatzes]

"Index" ist der unrevidierte Harmonisierte Verbraucherpreisindex (ohne Tabak) ("HVPI") für die Euro Zone, der monatlich vom Statistischen Amt der Europäischen Gemeinschaft (nachfolgend "EUROSTAT" oder "Indexsponsor" genannt) berechnet wird, und welcher auf der Bildschirmseite am Zinsfestlegungstag veröffentlicht wird."

- 17) On page 67 of the Supplemented Base Prospectus, the first paragraph as well as the formula and definition of formula components under the heading "*Im Fall, dass der Zinssatz auf Basis des HVPI bestimmt wird, einfügen:*" in the German translation of the Summary "ZUSAMMENFASSUNG" Abschnitt C", Element "C.9" shall be deleted and replaced by the following wording:

"Der Zinssatz für die jeweilige Zinsenlaufperiode wird als Zinssatz in % p.a. ("I_{an}") ausgedrückt und von der Berechnungsstelle gemäß folgender Formel bestimmt:

$$I_{an}(t) = [\text{Min} \{ \ }] [\text{Max} \{ \ }] (\text{Index BZ}(t) - \text{Index BZ}(t-1)) / \text{Index BZ}(t-1) [*100] [* \text{Faktor einfügen}] [+][-] [\text{Zuschlag oder Abschlag einfügen}] ; \text{Wert einfügen} \}] [+][-] [\text{Marge einfügen}]$$

Index BZ(t) = der Stand des Index, der in Bezug auf den Bezugszeitraum (t) veröffentlicht wird.

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BZ(t-1) = der Bezugszeitraum (t-1), d.h. **[Bezugszeitraum einfügen]**.

[Faktor = Multiplikator des Inflationsssatzes]

"Index" ist der unrevidierte Harmonisierte Verbraucherpreisindex (ohne Tabak) ("HVPI") für die Euro der monatlich vom Statistischen Amt der Europäischen Gemeinschaft (nachfolgend "EUROSTAT" oder "Indexsponsor" genannt) berechnet wird, und welcher auf der Bildschirmseite am Zinsfestlegungstag veröffentlicht wird."

- 18) On page 69 of the Supplemented Base Prospectus, the first paragraph as well as the formula and definition of formula components under the heading "*Im Fall, dass der Zinssatz auf Basis des HVPI bestimmt wird, einfügen:*" in the German translation of the Summary "ZUSAMMENFASSUNG" Abschnitt C", Element "C.9" shall be deleted and replaced by the following wording:

"Der Zinssatz für die jeweilige Zinsenlaufperiode wird als Zinssatz in % p.a. ("I_{an}") ausgedrückt und von der Berechnungsstelle gemäß folgender Formel bestimmt:

$$I_{an}(t) = [\text{Min} \{ \ }] [\text{Max} \{ \ }] (\text{Index BZ}(t) - \text{Index BZ}(t-1)) / \text{Index BZ}(t-1) [*100] [* \text{Faktor einfügen}] [+][-] [\text{Zuschlag oder Abschlag einfügen}] ; \text{Wert einfügen} \}] [+][-] [\text{Marge einfügen}]$$

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BZ(t-1) = der Bezugszeitraum (t-1), d.h. **[Bezugszeitraum einfügen]**.

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"Index" ist der unrevidierte Harmonisierte Verbraucherpreisindex (ohne Tabak) ("HVPI") für die Euro Zone, der monatlich vom Statistischen Amt der Europäischen Gemeinschaft (nachfolgend "EUROSTAT" oder "Indexsponsor" genannt) berechnet wird, und welcher auf der Bildschirmseite am Zinsfestlegungstag veröffentlicht wird."

- 19) On page 87 of the Supplemented Base Prospectus, in the chapter "1.3. Risks relating to the industry and the markets in which RBI Group operates" the four bullet points and subsequent sentence in the first paragraph shall be deleted and replaced by the following bullet points and sentence:

- Central Europe (“CE”): Czech Republic, Hungary and Slovakia
- Southeastern Europe (“SEE”): Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Kosovo, Romania and Serbia
- Eastern Europe (“EE”): Belarus, Kazakhstan, Russia and Ukraine
- as well as Poland and Slovenia.

Furthermore, RBI Group has operations in other parts of the world, including the USA and Asian countries. However, as part of the drive to increase RBI’s focus on the re-defined CEE region, operations are to be significantly scaled back or exited in Asia by end-2017 and in the US by end-2016. ”

- 20) On page 112 of the Supplemented Base Prospectus, in the chapter **“2.6. RZB Group and/or RBI Group and/or certain of its subsidiaries qualify /could be qualified as a “systemically important” financial institution (group) and thus be subject to a surcharge on regulatory capital”** the existing wording shall be deleted and replaced by the following wording:

“RZB Group and RBI Group (and certain of its Network Banks) qualify as “systemically important” and are / will be subject to a surcharge on regulatory capital which increases the risk that supervisory powers or intervention measures by the competent regulatory authority are exercised.

Under the CRR, supervisors may impose higher capital requirements for systemically relevant banks. Additionally, there is a development on national levels in many jurisdictions to apply similar approaches to institutions considered as systemic banks at such national level. Depending on whether or not a credit institution and/or credit institution group is classified as systemically important, and, if it is, on the category it is placed in, it may be affected by this regulation and therefore also by a surcharge on its regulatory capital which would lead to higher capital requirements.

Following RZB Group’s qualification as systemically relevant bank, in spring 2014, the Austrian Financial Markets Authority (Finanzmarktaufsicht – “FMA”) issued a decree imposing on RZB as superordinated credit institution of the RZB credit institution group (Kreditinstitutsgruppe) a total capital ratio requirement of 13.77 per cent. applicable from July 2014. The calculation of this ratio also included Raiffeisen-Landesbanken-Holding GmbH as parent financial holding company. The European Central Bank (“ECB”) assumed its role as consolidating supervisor for RZB as from 4 November 2014. Meanwhile, the above capital requirement has been replaced by a decision of the ECB, which, however, must be treated as confidential.

In addition to the capital requirements set out above, capital buffer requirements based on the respective regulations of the Austrian Banking Act (*Bankwesengesetz*) may be set. On 1 June 2015, the Austrian Financial Market Stability Board (*Finanzmarktstabilitätsgremium*) has issued a recommendation to the FMA to impose on RZB, among other banks, a systemic risk buffer in the amount of 3 per cent. of its risk weighted assets. Pursuant to the recommendation, the systemic risk buffer is to become effective as from 1 July 2016, however starting with a reduced systemic risk buffer requirement of 2 per cent. of risk weighted assets during a transitional period from 1 July 2016 until 30 June 2017.

Following the Austrian regulator’s decision to set up a second level of supervision at the level of RBI Group, on 24 October 2014, RBI received notification from the FMA that it would be required to fulfil regulatory capital requirements as a separate group (i.e. RBI Group on a consolidated basis) in addition to RZB Group. Thus, RBI is sub-consolidated and also regulated separately by the European Central Bank. As a consequence, as from 30 November 2014 RBI was required to adhere to a SREP Ratio (Supervisory Review Evaluation Process Ratio) (i.e. a total capital ratio (transitional)) of 13.76 per cent. Furthermore, the volume of guarantees between RZB and RBI will have to be reduced which is expected to have a negative impact on direct business transactions between RBI and the Regional Raiffeisen Banks, i.e. the Raiffeisen-Landeszentralen, in particular as regards liquidity flows. As part of the measures relating to organisational and functional separation, respectively the unbundling of bank-specific operations between RZB and RBI, it is also required to discontinue identical board functions such as RBI’s chief risk officer acting also as a member of the management board of RZB. Thus, Mr. Strobl’s position as chief risk officer of RZB will terminate prior to or on 30 June 2015 at the latest.

The European Central Bank (“ECB”) assumed its role as competent authority for RBI as from 4 November 2014. Meanwhile, the above capital requirement has been replaced by a decision of the ECB, which, however, must be treated as confidential.

In addition to the capital requirements set out above, capital buffer requirements based on the respective regulations of the Austrian Banking Act (*Bankwesengesetz*) may be set. On 1 June 2015, the Austrian Financial Market Stability Board (*Finanzmarktstabilitätsgremium*) has issued a recommendation to the FMA to impose on RBI, among other banks, a systemic risk buffer in the amount of 3 per cent. of its risk weighted assets. Pursuant to the recommendation, the systemic risk buffer is to become effective as from 1 July 2016, however starting with a reduced systemic risk buffer requirement of 2 per cent. of risk weighted assets during a transitional period from 1 July 2016 until 30 June 2017.

In order to comply with the capital requirements in the future, RZB Group and/or RBI Group may have to raise additional tier 1 or tier 2 capital or reduce risk-weighted assets.

In case RZB (Group) or RBI (Group) or any of its Network Banks, if considered to be systemically relevant, fails to satisfy the respective capital requirements, the competent regulatory authority could – among others - issue supervisory orders or initiate early intervention measures or – as ultimate measure – withdraw the authorization of an institution. Respective supervisory powers are granted to the competent regulatory authority in Austria by § 70 para. 4a BWG which implements Art. 104 CRD IV into Austrian law and by the future Austrian Recovery and Resolution Law which will implement among others Article 27 BRRD into Austrian law.

The failure or perceived failure of RBI Group / RZB Group to meet the regulatory or such other increased requirements in the future could have a material adverse effect on its reputation as well as its financial condition and results of operations, as it may need to sell certain assets, raise additional capital, reduce risk weighted assets and/or take other measures perhaps on terms unfavorable to it and contrary to its business plans.”

- 21) On page 144 of the Supplemented Base Prospectus, in the chapter "**1.1.4. Any recent events particular to the Issuer that are to a material extent relevant for the evaluation of its solvency**" the first paragraph shall be deleted and replaced by the following paragraph:

"The Issuer is not aware of any recent adverse events particular to the Issuer (i.e. occurring after the most recent published unaudited interim financial statements of the Issuer as of 31 March 2015) in the context of its business activities that are to a material extent relevant for the evaluation of its solvency."

- 22) On pages 146 to 148 of the Supplemented Base Prospectus, in the chapter "**2.4. Principle markets and business segments**" the existing wording of this chapter and its subchapters shall be fully deleted and replaced by the following wording:

2.4. Principle markets and business segments

RBI Group's business has focused and still focuses on Austria and Central and Eastern Europe. However, amendments in the strategic approach regarding individual countries and business areas are made from time to time, such as announced in February 2015.

RBI Group's business segments were defined for the respective regional (markets)/ core / non-core and business areas as follows until the beginning of February 2015:

- Central Europe ("CE"): comprising the Czech Republic, Hungary, Poland, Slovakia and Slovenia;
- Southeastern Europe ("SEE"): comprising Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Kosovo, Moldova, Romania and Serbia;
- **Russia**; and
- **CEE Other**: comprising Belarus, Kazakhstan and Ukraine;

furthermore in functional segments as

- Group Corporates
- Group Markets and
- Corporate Center;

In February 2015, RBI decided to implement a range of measures to increase its capital buffers (see chapter 2.2. *Strategy* under the heading • *Strengthen capital position / Reduction of risk-weighted assets*). The planned steps will particularly affect those of RBI's business activities that generate low net income, have high capital requirements or are of lesser strategic importance.

These measures include the sale of the units in Poland and Slovenia as well as the online bank Zuno Bank AG. In line with RBI Group's focus on Central and Eastern Europe, business activities in Asia and the USA are to be significantly reduced or exited. For this reason, segment reporting was adapted retrospectively as of the beginning of 2015. A separate Non-Core segment encompasses those business divisions which are to be disposed of or reduced. Additionally, the units in Belarus, Kazakhstan, Russia and Ukraine have been combined in the Eastern Europe segment.

This results in the following new segmentation:

- Central Europe ("CE"): comprising the Czech Republic, Hungary and Slovakia
- Southeastern Europe ("SEE"): unchanged and comprising Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Kosovo, Romania and Serbia
- Eastern Europe ("EE"): comprising Belarus, Kazakhstan, Russia and Ukraine
- Group Corporates (containing large corporate business activities with Austrian and multinational customers operated from Vienna)
- Group Markets (containing capital market-based customer and proprietary business operated from Vienna)
- Corporate Center (containing central control functions at Group head office and other Group units)
- Non-Core: comprising Asia and USA (previously in Group Corporates / Group Markets segment), Poland, Slovenia and ZUNO BANK AG ("Zuno") (previously in Central Europe segment and in the Corporate Center segment)

Central Europe ("CE"), Southeastern Europe ("SEE"), Eastern Europe ("EE") as well as Poland and Slovenia collectively are still referred to as **CEE**.

In CEE, RBI Group operates as a universal bank through a closely knit network of majority-owned subsidiary banks ("**Network Banks**"), leasing companies and numerous specialised financial service providers. RBI Group provides commercial and investment banking services to Austrian and international corporate clients and multinationals and has operations in Asia, including China and Singapore. With approximately 2,900 business outlets, RBI Group serves approximately 14.8 million customers and employs approximately 54,000 employees, all as of 31 March 2015, in CEE. In Austria, RBI is one of the largest corporate and investment banks and primarily serves Austrian customers, but also international customers as well as major multinational clients operating in CEE.

2.4.1. Management and organisation of RBI Group

RBI Group's business is divided into seven segments. As of the beginning of 2015 these consist of three geographic segments covering the CEE region, except Poland and Slovenia, which are included in a new Non-Core segment, and three functional segments: (i) Central Europe; (ii) Southeastern Europe; (iii) Eastern Europe; (iv) Group Corporates; (v) Group Markets; (vi) Corporate Center and (vii) Non-Core. The three geographic segments focus on traditional banking business. Two functional segments (Group Corporates and Group Markets) focus on corporate customers in Austria and in countries other than CEE, on corporate business with major CEE customers, including CEE-multinationals 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 RBI Group's headquarters function. The new Non-Core segment, as seventh segment, is a mixture of geographic and functional elements and encompasses those business divisions which are to be disposed of or reduced.

The shares in the majority of the Network Banks are held through three indirectly wholly-owned holding companies of RBI in order to bundle the stakes of the Network Banks corresponding to the geographic segments (i) Central Europe, (ii) Southeastern Europe and (iii) Eastern Europe. The geographic allocation shall improve the Issuer's management, steering and control functions over the Network Banks. Some of the Network Banks are (still) directly held by the Issuer.

2.4.2. Central Europe segment

This segment now comprises the Czech Republic, Hungary and Slovakia. They are also the countries in which RBI Group has been operating the longest. In each of these countries, RBI is represented by a bank, leasing companies and other specialised financial institutions.

2.4.3. Southeastern Europe segment

This segment remained unchanged and comprises Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Kosovo, Romania and Serbia. Within these countries, RBI is represented by banks, leasing companies, as well as, in some markets, by separate capital management and asset management companies and pension funds. In addition, Moldova, where RBI owns a leasing company, is managed out of the Romanian subsidiary and, consequently, is reported as part of Romania, due to their close economic ties.

2.4.4 Eastern Europe segment

This segment now comprises RBI Group's assets and business activities within the Russian Federation, in Belarus, Kazakhstan and in the Ukraine. The Network Bank in Russia is one of the large foreign banks in Russia. RBI also offers leasing products to its Russian clients through a leasing company. In Belarus and the Ukraine RBI is represented by banks, leasing companies and other financial service companies whereas in Kazakhstan, RBI's presence with only a leasing company is more limited.

2.4.5. Group Corporates segment

The Group Corporates segment covers commercial and investment banking business carried out by the Issuer's operations in its Vienna headquarter with Austrian and international – notably Western European - corporate customers. These customers include Austria's largest companies and multinational customers. The segment also comprises corporate business with major CEE customers, including multinationals with CEE-business. Moreover, the corporate customer business conducted at the branches in Germany and London is included in this segment. 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. The Group Corporates segment has a distribution emphasis on funding- and capital- light products.

2.4.6. Group Markets segment

The Group Markets segment primarily covers capital markets and investment banking activities as well as securities trading business and business with institutional and sovereign customers of the Issuer and such business conducted at the branches in Germany and London as well as by Raiffeisen Centrobank AG. Markets and investment banking business of the Network Banks is shown in the respective geographic segments.

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 that are provided by Raiffeisen Centrobank AG and from proprietary securities trading carried out at the Issuer's headquarters in Vienna and at its London branch. This segment also includes net income from customer business, sales of all banking products and business relationships with banks, institutional customers, governments and local authorities. The strategic focus here 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.

2.4.7. Corporate Center segment

The Corporate Center segment encompasses all the services as well as the oversight function provided by RBI Group headquarters in Vienna in various divisions to implement the overall strategy and that 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 from Austrian transaction services business, which comprises processing and other services for financial service providers. 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, as well as net income from treasury and balance sheet structure management controlling.

2.4.8. Non-Core segment

The Non-Core segment includes countries, units and business activities that due to the decision of RBI in February 2015 are in the process of being rescaled and / or where an exit from certain markets is planned. This segment comprises Poland, Slovenia, Zuno, Asia and the USA.

- 23) On page 148 of the Supplemented Base Prospectus, in the chapter "2.5. Competitive position" the existing wording shall be fully deleted and replaced by the following wording:

"RBI Group's focus areas comprise Austria and CEE. In addition to its focus areas, the Issuer also has operations in Asia, including China and Singapore. In Austria, the Issuer is member of one of the largest banking groups, the Raiffeisen Banking Group Austria (as described in

more detail in 3. *Raiffeisen Bankengruppe Österreich ("RBG")* (Source: internal data based on publicly available company data, unaudited). In CEE RBI Group considers itself as one of the leading banking groups serving customers throughout CEE. CEE countries include the countries of the segments Central Europe ("CE"), Southeastern Europe ("SEE"), Eastern Europe ("EE") as well as Poland and Slovenia. "

- 24) On pages 154 et seq. of the Supplemental Base Prospectus, in the chapter "**4.1. Material adverse changes in the prospects of the Issuer since the date of its last published audited financial statements**" the existing wording shall be fully deleted and replaced by the following wording:

"4.1. Material adverse changes in the prospects of the Issuer since the date of its last published audited financial statements

A negative statement to the effect that there has been no material adverse change in the prospects of the Issuer since 31 December 2014 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 and the developments in some CEE countries (e.g. Ukraine and Russia) 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 capital costs.

Negative impacts with regard to the Issuer include the following:

Results for the full year 2014 of RBI Group as reported in the audited consolidated financial statements of RBI as of and for the full year ended 31 December 2014, as incorporated by reference herein

The consolidated loss of EUR 493 million includes one-off effects such as goodwill impairments totaling EUR 306 million, primarily for subsidiary banks in Russia (EUR 148 million), Poland (EUR 101 million) and Albania (EUR 51 million), as well as deferred tax asset (DTA) write-downs amounting to EUR 196 million, primarily at Group head office (EUR 161 million) and in Asia (EUR 35 million).

The Issuer will neither pay dividends on ordinary shares nor on participation capital for 2014.

Results as reported in the unaudited interim consolidated financial statements of RBI as of and for the three months ended 31 March 2015, as incorporated by reference herein

The difficult environment continued in the first quarter of 2015 and led to negative impacts on the results such as:

- Net interest income of EUR 820 million (down 16.2% year-on-year).
- Net trading income of minus EUR 62 million (down EUR 43 million year-on-year), largely due to a EUR 109 million decline in currency-based transactions to minus EUR 149 million. This was largely attributable to exchange rate-related valuation losses on foreign currency positions in Ukraine, where net trading income reduced due to the sharp depreciation of the Ukrainian hryvnia (down EUR 64 million) and to a valuation loss on a hedging transaction for dividend income in Russian roubles (down EUR 53 million) at RBI Group head office.
- Profit before tax decreased to EUR 188 million (down 21.9% year-on-year).
- Consolidated profit decreased to EUR 83 million (down EUR 77 million year-on-year).

Additional information:

No restructuring charges for the strategic review, as described below, have been booked as of the first quarter 2015. Furthermore, the majority of net provisioning for impairment losses tend to be booked in the second half of the year. The contribution to the Single Resolution Fund for 2015, as described in "*Bank Recovery and Resolution Regime*" below, was not booked in the total amount but on an accrued basis in the first quarter 2015.

Measures in the course of a strategic review

On 9 February 2015, RBI has resolved to take a number of steps to increase its capital buffers. The measures are intended to facilitate an improvement in the CET1 ratio (fully loaded) to 12 per cent. by end-2017, compared to 10 per cent. at end-2014. The planned steps will affect a number of operations across the RBI Group, in particular those areas which generate low returns, have high capital consumption or are of limited strategic fit.

The measures to be implemented include the intended sale of the operations in Poland and Slovenia, as well as the direct banking unit Zuno.

In the context of the announced sale of Raiffeisen Bank Polska S.A., the Polish Financial Supervision Authority KNF ("PFSA") informed RBI about the initiation of an administrative proceeding claiming the potential breach of commitments towards PFSA undertaken by RBI during the approval process of the acquisition of Polbank EFG by RBI in 2012. The Issuer is of the opinion that the commitments have not been breached; although a potential outcome of proceedings could result in a prohibition of exercising voting rights on shares of RBI's subsidiary Raiffeisen Bank Polska S.A. until the sale of shares, the Issuer believes that the allegations are unsubstantiated, and such proceedings ultimately shall be dismissed. The Issuer believes that proceedings have no impact on day-to-day business, or the sales process.

The exposure to the Russian market is intended to be reduced, with a risk-weighted asset (RWA) reduction of approximately 20 per cent. planned by end-2017 (RWA in the Russian market as at 31.12.2014: EUR 8.4 billion). A reduction in exposure is also foreseen in Ukraine, where risk-weighted assets shall be decreased by approximately 30 per cent. by end-2017 (RWA as at 31.12.2014: EUR 3.0 billion). In Hungary, further optimization of the operation is intended to be undertaken. As part of the drive to increase RBI Group focus on the re-defined CEE region, operations are to be significantly scaled back or exited in Asia by end-2017 and in the US by end-2016.

The concrete decisions will be subject to approval by the Supervisory Board. The implementation of these measures is intended to result in an aggregate gross risk-weighted asset reduction in the selected markets of approximately EUR 16 billion by end-2017 (RWA as at 31.12.2014: EUR 68.7 billion). The total gross reduction from end-Q3 2014 to end-2017 is intended to amount to approximately EUR 26 billion.

The reduction is expected to be partially offset by an increase in RWA in other business areas – regulatory-driven as well as business driven.

The full year 2015 consolidated result may be negative as the majority of the restructuring costs (estimated amount around EUR 550 million in total) are expected to be booked in 2015 and net provisioning for impairment losses is expected to remain elevated in 2015.

RBI Group's CHF exposure

RBI Group's CHF exposure is mainly in Poland (approximately EUR 2.8 billion) as well as in Romania (approximately EUR 350 million), Croatia (approximately EUR 270 million) and Serbia (approximately EUR 80 million) as of 31 December 2014. In Hungary, CHF loans have been mostly addressed by the recent agreement between the government, the banks and the central bank, however there is a remaining position of approximately EUR 130 million (mainly corporate loans) at the end of 2014.

In the wake of the Swiss National Bank decision to abandon the CHF's peg to the EUR in January 2015, the Croatian government decided at the end of January 2015 to fix the CHF / HRK exchange rate at 6.39 HRK for the next twelve months which corresponds to the exchange rate before the decision of the Swiss National Bank. At this point of time and based on current conditions, RBI Group expects a negative influence in the mid single digit million range for the business year 2015 as clients should be able to pay back their regular maturing annuities (only those are in scope of the decision) based on the fixed exchange rate in the law.

In Poland, potential measures in favour of CHF-mortgage loan debtors are currently under discussion between Poland's financial supervisor KNF, the National Bank of Poland, the Polish Banking Association and the Polish government. The proposals include, *inter alia*, the right of CHF borrowers to replace the terms and conditions of their CHF loans with new terms as they would have applied to a Polish Zloty ("PLN") loan, the right to convert their CHF loans into PLN at historic exchange rates as well as different models of sharing costs and risks. Any of these measures, if decided and implemented, could have a negative impact on Raiffeisen Bank Polska S.A. and, thus, on the Issuer. At this point in time and due to ongoing discussions in Poland with uncertain results, it is difficult to evaluate the impact of potential measures on the Issuer.

Exchange rates - sharp depreciation of Ukrainian hryvnia and Russian rouble / CET 1 ratio

The political and economic developments in the Ukraine and in Russia since the beginning of the year 2014 (see below "*Recent developments / political and economic turbulence in Ukraine*" and "*Recent developments in Russia*") have led to a sharp depreciation of the Ukrainian hryvnia ("UAH") and the Russian rouble ("RUB"). In the year 2014, the UAH devaluated 47.9 per cent. against the US dollar and 40.7 per cent. against the Euro. From the beginning of the year 2015 until 31 March 2015, the devaluation of the UAH against the Euro amounted to approximately 24 per cent. against the Euro and approximately 32.5 per cent. against the US dollar. In the year 2014, the devaluation of the RUB amounted to 45.2 per cent. against the US dollar and 37.6 per cent. against the Euro. In the first quarter of 2015, the RUB showed an upward trend and an increase against the Euro of approximately 16.3 per cent. and against the US dollar of approximately 3.2 per cent.

The foreign currency ("FX") devaluations have had a negative impact on RBI Group's capital. From the total FX impact of minus 0.94 per cent. on the fully-loaded common equity tier one ratio ("CET 1 ratio") for the year 2014, a minus of 0.47 per cent. results from the devaluation of the RUB and a minus of 0.19 per cent. results from the devaluation of the UAH. The rest results in a minus of 0.13 per cent. from US dollars as well as from a split across other currencies having no larger single effects. Given the currency devaluations, in particular of RUB and UAH, a further negative impact on the capital ratios of the Issuer cannot be excluded.

Recent developments / political and economic turbulence in Ukraine

The political turmoil in the Ukraine, in particular the ensuing political crisis in Crimea, resulted in the annexation of Crimea by the Russian Federation as well as an armed conflict between the Ukrainian government and pro-Russian separatists in the Eastern regions of the Ukraine. Thus, the political situation in the Ukraine has become extremely unstable and serious geopolitical tensions have arisen between Russia and the west.

The political crisis in the Ukraine has aggravated the country's long standing economic problems, and the falling value of the currency as described above (see "*Exchange rates - sharp depreciation of Ukrainian hryvnia and Russian rouble / CET1 ratio*") is one of the consequences. The outlook of the currency remains highly uncertain. Additionally, foreign exchange controls were introduced by Ukraine's central bank.

Possible adverse impact from very recent legal draft acts on FX mortgage settlements is under investigation.

The depreciation of the UAH already led and could further lead to higher provisioning needs due to increased risk costs and credit default rates. In particular, provisioning needs have increased and might further increase for loans in foreign currencies, which are predominantly denominated in USD. EUR 861 million or 58.4 per cent. of loans and advances to corporate customers and EUR 683 million or 56.3 per cent. of loans and advances to retail customers of RBI's Ukrainian subsidiaries were denominated in foreign currency as of 31 December 2014. Apart from the higher provisioning needs, the UAH depreciation also has an adverse impact on RBI Group's capitalization ratios due to the fact that RBI's equity capital investments in its Ukrainian subsidiaries are held in UAH.

RBI Group operates a number of network units in the Ukraine which comprise, among others, the Raiffeisen Bank Aval as well as a leasing company. As of the end of 2014, there were 671 branches. In Eastern Ukraine, the number of branches had been reduced to 80 and the majority of them has been closed.

Due to the annexation of Crimea, Aval Bank's 32 local branches, including their infrastructure, were sold. The corporate business was transferred to AO Raiffeisenbank, Moscow. The economic and political outlook of the Ukraine has led to downgrades of its sovereign credit ratings by Standard and Poor's, Moody's and Fitch and another rating agency.

The high sovereign foreign exchange refinancing needs, the low foreign exchange reserves of the Ukraine as well as the fact that Ukraine's parliament had passed a bill granting the government the authority to suspend certain foreign debt payments while talks are being held to restructure Ukraine's sovereign and state-guaranteed debt have intensified concerns about a sovereign default/moratorium. As of 31 March 2015, RBI Group's government bond holdings, which are predominantly denominated in UAH and held at local level, amounted to approximately EUR 187 million.

The funding extended by RBI head office in Vienna to its Ukrainian subsidiaries amounted to approximately EUR 541 million as of 31 March 2015. The equity of RBI's Ukrainian subsidiaries amounted to approximately EUR 89 million as of 31 March 2015.

The development might be exacerbated by repercussions of the current crisis on the political situation, the economies and foreign exchange rates of other countries in which the Issuer operates. Although it is difficult to evaluate the extent of the negative impact at this point of time or the one resulting from ongoing escalation of the political as well as economic situation in the Ukraine or neighbouring countries or from military actions in the region, the Issuer could be materially affected.

Ukraine peace summit

On 12 February 2015, a peace plan was agreed by the political leaders of Ukraine, Russia, France and Germany and also signed by pro-Russian separatists in Minsk. The agreement contains the following commitments: general ceasefire as from 15 February 2015; withdrawal of heavy weapons to be monitored by OSCE; reinstatement of a law granting special status, including more autonomy, to the eastern regions, ie regions controlled by separatists in Donetsk and Luhansk; local elections; amnesty granted to separatists; exchange of prisoners and hostages; humanitarian aid; restoration of social and economic connections in the affected eastern regions, in particular regarding pension and other payments as well as restoration of the banking system; full control over the state border to Russia by the Ukrainian government in the whole conflict zone starting on the first day after local elections until a full political regulation by the end of 2015; pullout of all foreign armed formations; constitutional reform in Ukraine to come into effect by the end of 2015. The key element of this reform is decentralisation and approval of permanent legislation on the special status of particular districts of Donetsk and Luhansk, including the right to raise their own police, chose an official regional language and conclude cross border deals with neighbouring regions in Russia.

However, the measures agreed upon are yet to be implemented; the risks in connection therewith remain. It is still uncertain whether the sanctions against Russia, which would otherwise end automatically in 2015, will be prolonged or whether additional sanctions will be required. All in all, a return to political and economic normality is expected to be difficult and challenging.

Recent developments in Russia

The developments in the Ukraine and the political turmoil in the region have had an impact on Russia, where uncertainties resulted in a sharp devaluation of the Russian rouble ("RUB") as described above (see *Exchange rates - sharp depreciation of Ukrainian hryvnia and Russian rouble / CET1 ratio*). The outlook on the currency remains highly uncertain. Moreover, the sanctions imposed in the course of the crisis as outlined below, the sharp devaluation of the Russian rouble, in particular until February 2015, the decline in the oil prices as well as an increasingly critical risk perception in the international capital markets towards Russia adversely affected and will continue to affect the economy in Russia.

The massive devaluation of the Russian rouble in the fourth quarter 2014 showed substantial impact on RBI's Russian operations' balance sheets, risk weighted assets and results. The much stronger negative impact on the profit is mainly due to higher risk costs, but also almost all income as well as expense positions show impacts. Lower assets lead to lower income and despite a tough cost reduction program this may not be compensated. The devaluation of the Russian currency had an adverse impact on RBI Groups capital ratios due to a reduction of the RUB-denominated equity position which was not fully compensated by the currency-driven reduction of RUB-denominated risk weighted assets.

As a consequence of the developments in Russia, a review of the mid-term planning for the Russian unit of RBI has become necessary. The RBI Board of Management decided to rescale the Russian operations by approximately 20 per cent. until 2017 and the business plans will be adjusted accordingly.

Possible adverse impact may also arise from a current draft law allowing Russian banks to open their branches in Eastern Ukraine without approval by the Ukrainian regulator similar to Crimea.

Also, the latest offshore law in Russia is expected to have a long-term negative impact on the local investor climate: Russian-controlled offshore companies shall be taxed under the Russian tax code from now on, a measure caused by increasing capital outflow and closed external markets. Concealing offshore assets from Russian authorities will be persecuted from 2017; the respective threshold for corporates is 25 % ownership in an offshore vehicle and for individuals 50%, from 2017 also 25 %.

As from 20 February 2015, there was a change of name of RBI's bank subsidiary in Russia from "ZAO Raiffeisenbank" to the following new name: "Joint stock company Raiffeisenbank" or, abbreviated, "AO Raiffeisenbank".

Sanctions

As a consequence of the political developments in Ukraine and Russia, the European Union as well as the United States and other countries and international organisations implemented measures of sanctions (travelling restrictions / visa bans, asset freezing, etc.) on certain named companies and individuals, deemed to be responsible for threats to the territorial integrity of Ukraine at the beginning of 2014. As a practical matter, the foregoing measures restrict business activities with the designated individuals and may also restrict dealing with entities that are owned or controlled by those individuals.

As the unrest expanded into other parts of Southern and Eastern Ukraine, and escalated into ongoing war in the Eastern Ukraine, the scope of measures of sanctions increased causing restrictions in the business of the Issuer's Group associated with high costs of implementation: The European Union and United States took coordinated steps to expand sanctions targeting the Russian finance sector, energy sector, and defence sector (so called "Sectoral Sanctions"), including restrictions on certain oil exploration equipment exports to Russia. The EU also prohibited imports of goods originated in Crimea and took steps to limit certain types of trade and investment in Crimea, while both the EU and United States identified additional parties subject to asset-freezing measures. The increased measures have broad implications for trade and investment activities in the region, and Russia is threatening to retaliate against U.S. and EU firms.

Specifically, the EU Council agreed to impose a range of import and export restrictions relating to arms, dual-use goods and technologies, as well as certain equipment and technologies for the Russian oil industry. Those restrictions apply only to new contracts and are implemented by a Council Regulation.

Under current EU sanctions the dealing with and providing of investment services for new transferable securities like shares as well as bonds and money market instruments exceeding a maturity of more than 30 days issued by sectoral sanctioned Russian state-owned banks

and companies in the energy and defense sector, including their majority owned subsidiaries outside the EU, are prohibited. Furthermore, the financing of sectoral sanctioned entities, including their majority owned subsidiaries and affiliated companies, of more than 30 days is prohibited except for specified and documented trade finance with the European Union.

Under current US sanctions certain Russian state-owned banks, including their majority owned subsidiaries and affiliates and other sectoral sanctioned companies in the energy and defence sector have limited access to equity and new medium and long term debt as the Sectoral Sanctions Identifications List was implemented.

The European Union, the United States as well as other countries (i.e. Japan, Australia, Canada, Norway, Switzerland) decided to expand sanctions or adopt tougher sanctions against Russia and may impose additional sanctions if the situation in Eastern Ukraine deteriorates further, in particular if the conflict expands.

In reaction to the sanction measures, Russia imposed reciprocal sanctions, in particular restricting the import into Russia of particular kinds of agricultural products, raw materials and foodstuffs from such countries of provenance as the United States, European Union, Norway, Canada, or Australia. Further measures are expected to follow.

Developments in Hungary

The market environment in Hungary continues to be difficult and is currently under special review. Restructuring of Raiffeisen Bank in Hungary (*Raiffeisen Bank Zrt.*) is in progress, involving selective portfolio reductions and a strong focus on collection and work out. Moreover, a further optimization of the Hungarian unit will be undertaken.

In December 2011, the National Debt Management Agency (Államadósság Kezelo Központ – “**AKK**”) took over the financing and cash management of the county municipalities. Starting in 2012, the municipalities of towns and villages were gradually included in the debt takeover by the central government as well. The take-over of the last tranche of Raiffeisen Bank Zrt.’s total exposure of EUR 635 million municipal debt, about 70 per cent. of which were denominated in CHF and EUR, by the Hungarian state under the aforementioned initiative was completed by the end of February 2014. The claims under municipal debt will be exchanged for long-term loans to the Hungarian state, thus increasing RBI’s sovereign exposure to Hungary accordingly.

Following the “Home Protection Law”-scheme in 2011, which had resulted in significant losses for the RBI Group, a new programme in favour of foreign exchange mortgage debtors was prepared and will be continued in an amended form. The exchange rate protection scheme so far was open to performing foreign exchange debtors only whereas according to an amendment to the respective legislation, which entered into force in November 2013, also non-performing foreign exchange debtors overdue more than 90 days may participate in the programme. The only prerequisite still in place for joining the programme foresees that there should not be any enforcement procedure against the residential property, whereas all other prerequisites have been cancelled. For all debtors who opted or opt 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 split equally between the government and the banks. If exchange rates go above 340 EUR/HUF and 270 CHF/HUF, the government will pay 100 per cent. of the capital and interest for the portion of the monthly instalments that exceeds the mentioned exchange rates. The expected negative impact on the Issuer amounts to a total of approximately EUR 6.2 million for the years 2014 and 2015 but cannot yet be evaluated for the whole period until expiration of this programme in 2018.

In July 2014 the Hungarian parliament passed a new law relating to (a) the foreign exchange (“**FX**”) margins which can be applied to foreign currency loan disbursement and instalments as well as to (b) unilateral rate changes on consumer loans. The new law applies to all banks operating in Hungary and requires retroactive modifications to margins and potentially to rates. The legal scope of the new law applies to all foreign currency (“**FCY**”) and HUF consumer loans (mortgage loans, home equity, credit cards, overdrafts and leasing deals) as of 1 May 2004 until the effective date of law. Early prepaid deals and deals which have been purchased by the National Asset Management Company (NET Zrt.) have been excluded.

The FX margins applied by banks are considered void. For disbursement and monthly instalments banks have to apply the Central Bank of Hungary (“**MNB**”) official rate. If banks have applied their own mid-rate or the MNB rate from December 2010 onwards, then the FX margin invalidity is not applicable for this period. RBI Group has been applying own mid-rates on FCY loans since December 2010 and therefore FX margins for this period should not be affected by the new law. Until the end of September 2014 banks had to calculate the FX margin difference and submit results to MNB. Banks had to provide MNB within 60 days with the methodology of calculations. MNB has the authority to check the legality of the calculation method.

The possible one-sided changes (by banks) of conditions included in the banks’ General Terms of Conditions (interest rate increase, fee increase) are presumed to be “unfair” due to violation of the Hungarian Curia’s requirement of transparency, equivocality etc. However if banks are of the opinion that their terms and conditions meet these criteria and are “fair” then they have the right to turn to court asking for judicial determination. Otherwise all these terms are considered void. Such litigations concerning FCY loans have to be initiated against the State and within 30 days after the effective date of the new law. With respect to HUF loans, litigations have to be initiated between 90-120 days after the effective date of the new law. Once the new law is in force, financial institutions have no right to increase unilaterally interest rates or fees. Within 30 days the banks have to examine all their General Terms and Conditions which are applicable to consumer loan deals including all possibilities for one sided change of conditions and have to provide them to MNB.

As a result of such legislation RBI expected total costs of EUR 245 million related to foreign currency loans and unilateral rate changes on retail loans which were booked in 2014. In April 2015 the actual impact after reimbursements to customers amounts to approximately EUR 225 million which might slightly increase in the course of the year.

Due to amended local accounting standards, the Hungarian National Bank started a local review, among others with respect to the Issuer’s Network Bank in Hungary and including the Network Bank’s commercial real estate portfolio, having a net exposure of about EUR 275 million. The process and its outcome is finally negotiated with the Hungarian authorities and resulted in additional impairment requirements of approximately 37 million booked in the financial statements of the Network Bank in Hungary according to Hungarian Accounting Standards in 2014.

Mid-April 2015 the Hungarian parliament passed a law on setting up a fund to compensate the clients of brokerage firm Quaestor who suffered losses because of the bankruptcy of Quaestor. Quaestor reportedly sold HUF 210 billion worth of bonds to approximately 32,000 - 36,000 customers. The law provides for the fund to compensate owners of Quaestor bonds up to HUF 30 million (approximately EUR 100,000) for any amount not covered by the National Investors Insurance Fund ("BEVA"). According to an announcement by the National Bank of Hungary, BEVA would compensate all Quaestor bond holders up to HUF 6 million (approximately EUR 20,000) each. Any amount exceeding HUF 6 million per investor is to be covered by the new fund, which is expected to pay out HUF 192 billion (approximately EUR 640 million) over the next two months. The cost of compensating Quaestor's victims beyond the amount raised from the liquidation of Quaestor's assets is ultimately to be paid for by financial institutions dealing in securities via contributions to BEVA and the special compensation fund. The affected institutions include all the major commercial banks, among them the Issuer's Network Bank in Hungary. The discussion between the Hungarian government, BEVA members (among them the Issuer's Network Bank in Hungary) and the Hungarian Banking Association is still ongoing in order to agree in which form and timeframe the BEVA members shall be compensated related to Quaestor Law. At the current stage, it seems that BEVA members shall have the right to offset non-recovered claims of Quaestor liquidation with a reduction in their payable taxes (corporate income tax, banking levy). Owing to various aspects which are still not clarified, it is not possible to evaluate the impact on the Issuer's Network Bank in Hungary at this point of time.

In light of the current political and economic developments in Hungary, the RBI Group considers the risk that additional legislative measures, which adversely affect the banking sector as a whole and foreign banks in particular, are taken by the Hungarian government to be significant.

Developments in Slovenia

The Slovenian market is currently under special review and an intended withdrawal from this market was resolved by RBI in February 2015 (see above: *Measures for a strategic review*).

Developments in Croatia

Amendments to the Consumer Loans Act (the "**Amendments Act**") were approved by the Croatian parliament in November 2013, published on 2 December 2013 and came into force on 1 January 2014.

The Amendments Act will have an impact on future lending business as well as on existing loans. It authorizes the Ministry of Finance to determine the fees which may be charged by the banks in connection with consumer loans, defines the criteria for the setting of interest rates and imposes maximum interest rates as well as additional information requirements on banks.

As regards existing floating interest rate consumer loans except FX-linked housing loans, interest rates will have to be restated in a way that the currently charged gross interest rates will be split into two components – a variable component chosen from a number of authorised parameters (e.g. a reference interest rate like EURIBOR) and a fixed margin. The chosen "parameter" will be deducted from the currently charged gross interest rate. The remainder will represent the fixed margin. From then onwards, the total interest rate may increase or decrease reflecting increases or decreases of the applicable parameter but the fixed margin may not change without prior consent of the borrower. The aforementioned reformulating of floating interest rates as well as caps on consumer loans apply both to new and existing consumer loans.

In case of FX-linked consumer housing loans, the Amendments Act specifies the method of calculation of a maximum fixed interest rate which may be charged in case the foreign currency appreciates by more than 20 per cent. from the day of the loan disbursement. This currently applies to Swiss franc-linked mortgage loans ("**CHF loans**") and the relevant maximum interest rate so fixed would amount to 3.23 per cent. on CHF loans. Should the difference between the current foreign currency/Croatian Kuna exchange rate and the exchange rate from the day the foreign exchange loan agreement was entered into fall below 20 per cent., a conversion of the foreign exchange-loan into Croatian Kuna or into a EUR-linked loan shall be offered to the consumers at then prevailing market conditions. Currently, 75,000 loans in Swiss francs totaling 28 billion Croatian Kuna are estimated to be outstanding in Croatia. The Amendments Act is expected to affect the Issuer's net interest margin on loans. For 2015, the estimated negative impact is expected to amount to EUR 3 million and up to EUR 36 million over the whole duration of the CHF-loan portfolio (until 2048).

Developments in Asia

The Asian business has been negatively impacted by lower commodity prices, which have affected the debt servicing capability of borrowers in the Asia-Pacific region. As a consequence the increase in the non-performing loans ("NPLs") reported in the Group Corporates segment mainly relates to Asia (EUR 734 million as of year-end 2014) and hereof mainly to Indonesia from several clients operating in the raw material and mining business.

Given the Group's total assets in Asia of approximately EUR 6 billion as of 31 December 2014, RBI intends to significantly scale back or exit its business in Asia by end-2017.

Developments in Serbia

In February 2015 the National Bank of Serbia passed a resolution with regard to foreign currency loans. One part of the resolution deals with increases in non-specific elements of variable interest rates in case of foreign currency loans generally, the other part is applicable to CHF-linked mortgage loans only. In both cases, banks, among them Raiffeisen banka a.d., Serbia, are required to take specific steps of action as regards changes in the treatment and in the terms and conditions of the affected loans. The process of implementing said resolutions is still ongoing. Raiffeisen banka a.d. expects the negative impact following the implementation of the resolution to amount to approximately EUR 6 million.

Bank levies and specific taxes:

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 bank levy for 2015 is expected to amount to EUR 38 million. Additionally, a financial transaction tax was introduced in Hungary in 2013 on financial transactions, with certain exemptions, which is expected to have a negative impact on RBI Group of EUR 43 million in 2015. In February 2015 the Hungarian government announced a reduction of bank levies which could lead to a lower future tax burden for banks operating in Hungary.

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 is levied on total assets less certain exceptions. Beginning with 1 April 2014, the average derivative volumes

in the trading book are no longer included in the tax base of the bank levy. The total amount of the Austrian bank levy is expected to negatively impact the RBI Group's 2015 results by EUR 86 million.

Moreover, Slovakia introduced a bank levy effective as of 2012. The negative impact resulting from the bank levy in Slovakia is expected at approximately EUR 17 million in 2015.

Slovenia has also introduced a bank levy at a rate of 0.1 per cent. of total assets (with certain exceptions) expected to have a negative impact on RBI Group of less than EUR 1 million in 2015.

Other countries in which the RBI Group operates are currently discussing or planning the implementation of similar bank levies.

Bank Recovery and Resolution Regime

An Austrian Recovery and Resolution Law came into force as of 1 January 2015 (the Federal Act on the Recovery and Resolution of Banks; Bundesgesetz über die Sanierung und Abwicklung von Banken; "BaSAG"). Payments under this law refer to European rules implementing the Bank Recovery and Resolution Directive ("BRRD"), which are not yet adopted (expected to happen sometime in 2015) and which foresee a contribution payment mechanism starting in 2015. Starting from 2016 the Austrian Resolution Fund, like all other EURO-zone-resolution funds will be transferred to the Single Resolution Fund, being in process of establishment for all EU-Eurozone members (on an optional basis also for other EU members).

The specific amount of overall payments (with respect to RBI Group members, payments based on their respective national laws) can only be determined once the respective EU regulation / national laws have been passed and EU wide data are available. Using external benchmark estimates, however, the contributions for Austria for a bank of the size of RBI Group in Austria might be in the range of approximately EUR 40 million for 2015. Contributions are to be made annually in the next ten years, starting in 2015.

Regulatory capital requirement of RBI's main shareholder RZB

In spring 2014, the Austrian Financial Markets Authority (Finanzmarktaufsicht – "FMA") issued a decree imposing on RZB as superordinated credit institution of the RZB credit institution group (Kreditinstitutsgruppe) a total capital ratio requirement of 13.77 per cent. applicable from July 2014. The calculation of this ratio also included Raiffeisen-Landesbanken-Holding GmbH as parent financial holding company.

The European Central Bank ("ECB") assumed its role as consolidating supervisor for RZB as from 4 November 2014. Meanwhile, the above capital requirement has been replaced by a decision of the ECB, which, however, must be treated as confidential.

In addition to the capital requirements set out above, capital buffer requirements based on the respective regulations of the Austrian Banking Act (*Bankwesengesetz*) may be set. On 1 June 2015, the Austrian Financial Market Stability Board (*Finanzmarktstabilitätsgremium*) has issued a recommendation to the FMA to impose on RZB, among other banks, a systemic risk buffer in the amount of 3 per cent. of its risk weighted assets. Pursuant to the recommendation, the systemic risk buffer is to become effective as from 1 July 2016, however starting with a reduced systemic risk buffer requirement of 2 per cent. of risk weighted assets during a transitional period from 1 July 2016 until 30 June 2017.

Regulatory capital requirement of RBI

Following the Austrian regulator's decision to set up a second level of supervision at the level of RBI Group, on 24 October 2014, RBI received notification from the FMA that it would be required to fulfil regulatory capital requirements as a separate group (i.e. RBI Group on a consolidated basis) in addition to RZB Group. Thus, RBI is sub-consolidated and also regulated separately by the European Central Bank. As a consequence, as from 30 November 2014 RBI was required to adhere to a SREP Ratio (Supervisory Review Evaluation Process Ratio) (i.e. a total capital ratio (transitional)) of 13.76 per cent. Furthermore, the volume of guarantees between RZB and RBI will have to be reduced which is expected to have a negative impact on direct business transactions between RBI and the Regional Raiffeisen Banks, i.e. the Raiffeisen-Landeszentralen, in particular as regards liquidity flows. As part of the measures relating to organisational and functional separation, respectively the unbundling of bank-specific operations between RZB and RBI, it is also required to discontinue identical board functions such as RBI's chief risk officer acting also as a member of the management board of RZB. Thus, Mr. Strobl's position as chief risk officer of RZB will terminate prior to or on 30 June 2015 at the latest.

The European Central Bank ("ECB") assumed its role as competent authority for RBI as from 4 November 2014. Meanwhile, the above capital requirement has been replaced by a decision of the ECB, which, however, must be treated as confidential.

In addition to the capital requirements set out above, capital buffer requirements based on the respective regulations of the Austrian Banking Act (*Bankwesengesetz*) may be set. On 1 June 2015, the Austrian Financial Market Stability Board (*Finanzmarktstabilitätsgremium*) has issued a recommendation to the FMA to impose on RBI, among other banks, a systemic risk buffer in the amount of 3 per cent. of its risk weighted assets. Pursuant to the recommendation, the systemic risk buffer is to become effective as from 1 July 2016, however starting with a reduced systemic risk buffer requirement of 2 per cent. of risk weighted assets during a transitional period from 1 July 2016 until 30 June 2017.

In order to comply with capital requirements in the future, RZB Group and/or RBI Group may have to raise additional tier 1 or tier 2 capital or reduce its risk-weighted assets.

Securitization

As part of RBI's strategic priority of strengthening capital, the bank is actively managing the securitization of assets. By the end of 2014 the Issuer closed a securitization that resulted in a reduction of Risk Weighted Assets (RWAs) by around EUR 500 million and CET1 relief of around EUR 50 million or 0.07 per cent. Going forward, the Issuer aims to securitize assets on a regular basis generating around 0.20 per cent. of CET1 capital relief p.a..

- 25) On pages 162 of the Supplemented Base Prospectus, in the chapter "**5. ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES**" the following wording shall replace the first paragraph below **5.1. Members of the administrative, management and supervisory bodies of RBI**", starting with "Aris Bogdaneris, M.A.,...", and shall also replace the existing footnote to "Aris Bogdaneris, M.A.":

"Aris Bogdaneris, M.A., member of RBI's Management Board, left RBI as of 31 May 2015. As of 1 April 2015, board member Klemens Breuer took over his retail function temporarily, whereas board member Johann Strobl took over operations and IT tasks until a decision on the succession would have been taken.

On 20 May 2015, the Supervisory Board of RBI decided that Andreas Gschwentner will become member of RBI's Management Board from 1 July 2015 following Aris Bogdaneris. The appointment is subject to the approval by the Austrian Financial Market Authority. Klemens Breuer, however, will continue to remain responsible for "Retail banking."

- 26) On page 167 of the Supplemented Base Prospectus, in the chapter "**5.1. Members of the administrative, management and supervisory bodies of RBI**" in the table listing the members of the "**Supervisory Board**" and the "**Major functions outside RBI**" the table entry pertaining to "Mag. Christian Teufl" shall be fully deleted.

- 27) On page 171 of the Supplemented Base Prospectus, in the chapter "**7. FINANCIAL INFORMATION AND DOCUMENTS INCORPORATED BY REFERENCE**"

- i) the following table shall be inserted below the last row of the table "**6. Translations of the audited consolidated financial statements of RBI for the fiscal year 2014**" :

"7. Translations of the unaudited interim consolidated financial statements of RBI for the three months ended 31 March 2015	Extracted from the First Quarter Report as of 31 March 2015 of RBI
– Statement of Comprehensive Income	– pages 46 - 48
– Statement of Financial Position	– page 49
– Statement of Changes in Equity	– page 50
– Statement of Cash Flows	– pages 51
– Segment Reporting	– pages 51 - 55
– Notes	– pages 56 - 89

- ii) the second paragraph below the tables, starting with " RBI is responsible for the free English language translation ..." and ending with "into the English language." shall be replaced by the following:

"RBI is responsible for the free English language translation of its audited annual consolidated financial statements for the financial years ended 31 December 2012, 31 December 2013 and 31 December 2014 and the related audit opinions as well as the unaudited interim consolidated financial statements for the three months ended 31 March 2014, the six months ended 30 June 2014, the nine months ended 30 September 2014 and the three months ended 31 March 2015."

- 28) On pages 171 et seq. of the Supplemented Base Prospectus, in the chapter "**8. LEGAL AND ARBITRATION PROCEEDINGS**" in paragraph (b), the first sentence shall be deleted and replaced by the following sentence:

"Following the insolvency of Alpine Holding GmbH ("Alpine") in 2013, sixteen lawsuits in the total amount of approximately EUR 815,000 were filed by retail investors in Austria against RBI and another bank in connection with a bond which had been issued by Alpine in 2012 in the amount of EUR 100 million."

- 29) On pages 171 et seq. of the Supplemented Base Prospectus, in the chapter "**8. LEGAL AND ARBITRATION PROCEEDINGS**" in paragraph (d) beginning with "By the end of September 2014,..."", the following sentence shall be added as last sentence:

"The court proceedings are now at the disclosure stage".

- 30) On pages 171 et seq. of the Supplemented Base Prospectus, in the chapter "**8. LEGAL AND ARBITRATION PROCEEDINGS**" paragraph (e), beginning with "In March 2014 the Issuer's participation....", shall be deleted and replaced by the following paragraph:

"(e) In March 2014 the Issuer's participation in F.J. Elsner Trading Gesellschaft m.b.H. ("**FJ Elsner**"), a commodities trader, was sold and transferred to MFC Commodities GmbH. Liability was assumed for certain lawsuits of FJ Elsner including a law suit of a U.S. company from August 2011 with the Commercial Court in Vienna. According to the claimant, FJ Elsner delivered steel coils that did not satisfy the agreed upon quality criteria, so that the claimant was not able to use such steel coils for further processing. The claimant claimed damages of USD 41.9 million and further requested a declaratory judgment that FJ Elsner would have to hold it harmless from any third-party claims resulting from the delivery of the steel coils. The Commercial Court and the Court of Appeals denied the claims. The judgment of the Court of Appeals has become final and effective meanwhile.

Also the other lawsuits have been successfully closed, except for two lawsuits with an aggregate amount in dispute of approximately EUR 600,000 plus interest which are still pending."

- 31) On pages 171 et seq. of the Supplemented Base Prospectus, in the chapter "**8. LEGAL AND ARBITRATION PROCEEDINGS**" in paragraph (k) beginning with "Furthermore, the Hungarian Competition Office...", the last sentence shall be deleted and replaced by the following two sentences:

"On 13 February 2015, the HCO issued a preliminary standpoint in its investigation declaring that allegedly anticompetitive information sharing took place among Hungarian banks and financial institutions through the BankAdat database. The HCO procedure is still ongoing."

- 32) On pages 171 et seq. of the Supplemented Base Prospectus, in the chapter "**8. LEGAL AND ARBITRATION PROCEEDINGS**" in paragraph (n) beginning with "At the end of 2013, Raiffeisen Bank Zrt...", the last sentence shall be deleted and replaced by the following two sentences:

"The appellate forum of the Tax Authority suspended the procedure and requested in-house opinion from its Legal and Supervisory Department to clarify some issues of the case. The final decision of the Tax Authority has not yet been issued."

- 33) On pages 171 et seq. of the Supplemented Base Prospectus, in the chapter "**8. LEGAL AND ARBITRATION PROCEEDINGS**" in paragraph (o) beginning with "There is a tendency in CEE countries...", the last two sentences shall be deleted and replaced by the following sentences:

"Moreover in August 2014, both, the consumer rights protection association as well as the banks, including Raiffeisenbank Austria d.d. filed a motion to revise with the Supreme Court of Croatia. However such motion has no suspensive effect on the High Commercial Court's ruling. In May 2015, the Supreme Court of Croatia issued the decision by which all motions to revise are refused and the High Commercial Court's ruling was upheld completely."

- 34) On pages 171 et seq. of the Supplemented Base Prospectus, in the chapter "**8. LEGAL AND ARBITRATION PROCEEDINGS**" paragraph (w), beginning with "In 2015, various plaintiffs launched...", shall be deleted and replaced by the following paragraph:

"w) In 2015, various plaintiffs launched two lawsuits against Raiffeisen Bank S.A., Bucharest claiming damages in the amount of RON 45 million (which equals approximately EUR 10.1 million) and RON 35 million (which equals approximately EUR 7.86 million) respectively, based on the allegation that unfair terms in credit agreements had been used. According to the defendant's assessment the RON 45 million claim was filed outside legal deadlines. In both cases, the assessment of the defendant is that the claims are ungrounded. Decisions are to be expected by the end of the year at the earliest."

- 35) On pages 171 et seq. of the Supplemented Base Prospectus, in the chapter "**8. LEGAL AND ARBITRATION PROCEEDINGS**", the following paragraph shall be inserted below the paragraph (w):

"(x) In 2015, a former client of Raiffeisenbank Austria d.d., Croatia, launched a claim for damages in the amount of approximately EUR 24 million based on the allegation that Raiffeisenbank Austria d.d., Croatia had acted fraudulently by terminating loans, which had been granted for the financing of the client's hotel business, without justification. In previous court proceedings in respect of the termination of the loans as well as the enforcement over the real estate, all final judgments were in favor of Raiffeisenbank Austria d.d., Croatia. Based on that fact, the defendant's attorneys are of the opinion that the claim is unfounded."

- 36) On page 175 of the Supplemented Base Prospectus, the paragraph in the chapter "**9. SIGNIFICANT CHANGE IN THE FINANCIAL POSITION OF THE ISSUER**" shall be deleted and replaced by the following paragraph:

"Apart from the effects stated in Chapter 4.1. (Material adverse changes in the prospects of the Issuer since the date of the last published audited financial statements) there has occurred no significant change in the financial position of RBI Group since 31 March 2015."

- 37) On page 200 of the Supplemented Base Prospectus, in the "TERMS AND CONDITIONS OF THE NOTES", "OPTION I – NICHT NACHRANGIGE SCHULDVERSCHREIBUNGEN / OPTION I – SENIOR NOTES", in § 4 ZINSEN / § 4 INTEREST, in the sub-option "[**Im Fall von variabel verzinslichen Schuldverschreibungen einfügen:** / [**In case of Floating Rate Notes insert:**]" the first paragraph as well as the formula and definition of formula components under the heading "[**Im Fall, dass der Zinssatz auf Basis des HVPI bestimmt wird einfügen:** / [**In case the rate of interest is determined on the basis of HICP, insert:**]" shall be replaced by the following wording:

"**Im Fall, dass der Zinssatz auf Basis des HVPI bestimmt wird, einfügen:**

[In case the rate of interest is determined on the basis of HICP, insert:

(2) *Zinssatz.* Der Zinssatz (der "Zinssatz") für die jeweilige Zinsenlaufperiode wird als Zinssatz in % p.a. („*Ian*") ausgedrückt und von der Berechnungsstelle (wie in § 7 (Beauftragte Stellen) definiert) gemäß folgender Formel bestimmt:

(2) *Rate of Interest.* The rate of interest (the "Rate of Interest") for each Interest Period shall be expressed as a rate in per cent. *per annum* ("Ian") and calculated by the Calculation Agent (as defined in § 7 (Agents)) in accordance with the following formula:

$Ian(t) = [\text{Min} \{ \ }] [\text{Max} \{ \ }] (\text{Index BZ}(t) - \text{Index BZ}(t-1)) / \text{Index BZ}(t-1) [*100] [* \text{Faktor einfügen}] [+][-] [\text{Zuschlag oder Abschlag}]$

$Ian(t) = [\text{Min} \{ \ }] [\text{Max} \{ \ }] (\text{Index RP}(t) - \text{Index RP}(t-1)) / \text{Index RP}(t-1) [*100] [* \text{insert Factor}] [+][-] [\text{insert Surcharge or Reduction}]$

einfügen] [; Wert einfügen }] [+][-] [Marge einfügen]

Index BZ(t) = der Stand des Index, der in Bezug auf den Bezugszeitraum (t) veröffentlicht wird.

Index BZ(t-1) = der Stand des Index, der in Bezug auf den Bezugszeitraum (t-1) veröffentlicht wird.

BZ(t) = der Bezugszeitraum (t), d.h. **[Bezugszeitraum einfügen]**.

BZ(t-1) = der Bezugszeitraum (t-1), d.h. **[Bezugszeitraum einfügen]**.

[Faktor = Multiplikator des Inflationsssatzes]

“Index” ist der unrevidierte Harmonisierte Verbraucherpreisindex (ohne Tabak) (“HVPI”) für die Euro Zone (wie nachstehend definiert), der monatlich vom Statistischen Amt der Europäischen Gemeinschaft (nachfolgend “EUROSTAT” oder “Indexsponsor” genannt) berechnet wird, und welcher auf der Bildschirmseite am Zinsfestlegungstag (wie nachfolgend definiert) veröffentlicht wird.

38) On page 210 of the Supplemented Base Prospectus, in the “TERMS AND CONDITIONS OF THE NOTES”, “OPTION 1 – NICHT NACHRANGIGE SCHULDVERSCHREIBUNGEN / OPTION I – SENIOR NOTES” in § 4 ZINSEN / § 4 INTEREST in the sub-option “[**Im Fall von fest zu variabel verzinslichen Schuldverschreibungen einfügen:** / “[**In case of Notes with fixed to floating interest rates, insert:**” the first paragraph as well as the formula and definition of formula components under the heading “[**Im Fall, dass der variable Zinssatz auf Basis des HVPI bestimmt wird einfügen:** / [**In case the floating rate of interest is determined on the basis of HICP, insert:**” shall be replaced by the following wording: :

" [**Im Fall, dass der variable Zinssatz auf Basis des HVPI bestimmt wird, einfügen:**

(d) *Variabler Zinssatz.* Der variable Zinssatz (der “Variable Zinssatz”) für die jeweilige Variable Zinsenlaufperiode wird als Zinssatz in % p.a. (“Ian”) ausgedrückt und von der Berechnungsstelle (wie in § 7 (Beauftragte Stellen) definiert) gemäß folgender Formel bestimmt:

$$Ian(t) = [\text{Min} \{ \} [\text{Max} \{ \}] (\text{Index BZ}(t) - \text{Index BZ}(t-1)) / \text{Index BZ}(t-1)] [*100] [* \text{Faktor einfügen}] [+][-] [\text{Zuschlag oder Abschlag einfügen}] [; \text{Wert einfügen}] [+][-] [\text{Marge einfügen}]$$

Index BZ(t) = der Stand des Index, der in Bezug auf den Bezugszeitraum (t) veröffentlicht wird.

Index BZ(t-1) = der Stand des Index, der in Bezug auf den Bezugszeitraum (t-1) veröffentlicht wird.

BZ(t) = der Bezugszeitraum (t), d.h. **[Bezugszeitraum einfügen]**.

BZ(t-1) = der Bezugszeitraum (t-1), d.h. **[Bezugszeitraum einfügen]**.

[Faktor = Multiplikator des Inflationsssatzes]

“Index” ist der unrevidierte Harmonisierte Verbraucherpreisindex (ohne Tabak) (“HVPI”) für die Euro Zone (wie nachstehend definiert), der monatlich vom Statistischen Amt der Europäischen Gemeinschaft (nachfolgend “EUROSTAT” oder “Indexsponsor” genannt) berechnet wird, und welcher auf der Bildschirmseite am Zinsfestlegungstag (wie nachfolgend definiert) veröffentlicht wird.

[; insert Value }] [+][-] [insert Margin]

Index RP(t) = The level of the Index that is published by reference to the Reference Period (t).

Index RP(t-1) = The level of the Index that is published by reference to the Reference Period (t-1).

RP(t) = the Reference Period (t), i.e. **[insert reference period]**.

RP(t-1) = the Reference Period (t-1), i.e. **[insert reference period]**.

[Factor = Multiplier of Inflation Rate]

“Index” is the unrevised Harmonised Index of Consumer Prices (excluding Tobacco) (“HICP”) for the Euro Zone (as defined below), which is calculated on a monthly basis by the statistical office of the European Union (the “EUROSTAT” or the “Index Sponsor”) and published on the Screen Page on the Interest Determination Date (as defined below).”

[In case the floating rate of interest is determined on the basis of HICP, insert:

(d) *Floating Rate of Interest.* The floating rate of interest (the “Floating Rate of Interest”) for each Floating Interest Period shall be expressed as a rate in per cent. *per annum* (“Ian”) and calculated by the Calculation Agent (as defined in § 7 (Agents)) in accordance with the following formula:

$$Ian(t) = [\text{Min} \{ \} [\text{Max} \{ \}] (\text{Index RP}(t) - \text{Index RP}(t-1)) / \text{Index RP}(t-1)] [*100] [* \text{insert Factor}] [+][-] [\text{insert Surcharge or Reduction}] [; \text{insert Value}] [+][-] [\text{insert Margin}]$$

Index RP(t) = The level of the Index that is published by reference to the Reference Period (t).

Index RP(t-1) = The level of the Index that is published by reference to the Reference Period (t-1).

RP(t) = the Reference Period (t), i.e. **[insert reference period]**.

RP(t-1) = the Reference Period (t-1), i.e. **[insert reference period]**.

[Factor = Multiplier of Inflation Rate]

“Index” is the unrevised Harmonised Index of Consumer Prices (excluding Tobacco) (“HICP”) for the Euro Zone (as defined below), which is calculated on a monthly basis by the statistical office of the European Union (the “EUROSTAT” or the “Index Sponsor”) and published on the Screen Page on the Interest Determination Date (as defined below).”

- 39) On page 219 of the Supplemented Base Prospectus, in the “TERMS AND CONDITIONS OF THE NOTES”, “OPTION 1 – NICHT NACHRANGIGE SCHULDVERSCHREIBUNGEN / OPTION I – SENIOR NOTES” in § 4 ZINSEN / § 4 INTEREST in the sub-option **[Im Fall von variabel zu fest verzinslichen Schuldverschreibungen einfügen: / [In case of Notes with floating to fixed interest rates, insert:]** the first paragraph as well as the formula and definition of formula components under the heading **“[Im Fall, dass der variable Zinssatz auf Basis des HVPI bestimmt wird einfügen: / [In case the floating rate of interest is determined on the basis of HICP, insert:]** shall be replaced by the following wording:

“[Im Fall, dass der variable Zinssatz auf Basis des HVPI bestimmt wird, einfügen:

(d) *Variablel Zinssatz.* Der variable Zinssatz (der “Variable Zinssatz”) für die jeweilige Variable Zinsenlaufperiode wird als Zinssatz in % p.a. („*Ian*“) ausgedrückt und von der Berechnungsstelle (wie in § 7 (Beauftragte Stellen) definiert) gemäß folgender Formel bestimmt:

$Ian(t) = [\text{Min} \{ \} [\text{Max} \{ \} (\text{Index BZ}(t) - \text{Index BZ}(t-1)) / \text{Index BZ}(t-1)] [*100] [* \text{Faktor einfügen}] [+][-] [\text{Zuschlag oder Abschlag einfügen}] [; \text{Wert einfügen}]] [+][-] [\text{Marge einfügen}]$

Index BZ(t) = der Stand des Index, der in Bezug auf den Bezugszeitraum (t) veröffentlicht wird.

Index BZ(t-1) = der Stand des Index, der in Bezug auf den Bezugszeitraum (t-1) veröffentlicht wird.

BZ(t) = der Bezugszeitraum (t), d.h. **[Bezugszeitraum einfügen]**.

BZ(t-1) = der Bezugszeitraum (t-1), d.h. **[Bezugszeitraum einfügen]**.

[Faktor = Multiplikator des Inflationssatzes]

“Index” ist der unrevidierte Harmonisierte Verbraucherpreisindex (ohne Tabak) (“HVPI”) für die Euro Zone (wie nachstehend definiert), der monatlich vom Statistischen Amt der Europäischen Gemeinschaft (nachfolgend “EUROSTAT” oder “Indexsponsor” genannt) berechnet wird, und welcher auf der Bildschirmseite am Zinsfestlegungstag (wie nachfolgend definiert) veröffentlicht wird.

[In case the floating rate of interest is determined on the basis of HICP, insert:

(d) *Floating Rate of Interest.* The floating rate of interest (the “Floating Rate of Interest”) for each Floating Interest Period shall be expressed as a rate in per cent. *per annum* (“*Ian*”) and calculated by the Calculation Agent (as defined in § 7 (Agents)) in accordance with the following formula:

$Ian(t) = [\text{Min} \{ \} [\text{Max} \{ \} (\text{Index RP}(t) - \text{Index RP}(t-1)) / \text{Index RP}(t-1)] [*100] [* \text{insert Factor}] [+][-] [\text{insert Surcharge or Reduction}] [; \text{insert Value}]] [+][-] [\text{insert Margin}]$

Index RP(t) = The level of the Index that is published by reference to the Reference Period (t).

Index RP(t-1) = The level of the Index that is published by reference to the Reference Period (t-1).

RP(t) = the Reference Period (t), i.e. **[insert reference period]**.

RP(t-1) = the Reference Period (t-1), i.e. **[insert reference period]**.

[Factor = Multiplier of Inflation Rate]

“Index” is the unrevised Harmonised Index of Consumer Prices (excluding Tobacco) (“HICP”) for the Euro Zone (as defined below), which is calculated on a monthly basis by the statistical office of the European Union (the “EUROSTAT” or the “Index Sponsor”) and published on the Screen Page on the Interest Determination Date (as defined below).”

- 40) On page 473 of the Supplemented Base Prospectus, in the chapter “GENERAL INFORMATION”, the existing table (including footnotes) under the heading “Credit Ratings” shall be deleted and replaced by the following table (including footnotes):

	Moody's ³⁵	S&P ³⁶	Fitch ³⁷
Rating for long term obligations (senior)	Baa2 / Rating under Review uncertain	BBB / Outlook negative	BBB / Outlook negative
Rating for short term obligations (senior)	P-2	A-2	F3

³⁵ Moody's appends long-term obligation ratings at the following levels: Aaa, Aa, A, Baa, Ba, B, Caa, Ca and C. To each generic rating category from Aa to Caa Moody's assigns the numerical modifiers "1", "2" and "3". The modifier "1" indicates that the bank is in the higher end of its letter-rating category, the modifier "2" indicates a mid-range ranking and the modifier "3" indicates that the bank is in the lower end of its letter-rating category. Moody's short-term ratings are opinions of the ability of issuers to honor short-term financial obligations and range from P-1, P-2, P-3 down to NP.

³⁶ S&P assign long-term credit ratings on a scale from AAA (best quality, lowest risk of default) to D (highest risk of default). The ratings from AA to CCC may be modified by the addition of a "+" or "-" to show the relative standing within the major rating categories. S&P may also offer guidance (termed a “credit watch”) as to whether a rating is likely to be upgraded (positive), downgraded (negative) or uncertain (neutral). S&P assigns short-term credit ratings for specific issues on a scale from A-1+ (particularly high level of security), A-2, A-3, B, C down to D (highest risk of default).

³⁷ Fitch's long-term credit ratings are set up along a scale from AAA (best quality, lowest risk of default), AA, A, BBB, BB, B, CCC, CC, C down to D (highest risk of default). Fitch uses the intermediate modifiers "+" and "-" for each category between AA and CCC to show the relative standing within the relevant rating categories. Fitch's short-term ratings indicate the potential level of default within a 12-month period at the levels F1+ (highest credit quality), F1, F2, F3, F4, B, C and D (highest risk of default).