First Supplement dated 4 September 2012
to the Debt Issuance Programme Prospectus dated 26 June 2012

*This document (the "**First Supplement**") constitutes a supplement for the purpose of Art. 16 of the Directive 2003/71/EC of the European Parliament and the Council of 4 November 2003, 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 "**Prospectus Law**"), to the two base prospectuses dated 26 June 2012 relating to a 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 Prospectus**") (the First Supplement together with the Original Prospectus, the "**Prospectus**").*

Raiffeisen Bank International

RAIFFEISEN BANK INTERNATIONAL AG

EUR 25,000,000,000 Debt Issuance Programme

for the issue of Notes

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

This First 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). Raiffeisen Bank International AG has requested the CSSF in its capacity as competent authority under the Prospectus Law to approve this First 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 First Supplement has been drawn up in accordance with the Prospectus Law which implements the Prospectus Directive into Luxembourg law. The Issuer may request the CSSF to provide competent authorities in additional Member States within the European Economic Area with a Notification.

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

The Issuer is solely responsible for the information given in this First 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 First Supplement is in accordance with the facts and does not omit anything likely to affect the import of such information.

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

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

Save as disclosed in items 1) to 14) of this First Supplement, there has been no other significant new factor, material mistake or inaccuracy relating to information included in the Prospectus since the publication of the Original Prospectus.

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

This First 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 FIRST SUPPLEMENT IS PUBLISHED HAVE THE RIGHT, EXERCISABLE WITHIN TWO WORKING DAYS AFTER THE PUBLICATION OF THIS FIRST SUPPLEMENT, I.E. UNTIL 6 SEPTEMBER 2012, 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.

SUPPLEMENTAL INFORMATION

1) On page 20 of the Original Prospectus, in the Chapter "**SUMMARY**" in the section "**Summary of Risk Factors regarding the Notes**" the summary of the risk factor "*Risks in connection with the adoption of a future resolution regime and bail-in rules for banks*" shall be replaced with the following summary:

Risks in connection with the adoption of a future resolution regime and "bail-in rules" for credit institutions	Notes might become subject to future regulations, including the European Crisis Management Directive and any implementation thereof into Austrian law, enabling the competent regulator and/or authority to apply write down and/or resolution tools to a credit institution, including the write down or conversion into equity of the credit institution's capital instruments and, in the case of a so-called "bail in", also unsubordinated debt instruments that are not exempted debt instruments, if certain conditions are met. The provisions and/or such regulatory measures may severely affect the rights of the Holders of the Notes including the loss of the entire investment in the event of non-viability or resolution of the Issuer and may have a negative impact on the market value of the Notes also prior to non-viability or resolution.

2) On page 20 of the Original Prospectus, in the Chapter "**SUMMARY**" in the section "**Summary of Risk Factors regarding the Notes**" the following risk factor "*Change of law*" shall be inserted as new risk factor just below the risk factor "*Risks in connection with the adoption of a future resolution regime and bail-in rules for banks*":

Change of law	There can be no assurance given as to the impact of any possible change to German or Austrian law or any European laws having direct application in Germany and/or Austria. Such changes in law may include, but are not limited to, the introduction of a new regime enabling the competent authorities in Austria to cause Holders to share in the losses of the Issuer under certain circumstances.

3) On page 38 of the Original Prospectus, in the Chapter "**ZUSAMMENFASSUNG**" in the section "**Zusammenfassung der Risikofaktoren in Bezug auf die Schuldverschreibungen**" the summary of the risk factor "*Risken im Zusammenhang mit der Einführung zukünftiger Regelungen eines "Resolution Regime" und "Bail In-Regelungen" für Banken"* shall be replaced with the following summary:

Risken im Zusammenhang mit der Einführung zukünftiger Regelungen eines "Resolution Regime" und "Bail In-Regelungen" für Kreditinstitute	Schuldverschreibungen könnten zukünftigen Regelungen, einschließlich der sogenannten EU-Krisenmanagement-Richtlinie und deren Umsetzung in österreichisches Recht, unterworfen sein, welche die zuständigen Aufsichtsbehörden ermächtigen, bestimmte Abschreibungs- (*write down*) oder Abwicklungsinstrumente (*resolution tools*) gegenüber Kreditinstituten anzuwenden. Dies schließt die Abschreibung oder Wandlung in Eigenkapital von Kapitalinstrumenten, und im Fall des sogenannten "Bail-In" auch von nicht nachrangigen Verbindlichkeiten (soweit es sich nicht um vom "Bail-In" ausgenommene Verbindlichkeiten handelt), eines Kreditinstituts ein, sofern bestimmte Voraussetzungen vorliegen. Diese Regelungen oder aufsichtsbehördlichen Maßnahmen könnten die Gläubiger der Schuldverschreibungen wesentlich in ihren Rechten beeinträchtigen, was im Fall der Nichttragfähigkeit (*non-viability*) oder Abwicklung (*resolution*) der Emittentin auch zum Verlust des gesamten Investments führen könnte. Negative Auswirkung auf den Marktwert der Schuldverschreibungen könnten bereits vor Eintritt der Nichttragfähigkeit (*non-viability*) oder der Abwicklung (*resolution*) eintreten.

4) On page 38 of the Original Prospectus, in the Chapter "**ZUSAMMENFASSUNG**" in the section "**Zusammenfassung der Risikofaktoren in Bezug auf die Schuldverschreibungen**" the following risk factor "*Gesetzesänderung*" shall be inserted as new risk factor just below the risk factor "*Risken im Zusammenhang mit der Einführung zukünftiger Regelungen eines "Resolution Regime" und "Bail In-Regelungen" für Banken"*:

Gesetzesänderung	Es können keine Aussagen hinsichtlich der Auswirkungen etwaiger künftiger Änderungen des deutschen Rechts, des österreichischen Rechts oder des europäischen Rechts, das unmittelbar in Deutschland oder Österreich anwendbar ist, getroffen werden. Solche Gesetzesänderungen können insbesondere die Einführung neuer Regelungen umfassen, gemäß denen es den zuständigen Behörden in Österreich ermöglicht wird, Gläubiger dieser Schuldverschreibungen unter bestimmten Umständen an den Verlusten der Emittentin zu beteiligen.

5) On page 67 of the Original Prospectus, in the Chapter "**RISK FACTORS**" in the section "**Risk Factors Regarding the Notes**" the risk factor "*Risks in connection with the adoption of a future resolution regime and bail-in rules for banks*" shall be replaced with the following risk factor:

"*Risks in connection with the adoption of a future resolution regime and "bail-in rules" for credit institutions*

Currently, discussions, initiatives and review processes dealing with loss absorbency and bail-in rules are and have been on-going at various levels (Basel Committee on Banking Supervision, European Commission, OeNB and the FMA) which may result in significant changes in the regulatory framework for capital and debt instruments of credit institutions. However, the exact scope of such regulations and requirements is still in discussion and not yet codified.

On 13 January 2011 the Basel Committee on Banking Supervision published minimum requirements for regulatory capital to ensure loss absorbency at the point of non-viability for banks.

In addition, on 6 June 2012, the European Commission proposed a new directive establishing a framework for the recovery and resolution of credit institutions and investment firms (the "**Crisis Management Directive**"). The exact provisions of the Crisis Management Directive are under discussion in the currently on-going legislative procedure, and it has not been enacted yet.

The Crisis Management Directive includes proposals to give the competent regulator and/or authority the power to write down the share capital of a credit institution and to write down or to convert into equity its relevant capital instruments (i.e. the own funds instruments of the credit institution) if certain conditions are met (the "write-down tool"). The write-down tool would be applicable in particular if the competent regulator and/or authority determines that, unless the write-down tool is applied, the credit institution will no longer be viable or if a decision has been made to provide the credit institution with extraordinary public support without which the credit institution will no longer be viable.

The Crisis Management Directive further includes proposals to require the competent regulator and/or authority to be given the following resolution powers (the "resolution tools"):

- to transfer to an investor shares, other instruments of ownership and/or all specified assets, rights or liabilities of the credit institution (the sale of business tool), and/or
- to transfer all or specified assets, rights or liabilities of the credit institution to a bridge institution which is wholly owned by public authorities (the bridge institution tool), and/or
- to transfer assets, rights or liabilities to a legal entity which is wholly owned by public authorities for the purpose of sale or otherwise ensuring that the business is wound down in an orderly manner, to be applied in conjunction with another resolution tool (the asset separation tool), and/or
- to recapitalise an institution to the extent sufficient to restore its ability to comply with the conditions for authorisation and to carry on the activities for which it is authorised or to provide capital for a bridge institution (the bail-in tool), in each case by taking the measures described in the following paragraph.

Under the write-down tool and the bail-in tool the competent regulator and/or authority would have the power, upon certain trigger events, to cancel existing shares, to write down eligible liabilities (i.e. own funds instruments and, in the case of the bail-in tool, other subordinated debt and even senior debt, subject to exceptions in respect of certain liabilities) of a failing credit institution or to convert such eligible liabilities of a failing credit institution into equity at certain rates of conversion representing appropriate compensation to the affected holder for the loss incurred as a result of the write-down and conversion, to strengthen the credit institution's financial position and allow it to continue as a going concern subject to appropriate restructuring. Where a credit institution meets the conditions for resolution, the competent regulator and/or authority would be required to apply the write-down tool before applying the resolution tools. The further delineation between the write-down tool and the bail-in tool is subject to further clarification.

The resolution tools would be applicable pursuant to the Crisis Management Directive if the credit institution is failing or is likely to fail, in particular if the credit institution

- breaches the applicable capital requirements in a way that would justify the withdrawal by the competent authority of the relevant credit institution's bank licence, or
- is or will be, in the near future, balance sheet insolvent (i.e. the liabilities of the credit institution exceeding its assets), or
- is or will be, in the near future, unable to pay its debts as they fall due, or
- is about to receive certain extraordinary public financial support.

Pursuant to the Crisis Management Directive, any write-down (or conversion) in accordance with the bail-in tool or the write-down tool would not constitute an event of default under the terms of the relevant instruments. Consequently, any amounts so written down would be irrevocably lost and the holders of such instruments would cease to have any claims thereunder, regardless whether or not the bank's financial position is restored. Pursuant to the Crisis Management Directive, resolution authorities would ensure that, when applying the resolution tools, creditors however do not incur greater losses than those that they would incur if the credit institution would have been wound down in normal insolvency proceedings.

If enacted as currently proposed, the Crisis Management Directive would require Member States to apply the national law, regulations and administrative provisions adopted to comply with the Crisis Management Directive by 1 January 2015. However, provisions adopted to implement the bail-in tool would be applied by Member States by 1 January 2018. The Crisis Management Directive sets out a minimum set of resolution tools. Member States may however retain specific national tools and powers to deal with failing institutions if those additional powers are consistent with the principles and objectives of the resolution framework pursuant to the Crisis Management Directive and do not pose obstacles to effective group resolution.

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

6) On page 67 of the Original Prospectus, in the Chapter "**RISK FACTORS**" in the section "**Risk Factors Regarding the Notes**" the following risk factor shall be inserted as new risk factor below the risk factor "*Risks in connection with the adoption of a future resolution regime and bail-in rules for banks*":

"*Change of law*

The Conditions of the Notes are governed by, and construed in accordance with, German law save in respect of certain provisions relating to Subordinated Instruments according to BWG, New Style Tier 2 Notes and Covered Bank Bonds , which are governed by Austrian law as specified in § 14 of the Terms and Conditions. There can be no assurance given as to the impact of any possible change to German or Austrian law or any European laws having direct application in Germany and/or Austria. Such changes in law may include, but are not limited to, the introduction of a new regime enabling the competent authority/ies in Austria to cause investors in the Notes to share in the losses of the Issuer under certain circumstances. See *"Risk Factors - Risks in connection with the adoption of a future resolution regime and bail-in rules for banks".* "

7) On page 80 of the Original Prospectus, in the Chapter "**TERMS AND CONDITIONS OF THE NOTES**" in the section "**§ 2 STATUS**" in the sub-section "[New Style Tier 2 Notes:] [New Style Tier 2 Schuldverschreibungen:]" footnote 1 attached to the heading ("To be used only after adoption of CRR. Erst ab Verabschiedung der CRR gültig") shall be deleted.

8) On page 146 of the Original Prospectus, in Chapter "**4. TREND INFORMATION**" all paragraphs under the heading "***Bank levies:***" shall be replaced with the following paragraphs:

"Various countries have already implemented bank specific taxes or levies.

In Hungary, a bank levy was introduced in 2010 and is calculated on the basis of total assets. The tax burden in 2012 is expected to have an impact of EUR 40 million on the RBI Group's 2012 results. According to recently approved legislation in Hungary half such bank levy will be replaced by a financial transaction tax in 2013. Financial transactions, with certain exemptions, will be taxed at a rate of 0.1% from January 1, 2013 having an estimated negative impact on RBI Group of up to EUR 35 million in 2013.

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

Moreover, Slovakia and Poland introduced a bank levy effective as of 2012 resulting in an estimated negative earnings effect on RBI Group's 2012 results of some EUR 50 million (of which approximately EUR 30 million in Slovakia and EUR 20 million in Poland).

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

9) On page 148 of the Original Prospectus, in Chapter "**4. TREND INFORMATION**" under the heading "***Additional capital requirement of RZB Group according to EBA calculations***" the following paragraph shall be inserted as last paragraph:

"Result as at 30 June 2012

Following the implementation of the above mentioned measures, the EBA core tier 1 capital ratio target of 9 per cent was exceeded by RZB Group. The ratio for the RZB Group was 10.0 per cent if the net profit generated during the first half of the year is not included in the calculation and it was 10.6 per cent if the net profit for the period is included."

10) On pages 158 to 159 of the Original Prospectus, in the Chapter "**7. LEGAL AND ARBITRATION PROCEEDINGS**" the paragraph starting with "A large number of customers of AMIS Asset Management Investment Services AG…" shall be deleted.

11) On page 160 of the Original Prospectus, in the Chapter "**7. LEGAL AND ARBITRATION PROCEEDINGS**" the following paragraph shall be inserted as the second last paragraph:

"In the course of 2012 disputes in certain insolvency proceedings came up, which might result in claims in the amount of up to EUR 14 million against RBI."

12) On page 177 of the Original Prospectus, in the Chapter **TAXATION,** the following sections shall be inserted as sections "**6. Taxation in the Czech Republic**" and "**7. Taxation in Slovakia**":

"**6. Taxation in the Czech Republic**

6.1 Taxation of tax residents

Persons (individuals and corporate entities) who are tax resident in the Czech Republic are subject to income taxation (personal income tax or corporate income tax, respectively) on their worldwide income, regardless of its source, including interest from debt instruments (such as the Notes) and capital gains from the sale of the Notes.

6.1.1 Tax rates

The taxable income from the Notes is taxed at a flat personal income tax rate of 15% for individuals and at a flat corporate income tax rate of 19% for general corporate entities and at a flat corporate income tax rate of 5% for investment funds and unit trusts.

6.1.2 Private investors

Interest (including discount on bonds) is taxable and related expenses are not tax deductible. Capital gains from the sale of the Notes held as private assets by individuals are tax exempt after a 6-month holding period. In the case of taxable capital gains from the sale of the Notes held as private assets by individuals (as opposed to business assets), only the acquisition price of the Notes up to the sale proceeds may be a tax deductible expense.

6.1.3 Pension funds

Interest income of pension funds from certain debt instruments (e.g. from bonds or deposit certificates) are not subject to Czech corporate income tax.

6.2 Taxation of tax non-residents

Persons (individuals and corporate entities) who are not tax resident in the Czech Republic are subject to Czech personal income tax or corporate income tax on interest or capital gains if:

(i) the Notes are held as business assets of a Czech permanent establishment of the tax non-resident, or
(ii) capital gains from the sale of the Notes are paid by a Czech tax resident or a Czech permanent establishment of a tax non-resident. An applicable double taxation treaty concluded between the Czech Republic and the tax residency country of the tax non-resident (seller of the Notes) may, however, eliminate this Czech taxation of capital gains, or
(iii) interest is paid in an over-the-counter transaction with a Czech credit institution or financial services institution, which term includes a Czech branch of a foreign credit institution or financial services institution, but excludes a foreign branch of a Czech credit institution or financial services institution ("Czech Paying Agent").

6.3 Withholding tax

6.3.1 Tax residents

Withholding tax on interest paid to individual investors may be imposed in the Czech Republic. Withholding tax may be levied if the Notes are (i) kept in a domestic securities deposit account by a Czech Paying Agent and (ii) the proceeds are paid by the Czech Paying Agent.
Withholding tax is levied at a flat withholding tax rate of 15%. The withheld income tax is final and shall replace the investor's income taxation by self-assessment in its annual tax declaration.

6.3.2 Tax non-residents

Persons who are not tax resident in the Czech Republic are subject to Czech withholding tax only if the interest on the Notes is paid in an over-the-counter transaction with a Czech Paying Agent. If applicable, double taxation treaties may provide for nil or a reduced tax on the interest income of tax non-residents.
If subject to Czech withholding tax, persons who are not tax resident in the Czech Republic but are tax residents in other member states of the EU/EEA (European Economic Area), have an option to file a Czech annual income tax declaration whereby they can declare (self-assess) the interest income and deduct the actual related tax expenses; if the tax withheld is higher than their actual self-assessed income tax liability, the difference is refundable.

6.3.3 Tax security withholding

Capital gains from the sale of the Notes paid to persons not tax resident in the EU/EEA by a Czech tax resident or a Czech permanent establishment of a tax non-resident are not subject to Czech withholding tax, but to a tax security (advance) withholding. Under Czech income tax law, the buyer of the Notes is obliged to withhold this tax security at the rate of 1% of the purchase price of the Notes and transfer it to the Czech tax authority.
EU/EEA tax non-residents then have an option to file a Czech annual income tax declaration whereby they can declare (self-assess) their capital gains and deduct the actual related tax expenses. If the withheld tax security is higher than their actual self-assessed income tax liability, the difference is refundable. An applicable double taxation treaty concluded between the Czech Republic and the tax residency country of the EU/EEA tax non-resident may, however, eliminate this tax security withholding obligation.

6.4 Inheritance and gift tax

Inheritance or gift taxes with respect to the Notes will, in principle, arise under Czech law depending on, in the case of inheritance tax, the legal status of the decedent, and in the case of gift tax, whether the place of the gift was in the Czech Republic as well as the legal status of the donor or beneficiary. In certain cases a bilateral tax treaty may apply.

7. Taxation in Slovakia

7.1 Taxation of tax residents

Persons (individuals and corporate entities) who are tax resident in the Slovak Republic are subject to income taxation (personal income tax or corporate income tax, respectively) on their worldwide income, regardless of its source, including interests from debt instruments (such as the Notes) and capital gains from the sale of the Notes.

7.1.1 Tax rates

The taxable income from the Notes is taxed at a flat tax rate of 19% applicable for individuals as well as general corporate entities.

There is currently (August 2012) proposed a Government amendment of the Slovak Income Tax Act based on which there is proposed a tax rate of 23% applicable from 1 January 2013 for general corporate entities and a tax rate of 25% applicable from 1 January 2013 for individuals with the annual tax base exceeding a multiple of 176.8 of valid living minimum and 19% applicable from 1 January 2013 for individuals with the annual tax base below or equal a multiple of 176.8 of valid living minimum. However, this Government amendment is currently (August 2012) only in the legislative process and given to relevant bodies for comments and has not been submitted for approval to the National Council of the Slovak Republic yet. Therefore, any changes during the legislative process cannot be excluded.

7.1.2 Private investors

Interest (including discount on bonds) is taxable and related expenses are not tax deductible. Capital gains from the sale of the Notes are taxable, related expenses are tax deductible. In case of taxable capital gains from the sale of the Notes held as private assets by individuals (as opposed to business assets), the acquisition price of the Notes and the expenses incurred in relation to the acquisition of the Notes may be a tax deductible expense only up to the sale proceeds.

Capital gains may be exempt provided that the income, less the acquisition price of the Notes and expenses related to the acquisition of the Notes, does not exceed EUR 500 in the tax period. If it exceeds EUR 500, only the amount exceeding EUR 500 is taxable. Capital gains derived from the sale of Notes acquired before January 1, 2004 are exempt from taxation in the Slovak Republic.

7.1.3 Pension funds

Interest income of pension funds from certain debts instruments (e.g. from bonds, deposit certificates) are not subject to Slovak corporate income tax.

7.2 Taxation of tax non-residents

Persons (individuals and corporate entities) who are not tax resident in the Slovak Republic are subject to Slovak personal income tax or corporate income tax on interest or capital gains if:

(i) the interests from the Notes (except Government Notes) is paid by a Slovak tax resident or by a Slovak permanent establishment of the Slovak tax non-resident, or

(ii) the income from the sale of the Notes is paid by a Slovak tax resident or a Slovak permanent establishment of a Slovak tax non-resident.

An applicable double taxation treaty concluded between the Slovak Republic and the tax residency country of the tax non-resident (recipient of the interests / seller of the Notes) may, however, eliminate the Slovak taxation of interests or capital gains.

7.3 Withholding tax

7.3.1 Tax residents

Interests on the Notes paid to individual investors, to taxpayers not established for doing business, to the National Bank of Slovakia and to the Slovak National Property Fund are subject to withholding tax in the Slovak Republic at the withholding tax rate of 19%. The withheld income tax represents a final tax and shall replace the investor's income taxation by self-assessment in its annual income tax return.

7.3.2 Tax non-residents

Interests on the Notes paid to persons who are not tax resident in the Slovak Republic (and not having a permanent establishment in the Slovak Republic) are subject to Slovak withholding tax at the rate of 19% regardless of whether the investor is an individual person or a legal entity. If applicable, double taxation treaties may provide for nil or a reduced tax on the interest income of tax non-residents.

These investors have an option to file a Slovak annual income tax return whereby they can declare (self-assess) the interest income on the Notes (without deducting any expenses); if the tax withheld is higher than their actual self-assessed income tax liability, the difference is refundable.

7.3.3 Tax security withholding

Income derived by persons not tax resident in the EU from the sale of the Notes, issued by a taxpayer with the registered seat in the Slovak Republic, to Slovak tax residents, or permanent establishments of Slovak tax non-residents located in the Slovak Republic, is not subject to Slovak withholding tax, but to a tax security (advance) withholding. Under the Slovak Income Tax Act, the buyer of the Notes is obliged to withhold this tax security at the rate of 19% and transfer it to the Slovak tax authority. The tax security withholding does not have to be withheld if the Slovak tax non-resident pays advance payments for income tax in the Slovak Republic, which should be confirmed in writing by the relevant Slovak tax authority. An applicable double taxation treaty concluded between the Slovak Republic and the tax residency country of the EU tax non-resident may, however, eliminate this tax security withholding obligation.

EU tax non-residents then have an option to file a Slovak annual income tax return whereby they can declare (self-assess) their capital gains and deduct the actual related tax expenses. If the withheld tax security is higher than their actual self-assessed income tax liability, the difference is refundable.

7.4 Inheritance and gift tax

Gift tax and inheritance tax were abolished as of January 1, 2004 in the Slovak Republic. As such, gift and inheritance taxes are not part of the tax system in the Slovak Republic."

13) On page 179 of the Original Prospectus, in the Chapter "**GENERAL INFORMATION**" in the section "**Significant Change in the Financial Position of the Issuer**", the existing paragraph shall be replaced by the following:

"Save as disclosed in chapter "4. TREND INFORMATION" on pages 144 *et seqq*., there has occurred no significant change in the financial position of RBI since 30 June 2012."

14) On page 180 of the Original Prospectus, in the Chapter "**GENERAL INFORMATION**" in the section "**Documents incorporated by reference**" the following table shall be inserted as last table:

"4. Unaudited consolidated interim financial statements for the six months ended 30 June 2012 of RBI	**Extracted from Second Quarter Report as of 30 June 2012 of RBI**
– Statement of Comprehensive Income	– pages 56-58
– Statement of Financial Position	– page 59
– Statement of Changes in Equity	– page 60
– Statement of Cash Flows	– page 60
– Segment Reporting	– pages 61-65
– Notes	– pages 66-99"