

Second Supplement dated 14 October 2019

to the Debt Issuance Programme Prospectus dated 16 July 2019
relating to the EUR 25,000,000,000 Debt Issuance Programme

This document constitutes a supplement (the "Second Supplement") for the purpose of 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 and (ii) the base prospectus in respect of covered notes (non-equity securities within the meaning of Art. 22 No. 6(3) of the Commission Regulation (EC) No. 809/2004 of 29 April 2004, as amended) (the two base prospectuses together, the "Original Base Prospectus"). The Original Base Prospectus in the form as supplemented by the First Supplement dated 21 August 2019 is hereinafter referred to as the "Supplemented Base Prospectus" and the Supplemented Base Prospectus in the form as supplemented by this Second Supplement is hereinafter referred to as the "Base Prospectus".



RAIFFEISEN BANK INTERNATIONAL AG

EUR 25,000,000,000 Debt Issuance Programme

for the issue of Notes

This Second 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 Second Supplement. To the extent that there is any inconsistency between (a) any statement in this Second Supplement and (b) any other statement prior to the date of this Second Supplement, the statements in (a) will prevail.

This Second Supplement has been approved by the *Commission de Surveillance du Secteur Financier* (the "CSSF") and will be published 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 Second Supplement and to provide the competent authorities in Germany, Austria, the Czech Republic, Slovakia, Hungary and Romania with a certificate of approval (a "Notification") attesting that this Second Supplement has been drawn up in accordance with the Regulation (EU) 2017/1129 of the European Parliament and the Council of 14 June 2017, as amended. 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 Second 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 Second Supplement. The Issuer hereby declares, having taken all reasonable care to ensure that such is the case, that to the best of its knowledge, the information contained in this Second Supplement is in accordance with the facts and does not omit anything likely to affect the import of such information.

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 Second Supplement in connection with the issue or sale of the Notes and, if given or made, such information or representation must not be relied upon as having been authorized by the Issuer, the Dealers or any of them.

Save as disclosed in this Second Supplement, there has been no other significant new factor, material mistake or inaccuracy since the publication of the Supplemented Base Prospectus.

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

IN ACCORDANCE WITH ARTICLE 13 PARAGRAPH 2 OF THE 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 SECOND SUPPLEMENT IS PUBLISHED HAVE THE RIGHT, EXERCISABLE WITHIN TWO WORKING DAYS AFTER THE PUBLICATION OF THIS SECOND SUPPLEMENT, I.E. UNTIL 16 OCTOBER 2019 , 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.

TABLE OF CONTENTS

Heading	Page
Part A – Amendments to the section RISK FACTORS.....	4
Part B – Amendments to the section DESCRIPTION OF THE ISSUER	4

SUPPLEMENTAL INFORMATION

Part A – Amendments to the section RISK FACTORS

- 1) On pages 158 and 159 of the Supplemented Prospectus, in the section "*4. Any appreciation of the value of any currency in which foreign-currency loans are denominated against CEE currencies or even a continuing high value of such a currency may – also retroactively - deteriorate the quality of foreign currency loans which RBI Group has granted to customers in CEE and also raises the risk of new forced legislation actions as well as regulatory and/or tax measures and/or challenges in litigation proceedings detrimental to RBI Group.*" in the "RISK FACTORS", Section "A. RISKS RELATING TO THE ISSUER", the existing sixth paragraph shall be modified as follows, whereby added text is printed in blue and underlined and deleted text is printed in ~~red and strikethrough~~:

"The total portfolio of CHF retail mortgage loans of the Issuer's Polish branch, which at this point of time is mostly affected by these discussions, amounted to approximately EUR 2.2 billion at 31 December 2018. In addition to the above political developments, claims have been and continue to be raised against the Issuer by Polish borrowers in connection with retail mortgage loans denominated in or indexed to Swiss Franc and Euro. Generally, the vast majority of foreign currency loan agreements entered into in Poland contain index clauses. In two cases lately issued the Polish supreme court considered specific clauses and practices to be illicit. In both cases the court decided that - as a consequence of invalidity of the illicit clauses - the indexation mechanism is to be removed from the agreement and the loan shall be treated as a PLN denominated loan (but with an interest rate calculated on the basis of the agreed upon CHF LIBOR reference rate). Although said supreme court's verdicts are not binding in other cases, they may have an impact on the practice of lower instance courts.

Furthermore, on 3 October 2019, the European Court of Justice ("ECJ") issued a judgment in which the ECJ answered questions which were addressed to the ECJ by a Polish court about the invalidity of certain clauses in foreign currency loans to consumers in Poland (for further details see "DESCRIPTION OF THE ISSUER", chapter "8. LEGAL AND ARBITRATION PROCEEDINGS", clause 8.23).

Depending on future case-by-case decisions of national Polish courts which will consider the abovementioned Polish supreme court verdicts and the ECJ judgment and depending on the number of borrowers raising such claims ~~on the basis of similar indexation clauses~~ against RBI ~~and the Polish courts' practice in the future,~~ the above mentioned judgments ~~this~~ could have a material negative effect on the Issuer."

Part B – Amendments to the section DESCRIPTION OF THE ISSUER

- 2) On page 229 of the Supplemented Base Prospectus, in the section "**8. LEGAL AND ARBITRATION PROCEEDINGS**", the wordings of the following item 8.23 shall be modified as follows, whereby added text is printed in blue and underlined and deleted text is printed in ~~red and strikethrough~~:

"8.23. RBI as a legal successor to RBPL and currently operating in the territory of the Republic

of Poland through a branch, is defendant in a number of ongoing civil lawsuits concerning mortgage loans denominated in or indexed to Swiss Franc and Euro. The number of such lawsuits is still increasing.

In this context, the District Court in Warsaw requested the Court of Justice of the European Union ("[ECJ](#)") to issue a preliminary ruling regarding the consequences of considering the contractual provisions which stipulate the amount and manner of performance of an obligation by the parties to be unfair in case of a consumer mortgage loan denominated in Polish zloty ("[PLN](#)") but indexed to foreign currency. Due to the request for a preliminary ruling, in many cases, similar proceedings in regional and district courts in Poland have been suspended until the preliminary ruling of the [ECJ Court of Justice of the European Union](#) is issued.

~~Mid of May 2019, the Advocate General issued his opinion on the case. The Advocate General held in the opinion that the national courts must determine the unfair nature of a condition in an agreement and assess whether it is possible to maintain a contract after the removal of and without an unfair condition; in such assessment the national courts should also consider that the will of a consumer as borrower, who considers that the annulment of the relevant agreement is not detrimental to him, outweigh the maintenance of the relevant contract in force and the replacement of unfair terms. The national courts are however precluded from supplementing the contractual gaps arising from the removal of such unfair contract terms by way of reference to provisions of national law of a general nature such as principles of equity (rules of social conduct) or established customs. Such an opinion is neither binding on the judges of the Court of Justice of the European Union nor on the judges of national courts, but is taken into consideration while undertaking the preliminary judgement by the Court of Justice of the European Union.~~

On 3 October 2019, the ECJ announced its judgment in this case. It does not qualify any contract clauses as unfair or invalid. This is, according to the ECJ, a matter to be decided by Polish courts under Polish law. In its judgment the EJC rather provides guidance on principles of European law to be applied by Polish courts if they consider contract clauses as being unfair. According to previous case law, the EJC ruled that the contract shall remain valid without an unfair term, if this is legally possible under national law. The ultimate objective of this rule is to restore in substance balance (equality) between the lender and the borrower. If the contract cannot remain valid without the unfair term, the entire contract will be annulled. This needs to be decided objectively, taking the situation of both the lender and the borrower into account. If the annulment of the entire contract triggers material negative consequences for the borrower, the Polish courts can replace the unfair term by a valid term in accordance with national law. On the basis of the ECJ judgment, it appears unlikely that any loan be qualified as a PLN loan bearing interest at CHF LIBOR. Otherwise, at this point of time, a meaningful assessment of the outcome and economic impact on foreign currency consumer loans in Poland is not possible. It remains to be seen how this will be decided by Polish courts under Polish law on a case-by-case basis.

The impact assessment may also be influenced in relation to affected FX-indexed or FX-denominated loan agreements by the outcome of ongoing administrative proceedings concerning, inter alia, practice infringing the collective consumer interests and the classification of clauses in standard agreements as unfair, carried out by the President of the Office of Competition and Consumer Protection (UOKiK) against the Issuer's Polish branch. As at the date of this supplement, it is uncertain if any administrative decisions would be made in these proceedings by the President of UOKiK and what could be their potential impact on said FX-indexed or FX-denominated loan agreements and the Issuer."