

Statement by the Supervisory Board



For the Raiffeisen International Group, the year 2008 was marked by both another record result — quite in contrast to other banking groups — and the beginning of a deteriorating economic environment. The general negative trend of the second half of the year notwithstanding, we have achieved a consolidated profit of EUR 982 million, 17 per cent more than in 2007.

Inevitably, the whole region of Central and Eastern Europe (CEE) has by now also been affected by the current global financial crisis and will, in total, show negative growth rates. However, due to the fact that the economic “catching-up” process will continue, the analysts of our corporate parent Raiffeisen Zentralbank Österreich AG (RZB) expect the region’s rebound to be more pronounced than that in Western Europe, and see this development starting in 2010.

It was similarly inevitable that Raiffeisen International would be affected by these global economic developments. Our Group’s one and only focus is CEE, and with good reason: this is where a reliable bank can do sustainable business, and this continues to be true both for the present and the future. We satisfy a natural demand with our products for all customer groups, and our almost 15 million customers provide a broad and well-diversified basis for our business. And it is those customers who we remain committed to — now more than ever. We realise that they are affected by this crisis in many different ways and we will support them to come out of it in as good shape as possible.

It is obvious that we will not see the growth rates of the past years again in the near future either in our individual markets or on a Group level. However, our banks across the region have both the financial and structural means necessary to weather the current crisis. The change in the global economic situation has led us to focus even more on the quality of our assets, which we will keep on improving throughout the entire Group. So that we can best achieve this goal, a risk policy geared to the new environment is the centerpiece of our action package. Further measures are aimed at increasing efficiency and at continuously growing the retail segment, where our primary goal is to promote further expansion of customer deposits. I am glad that we made substantial progress in this respect and am confident that this trend will continue in 2009 thanks to the trust our customers extend towards us!

Regarding ZAO Raiffeisenbank (Raiffeisenbank), I would like to note the excellent financial results of the Bank in 2008. Last year Raiffeisenbank strengthened its position on the Russian banking market by continuing its strategy to develop all of its divisions. According to Interfax-CEA, as of the end of 2008, Raiffeisenbank was Russia’s ninth largest bank in terms of assets, while it ranked sixth in private deposits and retail loans.

Raiffeisenbank has maintained stability due to a clear-cut and well-implemented business model which takes into account all the specifics and trends of the Russian banking market and allows for prompt and timely responses to any fluctuations in the economy.

As of the end of 2008, Raiffeisenbank’s assets amounted to RUR 619.3 billion, profits rose by 67% and reached RUR 11.2 billion. It stands to mention that the Bank has delivered the best result within the Raiffeisen International Group.

2008 was a difficult year for the banking system both in Russia and around the world. Nevertheless, Raiffeisenbank has continued to develop successfully and increased its charter capital by 68% to RUR 36 711 million. On 24 September 2008, Raiffeisenbank completed an additional issue of shares with the

total par value of RUR 14 882 million. 100% of the additional issue have been acquired by Raiffeisen International Bank Holding AG. The decision to raise the Bank's charter capital confirms not only the shareholders' confidence in the Russian market but also ZAO Raiffeisenbank's importance for the Raiffeisen International Group.

Another affirmation of ZAO Raiffeisenbank's stable position was a special agreement with the Central Bank of Russia signed in November. It allows Raiffeisenbank to expand its loans to small and medium-sized banks secured by the Central Bank's guarantee of compensation of losses on the interbank market. Raiffeisenbank was one of the first major banks to sign this agreement. We think highly of the Russian market's potential and welcome the prompt and appropriate measures taken by the Central Bank and the government of the Russian Federation to support the nation's financial system.

Raiffeisenbank has continued to realise its strategy to optimise its retail network to satisfy clients' needs in each individual region. At the end of 2008, it provided services to 1.6 million customers in 45 Russian regions from Kaliningrad to Kamchatka.

The year 2008 brought changes in the Bank's management. On 30 September, Pavel Gurin, who for the last two years had served in the office of Deputy Chairman of the Board, was appointed Chairman of the Board of ZAO Raiffeisenbank by the Supervisory Board. Oxana Panchenko, who had been chief of the Corporate Banking Division, was appointed a Member of Raiffeisenbank's Board and Head of Corporate Banking and Corporate Finance Directorate. On 1 December, Andrey Stepanenko, a Member of the Board at ZAO Raiffeisenbank, assumed the position of Head of the Consumer Banking Directorate.

A highly qualified and closely-knit team is of paramount importance to achieving our goals as we build one of the largest banks with foreign capital on the CIS market. I am sincerely grateful to the Board and the whole team of Raiffeisenbank for their productive work and balanced approach to conducting business. Without their professionalism and commitment, the results that the Bank achieved in 2008 would not have been possible. I also express my gratitude to our clients and partners in Russia — we will use our best efforts to continue our successful cooperation in the coming year.



Herbert Stepic

CEO of Raiffeisen International Bank-Holding AG

Chairman of the Supervisory Board of ZAO Raiffeisenbank

Supervisory Board:

Heinz Wiedner

Martin Gröll

Aris Bogdaneris

Peter Lennkh

Statement of the Chairman of the Board



The year 2008 was an important benchmark in Raiffeisenbank's history. Though it was not an easy year for the world banking system or Russia's, I am confident that we have managed to meet the expectations of our clients, partners, and shareholders, and that we have justified their trust in us by demonstrating high quality service, a steadfast commitment to our strategy, and excellent financial results.

In 2008, Raiffeisenbank strengthened its reputation as a universal bank which focuses both on corporate and private customers, as well as investment banking. At the end of 2008, the Bank's corporate loans portfolio exceeded RUR 258 billion. Its corporate clients numbered almost 13 000, while small businesses exceeded 62 000. In the field of corporate finance and investment banking, Raiffeisenbank is a recognised player on the corporate bonds market. In 2008 the Bank acted as an arranger of 14 corporate bond issues with a total par value of more than RUR 78 billion.

Raiffeisenbank has continued to develop its retail business, offering clients a wide range of products from current accounts and credit cards to mortgage loans. As of the end of 2008, the Bank's retail portfolio reached RUR 105.7 billion.

Another affirmation of Raiffeisenbank's leading position in retail services on the Russian financial market and consumer confidence was the prize for Best Retail Bank at the Retail Finance Awards 2008, as well as the top position in the annual rating of service quality at retail banks published by The Retail Finance in co-operation with SAS Russia/CIS. In November 2008 Raiffeisenbank was named Best Bank for Car Finance at the Car Dealer of the Year awards.

In April 2008 Raiffeisenbank signed a syndicated loan agreement worth USD 1 billion, the most important syndicated loan ever obtained by a member bank of the Raiffeisen International Group on the CEE markets.

In a growing economic crisis, risk management and control have been among the Bank's top priorities. The Bank's high financial results for 2008 and clients' and credit organisations' continued trust in the Bank once again proved the soundness of the Bank's approach to risk assessment and the high professionalism of its staff.

Raiffeisenbank's subsidiaries—the Raiffeisen Non-State Pension Fund, OOO Raiffeisen-Leasing, and Raiffeisen Capital Asset Management Company — have continued to develop successfully and play an important role in the Bank's overall achievements. In 2008 the client base of Raiffeisen Non-State Pension Fund counted over 100 corporate clients and more than 35 000 individuals. Thanks to the productive work of its entire team, OOO Raiffeisen-Leasing won the Grand Prix in the Financial Elite of Russia awards, and was named the Leasing Company of the Year. Based on results of 2008, Raiffeisen Capital Asset Management Company has entered the top ten managers of open unit investment funds in Russia (according to www.investfunds.ru), and the company's total assets exceeded RUR 2.5 billion.

In 2008 Raiffeisenbank focused on improving current services and launching new products. In October Raiffeisenbank and Sky Link (ZAO Delta Telecom) launched a joint SkyLink-Raiffeisenbank credit card on the MasterCard payment system with special bonus options available to residents of St. Petersburg and Leningrad Oblast.

The launch of Raiffeisenbank's student credit card was a unique event on the retail market. To implement this project the Bank partnered with major academic institutions in Moscow, St. Petersburg, Novosibirsk,

Barnaul, Bratsk, Krasnodar, Kazan, and Nizhny Novgorod. Students who did not have full-time employment upon graduation were given the opportunity to start their credit history at Raiffeisenbank.

One of our most important goals is to provide our clients with new options in using the Bank's products. In March 2008 Raiffeisenbank offered a special Concierge programme to the holders of Gold credit and debit cards. It provides clients with information about transport, hotels, restaurants, and rent-a-car services 24 hours a day, 365 days a year.

As the bank strives to expand the range of services in the high-tech sector, it works hard to improve the remote banking system. In October 2008 Raiffeisenbank introduced a new option to the Raiffeisen CONNECT internet banking system which allows clients to make online payments for mobile communications without any fees. We also upgraded Raiffeisen CONNECT's design to comply with the international standards of the Raiffeisen Group.

A wide regional branch network was among the contributors to the Bank's growth and development in Russia. In 2008 Raiffeisenbank expanded the borders of its operations. Eight new branches were opened in Moscow, 9 new branches — in Saint Petersburg, along with additional offices in Novosibirsk, Ekaterinburg, Nizhny Novgorod, Kirov, and the new Bashkortostan division was established in Ufa. Thanks to the expansion of the branch network, the Bank's products and services are used by an ever-increasing number of clients. As of the end 2008, Raiffeisenbank had more than 1.6 million individual customers.

In 2008 we continued the integration process launched in 2007 in connection with the merger of ZAO Raiffeisenbank Austria and OAO Impexbank. A number of important challenges related to the integration process have been successfully resolved.

As it conducts financial operations, ZAO Raiffeisenbank, like the Raiffeisen Group as a whole, has also paid special attention to corporate social responsibility. We have supported numerous cultural and sport events to ensure stable social development. Raiffeisenbank has implemented a charity programme on both the federal and local levels. In 2008, for the first time ever, we launched Helping Together!, an internal charity programme which enabled the Bank's employees to provide financial and volunteer assistance to children in need.

On behalf of ZAO Raiffeisenbank's Board, let me thank all the Bank's staff for their continued support and devotion. We pride ourselves on our team of true professionals capable of solving any business challenge and on the relations of trust and confidence among our team members. We have achieved a lot but we still have a long way to go. I would also like to sincerely thank all of our partners and clients for their cooperation — to a great extent, we owe all our achievements to you. We are ready to go further down the road of success together with you!



Pavel Gurin
Chairman of the Board
ZAO Raiffeisenbank

Managing Board of ZAO Raiffeisenbank

Andrey Stepanenko

Member of the Board,
Head of Consumer Banking
Directorate

Oxana Panchenko

Member of the Board,
Head of Corporate
Banking and Corporate
Finance Directorate

Sergei Monin

Member of the Board,
Head of Treasury Directorate

Pavel Gurin

Chairman
of the Board



Christoph Schoefboeck

Member of the Board,
Head of Operations and
IT Directorate

Alexandre Ouchakov

Member of the Board,
Head of Economic Security,
Assets Recovery and Compliance
Control Directorate

Dirk Hinze

Member of the Board,
Head of Retail Sales
and Distribution Channels
Directorate

