Managing Board of ZAO Raiffeisenbank

Sergei Monin
Member of the Board, Head of Treasury Directorate, ZAO Raiffeisenbank

Dirk Hinze
Member of the Board, Head of Retail Sales and Distribution Channels Directorate, ZAO Raiffeisenbank

Andrey Stepanenko
Member of the Board, Head of Risk Management Directorate, ZAO Raiffeisenbank

Pavel Gurin
Deputy Chairman of the Board, Head of Corporate Banking and Corporate Finance Directorate, ZAO Raiffeisenbank

Johann Jonach
Chairman of the Managing Board, ZAO Raiffeisenbank

Christoph Schoefboeck
Member of the Board, Head of Operations and IT Directorate, ZAO Raiffeisenbank

Roman Vorobiev
Member of the Board, Head of Consumer Banking Directorate, ZAO Raiffeisenbank

Alexandre Ouchakov
Member of the Board, Head of Economic Security, Assets Recovery and Compliance Control Directorate, ZAO Raiffeisenbank

Kaliningrad

10:00 11:00 12:00 13:00 14:00

In the rythm of the working day

15:00 | 16:00 | 17:00 | 18:00 | 19:00 | 20:00

Russia: Economic Prospects

As the Russian economy continued its commodity-driven boom in 2007, the government gradually shifted its priority from stabilization to stimulating growth. A major development was growing investment in non-service sectors, which helped Russia evade the downturn that struck the global economy in the second half of the year. The flipside of the investment boom was high inflation, which has become one of the government's biggest challenges.

Economic growth

Last year Russia showed resilience in the face of a challenging global environment to post stellar economic growth, estimated at 8.1%. Production increased 6.3%, mainly due to industrial growth, while capital expenditures grew by some 21% on significant investment in non-service sectors of the economy. In 2007, household incomes swelled more than 15%, which in turn bolstered retail growth. The two pillars of the Russian boom, investment and consumption growth, both appear resistant to growing international instability.

Inflation

Inflation, which climbed to 11.9% in 2007 from 9% in 2006, was a major disappointment. The inflation rate was fuelled by growing food and commodities prices as well as a record inflow of foreign capital in the first six months of the year and the easing of monetary policy in the second. The government was left with relatively few tools to fight the swelling prices as the fear of damaging exports left the government little room to strengthen the ruble.

Budget policy

The 2007 budget enjoyed a surplus of RUR 2 trillion, or 6.1% of GDP, as the average oil price reached USD 69.3 per barrel, comfortably above the planned USD 61. Russia made advance foreign debt payments, although they fell well short of those made in 2005-2006. As a result, Russia ended the year as a net-creditor. The USD 156 billion Stabilization Fund was more than triple the country's USD 37 billion foreign debt, according to 2007 figures.

Currency policy

Despite growing inflationary pressure, high commodity prices and record capital inflows led to a strengthening of the ruble of about 1.4% against a dollar-euro currency basket. Ruble appreciation was then dampened because of fears of cutting growth, especially in the raw material sectors. Towards the end of the year, the Central Bank insisted that the scope for strengthening the ruble to control inflation had been practically exhausted. Over the 12 months the ruble strengthened by 5.7% in real terms, significantly less than the 7.4% posted in 2006.

Balance of payments

Record growth in direct foreign investment dominated the balance of payments as the cumulative inflow of private capital reached around USD 82 billion, almost double the figure for 2006. As a result, the gold holdings of the Central Bank increased by over USD 172 billion over the year to reach a record USD 476 billion.

Money market

As the credit crunch hit global markets hard towards the end of 2007, the Central Bank took a number of steps to maintain domestic liquidity. In particular, it extended the selection of refinancing tools offered to banks, most importantly repo agreements. In the autumn, liquidity levels in the banking sector became unstable due to the shortage of external funding for the Russian banks. However, by the end of the year the situation had improved and the banking system demonstrated its ability to survive external shocks. However, a recurrence of episodes of instability should not be ruled out considering the relatively high degree of integration between the Russian market and the global financial system.

2008 forecast

Relative to other emerging economies, Russia is less vulnerable to global economic problems, as its growth is primarily fuelled by internal demand. The principle source of growth in 2008 is likely to be increases in capital expenditure and investment in infrastructure. The state funds and development institutes that have already been established for this purpose should become a major source of financing.

The clear dependence of growth rates on petroleum prices seen in the past two years has weakened due to a special tax regime levied on the extraction industries and the formation of Stabilization Fund to collect taxes on windfall commodity profits. Latent demand for bank services and the almost complete absence of exposure to the American mortgage crisis should both underline consumption growth and the gradual reduction of Russia's dependence on the global markets.

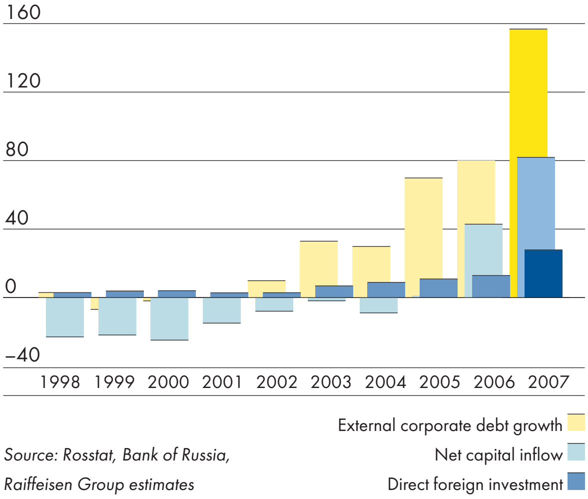
Basic macroeconomic indices, results and forecasts

Index preliminarily data	2002	2003	2004	2005	2006	2007	2008 forecast	2009 forecast
GDP, EUR bln	364.4	383.3	476.3	614.7	777.0	**940.0**	1 074.4	1 268.0
Annual GDP growth, %	4.7	7.3	7.2	6.4	7.4	**8.1**	6.5	6.0
GDP per capita, EUR	2 508	2 651	3 312	4 294	5 453	**6 613**	7 609	9 044
Industrial production growth, %	3.7	7.0	6.1	4.0	3.9	**6.3**	5.0	5.5
Unemployment, %	8.0	8.6	8.2	7.6	7.2	**6.1**	6.1	5.9
Manufacturing price inflation, %	10.5	16.5	23.4	20.7	12.4	**12.0**	25.6	15.3
Consumer price inflation, %	15.1	12.0	11.7	10.9	9.0	**11.9**	12.1	9.8
Budget surplus, % GDP	0.9	1.3	4.5	8.1	7.6	**6.1**	4.0	3.0
Current account, % GDP	8.4	8.2	9.9	10.9	9.6	**6.1**	5.4	3.2
Direct foreign investment, % GDP	0.0	–0.4	0.5	0.2	0.8	**2.1**	0.7	1.2
Gold holdings, EUR bln	42.0	58.0	88.9	149.1	224.0	**325.2**	360.2	440.1
External debt, % GDP	44.2	43.1	36.0	33.7	31.7	**35.6**	32.4	33.8
RUR/USD exchange rate as at year end	31.9	29.2	27.7	28.7	26.3	**24.6**	24.6	25.4
RUR/EUR exchange rate as at year end	33.5	36.9	37.7	33.9	34.7	**35.9**	35.7	35.6

Source: Rosstat, Bank of Russia, Raiffeisen Group estimates

Foreign investment inflows

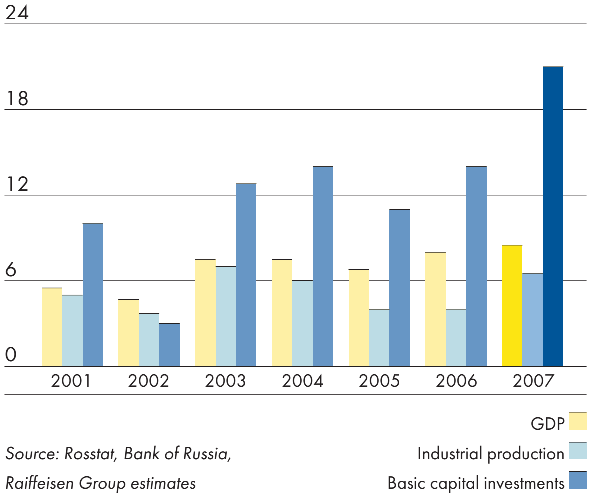
USD, bln



Source: Rosstat, Bank of Russia, Raiffeisen Group estimates

Non-service sectors

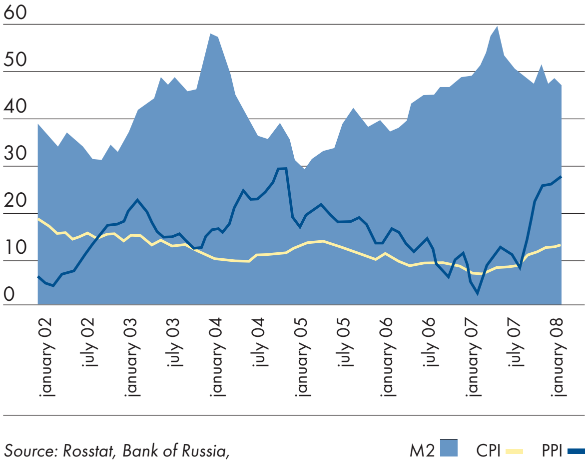
Annual growth, %



Source: Rosstat, Bank of Russia, Raiffeisen Group estimates

Inflation

Annual growth, %



Source: Rosstat, Bank of Russia, Raiffeisen Group estimates

Raiffeisen International and the RZB Group at a glance

ZAO Raiffeisenbank is a subsidiary of Raiffeisen International Bank-Holding AG, which in turn is a fully consolidated subsidiary of Vienna-based Raiffeisen Zentralbank Österreich AG (RZB). RZB is the parent company of the RZB Group and the central institution of the Austrian Raiffeisen Banking Group, the country's largest banking group by total assets with the widest local distribution network.

RZB and Raiffeisen International have time and again underpinned their reputation as early movers and pioneers in CEE, having founded the first subsidiary bank in Hungary already in 1986, three years prior to the fall of the Iron Curtain. In more than 20 years of market presence, ten banks were founded and another ten were acquired. The resulting network covers the region with universal banks in the following 17 markets, servicing nearly 14 million customers.

Albania	Raiffeisen Bank Sh.a.
Belarus	Priorbank, OAO
Bosnia and Herzegovina	Raiffeisen Bank d.d. Bosnia i Herzegovina
Bulgaria	Raiffeisenbank (Bulgaria) EAD
Croatia	Raiffeisenbank Austria d.d.
Czech Republic	Raiffeisenbank a.s. and eBanka, a.s.
Hungary	Raiffeisen Bank Zrt.
Kosovo	Raiffeisen Bank Kosovo J.S.C.
Poland	Raiffeisen Bank Polska S.A.
Romania	Raiffeisen Bank S.A.
Russia	ZAO Raiffeisenbank
Serbia	Raiffeisen banka a.d.
Slovakia	Tatra banka, a.s.
Slovenia	Raiffeisen Banka d.d.
Ukraine	VAT Raiffeisen Bank Aval

Raiffeisen International acts as these banks' steering company, owning the majority of shares (in most cases 100 or almost 100%). Furthermore, many finance leasing companies (including one in Kazakhstan and in Moldova) are part of the Raiffeisen International Group. RZB owns 68.5% of the common stock. The balance is free float, owned by institutional and retail investors. The company's shares are traded on the Vienna Stock Exchange.

With its continually growing regional and local presence, as well as its increasing and innovative product spectrum, Raiffeisen International has significantly contributed to the development of both the region's banking environment and its overall economic state.

As of 31 December 2007, Raiffeisen International's consolidated profit (after tax and minorities) rose by 42% to EUR 841 million. Having grown by 30%, the balance-sheet total amounted to EUR 72.7 billion. The return on equity before tax stood at 25.7%, and the cost/income ratio improved to 57.6%. 3 015 business outlets covered the CEE-region and over 58 000 employees attended to 13.7 million customers.

Founded in 1927, RZB provides the full range of commercial and investment banking services. It is Austria's third largest bank. As of 31 December 2007, the RZB Group's balance-sheet total amounted to EUR 137.4 billion, up 19% compared with December 2006. IFRS-compliant profit before tax increased by nearly 16% to EUR 1 485 million. The return on equity before tax reached 22.2%, and the cost/income ratio was 56.9%. At the reporting date, the Group employed a staff of more than 61 300 worldwide.

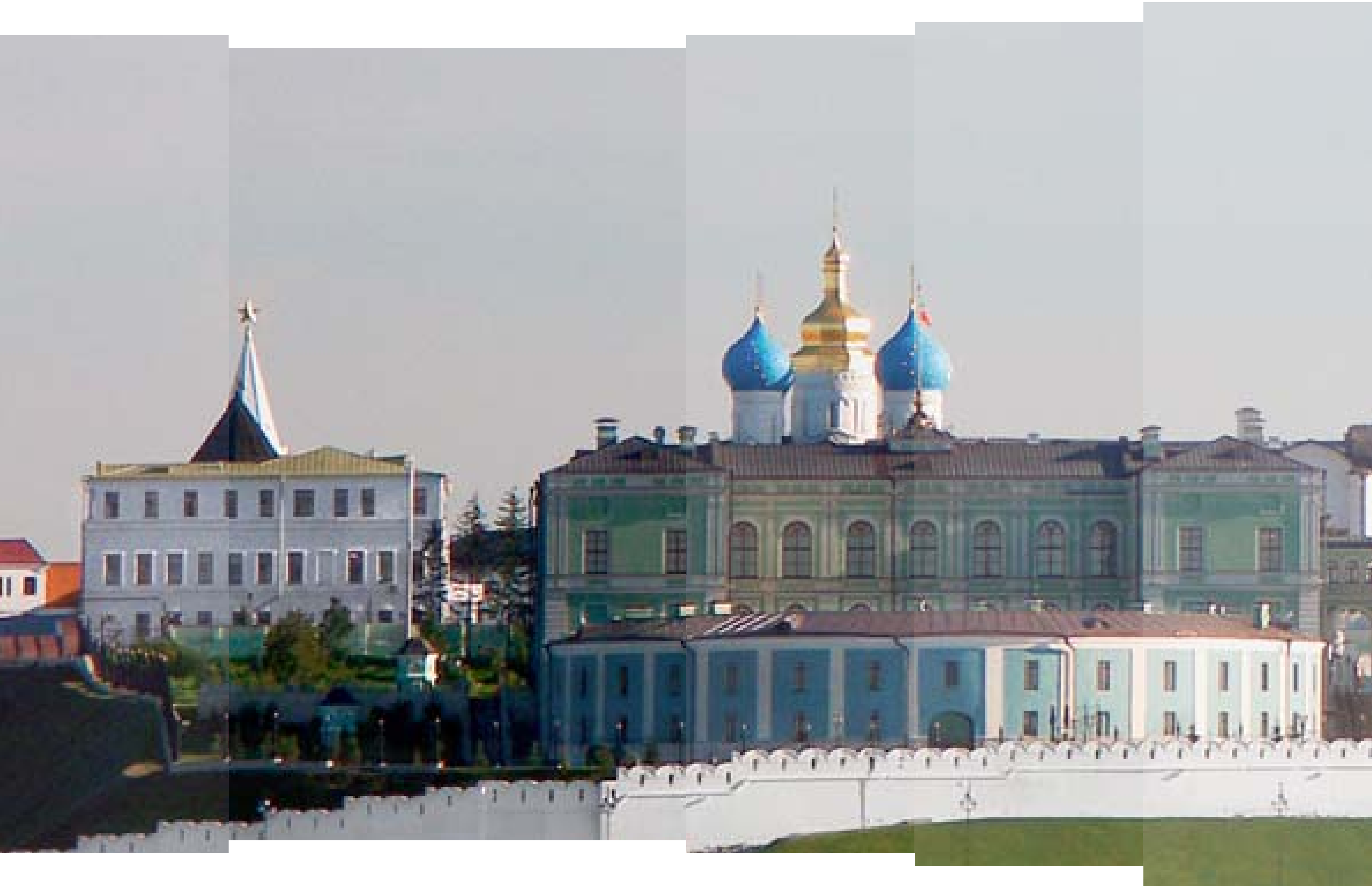
In addition to its banking operations – which are complemented by a representative office in Russia (Moscow) – RZB runs several specialist companies in CEE offering solutions, among others, in the areas of M&A, real estate development, fund management and mortgage banking.

In Western Europe and the USA, RZB operates a branch in London and representative offices in Brussels, Frankfurt, Madrid, Milan, Paris, Stockholm, and New York. A finance company in New York (with representative offices in Chicago, Houston and Los Angeles) and a subsidiary bank in Malta complement the scope. In Asia, RZB runs branches in Beijing (with a representative office in Zhuhai), Xiamen (China) and Singapore as well as representative offices in Ho Chi Minh City, Hong Kong, Mumbai, Tehran and Seoul. This international presence clearly underlines the bank's emerging markets strategy.

RZB is rated as follows:

Standard & Poor's	Short term	A-1
	Long term	A+
Moody's	Short term	P-1
	Long term	Aa2
	Financial Strength	C

Raiffeisen BANK



Anapa	Rostov-on-Don
Belgorod	Saint Petersburg
Bryansk	Saransk
Cherepovets	Saratov
Essentuki	Smolensk
Ivanovo	Sochi
Kaluga	Stary Oskol
Kazan	Stavropol
Kirov	Taganrog
Krasnodar	Tula
Lipetsk	Volgograd
Moscow	Voronezh
Nizhny Novgorod	Yaroslavl
Orel	Zheleznogorsk

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Vision and Mission

Vision

We are the leading universal bank across Russia for all customers caring for quality.

Mission

- We seek long-term customer relationships.
- We provide a full range of high quality financial services throughout Russia.
- We co-operate closely with all members of RZB Group.
- We achieve sustainable and above-average return on equity.
- We empower our employees to be entrepreneurial and foster their development.

Human Resources Policy

The completion of the merger of OAO IMPEXBANK and ZAO Raiffeisenbank Austria provided a huge boost to our staff numbers, posing a range of new challenges for Human Resources in employee management, rotation, training and development.

With the integration of Impexbank's extensive regional network, the unified bank ended the year with roughly the same number of staff in the regions as in Moscow.

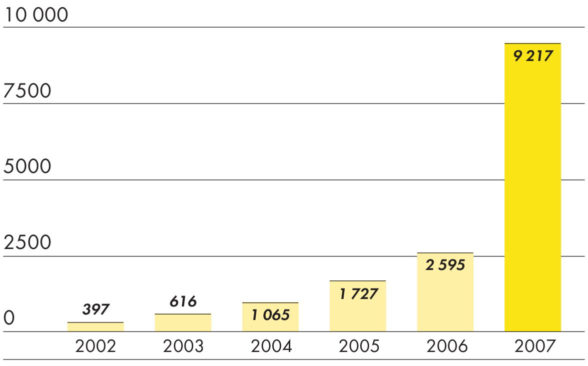
A new structure was introduced in HR department: HR Account Managers who are in close contact with business areas take care of individual differentiated needs of Raiffeisenbank's departments.

Due to the development of the Bank's thriving retail network, a record number of new retail employees were hired. In order to meet its growing appetite for talent, Raiffeisenbank expanded its retail banking program for young professionals. Following traineeships, 126 people were hired on a permanent basis, three times more than last year. A special trainee program was launched to form a pool of future employees in the areas of risk management, treasury and internal audit.

Also in 2007 the Bank finalized its personnel development strategy for the next three years. Its key elements include performance management, talent management and the development of managers at all levels. As part of the Impexbank integration process, more than 300 managers participated in change management training programs; teambuilding events for employees from various departments supported the effective collaboration in the unified bank.

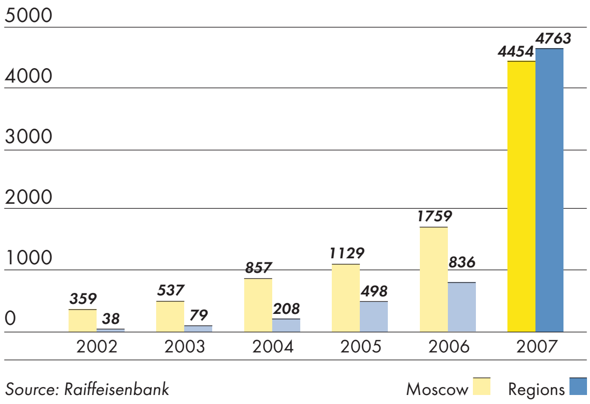
With the target to establish a retail business employee training system, HR set up a Training Centre and hired, trained and certified in-house instructors for Moscow and the Regions. Over the year the centre's team created 14 training programs and trained 3 980 employees. Training took place in the regions for the first time.

Total staff number



Source: Raiffeisenbank

Employees: Moscow vs the Regions



Source: Raiffeisenbank

The most significant projects included the drafting of training materials and holding seminars on the newly designed catalogue of services offered by the unified bank. A compulsory training program title "Proud to give Better Service" was also provided to customer service employees. Designed to train staff in Raiffeisenbank's unrivalled standards of service, the course was held in every branch and was attended by over 1 600 employees. More than 450 employees attended training programs and seminars conducted by external training organizations both in Russia and abroad.

Raiffeisenbank continued to pay considerable attention to distance learning. In 2007, over 6 000 employees received distance training, more than 15 new courses and tests were developed, and a new unified distance learning platform was chosen for the unified bank. Over 1 000 ZAO Raiffeisenbank employees throughout Russia began learning English using a specially-designed course combining distance e-learning with traditional classes.

In 2007, a Compensation and Benefits Team was set up by HR with the goal of calibrating compensation for Raiffeisenbank's employees based on an internal system of job classification and regular comparison with employment market data. The compensation system was designed to boost results and efficiency and ensure external and internal balance and fairness of compensation while keeping abreast of changes on the employment market. Basic employee salary review rules were also developed and a bonus system was implemented for sales staff achieving sales and quality targets. The system is to be further refined in 2008. After the Impexbank merger, Raiffeisenbank analyzed, revised and publicized the benefits available to employees, including voluntary health insurance, preferential employee loans, special banking product rates, corporate pension plan, as well as other benefits.

The Bank succeeded in creating a united professional team that achieved significant success in 2007, and we can look ahead with optimism.

Anti-Money Laundering Policy

Recognizing good will as one of its most valuable assets, Raiffeisenbank does everything it can to protect its own reputation and that of its clients by precluding exposure to money laundering or the financing of terrorism.

The Bank's main aims in this area are:

- Preventing the use of the Bank's products and services as tools for criminals, including money laundering, fraud, the financing of terrorism and other corrupt practices.
- Protecting the good will of the Bank and its customers.

Under the Russian law, and following internal procedures, the Bank has developed the following set of measures to control compliance risks:

- we have established a set of Internal Control Rules to prevent money laundering and the funding of terrorism;
- risk control systems are being unified across the Bank's branches and subdivisions ;
- we ensure that all employees are fully committed to the prevention of money laundering and terrorist funding;
- our software is continuously fine-tuned to ensure the timely identification of suspicious transactions and those subject to mandatory control;
- we provide regular compliance training for employees using state-of-the-art technologies.

In addition to the above procedures we follow the "know your client" principle in strict adherence with the requirements of regulators, following Russian and Western confidentiality standards and the rules of non-disclosure of banking secrets.

The notion "compliance risk" is understood in accordance with the requirements of Basel Committee, as a risk of legal or political sanctions, material financial losses, or damage to business reputation, which the Bank may incur as a result of a failure to comply with the relevant laws, guidelines, rules, standards and codes of conduct established by self-regulating organizations and applied to banking transactions.