

B4Ukraine

Vienna, in October 2024

Dear Sir or Madame at B4Ukraine,

Thank you for your letter. We duly consider your views and arguments. This war in our region has a devastating impact on millions of lives. Our thoughts and support are with those who are bereaved, displaced, and otherwise tragically affected by the war.

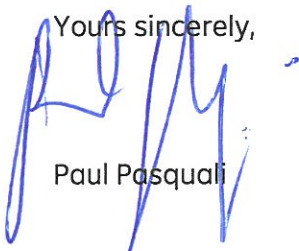
Further to our last information to you, much has been achieved concerning our endeavours to exit the Russian and Belarusian markets:

1. On September 20, Raiffeisen Bank International AG (RBI) signed an agreement on the sale of its 87.74 per cent stake in Belarus-based Priorbank JSC and its subsidiaries to Soven 1 Holding Limited. With completion of this transaction, RBI will have successfully exited the Belarusian market.
2. Earlier this month, Raiffeisenbank Russia (RBRU) has completed the sale of its share in Moscow-based Raiffeisen Life.
3. RBI has repeatedly declared publicly that it is working on an exit from Russia. The bank's preferred option is a sale. However, both a sale or a spin-off require numerous approvals from various Russian and European authorities. The process is, therefore, not entirely in RBI's own hands and it is very difficult to make a realistic forecast on when RBI will complete deconsolidation of RBRU.
4. In the meantime, the volume of business will continue to be significantly reduced. The loan business has been scaled back by nearly 60 per cent since the war began. RBRU has also considerably reduced its international clearing, settlement and payment services business. RBRU is taking steps to further reduce customer deposits. Apart from the correspondent bank relationship with RBRU, RBI ended all correspondent bank relationships with Russian banks.
5. RBI will drastically reduce RBRU's business further in conformity with a **decision by the European Central Bank** ("ECB") of April 2024. RBI is working on its full implementation.

- a. Both loan book reduction and broad restrictions on payments out of Russia are in place. Lending and payments are offered only to a list of large and internationally active companies pre-approved by RBI with individual compliance assessment for each pre-approved name. Since 2023, no international payment services are provided for electronic goods, automobile sector, oil and petroleum products, and wood products.
  - b. To reduce deposits, the RBRU has stopped offering term deposits and priced all current accounts at 0% with high maintenance fees. In the area of financial institutions, deposits are accepted only from subsidiaries of western parents.
  - c. The profit development of RBRU is due to the extraordinary situation in the country, particularly the interest rate level. Since RBRU is not allowed to distribute dividends to RBI, its equity continues to grow steadily.
6. Needless to say, RBI is fully complying with the European Union's sanction framework implemented against Russia.
  7. On September 5, a Russian court issued a preliminary injunction, by which shares in RBRU are subject to a transfer ban. As a result of this decision RBI cannot transfer its shares in RBRU. As we seek to sell RBRU, we've appealed against this injunction. Despite the decision RBI is continuing its extensive business reduction in Russia.
  8. In the meantime, however, RBRU needs to decouple from the rest of RBI Group, which – in combination with western sanctions regimes – requires hiring of IT specialists in order to ensure "salability" of RBRU and meeting the conditions of its banking license.

We hope the above elaborations contribute to gaining more detailed information concerning the state of our endeavours to exit Russia and Belarus.

Yours sincerely,



Paul Pasquali

Johann Strobl  
Chief Executive Officer  
Raiffeisen Bank International  
Am Stadtpark 9  
1010 Vienna  
Austria  
P.O. Box 50

**B4Ukraine** 

August 23, 2024

Dear Mr. Strobl, Mr. Pasquali, and RBI Leadership Team,

We are writing to follow up on our previous correspondence and meeting in light of the new information regarding RBI's ongoing operations in Russia.

As you are aware, we have written to you previously expressing numerous concerns regarding RBI Group's ongoing presence in Russia. The latest communication can be found [here](#).

In our meeting with RBI in June 2023, we were told by the representatives of the Group that it is aiming to sell or spin-off its Russian business, while pursuing a deconsolidation of Raiffeisenbank Russia from the Group. With regards to the timeline, we were informed that the Group is aiming for end of third quarter or beginning of fourth quarter closing of transaction. Additionally, RBI confirmed that it is reducing its Russian business.

However, the latest data shows that Raiffeisen paid the highest profit tax in Russia in 2023 out of all foreign businesses still operating in the country.

B4Ukraine, in collaboration with the Kyiv School of Economics, is planning to publish a report containing information regarding your company's financial contributions in Russia. We are writing to formally enquire whether the following information is correct:

- **Data shows that Raiffeisen is the highest foreign contributor of profit taxes in Russia in 2023.<sup>1</sup>**
- **In 2023, Raiffeisen paid \$491 million in profit tax in Russia.**
- **In 2022, Raiffeisen paid \$541 million in profit tax in Russia.**

Second, we would welcome your response to the following questions:

- **What was the company's total revenue in Russia for the year 2023?**
- **What was the total amount of tax the company paid in Russia in 2023?**

We would appreciate it if you could confirm the accuracy of this information or provide corrections if necessary, along with any supporting documents. Additionally, we would welcome any context or comments RBI wishes to provide regarding these figures and its operations in Russia.

---

<sup>1</sup> Data sourced from the Central Bank of the Russian Federation.

B4Ukraine maintains high standards of information verification before publishing. We are providing you with an opportunity to respond concerning the facts we wish to present. We will be awaiting a response from you by **September 6, 2024**. If we don't receive a response from you, we will indicate this in our publication.

Yours truly,

The B4Ukraine Coalition