

CORPORATE GOVERNANCE REPORT

The purpose of corporate governance is responsible and sustainable management of a company with a view to long-term value creation. That means a high level of transparency achieved through open communication with shareholders, customers, employees, and other business associates. An efficient management and control structure – particularly in regards to the cooperation between the Managing Board and the Supervisory Board – promotes confidence in the company. That is not only a matter of compliance with certain standards, but also of a real-life corporate culture to which Raiffeisen International is committed.

Unrestricted statement of commitment

Corporate governance promotes the confidence of all stakeholders in the company, and long-term successes arise from mutually trusting interaction. For that reason, Raiffeisen International voluntarily agrees to comply with the Austrian Corporate Governance Code (ACGC) as amended in June 2007. The ACGC is publicly available at the websites of the Austrian Working Group for Corporate Governance ([\[governance.at\]\(http://www.ri.co.at\)\) and Raiffeisen International \(\[www.ri.co.at\]\(http://www.ri.co.at\)\).](http://www.corporate-</p></div><div data-bbox=)

Annual statement of compliance

For Raiffeisen International transparency in corporate governance is of high importance. As evidence of that, it observed all the L rules (legal requirements) and C rules (comply-or-explain requirements) of the ACGC in the reporting period. The L rules are based on mandatory legal regulations. The C rules are supposed to be observed, and any divergences must be explained and justified for conduct to be in compliance with the code.

External evaluation

Following the recommendation in the preamble to the ACGC, the company commissioned an external evaluation by Univ.-Prof. DDr. Waldemar Jud Unternehmensforschungs GmbH, which confirmed full compliance with the Austrian Corporate Governance Code. The results of this evaluation are available to the public on the Raiffeisen International website (www.ri.co.at).

Management and control structure

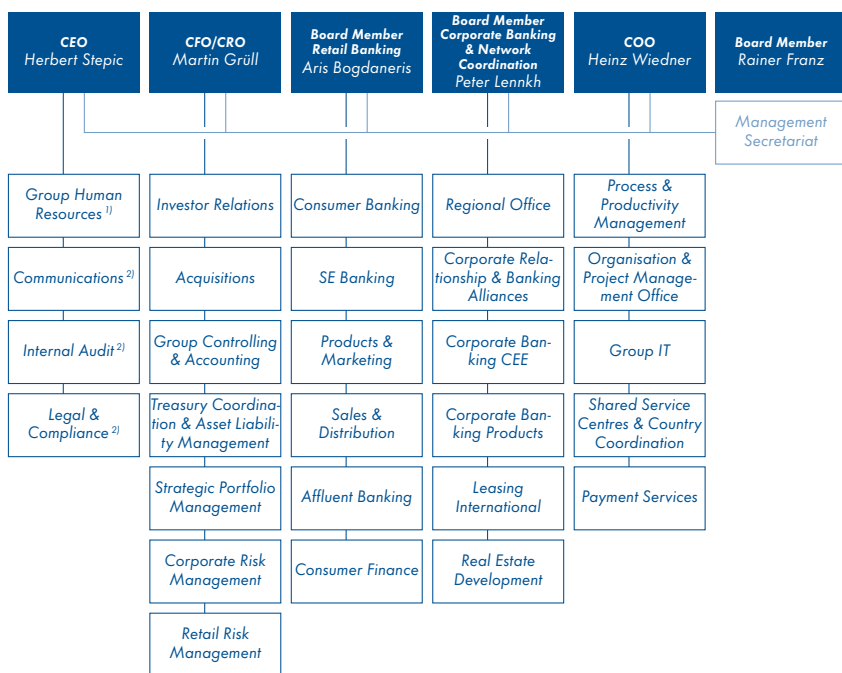
Raiffeisen International has a managing board that performs the tasks of managing the company, and a board that acts in a supervisory and advisory capacity. These two bodies, the Managing Board and Supervisory Board, work together for the good of the company and maintain an intensive dialogue with one another.

Managing Board

Raiffeisen International's Managing Board currently consists of six members, who

manage the company's business according to clear objectives, plans, and guidelines. The members are Herbert Stepic, Aris Bogdaneris, Rainer Franz, Martin Grill, Peter Lennkh, and Heinz Wiedner. Responsibilities are divided into areas and accordingly assigned to the individual board members. Taking into account the interests of shareholders and employees, the Managing Board runs the company on its own responsibility with a forward-looking view geared to the principles of modern entrepreneurship.

The structure of Raiffeisen International, as of 1 January 2008



1) „Learning & Development“ reports functionally to Rainer Franz

2) Outsourced to RZB

Supervisory Board

The Supervisory Board had six members in 2007. Four of them, Walter Rothensteiner, Manfred Url, Patrick Butler, and Karl Sevelda, are members of the Managing Board of RZB. Other members were Stewart D. Gager and Peter L. Woicke. The Supervisory Board's bylaws govern the organization of the Supervisory Board and assign certain duties to the Working, Audit, and Personnel Committee. The Working and Personnel Committee is composed of Walter Rothensteiner and Manfred Url, and the Audit Committee of Walter Rothensteiner, Manfred Url, and Karl Sevelda. The bylaws of the Managing Board, the Supervisory Board, and their committees regulate what measures require the consent of the Supervisory Board or the relevant committee. The Supervisory Board held five meetings in the reporting period, and the Managing Board informed the Supervisory Board in a timely and comprehensive manner concerning all relevant questions of business development, and in particular any events of major significance. An open dialogue took place between the Managing Board and the Supervisory Board and within each of those bodies.

Annual General Meeting

As owners of the company, the shareholders exercise their rights by voting at the Annual General Meeting. The voting proceeds according to the one-share-one-vote principle in which all shareholders have equal rights without voting right

restrictions. Every unit share issued confers one vote, and no registered shares have been issued. The shareholders can exercise their voting right themselves or through a proxy. Unless different voting majorities are prescribed by law, the Annual General Meeting's resolutions are ratified by a simple majority of the capital stock in attendance at the time of ratification. In addition to voting on the discharge of the Managing Board and Supervisory Board, the election of Supervisory Board members and on proposals they have submitted, the shareholders vote on the use of profit and hence on the amount of the dividend. To ensure maximum transparency of the Annual General Meeting, the opening comments and the speech by the Managing Board are broadcasted live on the internet at www.ri.co.at ► **Investor Relations** ► **Events** ► **Annual General Meeting** and may also be viewed there later. That gives shareholders who were unable to attend the Annual General Meeting in person the opportunity to obtain the information first hand.

The next Annual General Meeting of Raiffeisen International will be held on 10 June 2008 at the Austria Center Vienna. Pursuant to Raiffeisen International's Articles of Association, the invitation to shareholders for that event will be published at least three weeks in advance.

Transparency

Open and transparent communication with shareholders and their representatives, customers, analysts, employees, and the

interested public is especially important to Raiffeisen International. In addition to personal informational talks and telephone and video conferences, information is regularly provided in a timely and comprehensive manner by way of suitable communication media. The internet and particularly the company website play an important role in that. In this regard, the website presents, among other things, the following continuously updated information:

- Annual and interim reports
- Company presentations
- Ad hoc announcements, press releases, and IR mailings
- Share price information and data on the company's stock
- Financial calendar with long advance notice of important dates
- Analysts' estimates
- Directors' dealings
- Articles of association of Raiffeisen International
- Decision-making powers of Supervisory Board committees
- Criteria of independence for Supervisory Board members
- Forms for ordering printed materials and registering to automatically distributed "Investor Relations News" by email

Conflicts of interest

The Managing Board members of Raiffeisen International must disclose material personal interests in transactions of the company and Group enterprises and other conflicts of interest to the Supervisory Board. They must also inform the other Managing Board members.

Managing Board members who perform management functions for other enterprises must work towards achieving a fair balance of the interests of the enterprises involved.

If Supervisory Board members get into conflicts of interest, they must disclose that without delay to the Chairman of the Supervisory Board. If the Chairman gets into conflicts of interest, he must disclose them to the Deputy Chairman without delay.

The Supervisory Board's consent is required for contracts between the company and members of the Supervisory Board that obligate the members to performance in relation to the company or a subsidiary apart from their activity in the Supervisory Board for more than merely negligible compensation. That also applies to contracts with enterprises in which a Supervisory Board member has a considerable economic interest. The company did not enter into any such contracts in 2007.

Accounting and financial statement auditing

The Raiffeisen International Group's accounting is performed according to the provisions of the International Financial Reporting Standards (IFRS). The annual financial statements of Raiffeisen International Bank-Holding AG are prepared according to the provisions of the Austrian Commercial Code (UGB). The consolidated financial statements are

published within the first three months of the financial year following the reporting period, and interim reports at the latest 45 days after the end of the respective reporting period.

The Annual General Meeting held on 5 June 2007 appointed KPMG Austria GmbH, Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, Vienna as the auditor for the 2007 financial year. The auditor appointed by the last Annual General Meeting received compensation of € 984,473 for other services ordered by the company. For the current financial year, no consulting services have so far been agreed beyond the previous year's extent. The auditor confirms that it has been issued a certificate of a quality assurance system and no reasons for exclusion or partiality exist. Besides preparing the legally prescribed audit report and performing an auditor's reporting duty,

the auditor writes a management letter to the Managing Board pointing out weaknesses of the company. The letter will be brought to the attention of the Supervisory Board Chairman, who will ensure that it is dealt with in the Audit Committee and a report of that is made to the Supervisory Board.

Responsible risk management

Good corporate governance also includes responsible managing of risks. For this reason, systematic risk management implemented at Raiffeisen International ensures that risks can be identified and assessed early, and appropriate countermeasures are taken. Identifying, analyzing, measuring, controlling, and managing risks is one of Raiffeisen International's core competencies and forms the basis of its successful operating business.