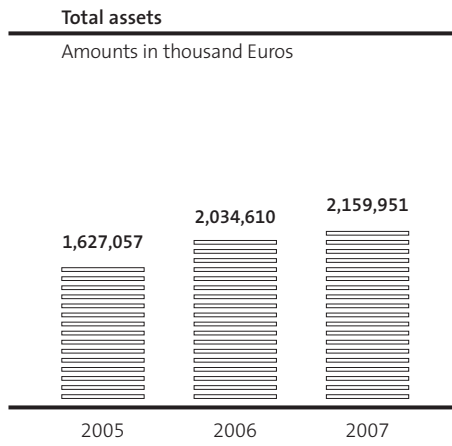
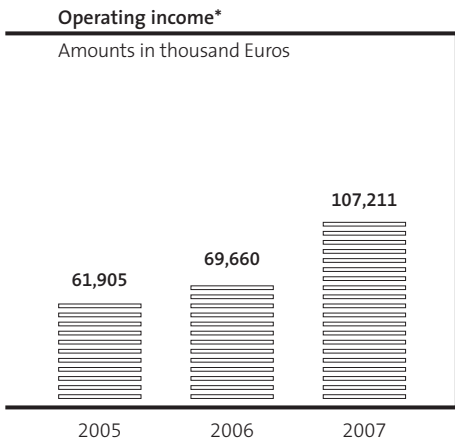
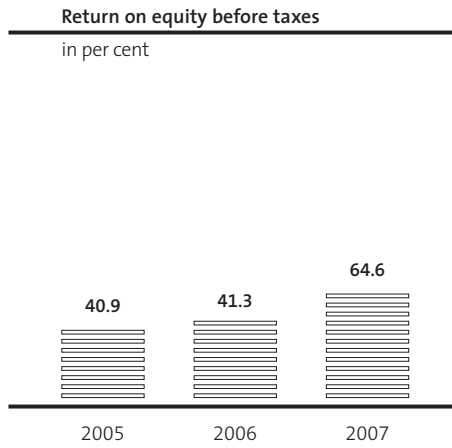
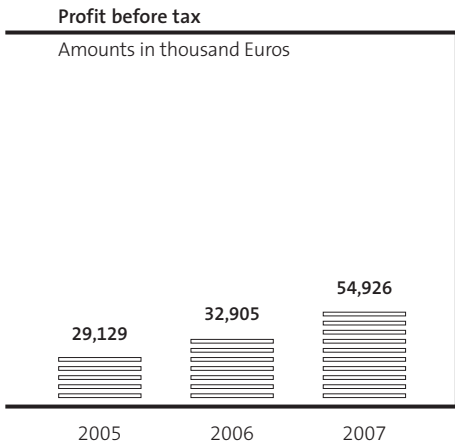


SUCCESS NEEDS AN OVERVIEW

Key Figures 2007 of Raiffeisen Centrobank Group

Income Statement	2007	2006	Change
Amounts in thousand Euros / in per cent			
Net interest income	6,343	3,479	+82.3%
Net commission income	37,958	25,043	+51.6%
Trading profit	63,358	40,037	+58.2%
General administrative expenses	- 58,207	-44,050	+32.1%
Profit before tax	54,926	32,905	+66.9%
Profit after tax	42,453	27,698	+53.3%
Balance Sheet			
Claims on banks	197,859	316,452	-37.5%
Claims on customers	118,647	111,711	+6.2%
Trading assets	1,684,721	1,478,617	+13.9%
Liabilities to banks	122,907	43,948	+179.7%
Liabilities to customers	218,779	266,346	-17.9%
Trading liabilities	1,617,999	1,564,104	+3.4%
Equity (incl. profit after tax)	129,556	107,431	+20.6%
Total assets	2,159,951	2,034,610	+6.2%
Key Ratios			
Return on Equity before tax	64.6%	41.3%	-
Cost/Income ratio	51.2%	57.9%	-
Bank specific ratios acc. to Banking Act			
Total own funds	77,946	74,331	+4.9%
Total own funds requirement	55,470	56,979	-2.6%
Excess own funds	22,476	17,352	+29.5%
Excess cover ratio	140.5%	130.5%	-
Resources			
Employees at end of period	280	245	+14.3%



*) the operating income is comprised of net interest income before provisioning, net commission income, trading profit and net income from financial investments.

Annual Report 2007

Table of Contents

Annual Report 2007: An Overview

08–23	The Company	08
	Foreword by the Chairman of the Executive Board	08
	Corporate Bodies	14
	Corporate Governance Report	16
	Structure of the Raiffeisen Centrobank Group	19
	Foreword by the Chairman of the Supervisory Board	20
	The RZB Group	22
26–47	The Business Segments	26
	An Overview of the Raiffeisen Centrobank Group	26
	Highlights of the 2007 Financial Year	27
	Securities Trading & Sales	30
	Certificates	32
	Company Research	34
	Equity Capital Markets	38
	Private Banking	42
	Raiffeisen Investment AG	46
51–70	Management Report	51
	Economic Environment	52
	Business Development 2007	55
	Reports of the Departments	58
	Financial and Non-financial Performance Indicators	64
	Risk Management	65
	Human Resources	66
	Outlook for 2008	66
	Significant Events After the Balance Sheet Date	68
	Declaration of the Executive Board	69
	Report of the Supervisory Board	70

71–80	Consolidated Annual Financial Statements	71
	Income Statement	72
	Balance Sheet	73
	Statement of Changes in Equity	74
	Cash Flow Statement	75
	Segment Reporting	76
81–138	Notes to the Consolidated Financial Statements	81
	Notes to the Income Statement	93
	Notes to the Balance Sheet	100
	Notes to Financial Instruments	117
	Other Disclosures	130
	Auditor’s Report	135
	Basis of Consolidation	137
139–162	Individual Financial Statements	139
	Balance Sheet	140
	Profit and Loss Account	142
	Development of Fixed Assets	144
	Notes	146
	Auditor’s Report	162
163–174	Service and Information	163
	Glossary: Certificates	164
	Glossary: General Financial Terms	166
	Companies of the Raiffeisen Centrobank Group	169
	Selected RZB Group Companies	170
	Contacts	174

INNOVATIVE APPROACHES. JUST AN ISSUE OF HAVING AN OVERVIEW.

Profit before tax:
+67% to EUR 54.9 m





Foreword by the Chairman of the Executive Board

Mrs. Marchart, can you summarize the 2007 financial year in a few sentences?

A very extraordinary year in a very extraordinary market environment! After a brilliant start of the markets in 2007, a development took place which is known as the US sub-prime crisis. This was not a complete surprise to many experts, nevertheless the scope and consequences have reached previously unimaginable dimensions and have had a strong negative impact on the European capital market. In regard to Raiffeisen Centrobank, the consequence was that we had to react very quickly to extremely unpredictable, short-term market conditions, in order to offer optimal service and performance on behalf of our customers and in our own business operations in highly volatile and high-risk markets. In fact, we succeeded in achieving this goal.

At the same time, 2007 was also a year of growth and a further expansion of our core business, accompanied by the ongoing increase in staff.

Are you also satisfied with the performance?

In spite of a market environment which became increasingly difficult in the course of the year, Raiffeisen Centrobank managed to continue its growth trend of previous years.

We have every reason to be proud of the fact that we once again posted the best results in the history of the company, which is primarily due to the above-average dedication and the high level of expertise of our employees. Thanks to the outstanding cooperation of all divisions, the result on ordinary activities of Raiffeisen Centrobank improved by 77%, and that of the entire Raiffeisen Centrobank Group increased by 70%.

The bank posted record results in a turbulent capital market environment. What are the underlying reasons for this success?

First of all, our strong customer base, the supraregional approach and the focus on the investment banking business. Apparently a highly specialized team is more successful in their efforts to professionally manage risks and take advantage of market opportunities during historically challenging times. On the other hand, our performance is the result of the continuing expansion of our integrated service portfolio for the Central and Eastern European (CEE) region with numerous stock exchange memberships, a stable, regional research approach, sustainable customer acquisition, and also the capability to focus on the right business areas in turbulent times, for example certificate baskets for oil and raw materials in the form of bonus and guarantee certificates, which fulfil investor demands for greater security in their investments. Our improved results are also a reflection of consistently intensive investor consulting services, a long-term strategy we are pursuing which pays off in difficult times,



- **Foreword by the Chairman of the Executive Board**
 - Corporate Bodies
 - Corporate Governance Report
 - Structure of the Raiffeisen Centrobank Group
 - Foreword by the Chairman of the Supervisory Board
 - The RZB Group

when personal support is highly valued by our customers. The integration of Raiffeisen Centrobank in the Raiffeisen Banking Group is also a major competitive advantage, in that we can profit from one of the strongest brands in Europe, an excellent level of customer confidence and dynamic growth, in particular featuring the expansion of Raiffeisen International in the CEE region.

Let's get back to the period under review. How did the individual business areas do in 2007?

Despite the deteriorating situation as of the middle of the year, Securities Trading & Sales profited from the overall robust global economy, which resulted in a high trading volume. In addition, Raiffeisen Centrobank further expanded its portfolio of structured products in the individual CEE markets working together with the network banks of Raiffeisen International and integrating the local sales structures, which had a very positive impact. Once again, Securities Trading & Sales made by far the biggest contribution to earnings, increasing its profitability by more than 80% in comparison to the preceding year.

In the year 2007, Equity Capital Markets Austria focused on the implementation of the capital increase of Raiffeisen International Bank-Holding AG and the initial public

offering of STRABAG SE, with a transaction volume of more than EUR 1.3 bn, the largest IPO to date on the Vienna Stock Exchange. In both cases, precise timing in a precarious market environment and professional implementation ultimately led to picture-perfect stock offerings.

The Equity Capital Markets CEE segment not only persistently pursued the expansion of its business activities in its target region, but supported the stock market flotation of TRANSGAZ, operator of the Romanian gas pipeline network, making it a resounding success. The transaction is the largest IPO in the history of the Romanian capital market to date.

The research division complements the range of products offered by a fully integrated CEE investment bank through its comprehensive spectrum of services, creating the basis for the successful sales and marketing of our products. Our CEE research capabilities were further expanded, also in regards to Russia and the Ukraine, and Raiffeisen Centrobank responded to the growing interest on the part of international investors in CEE and CIS companies by conducting numerous national and international presentations. For the first time, Raiffeisen Centrobank's research teams covered more Eastern European than Austrian companies. The research products now range from the analysis of individual companies to sectoral and country reports. The initial public offering of STRABAG was supported by the preparation of a comprehensive research

report and the implementation of an intensive pre-marketing program in London, Edinburgh, Frankfurt, Munich, Zurich, Warsaw and Vienna.

Raiffeisen Investment AG further consolidated its position as the leading M&A and privatization advisor in Austria and the CEE region, posting an outstanding 70% growth in earnings. Moreover, it also laid the strategic groundwork for the future by signing a cooperation agreement with Lazard, one of the world's most renowned investment banks. This partnership represents a milestone in the development of the company and will help to further improve the excellent positioning of Raiffeisen Investment in the CEE and CIS region and to gain access to a new international clientele.

The first-time expansion of the Private Banking segment to the Central and Eastern European region, carried out in cooperation with the network banks of Raiffeisen International, showed promising results. This division also achieved a considerable improvement in earnings compared to the preceding year.

Were there any particular personal highlights for you in 2007?

It is quite difficult to choose a personal highlight in the light of a very successful year for the bank. Nevertheless, due to the extensive media coverage and the complex, detailed issues which were involved, I would say the successful IPO of STRABAG. Generally speaking, against the background of the increasing

number of negative announcements made by individual investment banks and the branch in general, it was, on balance, so enduringly impressive for me to observe how poised, competent and calm our employees took advantage of opportunities in the booming markets during the first quarter of the year and then coped with highly volatile markets and minimized risks within the context of a completely different business scenario in the second half of the year. For this reason, I would like to extend my sincere thanks to all the men and women on our staff. Working as a holistic whole, they made it possible to achieve important successes in almost all our business areas in the past financial year.

To what extent do you see a need for stricter regulations, considering the ongoing liquidity and solvency crisis in the international financial system?

I do not think we have a lack of controls, rather the contents and the priorities must be reconsidered. On the one hand, there is no doubt that a globally operating financial system is based on functioning, international supervisory and regulatory mechanisms. On the other hand, the focus should not be on carrying out a complicated, time-consuming examination of individual processes and details, but rather on evaluating the respective

- **Foreword by the Chairman of the Executive Board**
 - Corporate Bodies
 - Corporate Governance Report
 - Structure of the Raiffeisen Centrobank Group
 - Foreword by the Chairman of the Supervisory Board
 - The RZB Group

business models and their stability as a whole. At the same time, it would be essential to observe the changing market conditions on the basis of a macroeconomic approach and analyse their impact on the different market participants.

One should remember that the regulations contained in Basel II are based on internal and external ratings, both of which have proven to be of questionable quality in this crisis. In this case, using microeconomic and past-related evaluation criteria has apparently not been sufficient enough to anticipate systemic risks.

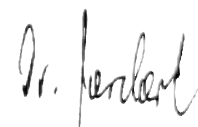
What specific expectations do you have in regards to Austria's stock market?

The domestic economy will certainly not be able to completely avoid the consequences arising from the crisis affecting global financial markets. The most recent research reports do not openly refer to a global economic crisis. However, the ongoing slowdown in US growth, the strength of the Euro, and the high raw material prices, which in turn have led to a strong increase in consumer prices, have a dampening effect on economic development throughout Europe and thus also in Austria. Nevertheless, we are cautiously optimistic. Economic growth in Austria will be undoubtedly lower compared to the previous year, due to the difficult international business climate. However, most Austrian companies have good fundamentals and full order books, which supports our view that the

domestic economy will be at least partly capable of defying the overall trend. We agree with the opinion by many experts who predict a turnaround starting in the middle of 2008.

One last point: what are the prospects for Raiffeisen Centrobank in 2008?

The business activities of an investment bank are subject to particular risks, particularly when a tense situation prevails on financial markets. This has been clearly demonstrated by well-known cases in the USA, but also in Germany and Switzerland. However, we are convinced that our investment bank effectively demonstrated in the past that it has the comprehensive control and hedging mechanisms and, above all, the experience and prudence to be successful in a difficult market environment. Accordingly, we are looking forward with extreme interest to meeting the challenges of the 2008 financial year. By persistently pursuing our business strategy and taking advantage of the expected economic recovery as of mid-year in a targeted manner, we anticipate that 2008 will be yet another successful chapter in the history of our bank.



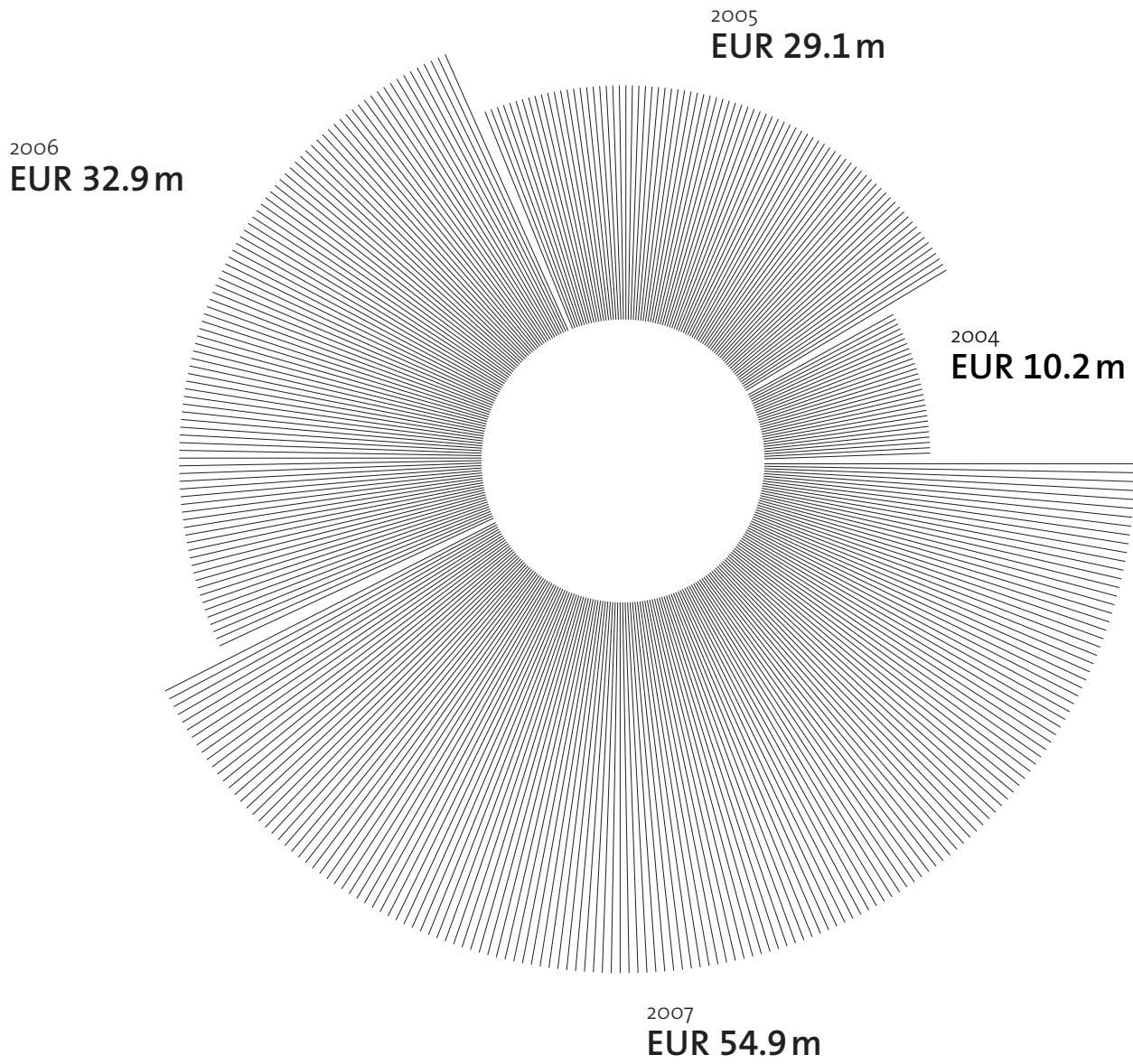
Eva Marchart

Chairman of the Executive Board

Raiffeisen Centrobank Group

Profit before tax

2004–2007



Foreword by the Chairman of the Executive Board
• Corporate Bodies
Corporate Governance Report
Structure of the Raiffeisen Centrobank Group
Foreword by the Chairman of the Supervisory Board
The RZB Group

Corporate Bodies

Executive Board	Eva Marchart	Chairman
	Alfred Michael Spiss	Deputy Chairman
	Gerhard Grund	Member
Supervisory Board	Walter Rothensteiner	Chairman
	Chairman of the Management Board, Raiffeisen Zentralbank Österreich AG, Vienna	
	Patrick Butler	First Deputy Chairman
	Member of the Management Board, Raiffeisen Zentralbank Österreich AG, Vienna	
	Herbert Stepic	Second Deputy Chairman
	Chairman, Raiffeisen International Bank-Holding AG, Vienna	
Karl Sevelda	Member	
Member of the Management Board, Raiffeisen Zentralbank Österreich AG, Vienna		
Christian Teufl	Member	
Director, Raiffeisen Zentralbank Österreich AG, Vienna		
Helfried Marek	Member	
Vienna		
State Commissioners	Peter Braumüller	
	Divisional Director	
Tamara Els		
Deputy Assistant		

* Alfred Michael Spiss, Eva Marchart, Gerhard Grund
(from left to right)



Foreword by the Chairman of the Executive Board
Corporate Bodies

- **Corporate Governance Report**

Structure of the Raiffeisen Centrobank Group
Foreword by the Chairman of the Supervisory Board
The RZB Group

Corporate Governance Report

Raiffeisen Centrobank is not a publicly-listed company. As an issuer of a broad range of structured financial products and as one of the leading securities underwriters on the Vienna market and at other stock exchanges, Raiffeisen Centrobank orients its business activities to the rules and principles of good and responsible corporate governance as stipulated in the Austrian Corporate Governance Code, inasmuch as they are applicable to the bank. Raiffeisen Centrobank has not formally committed itself up until now to complying with the Austrian Corporate Governance Code.

For Raiffeisen Centrobank, the core features of modern corporate governance are an efficient cooperation among the various organs of the company based on an atmosphere of mutual trust, the safeguarding of the interests of shareholders as well as ensuring open and transparent communications. The information provided below represents examples of how Raiffeisen Centrobank complied with the Austrian Corporate Governance Code during the period under review (January 1, 2007–December 31, 2007) and refers to the new version published in January 2006.

Cooperation of Supervisory and Executive Boards

One of the principles underlying good corporate governance reflected in the management of Raiffeisen Centrobank is the open discussions taking place between the Executive Board and Supervisory Board and within these bodies.

The Executive Board provides regular, timely and comprehensive information to the Supervisory Board about all issues of relevance to the business development of the bank, including the risk situation and risk management at Raiffeisen Centrobank and its subsidiaries. When there are compelling reasons, the Executive Board informs the Supervisory Board immediately, in particular regarding any circumstances or developments which could have a major impact on the profitability or liquidity of the company.

The Executive Board coordinates the business strategy of the company with the Supervisory Board and discusses the implementation of the strategy with the Supervisory Board in regular intervals.

The Supervisory Board convenes at least four times in each financial year.

Executive Board

The Executive Board is to have two or more members, of which one is to serve as its chairman. The Executive Board's rules of procedure apportion responsibilities and determine the nature of the working relationships among the members.

The Executive Board is responsible for communicating with the outside world. This wideranging responsibility largely determines how the company is perceived by its shareholders. In handling this responsibility, the board avails itself of the support forthcoming from the dedicated line departments. An in-house auditing department reports directly to the Executive Board on its plans and processes and on its significant findings.

Rules on conflicts of interest and on own business

Raiffeisen Centrobank has enacted organizational measures designed to preclude own business transactions. These comprise the setting-up of areas of confidentiality and the promulgation of internal guidelines comprised in a handbook and governing the dealing with insider information and with information of relevance to insiders. Raiffeisen Centrobank conducts and maintains programs training and monitoring its staff members in the observation of these measures.

The Executive Board avails itself of its expertise in formulating its resolutions, whose enactment is not governed by the pursuit of own interests. Board members disclose to the Supervisory Board any significant personal interests they have in transactions undertaken by Raiffeisen Centrobank and its group companies and any other conflicts of interest. All transactions undertaken between Raiffeisen Centrobank or its group companies on the one hand and its Executive Board members or persons or companies affiliated with them on the other have to accord to the standards of conduct customary to the bank's sector and have to be authorized in advance by the Supervisory Board.

Unless the Supervisory Board authorizes such, neither Executive Board members nor senior executives may manage a company or occupy a position of responsibility in the same, except in those cases in which said companies are affiliated with Raiffeisen Centrobank or in which Raiffeisen Centrobank has taken a participatory stake in them. The authorization of the Supervisory Board is also required for the pursuing of transactions by Executive Board members or by senior executives, with this applying to transactions undertaken on one's behalf or of that of third parties and to the sector of business in which Raiffeisen Centrobank operates or to others in which companies are active in which the party in question serves as personally liable partner.

Foreword by the Chairman of the Executive Board
Corporate Bodies

• **Corporate Governance Report**

• **Structure of the Raiffeisen Centrobank Group**

Foreword by the Chairman of the Supervisory Board
The RZB Group

Transparent information policies

Raiffeisen Centrobank considers openness and transparency in its communications with shareholders and relevant stakeholders to be a top priority. For this reason, comprehensive information is offered on the Internet:

- » Press releases, overview of key company data
- » Shareholders and subsidiaries
- » Annual reports (can be downloaded as PDF files)
- » Securities prospectuses (can be downloaded as PDF files)
- » Raiffeisen Centrobank stock analyses and product brochures (can be downloaded as PDF files), etc.

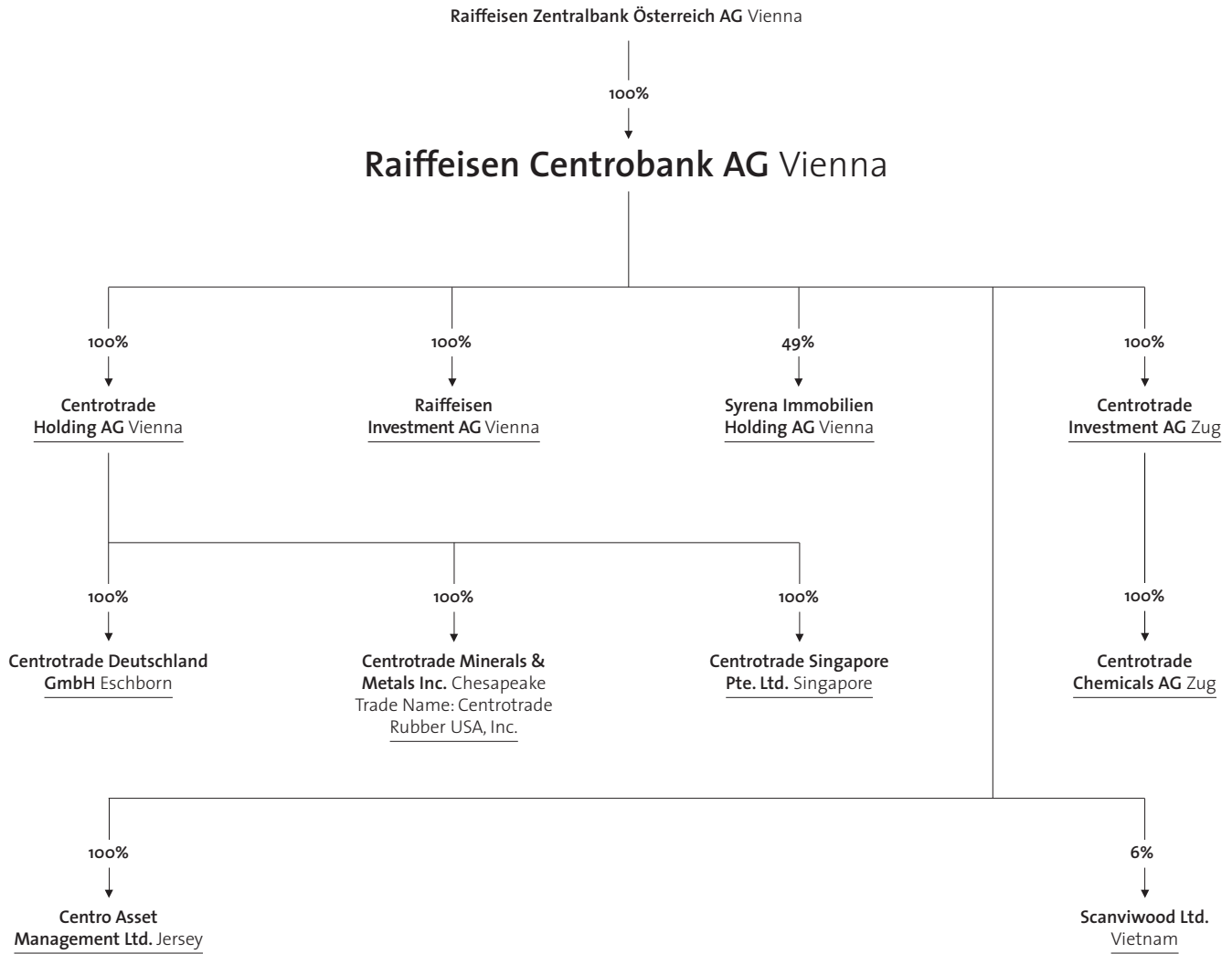
Criteria defining the operating independence of Supervisory Board members, in accordance with the stipulations of the Austrian Corporate Governance Code

A Supervisory Board member is to be regarded as being independent in those cases in which he or she maintains no business or personal relationships with the company or its Executive Board which could give rise to a material conflict of interest on the member's part and thus influence his or her actions.

In ascertaining the independence of its members, Raiffeisen Centrobank's Supervisory Board employs the following guidelines as criteria:

- » The Supervisory Board member is not to have been during the previous five years a member of the Executive Board or a senior executive of the company or of a subsidiary.
- » The Supervisory Board member is not to currently maintain or have maintained during the previous year business relationships with the company or with its subsidiaries to be regarded as being of a scope significant to a Supervisory Board member.
- » The Supervisory Board member is not to have served during the last three years as the official auditor of the company, or as a partner or employee of the firm auditing the company.
- » The Supervisory Board member is not to be Executive Board member in another company in which an Executive Board member is a member of Raiffeisen Centrobank's Supervisory Board.
- » Supervisory Board members are not to be close relations (defined as being the children or grandchildren, spouses or equivalents, parents, uncles or aunts, siblings, nieces and nephews) of an Executive Board member or of a person holding one of the positions described in the above points.

As adjudged by these criteria for determining independence, all members of Raiffeisen Centrobank's Supervisory Board are to be regarded as being independent.



Foreword by the Chairman of the Supervisory Board

The 2007 financial year posed an immense challenge to the financial community, particularly in the second half of the year. This was reflected in the development of the Vienna Stock Exchange, a core market for Raiffeisen Centrobank. Against the backdrop of increasing market uncertainties, the business results of the bank are quite impressive. Raiffeisen Centrobank can look back at the most successful financial year in its history, raising earnings by about 80%. Accordingly, it demonstrated that its product portfolio and wide-ranging expertise can continually meet the high demands of customers, even in the context of a difficult business environment.

Raiffeisen Centrobank is Austria's undisputed leader among the investment banks. As the equity house of RZB, it supported every second IPO on the Vienna Stock Exchange and coordinated the largest number of stock market flotations and managed the largest volume of shares traded on the exchange. In this regard, it is especially important to mention the IPO of STRABAG and the capital increase of Raiffeisen International. Raiffeisen Centrobank also gained considerable international recognition, for example as the result of its managing the IPO of Romania's gas network operator TRANSGAZ, the largest going public in the history of the country.

The expansion of the bank's business activities to the Central and Eastern European region increasingly bore fruit, also as an issuer of structured investment products. In addition to the established markets of Austria, Germany, Italy and Switzerland, Raiffeisen Centrobank launched many of its financial products in Poland, Slovakia, Slovenia, Czech Republic and Hungary in the course of 2007.

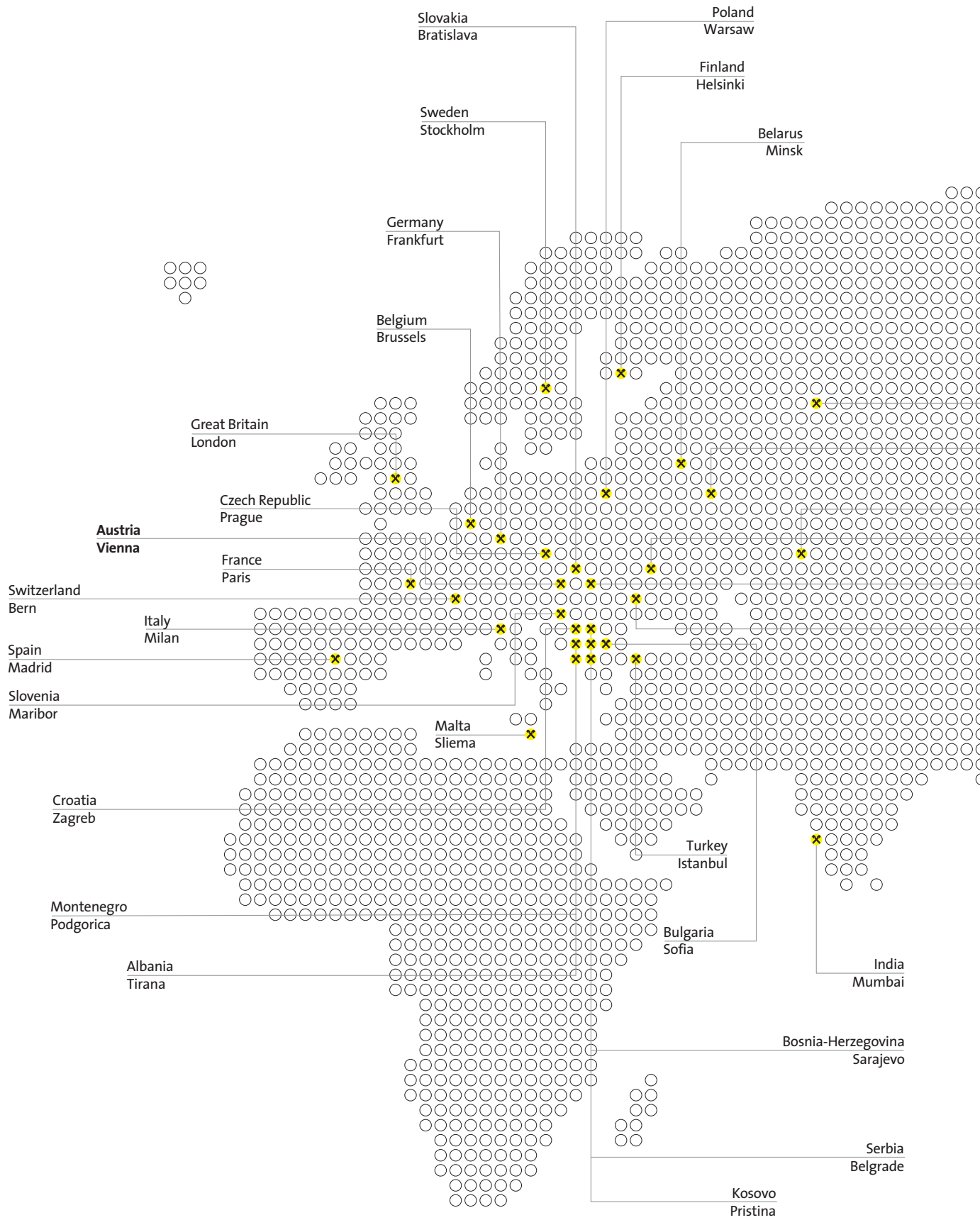
At the same time, the number of listed investment instruments also grew by about 20%, to reach a level close to 1,700 products. Serving as the certificate specialist of the Raiffeisen Banking Group, Raiffeisen Centrobank once again underlined its position as the unsurpassed Austrian market leader. Moreover, the M&A subsidiary Raiffeisen Investment AG demonstrated its strength and competence by completing 40 transactions with a total volume of about EUR 10 bn. Furthermore, the cooperation agreement concluded with Lazard in June 2007 opens up new perspectives the bank will strive to exploit in the future.

The employees of Raiffeisen Centrobank are the cornerstone of the success of the Raiffeisen Banking Group, both in Austria and abroad. Of course, this also applies to Raiffeisen Centrobank, which, as a part of the RZB Group, is closely connected to the Raiffeisen Banking Group. On behalf of the Supervisory Board, I would like to extend my sincere thanks to all employees who worked together with management to successively rise up to the challenges posed by the year 2007 and overcome them in an outstanding manner. In the light of what is still a very difficult market environment, Raiffeisen Centrobank has the best prerequisites to once again achieve a top-notch performance in 2008.

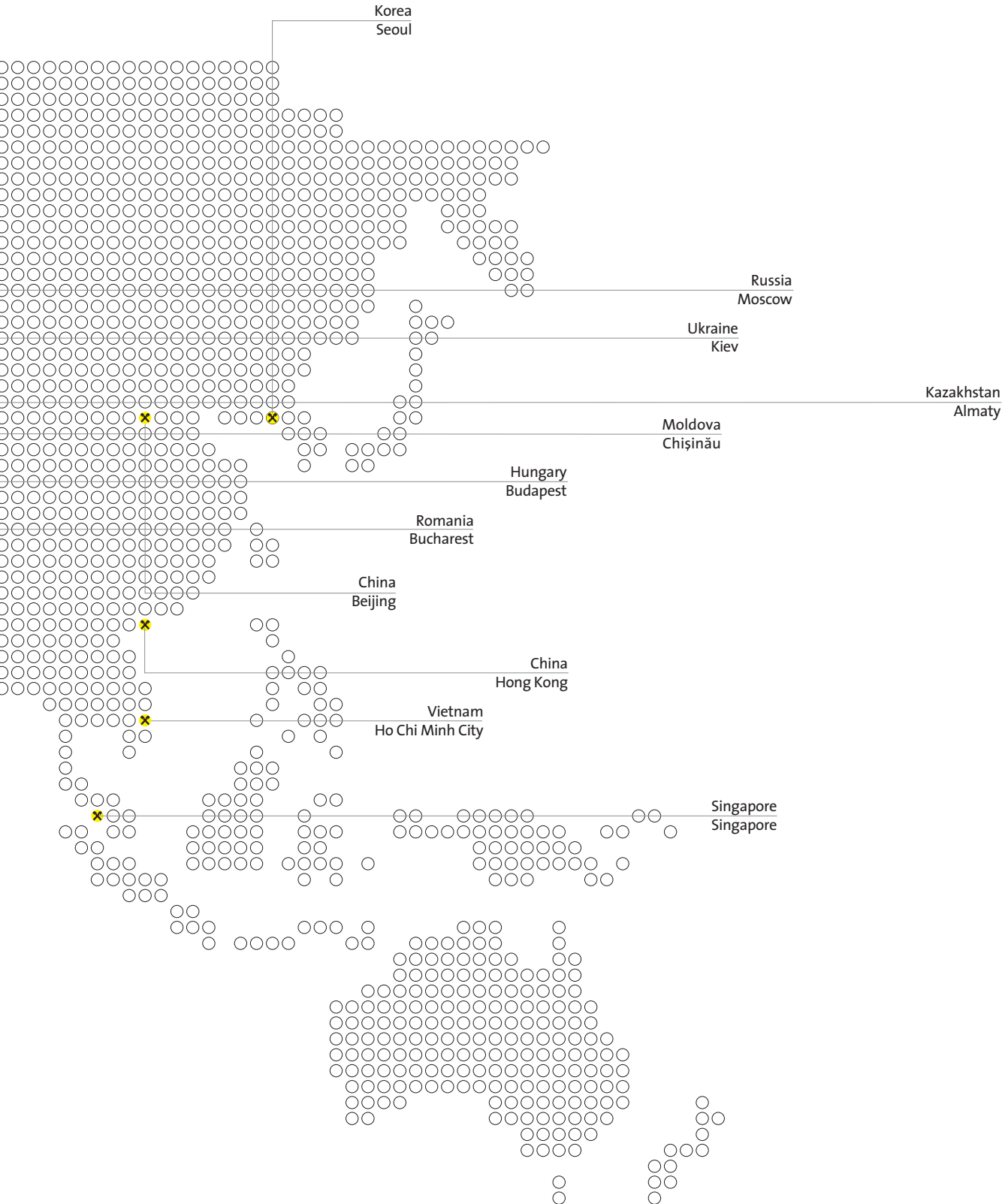


Walter Rothensteiner
 Chairman of the Supervisory Board



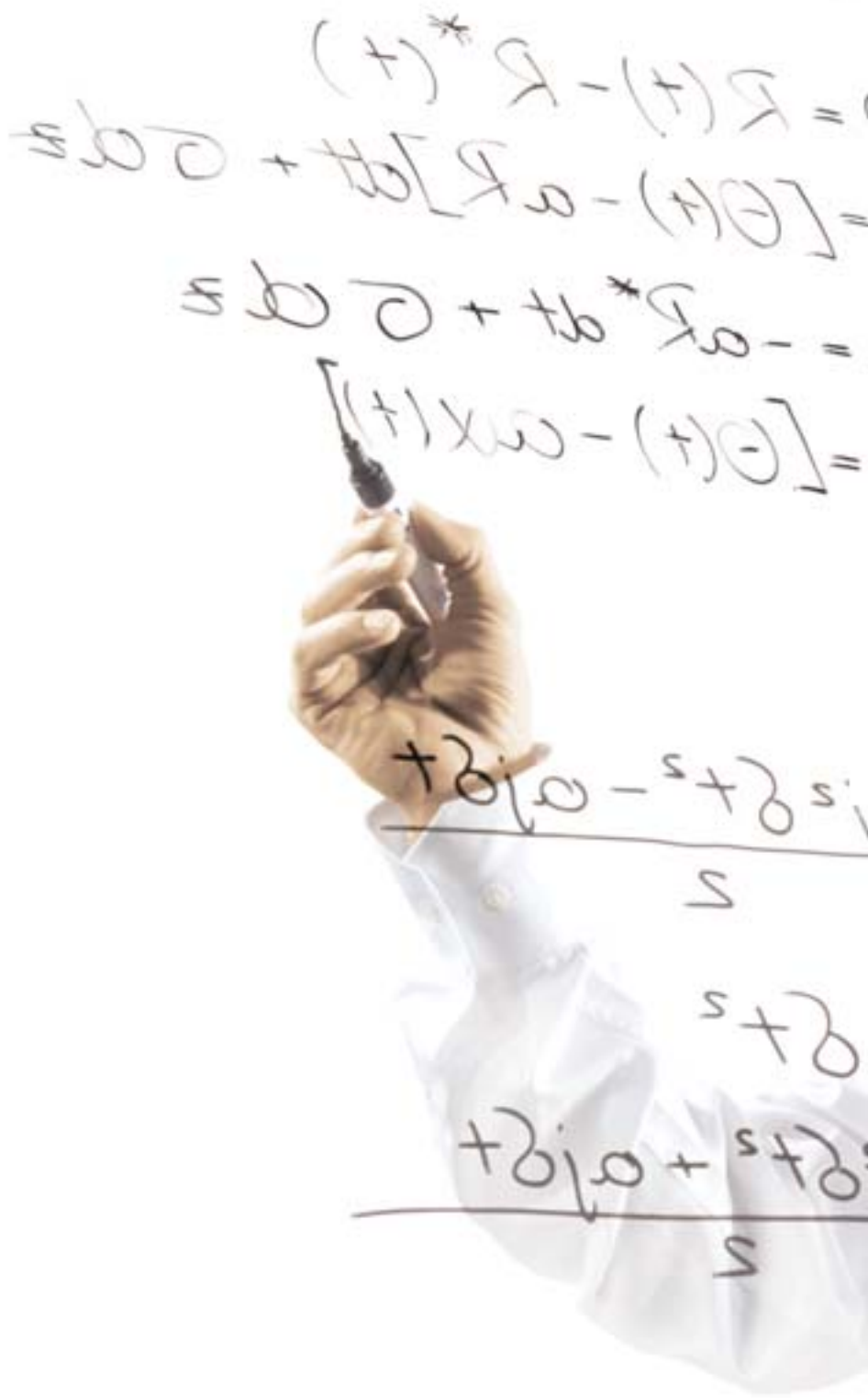


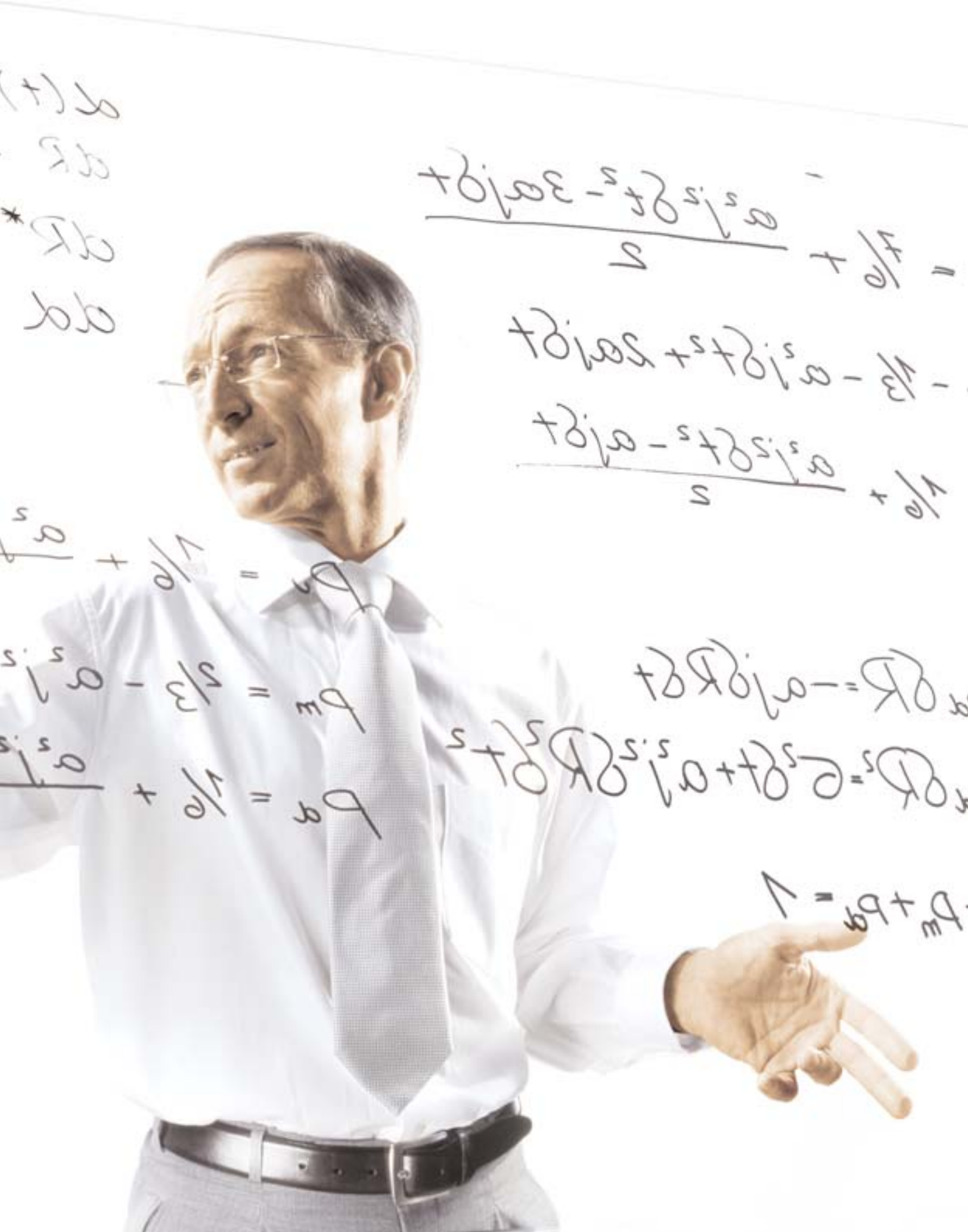
The RZB Group



Trading profit:
+58% to EUR 63.4m

BROAD THEORETICAL KNOWLEDGE.
JUST AN ISSUE OF HAVING AN OVERVIEW.





$$\frac{1}{s} + \frac{1}{s-1} = \frac{1}{s} + \frac{1}{s-1}$$

$$\frac{1}{s} + \frac{1}{s-1} = \frac{1}{s} + \frac{1}{s-1}$$

$$\frac{1}{s} + \frac{1}{s-1} = \frac{1}{s} + \frac{1}{s-1}$$

$$\frac{1}{s} + \frac{1}{s-1} = \frac{1}{s} + \frac{1}{s-1}$$

$$\frac{1}{s} + \frac{1}{s-1} = \frac{1}{s} + \frac{1}{s-1}$$

$$\frac{1}{s} + \frac{1}{s-1} = \frac{1}{s} + \frac{1}{s-1}$$

$$\frac{1}{s} + \frac{1}{s-1} = \frac{1}{s} + \frac{1}{s-1}$$

$$\frac{1}{s} + \frac{1}{s-1} = \frac{1}{s} + \frac{1}{s-1}$$

- The Raiffeisen Centrobank Group
- Highlights of the 2007 Financial Year
 - Securities Trading & Sales
 - Certificates
 - Company Research
 - Equity Capital Markets
 - Private Banking
 - Raiffeisen Investment AG

The Raiffeisen Centrobank is a highly specialized investment bank of the RZB Group and the leading specialized securities bank for Austria as well as Central and Eastern Europe. It plays a major role as an interface for the equity business in the CEE region.

An Overview of the Raiffeisen Centrobank Group

Raiffeisen Centrobank is the specialized financial institution of the RZB Group for the Austrian as well as the Central and Eastern European investment banking business for securities and M&A. It can take advantage of the network of the RZB Group in its day-to-day business operations, particularly in the CEE region. As the specialized investment bank of the RZB Group, it is a major player on the international capital market.

The best of Europe

We are a bank located in the heart of Europe. Based in Austria, we have been successfully operating in the countries of Central and Eastern Europe for many years. As the leading Austrian investment and specialized securities bank, we have emerged as the main interface for the securities business in the CEE region. The increase in earnings achieved by Raiffeisen Centrobank in the past financial year reflects the consistent implementation of our internationalization strategy, with a clearly-defined focus on Central and Eastern Europe. Direct memberships in twelve international stock exchanges as well as optimal access to local markets through the network banks of the Raiffeisen Group enable our customers to trade in shares issued by CEE companies in a real-time and cost-effective manner.

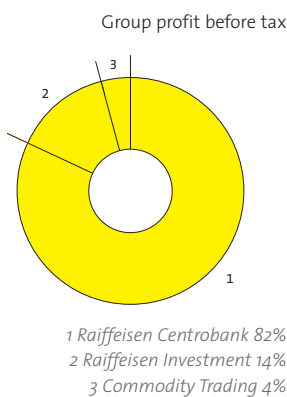
Raiffeisen Centrobank also covers all other recognized stock exchanges of the international capital market. It is the largest specialist and market maker on the Vienna Stock Exchange.

Securities Trading & Sales

As a specialized securities bank, Raiffeisen Centrobank is the only Austrian investment bank which concentrates on providing products and services in connection with stock exchanges, in particular the Austrian and Central and Eastern European equity markets. Moreover, it is one of the largest Austrian issuers of warrants and certificates. It has assumed a leading position in Austrian securities trading, with a market share of 10% of total trading on the Vienna Stock Exchange, 27% in Austrian derivatives and 40% in Eastern European derivatives on ÖTOB, the Austrian Futures and Options Exchange.

Equity Capital Markets

Raiffeisen Centrobank is one of the leading Austrian investment banks and specialists for securities underwriting, boasting more than 25 years of experience in structuring and carrying out securities transactions. Its professional competence and positioning within the Raiffeisen Banking Group gives it the best possible contacts to investors in Austria and abroad. A separate Equity Capital Markets team specializing in Central and Eastern Europe enables the bank to focus its advisory and customer support activities on these markets.



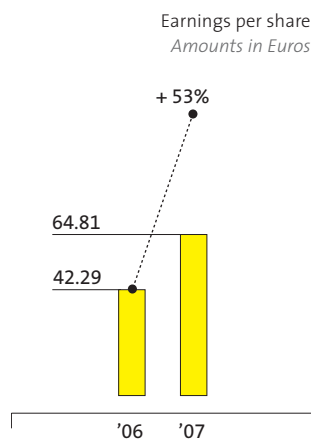
The Raiffeisen Centrobank Group

Highlights of the 2007 Financial Year



- **The Raiffeisen Centrobank Group**
Highlights of the 2007 Financial Year
Securities Trading & Sales
Certificates
Company Research
Equity Capital Markets
Private Banking
Raiffeisen Investment AG

The past financial year was once again characterized by record business results, not least because of the consistent implementation of the internationalization strategy. Accordingly, the profit before tax of the Raiffeisen Centrobank Group rose by about 67%, to an impressive EUR 54.9 m.



Company Research

A comprehensive and highly-specialized know-how in regards to Austrian as well as Central and Eastern European equity markets, companies, and business sectors enables the analysts at Raiffeisen Centrobank to develop studies and reports which precisely and profitably inform investors and share issuers.

Private Banking

Raiffeisen Centrobank also stands for active investment and asset management. Based on our absolute return management approach, we develop tailor-made and creative investment solutions for private and institutional investors. The field of private banking is the youngest within the Raiffeisen Centrobank Group, yet it continually posts growth rates of about 40 percent annually.

Mergers&Acquisitions

Raiffeisen Investment AG is a fully-owned subsidiary of Raiffeisen Centrobank, and the leading M&A and privatization consultant in Austria and in the CEE countries. Based on its outstanding know-how and local presence in 13 markets, it advises and supports companies, investor groups, governments and supranational organizations when it comes to privatizations, corporate acquisitions, mergers and takeovers.

Commodity Trading

The Raiffeisen Centrobank Group is also active in trading rubber and olefins via its subsidiaries Centrottrade Holding AG and Centrottrade Investment AG.

The basis for success: key figures

As an investment house, Raiffeisen Centrobank provides comprehensive and competent consulting services to its customers in securities, capital market and complex financing transactions. Among the bank's most impressive successes in the past calendar year were the first-time listing of certificates on the Prague, Warsaw and Budapest stock markets; IPOs such as that of STRABAG (the largest stock market flotation in the history of the Vienna Stock Exchange) and the Croatian refinery INA; the cooperation agreement signed with the international investment bank Lazard for Central and Eastern Europe, and last but not least, numerous awards bestowed upon Raiffeisen Centrobank for its equity capital markets (structured products), private banking and company research activities. The growth of our total revenue and earnings continued in the 2007 financial year. The profit before tax of the Raiffeisen Centrobank Group increased by close to 67%, to EUR 54.9 m. The return on equity (before tax) considerably improved, from 41% in 2006 to 65% in 2007. Earnings per share rose a remarkable 53%, to EUR 64.81. That's our success at a glance.

The Raiffeisen Centrobank Group

An overview of its business segments



- **Securities Trading & Sales**
- Certificates
- Company Research
- Equity Capital Markets
- Private Banking
- Raiffeisen Investment AG

Securities Trading & Sales

The most important cornerstones of Raiffeisen Centrobank Securities Trading & Sales: largest market maker on the Vienna Stock Exchange, number two on the ÖTOB derivatives exchange, twelve direct stock exchange memberships and up to 10,000 securities transactions per day.

As the only Austrian investment bank specialized in securities transactions and as an internationally recognized specialist for Austrian and Central and Eastern European shares, Raiffeisen Centrobank has been positioned for many years as the largest market maker on the Vienna Stock Exchange and is second on the derivatives exchange ÖTOB, with a market share of about 25%.

The bank's leading role in domestic securities trading on behalf of institutional investors is underlined by the fact that it handles up to 10,000 transactions daily. Direct market access to a total of twelve stock markets and a series of quasi-memberships in various exchanges via local subsidiaries of the Raiffeisen Banking Group ensure quick and efficient access to capital markets. In the 2007 financial year, Securities Trading & Sales generated 82% of the operating income of Raiffeisen Centrobank.

Certified as the best

The market for certificates has been one of the fastest growing financial markets in recent years. More than 300,000 products are listed on EUWAX in Stuttgart, the largest certificate exchange in the world, with total trading of about EUR 128.5 bn in 2007. Our team for structured products is considered to rank among the leading experts in this field. The portfolio of Raiffeisen Centrobank, one of the leading issuers of certificates and warrants, has expanded since last year to encompass more than 2,000 different financial products, which continue to win numerous prizes. One of the most recent successes is the first-time listing of certificates on the Prague, Warsaw and Budapest stock exchanges.

Trading record on the Vienna Stock Exchange: the annual trading turnover of EUR 18.1 bn surpassed the previous year's level by close to 25%.

The securities business of Raiffeisen Centrobank was named the overall winner of the Austrian Certificate Award in 2007 and 2008, Vienna, and the number-one provider of "Structured Products" by the Alternative Investment Award, Vienna. Raiffeisen Centrobank was also voted to be the "Best in Central and Eastern Europe" at the Structured Products Europe Awards for Excellence 2007 in London, won the first prize for its capital market achievements at the Bucharest Capital Market Awards Gala and was given numerous other awards.

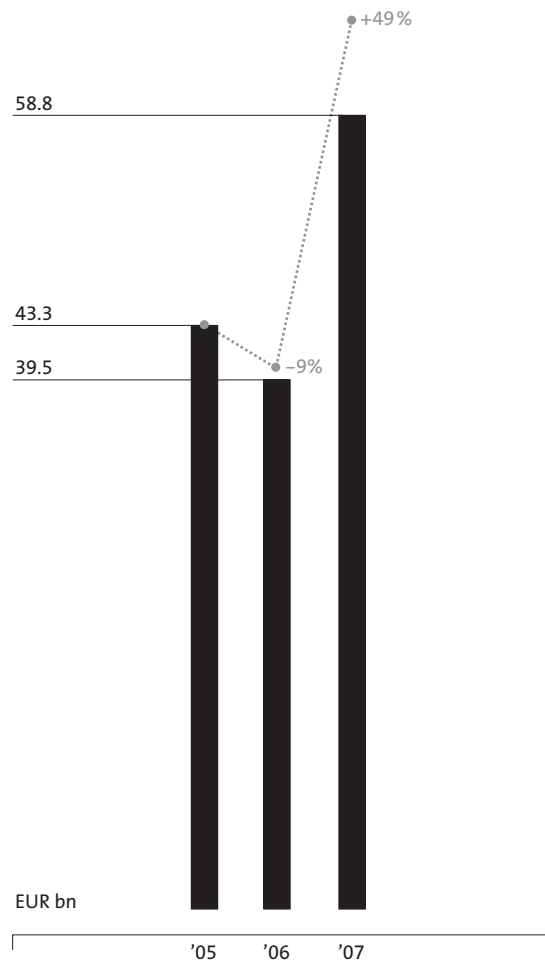
A year of breaking records

Raiffeisen Centrobank succeeded in generating record trading on the Vienna Stock Exchange, with a total turnover of Securities Trading & Sales of EUR 18.1 bn, close to 25% above last year's level. However, due to the massive entry of foreign market participants, Raiffeisen Centrobank's share of total trading declined slightly. In the 2007 financial year, the bank was number one among all stock exchange participants, with a market share of more than 40% in trading of Eastern European derivatives on ÖTOB.

In 2008, we will continue to focus on the growth markets of Central and Eastern Europe, where further economic growth and increased demand are expected despite the economic slowdown in the USA and the EU.

Raiffeisen Centrobank

Total trading turnover of Securities Trading & Sales



- **Certificates**
Company Research
Equity Capital Markets
Private Banking
Raiffeisen Investment AG

Certificates – The Investment All-Rounders

Raiffeisen Centrobank's team for structured products is at the cutting edge in the development of the Central and Eastern European certificate market, as was demonstrated by the first-time listing of certificates on the Prague, Warsaw and Budapest stock exchanges.

As a market maker, Raiffeisen Centrobank ensures that trading in the certificate market can take place at any time during trading hours and the certificate can be sold again.

The certificate market in Austria and Germany has been booming for many years, and not without good reason. Certificates enable investments specially tailored to the individual risk profile and market expectations of investors. The term “all-rounders of financial investing” is absolutely justified. With certificates, investors can profit from the performance of shares, indices, precious metals, bonds, and raw materials in every market phase. The types of certificates range from conservative financial products with a capital guarantee to more speculative leveraged products.

Raiffeisen Centrobank: one of Austria's leading issuing banks

The market for certificates or structured financial products, as they are often called, has been one of the fastest growing financial markets in recent years. More than 300,000 products are listed on EUWAX in Stuttgart, the largest certificate exchange in the world, with total trading of about EUR 128.5 bn in the year 2007. Raiffeisen Centrobank itself offers a portfolio containing about 2,000 certificates and warrants.

What are certificates?

From a legal point of view, certificates are a type of bond issued by an investment bank. Their yield profile depends on the development of an underlying base value. In contrast to other securities such as shares or bonds, the price calculation for a certificate does not depend on supply and demand for the certificate itself, but is primarily determined by the price movements of the underlying base value.

Ongoing liquidity

Trading with certificates functions similar to share trading, with the one big exception that the liquidity does not depend on supply and demand, but is made available by the issuer. If an investment bank issues a certificate, it is required to publish ongoing prices for the purchase and sale of the certificates and thus assumes the function of a liquidity provider, or to use the specialized term, “market maker.”

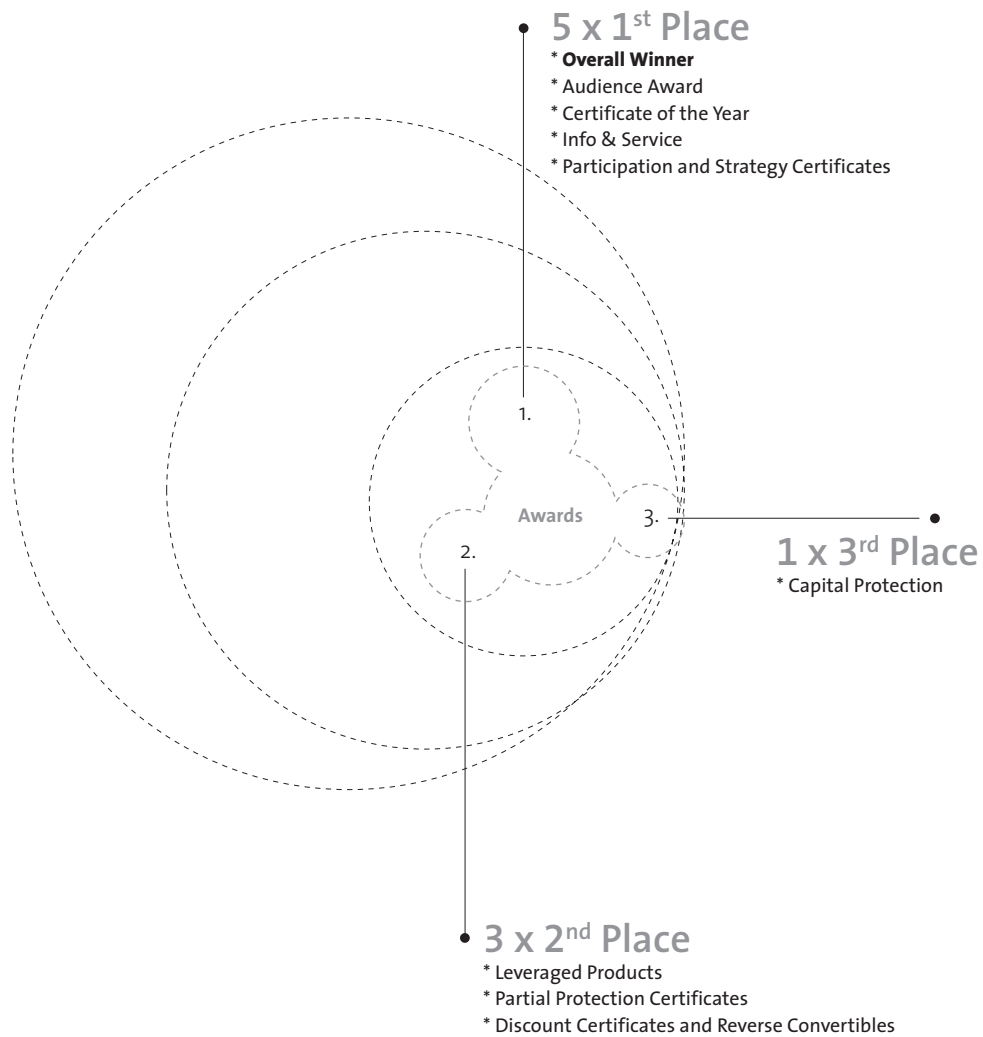
Certificates	Risk	Market scenario	
Guarantee Certificates	100% capital guarantee	Positive/Sideways	↑/→
Bonus Certificates	Risk buffer, partial capital guarantee	Positive/Sideways	↑/→
Discount Certificates	Risk buffer	Positive/Sideways	↑/→
Reverse Convertibles	Risk buffer	Positive/Sideways	↑/→
Index/Basket Certificates	Market risk	Positive	↑
Turbo Long Certificates	Leverage effect, knock-out	Positive	↑↑
Turbo Short Certificates	Leverage effect, knock-out	Negative	↓↓
Call Warrants	Leverage effect	Positive	↑↑
Put Warrants	Leverage effect	Negative	↓↓

Austrian Certificate Award 2008

An overview of Raiffeisen

Centrobank's success:

9 out of 10 times in the top three



The Raiffeisen Centrobank Group
Highlights of the 2007 Financial Year
Securities Trading & Sales
Certificates

- **Company Research**
Equity Capital Markets
Private Banking
Raiffeisen Investment AG

Company Research

Company Research is the central information supplier for all other core business areas of Raiffeisen Centrobank: Securities Trading & Sales, Equity Capital Markets, and Private Banking, but just as much for Raiffeisen Investment AG.

The focus of Company Research is Austria as well as Central and Eastern Europe. More than half of the analyst team operates locally in the CEE region, and more than 60% of ongoing research reports cover Central and Eastern European companies.

Investors require information, and that is precisely what the experts at Company Research have been reliably supplying them with for many years. The highly specialized team of analysts at Raiffeisen Centrobank is the research leader on the Austrian market, thanks to its comprehensive coverage of domestic and Eastern European stock exchanges. Solid market and sector expertise in Austria and Central and Eastern Europe, combined with the designated analysis know-how, serves as the basis for the comprehensive support and consulting of investors and issuers.

Our company and sectoral analyses require a commitment to the entire region and core competencies in the most diverse business sectors. For this reason, cross-border sectoral teams cooperate in the fields of oil and gas, banks, raw materials, construction industry, real estate, utilities, telecommunications, engineering, transport, and consumer goods. The expanded Company Research team now consists of 30 analysts. 17 of these experts are based in Central and Eastern Europe, working for the network banks of the Raiffeisen Banking Group in Belgrade, Bucharest, Budapest, Maribor, Moscow, Prague and Zagreb. The Polish market, and since 2007 the Ukrainian market as well, are being covered by experienced Polish and Ukrainian specialists in Vienna.

The research universe

Company Research covers more than 30 Austrian and 50 Eastern European companies, which are listed on 11 European stock exchanges. Our medium-term goal is to expand our coverage to more than 100 companies. The strength of Raiffeisen Centrobank Company Research lies in this matrix of local expertise and experienced sectoral specialists, who have an intimate knowledge of their own particular markets. The research products developed by Company Research include regular sectoral and company analyses, quarterly strategy publications, weekly market outlooks, and a daily newsletter focusing on shares. The experts comprising the research teams of Raiffeisen Centrobank advise the internal sales team, institutional investors as well as investment consultants of the Raiffeisen Banking Group. Numerous investor conferences are supported with research information, including conferences organized by Raiffeisen Centrobank in Vienna, Moscow and Züri and roadshows sponsored by the Vienna Stock Exchange.

Transaction and issues-oriented research

Generally speaking, the volume of transaction-oriented research has expanded extensively in Austria and Eastern Europe. In particular, we supported the IPO of the construction group STRABAG, the largest stock market flotation in the history of the Vienna Stock Exchange with a total volume of more than EUR 1.3 bn, with a substantial amount of research and extremely extensive pre-marketing activities. In a similar manner, Company Research also supported the implementation of smaller-sized transactions in fields such as real estate, consumer goods, steel, technology, and utilities.

The close cooperation between Raiffeisen Centrobank and the RZB Group offers investors a comprehensive analysis of the CEE region.

Raiffeisen Centrobank took account of the growing interest in real estate issues by adding five real estate companies listed on the Vienna Stock Exchange to its portfolio of firms being evaluated on a regular basis. It also hosted a roadshow focusing exclusively on this field.

Eastern European competence

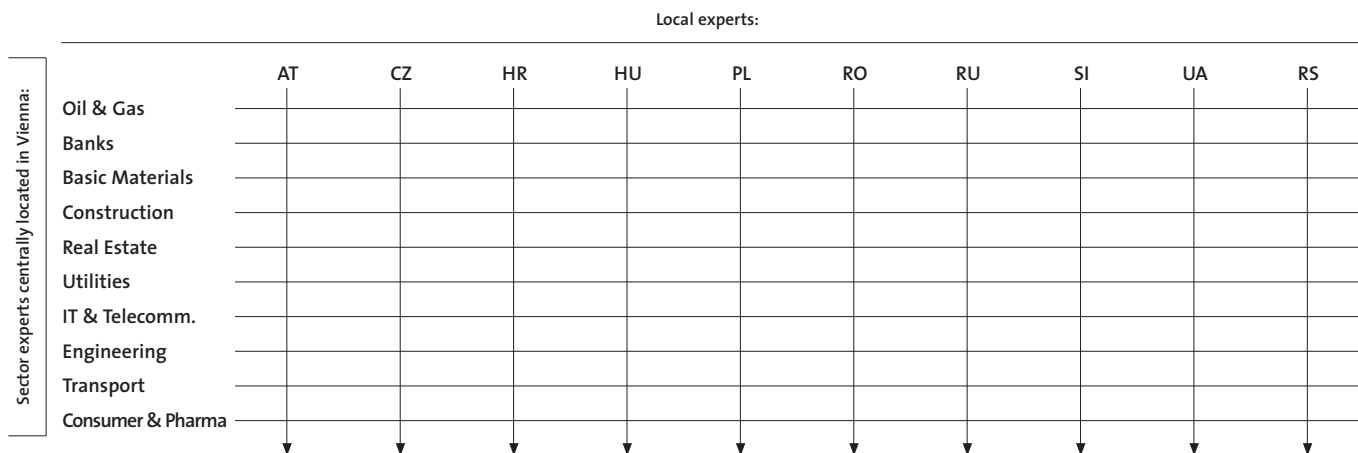
The cross-border sectoral approach was reflected in many sectoral reports and roadshows. Our teams published studies on Russian utilities and oil companies, but also prepared comprehensive analyses on banks, oil and gas and telecommunications companies, with a focus on the entire CEE region. These reports were presented to institutional investors within the context of roadshow

presentations in London, Paris, Frankfurt, Milan, Warsaw, and Moscow, as well as in Stockholm, Brussels, Hamburg, and Geneva.

The Eastern European competence of Company Research is further strengthened by Raiffeisen Centrobank’s integration into the Raiffeisen Banking Group, one of the most successful and experienced financial institutions in Central and Eastern Europe. The securities specialists of our analyst teams work directly with the economists, market analysts, and securities analysts of the local Raiffeisen banks and Raiffeisen Zentralbank on an ongoing basis. The result is a know-how transfer which has proven to be of benefit to many institutional investors.

Investors can directly download the share analyses of Company Research from our website, www.rcb.at.

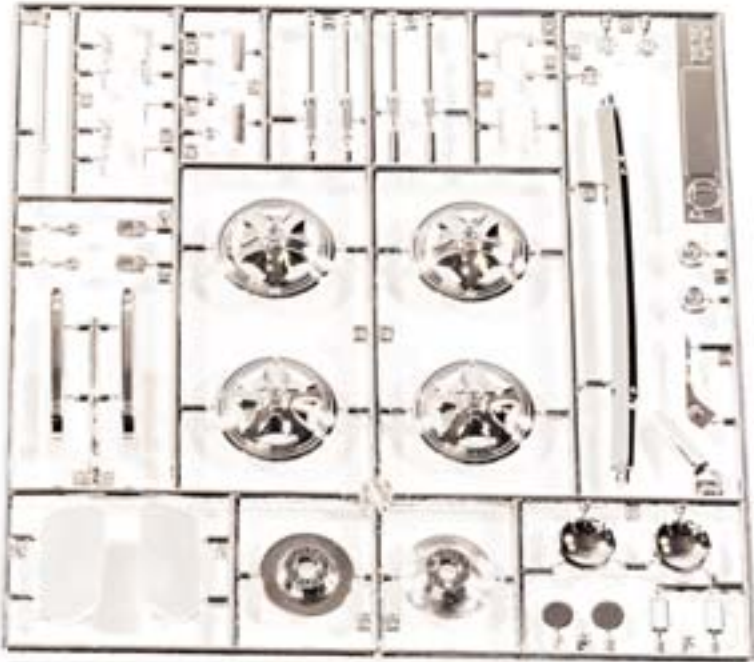
The matrix structure of Company Research





Return on Equity before tax:
from 41.3% to 64.6%

COMPLEX IDEAS.
JUST AN ISSUE OF HAVING AN OVERVIEW.



Equity Capital Markets

With more than 20 years of experience, Equity Capital Markets of Raiffeisen Centrobank is responsible for the biggest number of IPOs and the largest IPO transactions on the Vienna Stock Exchange.

In the past financial year, the international stock exchange environment was characterized by a high level of volatility and market corrections. Nevertheless, Equity Capital Markets (ECM) of Raiffeisen Centrobank succeeded in carrying out a series of prominent transactions in Austria as well as in Central and Eastern Europe.

Strong track record and comprehensive consulting

Raiffeisen Centrobank ranks among the leading Austrian investment banks and can look back at more than 20 years of experience in structuring and implementing equity capital markets transactions. Equity Capital Markets primarily focuses on supporting, advising and coordinating initial public offerings, capital increases, secondary public offerings, block trades and private placements, and also provides consulting services for a listing on a stock exchange. Thanks to its long history as the specialized securities bank of the Raiffeisen Banking Group, Equity Capital Markets can offer customers access to many institutional investors in Austria as well as in other markets, due to the strength of its sales team. In Austria, Raiffeisen Centrobank has been responsible for managing the biggest number of initial public offerings and the largest single IPO transactions in the history of the Vienna Stock Exchange.

Capital interface

On the basis of its strong placement capabilities with institutional investors and access to the largest domestic retail bank network, with about 2,300 branches, the ECM team is one of the first contact points for every type of capital market transaction. Among our

strengths are consulting services provided before a transaction is carried out, namely the valuation of a company, strategic consulting, structuring according to corporate law, marketing, PR and investor relations consulting. Moreover, within the context of our advisory services, we assist listed companies to access the external financing instruments offered by the RZB Group or funding provided by prominent financial investors. After transactions have been completed, we also offer companies the most extensive possible follow-up support, working closely together with Company Research and Sales.

Austrian highlights

Following years featuring a high level of new share issues, the environment for initial public offerings, capital increases, and block trades deteriorated due to weaker stock markets, a situation triggered by the American sub-prime mortgage crisis. As a result, many planned stock market flotations were postponed indefinitely at the end of 2007 or the beginning of 2008.

Nevertheless, Equity Capital Markets achieved a new milestone in the 2007 financial year, serving as joint lead manager for the IPO of STRABAG SE. With a total volume of more than EUR 1.3 bn, the IPO was the largest going public in the history of the Vienna Stock Exchange, which considerably gained in complexity due to the surprising strategic stake acquired by the Russian investor Oleg Deripaska prior to the transaction.

Further Equity Capital Market highlights of the year 2007 included the capital increases of Raiffeisen International and CA Immo

Equity Capital Markets served as joint lead manager of the largest stock market flotation in the history of the Vienna Stock Exchange. The IPO of the construction group STRABAG in October 2007, with a volume of more than EUR 1.3 bn, was the stock market highlight of 2007.

The deal list for Central and Eastern Europe features two special transactions: the IPO of the Croatian refinery INA ("Deal of the Year 2006" within the Raiffeisen Group) and the IPO of the Romanian company TRANSGAZ, the largest IPO ever on the Bucharest Stock Exchange.

Anlagen, the listing and takeover of Pankl Racing Systems, and the going public of Warimpex. As soon as the overall stock exchange environment improves, we expect to be involved in several transactions in 2008 which have either been postponed or which are in the pipeline.

Upturn in Central and Eastern Europe

Considerable progress was once again made in the course of 2007 towards further expanding the ECM business of Raiffeisen Centrobank in the 15 markets of Central, Eastern, and Southeast Europe. The market entry in Russia, the most important market in our target region, was pursued with particular intensity. The business highlights of Equity Capital Markets in 2007 included the conclusion of the extremely successful IPO of the Croatian company INA in January 2007. The transaction was selected as "Deal of the Year

2006" within the Raiffeisen Group for being a text-book example of successful cooperation. In addition, we can also look back at the successful IPO of the Romanian gas pipeline network company TRANSGAZ (the largest going public in the history of the country) in December 2007. By the end of the year, the TRANSGAZ share had gained 75 percent in value. The stock markets in the CEE countries were impacted by the consequences of the subprime crisis in the same way as Western markets. For this reason, many planned transactions were either delayed or cancelled. Nevertheless, the economic fundamentals in Eastern Europe continue to be sound. It is expected that the business environment will improve starting in the middle of 2008. Assuming the market environment is sufficiently favourable, ECM CEE plans to conclude at least five projects for which it won mandates in Bulgaria, Romania, Czech Republic, and Russia.

Equity Capital Markets deal list for 2007

No.	Date	Company	Type	Volume	Country
1	Dec. 2007	TRANSGAZ	IPO	EUR 64m	RO
2	Oct. 2007	STRABAG	IPO	EUR 1.325bn	AT
3	Oct. 2007	Raiffeisen International	Capital increase	EUR 1.237bn	AT
4	Aug. 2007	Pankl Racing Systems	Takeover	n.a.	AT
5	Jul. 2007	Maculan Holding	Squeeze-out	n.a.	AT
6	May 2007	Unternehmens Invest AG	Takeover	n.a.	AT
7	Apr. 2007	CA Immo Anlagen	Capital increase	EUR 676m	AT
8	Mar. 2007	Pankl Racing Systems	Listing	n.a.	AT
9	Jan. 2007	KTM Sportmotorcycle	Squeeze-out	n.a.	AT
10	Jan. 2007	Warimpex	IPO	EUR 110m	AT
11	Jan. 2007	INA	IPO	EUR 391m	HR

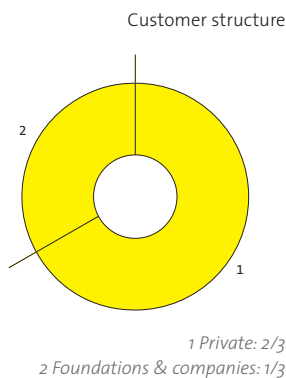


UNCONVENTIONAL THINKING.
JUST AN ISSUE OF HAVING AN OVERVIEW.



Net interest income:
+82% to EUR 6.3 m

Private Banking



The principle of Private Banking at Raiffeisen Centrobank is individual customer liaison and support on the basis of absolute-return management, which enables investments tailored to the individual risk profile, independent of any benchmark constraints. During the last three years, this approach has generated an annual performance ranging from 8% to 16%.

Raiffeisen Centrobank is an Austrian financial institution. However, its Private Banking division manages customer assets according to the “Swiss principle.” This means the key account manager is also the personal consultant and portfolio manager. The competent Private Banking team can take advantage of all the required resources and know-how within the Raiffeisen Centrobank Group, as well as the knowledge, experience and investment products portfolio of the Raiffeisen Banking Group. We stand for professional, creative and naturally confidential investment consulting, active portfolio management, and asset optimization through intelligent foundation and insurance models.

Practiced and lived customer orientation

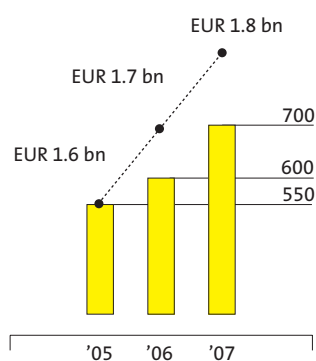
Private Banking operates in line with the following basic principle: “The assets of our customers are the result of outstanding achievements. We hold this performance in high regard.”

Approximately 700 sophisticated customers, two-thirds private individuals, one-third companies and foundations, have demonstrated their confidence in the Private Banking capabilities of Raiffeisen Centrobank, entrusting a total of EUR 1.8 bn in assets to our care. This represents an increase of 12.5% compared to the previous year. In the past five years, we have been able to post ongoing growth of about 40% annually.

Our investment strategy follows the investment approach of absolute-return management. This means we do not offer standard products, but an active and tailor-made portfolio management designed to minimize the probability of incurring losses while striving to achieve a positive annual return on investment equalling a predefined performance target. Following a detailed analysis and definition of customer requirements, as well as the ability of the customer to bear and manage risk, we prepare an individualized investment strategy in the sense of safeguarding assets. Our focus is on investments in European shares as well as global equity funds and bond funds. An annual average performance ranging from 8% to 16% over the last three years impressively demonstrates the quality of our strategy.

The core competencies of the Private Banking division are investment consulting (active advisory), the subsequent implementation of the transactions (brokerage), and portfolio management. We do not orient our operations on benchmarks as the basis for achieving a growth in asset value, but on fundamental evaluation criteria and naturally the personal wishes of our customers.

Development of the customer structure and assets under management



In the meantime, Raiffeisen Centrobank has more than EUR 1.8 bn in assets under management for more than 700 customers, two-thirds private individuals. This represents an annual increase of 40% over the last five years.

Growth despite lower risk propensity

In the year 2007, we clearly focused on the Austrian market and increasingly expanding the scope of our previous activities by developing our business in Central and Eastern Europe in cooperation with the network banks of the Raiffeisen Banking Group. In doing so, we were able to build upon the success strategy pursued by Raiffeisen Centrobank exploiting our own strengths (competence and know-how) as a specialized securities bank and those of the entire Raiffeisen Banking Group: many local branches, an established and functioning branch network, access to potential new customers, its good image, and the integrity of the Raiffeisen brand name. On balance, the 2007 financial year was characterized by gratifyingly robust economic growth, although the growth rate of 4.5% could not match the extraordinarily high global economic expansion achieved in 2006 (5.4%).

From today's point of view, it will hardly be possible to continue this level of economic growth in 2008, not least because of rising raw material prices and the accompanying threat of inflation. Due to the difficult market environment and the difficulties in spreading risk on global credit markets, overall risk propensity is declining, despite a generally favourable business environment. Nevertheless, we anticipate a positive business development of our activities in Central and Eastern Europe as well as in Austria in 2008.

Recognition by competitors

Raiffeisen Centrobank was named the "Best Private Bank" in Austria at the prestigious Euromoney Awards. This extraordinary success demonstrates that our philosophy of providing comprehensive consulting services has gained considerable national and international recognition. The award also reflects the outstanding assessment of the range of financial products offered by the bank, as well as portfolio performance and our entire spectrum of services.

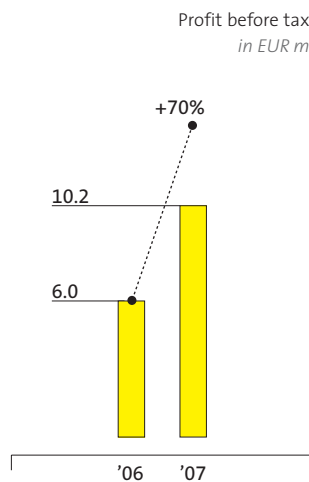
The ranking of the best private banks was made on the basis of quantitative data supplied by the individual financial institutions as well as the qualitative evaluation on the part of the respective Austrian competitors. The high level of professional competence of the Private Banking customer consultants, who also serve as the portfolio managers, was given particularly high ratings. Moreover, our outstanding investment products were considered to be a further asset.

LOCAL AND GLOBAL.
JUST AN ISSUE OF HAVING AN OVERVIEW.

Net commission income:
+52% to EUR 38.0m



Raiffeisen Investment AG



A 2007 deal list with a volume of EUR 10 bn and an exclusive cooperation agreement for Central and Eastern Europe with the international investment bank Lazard underline the leading role played by Raiffeisen Investment in the region.

Mergers, takeovers, and privatizations are continually taking place in the CEE countries, a good reason for Raiffeisen Investment AG to be locally represented in 13 markets.

Raiffeisen Investment AG, a 100% subsidiary of Raiffeisen Centrobank, is the leading M&A and privatization consultant in Austria as well as in Central and Eastern Europe. It is exemplary in the way it takes advantage of opportunities arising from its integration in the Raiffeisen Banking Group. The strong presence of the Raiffeisen Banking Group provides Raiffeisen Investment with the required access, gives it local credibility and is an important asset as an image carrier. However, thanks to the group structure of the parent company, Raiffeisen Investment can exploit the performance capabilities of an independent organization.

Knowledge matrix

The implementation and consulting strength of Raiffeisen Investment is based on the bundling of know-how through the tried and tested matrix structure of the project teams. Local country specialists work together with central sectoral experts, combining their knowledge and experience in order to achieve the best results on behalf of their customers. Country and sectoral teams are prepared to offer assistance and advice to investors in the following sectors: consumer goods, energy, heavy industry, infrastructure, life sciences, real estate, chemicals, and industrials, as well as telecommunications, media, and technology.

Raiffeisen Investment continually ranks among the top three in the league tables for Central Europe, which is based on fact, not fiction. Since it was established in the year 1990, it has carried out more than 500 transactions in the fields of M&A, privatization, and financial consulting. The company advises local and international companies, governments, investor groups as well as supranational organizations such as the World Bank or the EU. In particular, Western European investors who aim to penetrate the CEE markets like to rely on the extensive know-how of Raiffeisen Investment.

Deal highlights of 2007

The strategic highlight of the past financial year was the conclusion of an exclusive cooperation agreement for the CEE markets between Raiffeisen Investment and Lazard Ltd., one of the oldest and world's most distinguished investment banks. This unique business relationship of a global player with the strongest M&A house in the CEE region opens up completely new business opportunities for Raiffeisen Investment customers in both East and West. Since the agreement was signed in June 2007, the two companies have jointly concluded three transactions, with twelve more projects in preparation.

The highlight of all Raiffeisen Investment's international deals in 2007 was the consulting of the American financial group AIG in the purchase of Bulgaria's telecommunications company BTC.

The optimism of Raiffeisen Investment for 2008 is based on its well-filled deal pipeline. After a total of 40 transactions carried out in 2007, the company is cooperating at present on 12 projects just with Lazard.

Other important transactions include the privatization of Telekom Srpske (Bosnia-Herzegovina) and the Turkish petrochemical refinery Petkim. Raiffeisen Investment was also involved in most of the larger transactions in Austria. The top domestic transactions of 2007 were the consulting of the Austrian National Bank in the sale of AustriaCard, Yamaha in the purchase of Bösendorfer and Railcargo Austria in the acquisition of the Hungarian company MavCargo.

Good prospects

The profit before tax of the Raiffeisen Investment Group in the 2007 financial year amounted to a record EUR 10.2m, on the basis of 40 M&A and privatization transactions. This represents an increase of about 70% compared to 2006. The company expects a good business development in the Central and Eastern European region in 2008, anticipating further growth, not least thanks to the order backlog.

Deal list: Top 5 in Central and Eastern Europe 2007

No.	Company	Project	Volume	Country
1	Turkish Government	Privatization of Petkim refinery	EUR 2.1 bn	TR
2	AIG (US)	Acquisition of Bulgarian telecommunications firm BTC	EUR 1.6 bn	BUL
3	Republic of Srpska	Privatization of Telekom Srpske	EUR 646 m	BIH
4	EMFESZ (HU)	Purchase of a power plant in Transnistria	EUR 150 m	HU/MOL
5	Groupama (F)	Acquisition of a Romanian insurance firm	EUR 100 m	RO

Deal list: Top 3 deals in Austria 2007

No.	Company	Project	Volume	Country
1	Austrian National Bank	Sale of AustriaCard to the Greek Lycos Group	Unavailable	AT
2	Yamaha	Purchase of Bösendorfer	Unavailable	AT
3	Railcargo Austria	Acquisition of Hungarian MavCargo	Unavailable	AT/HU

Deal list: Cooperation Raiffeisen Investment–Lazard 2007

No.	Company	Project	Volume	Country
1	Providence (US)	Purchase of cable TV provider Volia	EUR 200 m	UA
2	Metinvest Holding (UA)	Purchase of a flat-steel producer	Unavailable	UA
3	SSL (GB)	Purchase of Russian Metkom-M	EUR 100 m	RU

TIME ZONE MANAGEMENT.
JUST AN ISSUE OF HAVING AN OVERVIEW.

Operating income:
+54% to EUR 107.2m



Management Report

of Raiffeisen Centrobank AG as at December 31, 2007,
in accordance with International Financial Reporting
Standards (IFRS)

Throughout this report, Raiffeisen Centrobank Group is used to refer to the Raiffeisen Centrobank AG Group. Raiffeisen Centrobank is used whenever statements refer solely to Raiffeisen Centrobank AG, the parent company.

In the summing-up of rounded amounts and percentages, the application of automatic calculating devices could result in rounding-off differences. Information on percentage changes refers to the actual and not to the rounded-off figures.

- **Economic Environment**
 - Business Development 2007
 - Reports of the Departments
 - Performance Indicators
 - Risk Management
 - Human Resources
 - Outlook for 2008
 - Significant Events in 2008
 - Declaration acc. to § 82 Stock Exchange Act
 - Report of the Supervisory Board

Economic Environment

Unleashed by the USA's subprime mortgage crisis in July 2007, the crisis affecting the world's financial system led to the largest loss of confidence experienced by the world's commercial banks during the last few decades—and to a resulting scarcity of liquidity. Despite this, the world's economy did turn in a gratifyingly strong performance in 2007. The economy's rate of growth declined somewhat from 2006's 5.4% to 4.5%. A further decline is not forecast for 2008, a year in which USA may well go into a recession. Like the rest of the EU, Austria is also expected to experience a cooling-off. Impelled by the high prices prevailing for raw materials, the perils of inflation have become considerably more imminent.

As the above details, 2007 had its share of both successes and problems. The entire financial sector—with this including the world's central banks—was obliged to devote itself to contending with the effects of the subprime crisis. With this starting in the USA, the mortgage-backed securities plunged on exchanges. The consequences of these developments were the bank sector's shortage of liquidity and rises in the rates of interest borne by short-term offerings and in the level of uncertainty. Always the most deadly foe of the banking industry, this uncertainty has mutated into a fundamental crisis of confidence. The situation experienced by the financial markets last year clearly indicates that doing business on a global scale means being susceptible to dangers arising anywhere on the globe. The tenseness still prevailing on markets will impair economic growth in 2008. This could, however, be offset by the injections of liquidity undertaken and envisioned (for the next few months) by the central banks to calm the situation prevailing in the financial sector. The sharp increase in the banks' costs of liquidity is going to trigger a further and concomitant rise in loan interest rates. This in turn will bring to an end the upswing which had been gripping the world's economy. This drop-off will not equally affect all regions. This fact has to be taken into account when formulating forecasts.

Taking a region-by-region look at the world economy, the USA is still contending with the slump being experienced by its real-estate market, which seems to still have not yet touched bottom. Caused by foreclosures, the oversupply of property will cause a setting forth of the downward spiral gripping real-estate prices and causing credit delinquencies during the entire year. These trends notwithstanding, a period of low growth seems more likely for the USA's economy than does a full-blown recession. Data for 2007 is, however, pointing to a high risk of recession for 2008. This is being confirmed by the lack of reliable early-bird indicators predicting a turnaround or, at least, a sustained stabilizing. Quite the opposite. Forecasts are that the situation will worsen until a halting recovery begins during the course of the year. To which it must be noted that most economic indicators, with this particularly applying to those not reporting on the financial world, are still too strong to speak of a recession's about to take place. This picture is being countervailed by the worrying and substantial strengthening of inflationary pressures, with these especially having intensified in 2007's fourth quarter. The rate of inflation's rise to 5% as of the end of the year restricts the central bank's ability to loosen its tight money policies. These policies will lead to further curtailing of economic growth.

The Eurozone is also being affected by this negative trend. The signals for the region's economy are for that reason also pointing downwards at the moment. As is the case with the world economy as a whole, whether or not the Eurozone maintains its growth is dependent upon the ramifications of the turbulences being experienced on interest markets upon the economy as a whole and upon the extent of the credit crisis' impairing of its growth. The ZEW Mannheim Center for European Economic Research's poll of the financial sector revealed a great degree of pessimism. Polls of other sectors, including that of Munich's IFO Institute, show a lower but still relatively high rate of confidence. One of the causes of this sustained optimism is that companies have strong cash flows. These, in turn, equip them with the capability of satisfying their needs for financing from in-house sources. This has kept them from completely experiencing the effects—in the form of the bank's fully passing on of the greater costs of liquidity—of the credit crisis.

Thanks to the weaknesses being experienced by the USA and the rest of the world's economy, exporters have to contend with a substantial worsening of the conditions under which they operate. This worsening is exacerbated by the strong rise in the Euro's rate of exchange. The surging of the rate of inflation above 3% also constitutes a burden for Europe's economy, especially since it narrows the European Central Bank's options. The ECB has repeatedly given absolute priority to maintaining the stability of prices. The next few months could well be haunted by the phantom of stagflation. This would constitute a particularly dire challenge to Europe's economy. Summing it up, Europe's economy is expected to register further growth in 2008, albeit at the rate of 1.6%, one much lower than the figure recorded in 2007.

Austria and the rest of Central and Eastern Europe (CEE) will also experience their share of the growth-hampering effects of the global liquidity crisis. In view of the high rate of growth being recorded in parts of CEE in total loans outstanding, the increasing costs of credit for consumers and companies constitute a challenge to economic growth and stability. This trend is, however, being counterbalanced by the relative lack of throughput of financial interaction mechanisms in Eastern Europe, by the strong earnings being turned in by the region's companies, and by the ever-growing increase in importance of private consumption. This, in turn, is being stoked by increases in total employment and wages. The worsening of economic conditions in the Eurozone, whose countries constitute the most important market of the CEE, has caused the forecast for the latter region's rate of GDP growth to be slightly cut to 5.3% (not comprised in this are Hungary and Austria). This rate is still, however, high by international standards. These strong rates of growth will join with those of inflation in causing most CEE countries to experience sharp and reciprocally augmenting increases in exchange and interest rates. The resulting strength shown by Eastern Europe's currencies will counterbalance the effects of many of the countries' strongly negative current account balances.

- **Economic Environment**
- **Business Development 2007**
 - Reports of the Departments
 - Performance Indicators
 - Risk Management
 - Human Resources
 - Outlook for 2008
 - Significant Events in 2008
 - Declaration acc. to § 82 Stock Exchange Act
 - Report of the Supervisory Board

Asia has been equally affected by the international financial crisis. The recovery that ended last year Japan's years of decline is threatened by the (self-caused) crisis being experienced by the construction sector and by the difficult conditions facing exporters. Contravening previous expectations, the Bank of Japan will for these reasons probably leave the country's prime rate at 0.5%, so as to avoid a further revaluation of the yen and the difficulties it would cause for exporters. The low rates of interest prevailing in the country, the result of the lowest prime among the world's major currencies, are of great pertinence to European investors, thanks to the enormously high volume of currency carry trades. Fears as to the diminishing of the trades' spread could exacerbate the unsettling of financial market structures. In a countervailing trend, the development of Asia's economy as a whole is being impelled by the enormous, +9% rates of growth being registered by China and India.

Shrugging off the international liquidity crisis, the stock exchanges in India and China have been booming, with their capitalizations having risen more than 100% in 2007 alone. These rises have been boosted by the emergence of a number of Chinese companies as the world's largest (as ranked by market capitalization). The prospect of the exchanges' experiencing an adjustment has been getting more imminent. Countervailing is the lack of negative tidings for the period extending until the Olympics and beyond.

The crisis gripping the financial markets kept to a bare minimum the number of exchange gains recorded in the fourth quarter of 2007 on the government segment of the bond market, which still has yet to re-attain the levels reached at the beginning of 2007. Notwithstanding this, the government bonds, thanks to their being viewed as "safe havens," were highly popular in the fourth quarter. Preferred were short terms of maturities, as these bear the least risks arising from changes in quotes and credits. The rate of interest borne by the Eurozone's benchmark 10-year bond remained at 4.3%. The US treasury bill responded to the cut in the prime rate of 75 basis points (bp) by experiencing a drop of 40 bps to 4.2% in its yield.

The central banks took divergent approaches during the period under review to the setting of the prime rates. The Eurozone didn't follow the course taken by the USA and left the prime rate at 4%. The ECB's position is that the propping up of financial markets is not to be undertaken at the expense of the price stability produced by money market policies.

The USA is facing another set of problems. The lack of trust and of liquidity necessitates a further cutting of interest rates. The divergence in expectations as to interest rate trends has caused the Euro-dollar rate of exchange to go from 1.48 as of December 31, 2007, to 1.56 as of the end of 2008's first quarter.

Feeling the effects of international banking and other financial crises, the world's stock exchanges turned in disappointing performances in the fourth quarter of 2007 and in the year as a whole, in which the series of worrisome events took its toll. The worst month was August, which featured the outbreak of the financial market crisis and sharp falls on the world's stock markets, most of which declined to below the levels prevailing at the beginning of the year. Extending until September 30th, the subsequent upturn led to a partial recovery of lost ground. A year-on-year comparison ranks Germany's DAX index of stocks, which recorded an 18% rise, first among the major international markets. With scant 3% and 10% rises, Dow Jones and Nasdaq finished (barely) up for the year. These rises were offset by the more than 10% in investment value experienced by Europe-based investors. Japan's Nikkei stock index concluded 2007 with a year-on-year decline of some 10%. Europe's broadly-based STOXX was down 3%.

Austria, our domestic market, did no better than to break even in 2007. At +9% each, the only stock exchanges in Eastern Europe finishing up for the year were Russia's RTX and Eastern Europe's CECE. The region's most successful exchange was Southeast Europe's SETX, which rose 30%.

Business Development 2007

The 2007 financial year ended with extraordinarily positive results. Following the 2006 financial year, the most successful in the history of the Raiffeisen Centrobank Group, the bank succeeded in once again significantly surpassing this record level. Thus it prolonged the series of years featuring disproportionately high growth rates by another year. The profit before tax climbed by 67% compared to the preceding year, or EUR 22.021 m, to EUR 54.926 m. In terms of profit contribution, Raiffeisen Centrobank once again made the biggest contribution to operating income, contributing a share of 82% to these excellent business results. Raiffeisen Investment AG made the second largest contribution, at 14% of the total group operating income, followed by the commodity trading subsidiaries.

- Economic Environment
- **Business Development 2007**
- Reports of the Departments
- Performance Indicators
- Risk Management
- Human Resources
- Outlook for 2008
- Significant Events in 2008
- Declaration acc. to § 82 Stock Exchange Act
- Report of the Supervisory Board

The increase in earnings can be primarily attributed to the increase in trading profit by EUR 23.231 m, to EUR 63.358 m. Raiffeisen Centrobank further strengthened its position as the leading supraregional Austrian investment bank trading with shares, derivatives, and structured products. In addition, the rise in total net commission income by EUR 12.915 m, and the increase in net interest income by EUR 3.028 m both positively contributed to the improved results. In the item "Fee and commission income", in particular securities-related fee and commission income increased due to the provision of services in connection with capital market transactions as well as advisory income from mergers and acquisitions. The improved interest income is the consequence of lower interest expenses to customers but, above all, the payment of a dividend by a Raiffeisen Centrobank subsidiary which is not fully consolidated.

On balance, total operating income, encompassing interest income after provisioning, fee and commission income, trading profit, and the net income from financial investments, increased by 54%, to EUR 107.211 m. Other operating result, which mainly reflects the gross profit of the consolidated commodity trading subsidiaries, declined by 20%, or EUR 1.538 m, to EUR 6.006 m. General administrative expenses, which include staff expenses, other administrative expenses and depreciation on tangible and intangible fixed assets, rose by only 32% despite a much more significant expansion of business volume, to EUR 58.207 m (2006: EUR 44.050 m). The rise in administrative expenses is chiefly related to higher staff costs, which climbed by EUR 8.284 m, to EUR 39.634 m, and the increase in other administrative expenses by EUR 5.431 m, to EUR 15.928 m (2006: EUR 10.497 m). The higher staff costs can be primarily attributed to an increase in the total number of employees, general salary and wage adjustments in line with collective agreements, and higher expenses for bonus provisions due to the positive earnings development at Raiffeisen Centrobank. The increase in other administrative expenses is mainly related to higher legal, advisory and consulting costs as well as advertising, PR and travel costs.

The profit before tax was EUR 54.926 m, a rise of 67% compared to the preceding year. This positive development is also demonstrated by a significant improvement in the return on equity before tax, which correspondingly rose to 64.6%, up from 41.3% in the preceding year.

On the balance sheet side, total assets rose by 6.2% as at December 31, 2007, compared to the previous year's level, to EUR 2,159.951m. "Trading profit", the most important item on the assets side, comprising 78% of total assets, expanded in line with the company's business strategy to EUR 1,684.721m, up from EUR 1,478.617m in 2006. This increase can be primarily attributed to a rise of shares and structured products reported as trading assets, which, in turn, is mainly related to the bank's market-making activities as well as the increase in the certificates and warrants issued by Raiffeisen Centrobank. Together with the options listed as trading assets or trading liabilities, the securities represent hedge positions for the certificates and warrants issued by the bank. The item "Securities and financial investments," which comprises 3% of total assets, rose by 41%, or EUR 20.813m to EUR 72.249m. This increase is mainly related to an increase in the portfolio of bills issued by public authorities which must be held in order to fulfil the liquidity provisions of the Austrian Banking Act. The rise in such debt instruments was partly compensated by the reduction in the item "Equity participations," which declined due to the sale of the Raiffeisen Centrobank's shareholdings in Raiffeisen Private Equity AG, Vienna, and Slobozhanska Budivelnna Keramika JSC, Sumy (Ukraine).

The item "Claims on banks" (9% share of total assets) declined in favour of the increase in trading assets and due to the regrouping of portfolios in private banking to EUR 197.859m, down from EUR 316.452m.

On the liabilities side, the item "Trading liabilities," the most important item on the liabilities side comprising 75% of total liabilities, increased from EUR 1,564.104m to EUR 1,617.999m. Trading liabilities primarily refer to structured guarantee products of Raiffeisen Centrobank AG, such as the well-known winner or blue-chip certificates, as well as warrants and other certificates, such as the turbocertificates on indices and individual shares. The increase in trading liabilities is mainly related to the structured products of Raiffeisen Centrobank.

"Liabilities to banks" (6% share of total liabilities) rose to EUR 122.907m from EUR 43.948m in the preceding year due to the higher refinancing volume to RZB. As a consequence of the portfolio regrouping in private banking, the item "Liabilities to customers" (10% share of total liabilities) declined by EUR 47.567m, to EUR 218.779m.

Economic Environment
Business Development 2007
• **Reports of the Departments**
Performance Indicators
Risk Management
Human Resources
Outlook for 2008
Significant Events in 2008
Declaration acc. to § 82 Stock Exchange Act
Report of the Supervisory Board

Reports of the Departments

Departments of Raiffeisen Centrobank AG

Securities Trading & Sales

Within segment reporting, the business result of the Securities Trading & Sales department primarily consists of the trading profit from the segments “Corporate Customers,” “Financial Institutions and Public Sector,” and “Treasury/Investment Banking.”

In 2007, the Securities Trading & Sales department once again significantly surpassed the record performance achieved in the previous year. It continued to be the focal point of the bank’s business operations, contributing close to 82% of Raiffeisen Centrobank’s operating income. The increase in the profit after tax during the 2007 financial year can be primarily attributed to the consistent implementation of the internationalization strategy of Raiffeisen Centrobank, which underpins its position as the main investment bank of the Raiffeisen Banking Group, with its focus on the Central and Eastern European region. Direct memberships in 12 international stock exchanges as well as optimal access to local markets through the network banks of the RZB Group enable our customers to carry out cost-effective, real-time trading in shares of companies operating in this region. Moreover, Raiffeisen Centrobank also covers all other recognized stock exchanges in the capital markets universe.

Raiffeisen Centrobank’s position as the leading Austrian investment bank and the central hub for share trading in Central and Eastern Europe is underpinned by its standing as the pre-eminent specialist and market maker on the Vienna Stock Exchange. Raiffeisen Centrobank posted a new record in 2007 by increasing total trading volume on the Vienna Stock Exchange of over EUR 18 billion, exceeding the preceding year’s level of EUR 15 bn. This represents a 10% market share, the leading position among all market participants. Raiffeisen Centrobank is also the undisputed specialist on the Vienna Stock Exchange, implementing about 50% of all specialist mandates. Raiffeisen Centrobank has also maintained its top ranking in the derivatives segment among Austrian banks, accounting for about 30% of trading in Austrian derivatives and more than 40% in Eastern European derivatives.

As in the previous year, one of the cornerstones of Raiffeisen Centrobank’s success was the ongoing expansion of its business in structured financial products. The placement success for structured financial products was expanded by about 20%, raising its portfolio to about 1,700 publicly listed financial instruments. In this segment, the bank’s expansion strategy in Eastern Europe clearly bore fruit. In addition to the existing markets of Austria, Germany, Italy, and Switzerland, parts of the bank’s portfolio in structured financial products were marketed in Poland, Hungary, Czech Republic, Slovakia, and Slovenia for the first time and also listed on the local stock exchanges in some cases.

The bank's total sales volume on the leading European derivatives exchange located in Stuttgart, which, in addition to the Vienna Stock Exchange, lists all structured and derivative products issued by Raiffeisen Centrobank, declined in the 2007 financial year by about 6% compared to the record level achieved in 2006. This development reflects the bank's strategy to issue lower volumes of high-leveraged products.

The high level of acceptance for Raiffeisen Centrobank's financial products is demonstrated by the numerous prizes and awards granted to the bank in the course of the 2007 financial year. An independent jury of experts selected Raiffeisen Centrobank in Austria as the "Top Bank of the Year for Certificates" and granted a series of other prestigious awards, including:

- » Alternative Investment Award 2007 (overall winner in the category "Structured Products")
- » Structured Products Europe Awards for Excellence 2007 (winner in the category "Best in Central and Eastern Europe")
- » The Capital Market Awards Gala, Bucharest (1st prize for extraordinary services performed on the capital market)
- » CEE Market Forum Gala 2008, Warsaw (award for establishing the certificate segment on the Warsaw Stock Exchange)

Equity Capital Markets (ECM)

• Austria

Raiffeisen Centrobank participated in half of all initial public offerings carried out on the Vienna Stock Exchange in 2007, once again impressively demonstrating the bank's leading market position in the equity capital markets (ECM) segment. Raiffeisen Centrobank was responsible for the largest number of initial public offerings (IPOs) and the largest trading volumes on the Vienna Stock Exchange.

The focal point of the 2007 financial year for the ECM department as well as the ECM-CEE department described below, whose results are presented in the "Corporate Customers" and "Financial Institutions and Public Sector" segments, was the preparations for the stock market flotation of STRABAG SE, the largest initial public offering in the history of the Vienna Stock Exchange.

Raiffeisen Centrobank served as joint bookrunner for this transaction, which had to be postponed until the autumn of 2007 due to the acquisition of a stake in the company by a strategic investor in the spring. The total transaction volume amounted to EUR 1.3 bn. Demand was enormous, as reflected in the fact that shares were oversubscribed by a factor of ten. In addition to strong international demand, more than 100,000 private Austrian shareholders subscribed to the share issue, the first time so many new investors in Austria participated in a capital market transaction.

Economic Environment
Business Development 2007
• **Reports of the Departments**
Performance Indicators
Risk Management
Human Resources
Outlook for 2008
Significant Events in 2008
Declaration acc. to § 82 Stock Exchange Act
Report of the Supervisory Board

Another large share issue was the capital increase of Raiffeisen International Bank-Holding AG. The transaction volume of more than EUR 1.2 bn was also significantly higher than the EUR 1 bn mark and was very successfully placed despite a volatile stock market environment.

In addition to the two abovementioned highlights, the Equity Capital Markets department also participated in numerous other capital market transactions during the 2007 financial year. Raiffeisen Centrobank served as co-leader manager for the initial public offering of Warimpex AG in the amount of EUR 110 m and also for the capital increase of CA Immobilien Anlagen AG, with a total volume of EUR 676 m. Furthermore, the ECM team advised transactions such as the listing of Pankl Racing Systems AG on the Vienna Stock Exchange, the delisting of Maculan Holding AG and KTM Sportmotorcycle AG, and the takeover bids of CROSS Industries AG for both Invest AG and Pankl Racing Systems AG.

• Central and Eastern Europe (CEE)

In 2007, Raiffeisen Centrobank made considerable progress in expanding its equity capital markets business across its target region of Central, Eastern and Southeast Europe. The bank made particularly great efforts to pursue its expansion in Russia, the region's most important target market thanks to its economic strength. The number of employees in the department increased in line with the rising number of projects and the growing transaction pipeline.

At the beginning of the year, the INA project (IPO of the former state-owned Croatian utility company) was successfully finalized. Within the Raiffeisen Zentralbank Österreich AG (RZB) Group, the transaction was selected as "Deal of the Year 2006" as a reflection of the particularly successful cooperation within the group.

The largest IPO to date on the Romanian capital market, namely the going public of TRANSGAZ, the national gas pipeline network operator, was extremely successful despite a difficult market environment. The institutional tranche of the transaction was close to 40 times subscribed, and demand was also heavy in the retail tranche of the initial public offering. By the end of the year, the TRANSGAZ shares had gained 75% in value. The transaction represented the first public offering in Romania in which "allocation rights" were granted, enabling trading to begin within a few days and not first after several weeks as in the past. Raiffeisen Centrobank played a major role in issuing these new certificates.

In the past financial year, Raiffeisen Centrobank was granted mandates to carry out five additional projects in Bulgaria, Romania, Czech Republic, and Russia, all of which are expected to be completed in the course of 2008, provided there is a favourable market environment.

Company Research

The ongoing increase in the business volume of Raiffeisen Centrobank was supported by a further expansion of research activities and analyst capacities. Half of all analysts are now located locally in the network banks of Raiffeisen International in Belgrade, Budapest, Bucharest, Maribor, Moscow, Prague, and Zagreb. The Polish and, most recently, the Ukrainian market are both coordinated by teams in Vienna consisting of experienced Ukrainian and Polish analysts. Research coverage now extends to 30 Austrian and 50 Eastern European companies, sector and local analysts work closely together in all areas of the analysis, from sectoral studies and capital market transactions to ongoing M&A activities of the companies subject to evaluation.

The comprehensive coverage of Austrian and East European stock exchanges developed by the Company Research department of Raiffeisen Centrobank during the last few years requires a commitment to the entire region and core competencies in the most diverse branches. For this purpose, the bank has consistently pursued a strategy of setting up cross-border sectoral teams. Our focus is on the fields of oil and gas, banks, raw materials, real estate, utilities, telecommunications, engineering, transportation, and consumer goods. This is reflected in a large number of sector reports and road shows. The cross-border sectoral teams published studies on Russian utility and oil companies, comprehensive reports on banks, real estate companies, oil and gas as well as telecommunications firms throughout the entire CEE region. These reports were introduced to institutional investors within the context of road show presentations in the financial centres of London, Paris, Frankfurt, Milan, Warsaw, and Moscow as well as in Stockholm, Brussels, Hamburg, and Geneva.

The business results of the Company Research department are primarily encompassed in the segment reporting under "Financial Institutions and Public Sector" and "Corporate Customers".

Private Banking

Private banking as practised by Raiffeisen Centrobank stands for professional and creative investment consulting, active portfolio management, and tax optimization by means of intelligent foundation and insurance models. In a business which lives and thrives from maintaining discretion, like no other business, it is not our goal to serve the mass market. It is much more important to gain the trust of our demanding and sophisticated clientele. We offer top-notch investment consulting and asset management services accompanied by a high level of personal customer support. For us, consulting is an ongoing process, which is designed to ensure a level of certainty that the investment strategy is being optimally tailored to customer requirements in every circumstance.

Economic Environment
Business Development 2007
• **Reports of the Departments**
Performance Indicators
Risk Management
Human Resources
Outlook for 2008
Significant Events in 2008
Declaration acc. to § 82 Stock Exchange Act
Report of the Supervisory Board

The Private Banking team of Raiffeisen Centrobank develops individualized investment models tailored to the risk taking propensity of different investors. Moreover, there is complete flexibility in choosing the range of financial products. Our approach focusing on individual customer support and comprehensive consulting services is highly valued by our customers, and serves as the basis for the ongoing above-average growth of this segment. Instead of bowing to the dictates of benchmark-oriented investments, Raiffeisen Centrobank pursues an absolute return management strategy, minimizing the probability of incurring losses.

In the 2007 financial year, the focus was on Austria and increasingly operating in Central and Eastern Europe. In the meantime, about 700 customers have demonstrated their confidence in Raiffeisen Centrobank Private Banking, entrusting a total of EUR 1.8 bn in assets as at December 31, 2007. Since 2003, the Private Banking department has achieved an average growth of about 40% annually.

Raiffeisen Centrobank was named the “Best Private Bank” in Austria by this year’s prestigious Euromoney Awards. The ranking of the best private banks was based on our quantitative performance figures as well as the qualitative evaluation on the part of our Austrian competitors. The high level of professional competence displayed by our Private Banking customer consultants, who serve simultaneously as portfolio managers, was given particularly high marks. In addition, our outstanding investment products were particularly highlighted as a crucial asset, in the light of the fact that Raiffeisen Centrobank operates as the investment bank of the Raiffeisen Banking Group. This extraordinary success demonstrates that our comprehensive advisory approach has gained the highest level of recognition, both domestically and internationally.

Subsidiaries

Raiffeisen Investment AG

Raiffeisen Investment AG is the leading M&A and privatization consultant in Central and Eastern Europe and has been successively operating in 12 countries in the CEE region as a privatization advisor to governments for the last 18 years as well as an advisor for acquisitions to Austrian and international companies.

The success and strength of Raiffeisen Investment AG, a 100% subsidiary of Raiffeisen Centrobank, is its extensive experience and local expertise in the individual markets of Central and Eastern Europe. The local expertise of Raiffeisen Investment branch offices on location is complemented by sectoral teams focused on various industries (e.g., telecom media technology, energy, heavy industry, food and beverage/retail, and financial sponsors), whose ongoing contact

with companies operating in the particular sectors have provided them with an intimate knowledge of developments and trends. These sector specialists work together with local teams on the individual transactions, thus providing a basis for the high-quality services. This is the basis for the high level of quality: recently, Raiffeisen Investment AG was named the “Central Europe M&A Advisor of the Year” by “Acquisitions Monthly,” a publication of Thomson Financial.

2007 was the best year in the history of Raiffeisen Investment AG. A total of 40 M&A and privatization transactions were concluded, with a total transaction volume of EUR 20 bn. Raiffeisen Investment is continuously ranked among the top 3 in the “league tables” for Central and Eastern Europe. The consulting mandate for the American financial group AIG in acquiring Bulgarian Telecom as well as the mandates for the privatization of Telekom Srpske and the Turkish petrochemical refinery Petkim made a positive contribution to earnings.

In addition, a brewery was acquired on behalf of Heineken in Belarus, a steel mill in Italy was purchased for a Ukrainian steel manufacturer, and much more. Raiffeisen Investment AG was also involved in most of the largest M&A transactions in Austria, such as advising Rail Cargo Austria on the acquisition of MAV in Hungary and the sale of AustriaCard by the Austrian National Bank. Raiffeisen Investment also provided advisory services to Yamaha in the acquisition of Bösendorfer and Mattoni in the purchase of Waldquelle and supported Raiffeisen Bausparkasse in its acquisition of the Czech bank Hypo Stavebni Sporitelna.

In the 2007 financial year, Raiffeisen Investment AG concluded an exclusive cooperation agreement with Lazard, the leading global M&A specialist, for the markets in which Raiffeisen Investment AG operates. This unique business partnership of a global player with the strongest M&A investment house in the CEE region opens up completely new perspectives for our customers in East and West. For Lazard, the strategic partnership represents the market entry in a new growth region, whereas Raiffeisen Investment AG will gain access to top international customers. Three transactions have been jointly concluded since the agreement was signed in June 2007. The two companies are working on 12 other projects at present.

Commodity Trading

The subsidiaries of Centrottrade Holding AG, Vienna, incorporated into the holding company Centrottrade Group, are active in the trading of natural rubber as well as olefins. In both segments, the company once again achieved excellent returns on the invested capital in 2007. Similar to the previous year, the profits are retained in the holding or in the subsidiaries respectively.

Financial and Non-financial Performance Indicators

Financial performance indicators

	2007	2006
Return on equity before taxes (in %)	64.6	41.3
Cost/income ratio (in %)	51.2	57.9
Earnings per share (in EUR)	64.81	42.29

The annual surplus in 2007, which is considerably higher than in the previous year, led to a significant improvement in the return on equity before taxes, from 41.3% in 2006 to 64.6% in 2007. Due to the fact that earnings increased at a higher level than expenses, the cost/income ratio correspondingly improved as well, declining from 57.9% in 2006 to 51.2% in 2007.

Earnings per share rose by 53% compared to the previous year, reaching EUR 64.81 in the 2007 financial year.

Non-financial performance indicators

	2007	2006
Annual average headcount	259	232
Stock exchange memberships	12	10
Number of newly issued warrants and certificates	1,696	1,419

As part of Raiffeisen Centrobank's significant expansion in the scope of its business operations, there was a corresponding increase in the number of employees. In 2007, Raiffeisen Centrobank employed an average of 259 people, an increase of 12% or 27 employees. The number of stock exchange memberships increased from 10 to 12 year-on-year, and the number of newly issued warrants and certificates climbed by about 20%, from about 1,400 to close to 1,700.

Risk Management

As a subsidiary of RZB, Raiffeisen Centrobank is integrated into the risk management processes of the RZB Group. The various risk management units operating at different management levels ensure that all major risks are monitored and limited and that business transactions are concluded by taking account of the risk/earnings ratio. For this purpose, the concept of risk management takes into consideration the legal and regulatory framework, but also the type of transaction, scale and complexity, and the accompanying risks.

The risk management concept of Raiffeisen Centrobank is carried out by focusing on the individual risk profile of the company. The basic principles and methods underlying risk management are defined in the bye-laws for the Supervisory Board and the Executive Board as well as in the bank's organizational guidelines and manuals. On the basis of a comprehensive planning and controlling process, the Executive Board is given the means to identify risks at an early stage, evaluate them and initiate suitable measures to counteract these risks. Within the framework of its decision-making authority, the Executive Board determines the bank's risk management policies, authorizing the principles of risk management, the specification of limits for all relevant risks as well as the precise processes to monitor risks. Risk management is an integral part of managing the bank, i.e., the management of earnings and risks in all business segments are systematically linked to each other.

An independent department for risk management, incorporated within the controlling division, supports the Executive Board in effectively fulfilling its duties. This department reports regularly to the Executive Board and evaluates the current risk situation by taking account of the risk capacity and risk limits. It supports the Executive Board in allocating a risk management budget and in managing risks. The periodic evaluation of interest rate changes and balance sheet structure risks as well as liquidity risks takes place within the framework of the Assets/Liabilities Management Committee.

In order to enable the bank to adjust to changing regulatory conditions (ICAAP) and tailor risk management to expanded business activities, Raiffeisen Centrobank implemented a comprehensive project in 2007 designed to further improve its risk management capabilities. New and innovative methods and concepts underlying a modern risk management system were developed and implemented with significant support provided by a leading consulting company. One of the major aspects of the project was the revision and specification of a risk strategy, which increasingly emphasizes risk propensity and risk bearing capacity. On this basis, a unified risk

Economic Environment
Business Development 2007
Reports of the Departments
Performance Indicators
• **Risk Management**
• **Human Resources**
• **Outlook for 2008**
Significant Events in 2008
Declaration acc. to § 82 Stock Exchange Act
Report of the Supervisory Board

limit system throughout the bank was conceived, which divides the predefined risk exposure on a division, department and individual manager level. The first-time conception of a process-oriented self-risk assessment to identify operational risks was an even more significant development. This enables Raiffeisen Centrobank to quantify this risk as well and appropriately take account of the operational risks in the bank's overall risk management efforts led by the Executive Board by means of a value-at-risk (VaR) consistent risk measurement approach, along with the main risks to which the bank is subject, the market risk and credit risk.

We would like to point out the comprehensive risk management report in the notes to the consolidated financial statements (page 117), which particularly focuses on the current risk measurement processes.

Human Resources

The improved growth and earnings achieved in the previous financial year were driven by an exceedingly committed and competent staff. The number of employees increased from 245 at the end of 2006 to 280 by the end of 2007. On average, Raiffeisen Centrobank employed a work force of 259 people in 2007.

The Raiffeisen Centrobank Group considers the qualifications of its employees to be a decisive competitive advantage. For this reason, it continually invests in their further education and professional training. Approximately one third of employees are university graduates, a high level of qualifications which the bank's career development efforts can build upon.

Outlook for 2008

There is no doubt that the economic disruptions on international financial markets unleashed by the US subprime mortgage crisis will continue to shape the overall economic environment and cause considerable uncertainties in the business world, at least during the first half of the 2008 financial year. This forecast can be attributed not least to the fact that expectations were not fulfilled that positive performance figures for the fourth quarter of 2007 and thus more stable business results would serve as confidence-building measure among market participants. The situation hit rock bottom with the bail-out of Bear Stearns, the fifth biggest US investment bank, involving billions of dollars in required support provided by the US Federal Reserve. The deterioration in the ratings granted to international banks, credit and loan insurers will also not do much to defuse the crisis of confidence and improve the liquidity situation. However, in this

situation, the publication of the quarterly figures of the other large American investment banks had a positive impact on investor attitudes. The performance of the banks could hardly be described as being good compared to the previous year's results, but positively surpassed the negative expectations of analysts.

Within this context, the European stock markets are characterized by a high level of uncertainty and volatility. Raiffeisen Centrobank attaches great importance to risk management and a defensive approach in its business strategy, combined with a highly dynamic strategic behavior in its target markets in historical comparison. This will enable Raiffeisen Centrobank to optimally face up to the unpredictable market conditions which de facto exist in the short term, both in regards to the bank's own management activities and its customer relationships.

One positive aspect is that the European banking and economic system has proven to be comparatively more stable than its American counterpart due to the systemic differences. In the CEE region, a slowdown in economic activity in 2008 will still mean robust economic growth, with real GDP growth expectations at a level of 5.3% compared to only 1.6% growth in the Eurozone. In other words, the Eurozone is losing momentum, but there is not likely to be an economic downturn or even a recession. Following the year 2007, in which Austria achieved its highest economic growth since 1999, forecasts for the Austrian economy in 2008 are cautiously optimistic. The Austrian economy expanded by 3.4% in 2007, which is expected to slow down to a level of 2.5% in 2008.

In turn, the ongoing interest rate cuts and a bundle of measures are designed to prevent a further worsening of the financial crisis. The economic stimulus package initiated by the federal government not only encompasses tax refunds to private investors as a means of boosting private consumption, but an easing of equity capital regulations for mortgage institutions governed by public law, which finance about 40% of the residential property market. The measures also involve opening up new refinancing opportunities for brokers by the US Federal Reserve, in order to prevent spectacular liquidity shortfalls similar to Bear Stearns.

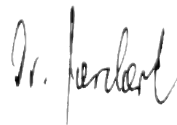
In the light of the prevailing market situation for investment banks, it cannot be expected that the overproportionally high profit growth achieved in recent years, reflected in the 67% increase in the profit before tax during the period under review, will continue at a comparable level. However, we are largely confident that the experience of Raiffeisen Centrobank in successively dealing with volatile international financial markets, as in historically difficult situations, will once again be a strength and advantage for customers, the bank and the entire group in 2008, and that Raiffeisen Centrobank will be able to generate sustainable earnings.

- Economic Environment
- Business Development 2007
- Reports of the Departments
- Performance Indicators
- Risk Management
- Human Resources
- Outlook for 2008
- Significant Events in 2008
- Declaration acc. to § 82 Stock Exchange Act
- Report of the Supervisory Board

Significant Events After the Balance Sheet Date


To strengthen its capital base, Raiffeisen Centrobank issued a subordinated bond with a volume of EUR 20.0 m as at January 31, 2008.

Vienna, April 8, 2008
The Executive Board



Eva Marchart

Chairman of the Executive Board



Alfred Michael Spiss

Deputy Chairman of the Executive Board



Gerhard Grund

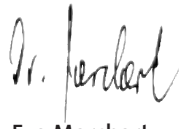
Member of the Executive Board

Declaration of the Executive Board According to § 82 Stock Exchange Act

We hereby confirm that the consolidated annual financial statements and the annual financial statements of Raiffeisen Centrobank AG have been prepared in accordance with the applicable accounting standards and, to the best of our knowledge, fairly present a fair and accurate picture of the profit, asset and financial position of the group and our company.

Furthermore, we certify, to the best of our knowledge, that the group management report presents the business development, earnings, and the overall situation at Raiffeisen Centrobank Group in accordance with the consolidated annual financial statements and that it also describes the most important risks and uncertainties facing the group.

Vienna, April 8, 2008
The Executive Board



Eva Marchart

Chairman of the Executive Board



Alfred Michael Spiss

Deputy Chairman of the Executive Board



Gerhard Grund

Member of the Executive Board

- Economic Environment
- Business Development 2007
- Reports of the Departments
- Performance Indicators
- Risk Management
- Human Resources
- Outlook for 2008
- Significant Events in 2008
- Declaration acc. to § 82 Stock Exchange Act
- **Report of the Supervisory Board**

Report of the Supervisory Board

The 2007 annual financial statements examined by the auditors contracted by the bank—KPMG Wirtschaftsprüfungs- und Steuerberatungs GmbH, Porzellangasse 51, 1090 Vienna—and given an unqualified opinion were presented to the 35th Annual General Meeting of Raiffeisen Centrobank on April 23, 2008, and subsequently approved.

KPMG Wirtschaftsprüfungs- und Steuerberatungs GmbH completed the audit of the consolidated annual financial statements of Raiffeisen Centrobank for the 2007 financial year and also issued an unqualified opinion.

The Supervisory Board examined in detail and approved the consolidated annual financial statements for the 2007 financial year, which were audited by KPMG Wirtschaftsprüfungs- und Steuerberatungs GmbH.

Vienna, April 2008



Walter Rothensteiner
Chairman of the Supervisory Board

Consolidated Annual Financial Statements

of Raiffeisen Centrobank AG as at December 31, 2007,
in accordance with International Financial Reporting
Standards (IFRS)

- Income Statement
- Balance Sheet
- Statement of Changes in Equity
- Cash Flow Statement
- Segment Reporting

Income Statement

Amounts in thousand Euros	Notes	1/1 – 31/12/ 2007	1/1 – 31/12/ 2006	Change
Interest income		20,361	19,586	4.0%
Interest expenses		-14,018	-16,107	-13.0%
Net interest income	(2)	6,343	3,479	82.3%
Provisioning for impairment losses	(3)	-84	-248	-66.1%
Net interest income after provisioning		6,259	3,231	93.8%
Fee and commission income		45,108	31,877	41.5%
Fee and commission expenses		-7,150	-6,834	4.6%
Net commission income	(4)	37,958	25,043	51.6%
Trading profit	(5)	63,358	40,037	58.2%
Valuation result from derivative financial instruments	(6)	0	0	0
Net income from financial investments	(7)	-448	1,100	0
General administrative expenses	(8)	-58,207	-44,050	32.1%
Other operating result	(9)	6,006	7,544	-20.4%
Profit before tax		54,926	32,905	66.9%
Income taxes	(10)	-12,473	-5,208	139.5%
Profit after tax = group net profit		42,453	27,698	53.3%
Earnings per share (in EUR)	(11)	64.81	42.29	22.52

Balance Sheet

Assets	Notes	31/12/ 2007	31/12/ 2006	Change
Amounts in thousand Euros				
Cash reserve	(13)	9,940	2,023	391.3%
Claims on banks	(14, 31, 32)	197,859	316,452	-37.5%
Claims on customers	(15, 31, 32)	118,647	111,711	6.2%
Impairment losses on claims	(16)	-1,342	-1,259	6.6%
Trading assets	(17, 31)	1,684,721	1,478,617	13.9%
Derivative financial instruments	(18, 31)	813	728	11.7%
Securities and financial investments	(19, 31)	72,249	51,436	40.5%
Intangible fixed assets	(20, 22)	437	581	-24.8%
Tangible fixed assets	(21, 22)	15,153	14,075	7.7%
Other assets	(23)	61,474	60,246	2.0%
Total assets		2,159,951	2,034,610	6.2%

Equity and liabilities	Notes	31/12/ 2007	31/12/ 2006	Change
Amounts in thousand Euros				
Liabilities to banks	(24, 31, 32)	122,907	43,948	179.7%
Liabilities to customers	(25, 31, 32)	218,779	266,346	-17.9%
Provisions	(26)	32,924	22,534	46.1%
Trading liabilities	(27)	1,617,999	1,564,104	3.4%
Derivative financial instruments	(28)	110	444	-75.2%
Other liabilities	(29)	37,676	29,804	26.4%
Equity	(30)	129,556	107,431	20.6%
Consolidated equity		87,103	79,733	9.2%
Group net profit		42,453	27,698	53.3%
Total equity and liabilities		2,159,951	2,034,610	6.2%

Statement of Changes in Equity

Amounts in thousand Euros	Subscribed capital	Capital reserves	Retained earnings	Group net profit	Minority interests	Total
Equity as at 1/1/2007	47,599	6,651	25,482	237,698	0	107,431
Capital increase/decrease	0	0	0	0	0	0
Transferred to retained earnings	0	0	10,013	-10,013	0	0
Dividend payments	0	0	0	-17,685	0	-17,685
Profit after tax	0	0	-2,643	42,453	0	39,810
Equity as at 31/12/2007	47,599	6,651	32,853	42,453	0	129,556
Equity as at 1/1/2006	47,599	6,651	16,888	23,530	0	94,668
Capital increase/decrease	0	0	0	0	0	0
Transferred to retained earnings	0	0	8,465	-8,465	0	0
Dividend payments	0	0	0	-15,065	0	-15,065
Profit after tax	0	0	130	27,698	0	27,828
Equity as at 31/12/2006	47,599	6,651	25,482	27,698	0	107,431

Comprehensive income	2007	2006
Amounts in thousand Euros		
Group profit for the period	42,453	27,698
Currency translation differences	-1,318	-1,195
Valuation result of available-for-sale financial assets	-1,325	1,325
Comprehensive income	39,810	27,828

The development of the items encompassed in retained earnings is as follows:

Retained earnings	Currency translation differences	Valuation result of available-for-sale financial assets
Amounts in thousand Euros		
Total as at 1/1/2007	-2,650	1,325
Net changes in the financial year	-1,318	-1,325
Total as at 31/12/2007	-3,968	0
Total as at 1/1/2006	-1,455	0
Net changes in the financial year	-1,195	1,325
Total as at 31/12/2006	-2,650	1,325

Cash Flow Statement

Amounts in thousand Euros	2007	2006
Group profit for the period	42,453	27,698
Non-cash positions in profit and transition to net cash from operating activities:		
Write-downs, write-ups of tangible fixed assets and financial assets	2,645	2,063
Net provisions for liabilities and charges and impairment losses	10,581	14,720
Gains/loss on the disposal of tangible fixed assets and financial assets	-76	-977
Other adjustments (net)	-1,432	-52,475
Subtotal	54,171	-8,971
Change in assets and liabilities arising from operating activities after corrections for cash items:		
Loans and advances to banks and customers	96,041	-102,991
Trading assets/trading liabilities (net)	-153,333	-5,779
Other assets/liabilities (net)	-17,736	-13,250
Liabilities to banks and customers	42,831	142,852
Net interest received	16,184	18,665
Interest paid	-11,756	-15,109
Net cash flow from operating activities	26,402	15,418
Proceeds from the sale of:		
Financial assets and equity participations	3,451	1,126
Tangible and intangible fixed assets	123	93
Payment for the acquisition of:		
Financial assets and equity participations	-707	-15
Tangible and intangible fixed assets	-3,667	-3,022
Net cash flow from investing activities	-800	-1,818
Dividends paid	-17,685	-15,065
Net cash flow from financing activities	-17,685	-15,065
Cash and cash equivalents at the end of the previous period	2,023	3,488
Net cash from operating activities	26,402	15,418
Net cash from investing activities	-800	-1,818
Net cash from financing activities	-17,685	-15,065
Cash and cash equivalents at the end of the period	9,940	2,023

The cash flow statement shows the structure and changes in cash and cash equivalents during the financial year and is broken down into three sections: operating activities, investing activities and financial activities. Net cash from operating activities comprises inflows and outflows from loans and advances to banks and customers, from deposits from banks and customers as well as liabilities evidenced by paper. Further, inflows and outflows from trading assets and liabilities, from derivatives as well as from other assets and other liabilities are shown in operating activities. The interest and dividend received from operating activities are also reflected in net cash from operating activities. Net cash from investing activities shows inflows and outflows from financial investments, tangible and intangible assets. Net cash from financing activities consists of inflows and outflows of equity. This item exclusively related to dividend payments in the past financial year. Cash and cash equivalents include the cash reserve recognised in the balance sheet, which consists of cash in hand and balances at central banks due at call. It does not include loans and advances to banks that are due at call, which belong to operating activities.

Segment Reporting

Segment reporting by business segment

As a subsidiary of Raiffeisen Zentralbank Österreich Aktiengesellschaft (RZB), the basis for the primary segment reporting of Raiffeisen Centrobank pursuant to IAS 14 is the group reporting system of RZB, which is mainly customer-oriented. Taking account of the particular business activities of Raiffeisen Centrobank, the business is divided into the following segments:

- » Corporate Customers
- » Financial Institutions and Public Sector
- » Private Banking
- » Treasury and Investment Banking
- » Commodity Trading and Other Participations

The Corporate Customers segment encompasses business with companies which focus on loan and payment transactions and companies which require advisory services for capital market as well as for M&A transactions. Small, medium-sized and large companies as well as group companies and profit-oriented state-owned companies are included in this segment. The differentiation to the Private Banking segment results from the focal point of the business relationships to the corporate customers.

The Financial Institutions and Public Sector segment encompasses business with banks, financial service providers, insurance companies, and public sector entities. Also included in this segment are the issuances (warrants, structured products).

The Private Banking segment encompasses business with private individuals, self-employed persons (high net worth individuals), and companies which require individualized advisory approach and asset management services.

Treasury and Investment Banking: The treasury segment encompasses the bank's own positions in on-balance-sheet (e.g., money market deposits) and off-balance-sheet-based products (futures, forwards, options). These encompass interest rate business, foreign exchange business, liquidity management and asset/liability management (covering with matching assets). The Investment Banking segment encompasses proprietary securities trading.

The Commodity Trading and Other Participations segment includes the result of the consolidated trading companies of Raiffeisen Centrobank AG as well as other non-banking activities.

The group applies two central steering benchmarks:

The return on equity before tax is the ratio that states the profit before tax to average equity employed and expresses the return on capital employed.

The cost/income ratio represents the cost efficiency of business segments. The cost/income ratio is calculated as the quotient of general administrative expenses and sum of net interest income, net commission income, trading profit/loss, and other operating result (adjusted for the net result from hedge accounting and other derivative financial instruments).

Segment reporting is based on the group's internal management income statement which is similar to a multi-stage contribution costing calculation. Income and expenses are allocated according to the causation principle. Income items are net interest income, net commission income, trading profit, and other operating result. Net interest income is calculated using the market interest rate method.

Net interest received from equity and the refinancing of equity participations in the parent company are assigned to individual segments on the basis of regulatory capital requirements and recognized under net interest income.

Provisioning for impairment losses on loans and advances consists of net allocations of individual and portfolio-based impairment losses on credit risks, direct write-downs as well as income received from written-down claims. General administrative expenses include direct and indirect costs. Direct costs (staff expenses and other administrative expenses) are incurred by business segments while the indirect costs are allocated according to agreed ratios.

The risk-weighted assessment base pursuant to § 22 of the Austrian Banking Act (BWG) serves as sector-specific substitute for segment assets (including market risk).

2007 financial year Amounts in thousand Euros	Corporate Customers	Financial Institutions and Public Sector	Private Banking	Treasury and Investment Banking	Commodity Trading and Other Parti- cipations	Total
Net interest income	661	-702	1,920	2,147	2,317	6,343
Provisioning for impairment losses	-63	0	-21	0	0	-84
Net interest income after provisioning	598	-702	1,899	2,147	2,317	6,259
Net commission income	28,086	3,117	3,963	2,656	136	37,958
Trading profit	1,754	38,609	1,674	21,174	147	63,358
Valuation result from derivative financial instruments	0	0	0	0	0	0
Net income from financial investments	0	0	0	-481	33	-448
General administrative expenses	-19,646	-18,538	-3,820	-10,376	-5,827	-58,207
Other operating result	0	0	0	0	6,006	6,006
Profit before tax	10,792	22,486	3,716	15,120	2,812	54,926
Basis of assessment (incl. market risk)	49,468	19,197	46,688	503,793	58,123	677,269
Average number of employees	70	83	19	47	40	259
Cost/income ratio	64.4%	45.2%	50.5%	39.9%	67.7%	51.2%
Average equity	6,208	2,409	5,859	63,219	7,294	84,987
Return on equity before tax	173.9%	933.4%	63.4%	23.9%	38.6%	64.6%

2006 financial year Amounts in thousand Euros	Corporate Customers	Financial Institutions and Public Sector	Private Banking	Treasury and Investment Banking	Commodity Trading and Other Parti- cipations	Total
Net interest income	1,065	24	2,003	2,625	-2,238	3,479
Provisioning for impairment losses	-337	178	-89	0	0	-248
Net interest income after provisioning	728	202	1,914	2,625	-2,238	3,231
Net commission income	18,802	416	4,535	455	835	25,043
Trading profit	897	16,321	1,399	21,710	-290	40,037
Valuation result from derivative financial instruments	0	0	0	0	0	0
Net income from financial investments	0	0	0	-102	1,202	1,100
General administrative expenses	-12,779	-11,639	-3,721	-10,791	-5,120	-44,050
Other operating result	0	0	0	0	7,544	7,544
Profit before tax	7,648	5,300	4,127	13,897	1,933	32,905
Basis of assessment (incl. market risk)	54,246	20,165	65,559	504,099	59,287	703,356
Average number of employees	59	59	20	57	37	232
Cost/income ratio	61.5%	69.4%	46.9%	43.5%	87.5%	57.9%
Average equity	6,183	2,298	7,472	57,454	6,757	80,164
Return on equity before tax	123.7%	230.6%	55.2%	24.2%	28.6%	41.3%

Segment reporting by region

Secondary segment reporting shows earnings components and portfolio figures by regional aspects. Allocation criteria are the headquarters of the respective company. In addition to direct results, funding costs, capital hedging costs, and direct management costs are assigned to regions according to their causes. The regional segments under review are described below:

- » **Austria** Austria encompasses banking business, corporate finance advisory, and head office functions for the bank's trading subsidiaries.
- » **Western Europe** This segment comprises the commodity trading subsidiaries in Germany and Switzerland.
- » **USA** In the United States another commodity trading subsidiary is located.

The regional distribution according to the respective location of the branch offices is as follows:

2007 financial year	Austria	Western Europe	USA	Total
Amounts in thousand Euros				
Net interest income	8,114	-914	-857	6,343
Provisioning for impairment losses	-84	0	0	-84
Net interest income after provisioning	8,030	-914	-857	6,259
Net commission income	38,104	-149	3	37,958
Trading profit	63,358	0	0	63,358
Valuation result from derivative financial instruments	0	0	0	0
Net income from financial investments	-448	0	0	-448
General administrative expenses	-53,881	-3,365	-961	-58,207
Other operating result	-2,723	6,373	2,356	6,006
Profit before tax	52,440	1,945	541	54,926
Total assets	2,096,173	43,980	19,798	2,159,951
Average number of employees	228	20	11	259
Cost/income ratio	50.4%	63.4%	64.0%	51.2%
Average equity	71,952	10,776	2,259	84,987
Return on equity before tax	72.9%	18.0%	23.9%	64.6%

2006 financial year	Austria	Western Europe	USA	Total
Amounts in thousand Euros				
Net interest income	5,058	-906	-673	3,479
Provisioning for impairment losses	-248	0	0	-248
Net interest income after provisioning	4,810	-906	-673	3,231
Net commission income	25,112	-67	-2	25,043
Trading profit	40,037	0	0	40,037
Net income from financial investments	1,100	0	0	1,100
General administrative expenses	-39,975	-3,241	-834	-44,050
Other operating result	-1,415	6,792	2,167	7,544
Profit before tax	29,669	2,578	658	32,905
Total assets	1,971,728	44,401	18,481	2,034,610
Average number of employees	203	20	9	232
Cost/income ratio	58.1%	55.7%	55.9%	57.9%
Average equity	66,674	10,999	2,491	80,164
Return on equity before tax	44.5%	23.4%	26.4%	41.3%

Notes

The company

Raiffeisen Centrobank AG, Vienna (Raiffeisen Centrobank), has been registered in the company register at the Vienna Commercial Court under the number 117507 f since March 29, 1974. The registered offices are located in Tegetthoffstrasse 1, 1010 Vienna, Austria.

Raiffeisen Centrobank is a subsidiary of Raiffeisen Zentralbank Österreich Aktiengesellschaft, which holds 654,999 no-par-value shares of the share capital divided into 655,000 no-par-value shares via RZB KI-Beteiligungs GmbH and its subsidiary RZB IB Beteiligungs GmbH, Vienna. One no-par-value share is held by Raiffeisen Invest GmbH, Vienna.

Raiffeisen Centrobank, Vienna, is in a group relationship with Raiffeisen-Landesbanken-Holding GmbH, Vienna (parent company), and belongs to the latter's range of fully-consolidated companies. This financial holding company has a majority shareholding in Raiffeisen Zentralbank Österreich Aktiengesellschaft. In addition, the Raiffeisen Centrobank Group is included in the consolidated financial statements of Raiffeisen Zentralbank Österreich Aktiengesellschaft.

Raiffeisen Centrobank is a leading Austrian investment bank which provides the entire spectrum of services and products focusing on shares, derivatives, and its own listed and unlisted capital market transactions. On the basis of this market position, this specialized bank also offers exclusive and individually tailored private banking services. The mergers and acquisitions business is carried out by the subsidiary Raiffeisen Investment AG, which is included in the consolidated financial statements. The other companies comprising the Raiffeisen Centrobank Group are active in the fields of international commodity trading, focusing on rubber and chemicals (olefins).

The consolidated financial statements were approved by the Executive Board on April 8, 2008, and submitted to the Supervisory Board for their examination and approval.

Basis of preparation

Principles

The consolidated financial statements for the 2007 financial year and the comparative figures for the 2006 financial year were prepared in accordance with the International Financial Reporting Standards (IFRS) published by the International Accounting Standards Board (IASB) and the international accounting standards adopted by the EU on the basis of IAS Regulation (EC) 1606/2002 including the interpretations of the International Financial Reporting Interpretations Committee (IFRIC/SIC) that were already applicable. All standards published by the IASB to be applied to financial statements for 2007 and adopted by the EU have been applied.

- **Accounting Policies**

- Notes to the Income Statement
- Notes to the Balance Sheet
- Notes to Financial Instruments
- Other Disclosures
- Auditor's Report
- Basis of Consolidation

The consolidated annual financial statements for 2007 are based on the IASB framework concept and the following relevant IAS/IFRS:

IAS 1	Presentation of Financial Statements
IAS 2	Inventories
IAS 7	Cash Flow Statements
IAS 8	Accounting Policies, Changes in Accounting Estimates and Errors
IAS 10	Events After the Balance Sheet Date
IAS 12	Income Taxes
IAS 14	Segment Reporting
IAS 16	Property, Plant and Equipment
IAS 17	Leases
IAS 18	Revenue
IAS 19	Employee Benefits
IAS 21	The Effects of Changes in Foreign Exchange Rates
IAS 24	Related Party Disclosure
IAS 26	Accounting and Reporting by Retirement Benefit Plans
IAS 27	Consolidated and Separable Financial Statements
IAS 28	Investments in Associates
IAS 32	Financial Instruments: Presentation
IAS 33	Earnings per Share
IAS 36	Impairment of Assets
IAS 37	Provisions, Contingent Liabilities and Contingent Assets
IAS 38	Intangible Assets
IAS 39	Financial Instruments: Recognition and Measurement
IFRS 1	First-time Adoption of International Financial Reporting Standards
IFRS 3	Business Combinations
IFRS 7	Financial Instruments: Disclosures

IAS 11, 20, 23, 29, 31, 34, 40, and 41 as well as IFRS 2,4,5, and 6 are not applied as there were no relevant business transactions in the group.

The consolidated financial statements are based on the reporting packages of all fully-consolidated Group members which are prepared according to uniform Group standards and IFRS rules. All fully consolidated companies prepared their annual financial statements as of December 31, 2007. Figures in these financial statements are stated in thousands of Euros (TEUR).

If estimates or assessments are necessary for accounting and measuring under IAS/IFRS rules, they are made in accordance with the respective standards. They are based on past experience and other factors such as planning and expectations or forecasts of future events that appear likely from our current perspective.

Deferred taxes were not accounted for separately in the income statement and on the balance Sheet. Details are provided under the appropriate headings in the Notes.

IFRS 7 is effective for annual periods beginning on or after January 1, 2007, and has led to changes in external reporting requirements. The changes mainly concern the disclosure requirements related to the significance of financial instruments for an entity's financial position and performance and new disclosure requirements related to quantitative and qualitative information about exposure to risks arising from financial instruments. The new quantitative and qualitative disclosure requirements include credit risk, liquidity risk and market risk, which are mainly described in the Risk Report.

Published IFRS not yet in effect and not yet applied

IFRS 8 will be effective for annual periods beginning on or after January 1, 2009, and will lead to changes in external reporting as IFRS 8 completely replaces IAS 14. IFRS 8 has not been applied yet in the consolidated financial statements. IFRIC 11, also adopted by the EU, will have no material effects on future consolidated financial statements.

Consolidation methods

Raiffeisen Centrobank fully consolidates all material subsidiaries in which the company directly or indirectly holds either more than 50% of the voting rights or otherwise has control over the financial and operating policies.

Material interests in associated companies are included at equity. Due to the immateriality of such companies on the financial statements, no company was valued at equity.

Shareholdings in subsidiaries not included in the consolidated financial statements because of their immaterial significance and shareholdings in companies which have not been valued at equity are shown under financial investments and are recognized at amortized cost.

Shareholdings in other companies, all of which are not publicly listed on the stock exchange, are recognized at amortized cost. This can be attributed to the fact that a market value for them is either unavailable or can not be reliably determined.

- **Accounting Policies**
 - Notes to the Income Statement
 - Notes to the Balance Sheet
 - Notes to Financial Instruments
 - Other Disclosures
 - Auditor's Report
 - Basis of Consolidation

Business combinations

In the course of capital consolidation, all identifiable assets, liabilities and contingent liabilities of the subsidiary are recognized at their fair values on the acquisition date according to IFRS 3. The acquisition costs are offset against the proportional net assets. The resulting positive differences are capitalized as goodwill, which is tested annually for impairment or, more frequently, if events or changes in circumstances indicate impairment. Negative differences arising within initial consolidation will be recognized immediately through profit or loss.

Consolidation entries

Intragroup receivables and liabilities are eliminated in the consolidated financial statements. Remaining temporary differences are recognized under other assets/other liabilities. Intragroup expenses and income are also eliminated.

Intercompany profits are eliminated if they have a significant influence on items in the income statement. Bank business and other transactions among the individual subsidiaries of the group are usually carried out at prevailing market rates.

Consolidation range

The number of fully-consolidated companies in the Raiffeisen Centrobank Group remained unchanged in the 2007 financial year, amounting to seven subsidiaries.

A total of 19 affiliated companies (2006: 21) were not consolidated due to their immaterial significance on the assets, financial position, and profitability of the Raiffeisen Centrobank Group. They are recognized at amortized cost under financial investments as interests in affiliated companies. The balance sheet total of the companies not included in consolidation amounted to less than 2% of the group's aggregated balance sheet total.

A list of the fully-consolidated companies and other interests may be found starting on page 137.

Foreign currency translation

Financial statements of fully-consolidated companies prepared in foreign currencies were translated into Euros employing the modified current rate method in accordance with IAS 21. Equity was translated at its historical exchange rates while all other assets, equity and liabilities and the notes to the financial statements were translated at the prevailing foreign exchange rates as of the balance sheet date. Differences arising from the translation of equity (historical exchange rates) were offset against retained earnings and not recognized in the income statement.

The items of the income statement were translated at the average exchange rates during the year calculated on the basis of month-end rates. Differences arising between the exchange rate as of the balance sheet date and the average exchange rate applied in the income statement were offset against equity and not recognized in the income statement.

Due to the economic nature of the underlying business transactions, the USD represents the functional currency of three companies in the Raiffeisen Centrobank Group.

For currency translation, the following exchange rates for USD were used:

Exchange rate in currency per Euro	2007 balance sheet date	2007 average	2006 balance sheet date	2006 average
USD	1.472	1.374	1.317	1.257

Accounting and valuation principles

Financial instruments: recognition and valuation (IAS 39)

A financial instrument is defined as any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. In IFRS balance sheets, the following five categories are distinguished:

- » Financial assets or liabilities at fair value through profit and loss
 - a. Trading assets/liabilities
 - b. Designated financial instruments at fair value
- » Financial assets held-to-maturity
- » Loans and claims
- » Financial assets available-for-sale
- » Liabilities

Financial assets or liabilities at fair value through profit or loss:

• Trading assets/liabilities

Trading assets/liabilities are acquired or incurred principally for the purpose of generating profit from short-term fluctuations in market prices. Securities (including short selling of securities) and derivative financial instruments held for trading are recognized at their fair values. If securities are listed, the fair value is based on stock exchange prices. Where such prices are not available, internal prices based on present value calculations for primary financial instruments and warrants or option pricing models for options are applied. Present value calculations are based

- **Accounting Policies**

- Notes to the Income Statement
- Notes to the Balance Sheet
- Notes to Financial Instruments
- Other Disclosures
- Auditor's Report
- Basis of Consolidation

on the zero-coupon curve. Appropriate models are used as option price formulas, depending on the type of option. For plain-vanilla options (American and European style), the Black-Scholes model and the binomial pricing model according to Cox-Ross-Rubinstein are applied. The Curran approximation is applied to Asian options and guarantee bonds, whereas barrier options use Heinen-Kat and spread options rely on the Kirk model.

Derivative financial instruments held for trading are also shown under trading assets or trading liabilities. Positive fair values including accrued interest (dirty price) are shown under trading assets. Negative fair values are recorded under trading liabilities. Positive and negative fair values are not netted. Changes in dirty prices are recognized in the income statement under trading profit/loss.

- **Designated financial instruments at fair value**

This category comprises mainly all those financial assets which are irrevocably designated as financial instrument at fair value (so-called fair-value option) upon initial recognition in the balance sheet, independent of the intention to trade. An entity may use the fair-value option designation only when doing so results in more relevant information for the reader. This is the case for all financial assets that are part of a portfolio or group of assets which the management and evaluation of asset performance are carried out on a fair-value basis. This refers to debt securities.

These instruments are recognized at fair value according to IAS 39 and stated under the balance sheet item "Securities and financial investments." Current income is shown under net interest income, and valuation gains and losses and proceeds from sale are stated in net income from financial investments.

Financial assets held-to-maturity

Raiffeisen Centrobank does not hold any financial assets held-to-maturity.

Loans and claims

Loans and claims are recognized at their nominal value without deduction of impairment losses, including accrued interest. Accrued interest is recognized in the income statement if there is a high probability that it would be received.

Financial assets available-for-sale

The category of financial assets available-for-sale contains those financial instruments (mainly equity participations for which there is no active market) that did not qualify to be included in any of the other three categories. They are stated at fair value, if a fair value is reliably measurable. Valuation differences are shown directly in equity and only recognized in the income statement if there is an objective indication of impairment. A reversal of impairment is recognized in the income statement only in the case of debt instruments. In case of equity instruments, such reversals of impairment are booked in equity. This type of financial instrument is reported under securities and financial investments.

Liabilities

Liabilities are recognized at amortized cost. Discounted debt securities and similar obligations are measured at their present value.

Hedging

Derivative instruments not held for trading because they have been acquired for hedging purposes are subdivided into the following categories, reflecting differing modes of recognition on the IFRS-compliant balance sheet:

- **Fair value hedge according to IAS 39**

Hedge accounting according to IAS 39 applies for those derivatives which are used to hedge the fair-values of financial assets and liabilities. In particular, the credit business is subject to such fair value risks if it deals with fixed-interest loans.

Interest rate swaps that satisfy the prerequisites for hedge accounting are contracted to hedge against the interest rate risks arising from loans. Hedges are formally documented, continuously assessed, and rated to be highly effective. In other words, throughout the term of a hedge, one can assume that changes in the fair value of a hedged item will be nearly completely offset by a change in the fair value of the hedging instrument and that the actual outcome will lie within a range of 80% to 125%.

• Accounting Policies

Notes to the Income Statement
Notes to the Balance Sheet
Notes to Financial Instruments
Other Disclosures
Auditor's Report
Basis of Consolidation

Derivative instruments held to hedge the fair values of individual balance sheet items (except trading assets/liabilities) are recognized at their fair values (dirty prices) under derivative financial instruments (on the assets side: positive dirty prices; on the liabilities side: negative dirty prices). Changes in the carrying amounts of hedged items (assets or liabilities) are allocated directly to the corresponding balance sheet items and reported separately in the notes. Both the effect of changes in the carrying amounts of positions requiring hedging and the effects of changes in the clean prices of the derivative instruments are recorded under valuation result from derivatives (net result from hedge accounting).

• Other derivative instruments

Derivative instruments held to hedge against market risks (except trading assets/liabilities) that are based on an inhomogeneous portfolio do not satisfy the requirements for hedge accounting according to IAS 39. They are recognized as follows: The positive dirty prices are recognized as other assets, the negative dirty prices as other liabilities. The change in value of these derivatives on a clean-price basis is recognized under trading profit, whereas interest is recorded under net interest income.

Cash reserve

The cash reserve includes cash on hand and balances at central banks that are due on call. They are shown at their nominal value.

Impairment losses on loans and claims

Credit risk is accounted for by making specific impairment provisions and portfolio-based impairment provisions. Specific and portfolio-based impairment provisions are not netted against corresponding receivables but are stated separately in the balance sheet. Portfolio-based provisions were not formed due to immateriality.

For credit risks related to claims on banks and customers, provisions are made in the amount of expected loss according to unified group-wide standards. The risk of loss is deemed to exist if the discounted projected repayment amounts and interest payments are below the carrying amount of the loans, taking the existing collateral into account.

The entire amount of the provision for impairment losses arising from on-balance-sheet loans is shown as a separate item on the assets side of the balance sheet. The provision for impairment losses arising from off-balance-sheet transactions is recorded as provisions.

Equity participations

Shareholdings in subsidiaries not included in the consolidated financial statements because of their immaterial significance and shareholdings in companies that are not valued at equity are shown under securities and financial investments. They are measured at amortized cost if no shares prices are available.

Intangible fixed assets

This item encompasses, in particular, internally developed and acquired software. Acquired intangible fixed assets are capitalized at acquisition cost and amortized over their estimated useful lives. Intangible fixed assets without determinable useful lives do not exist in the Raiffeisen Centrobank Group. The useful life for software amounts to between three and seven years.

Tangible fixed assets

Tangible fixed assets are carried at cost less depreciation and impairment losses. Depreciation is calculated on a straight line basis in line with the following useful lives applied uniformly in the company:

Useful life	Years
Buildings	10-40
Equipment, furniture, and fittings	3-10
Hardware	3-5

If a permanent impairment is to be expected, extraordinary write-downs are carried out. In the event that the reason for the write-down no longer applies, a write-up will take place up to the amount of the amortized cost of the asset.

• Operating leasing

An operating lease exists if the lessor bears all risks and enjoys the rewards of ownership. The leased assets are reported by the lessor under tangible fixed assets and depreciated in accordance with the principles applicable to the type of fixed assets involved.

- **Accounting Policies**

Notes to the Income Statement
 Notes to the Balance Sheet
 Notes to Financial Instruments
 Other Disclosures
 Auditor's Report
 Basis of Consolidation

Inventories

Inventories are measured at the lower of cost or net realizable value. Write-downs are carried out if the acquisition cost is above the net realizable value as of the balance sheet date or if limited usage or longer periods for storage have impaired the value of the inventory.

Provisions

All provisions related to so-called social capital (provisions for retirement benefits and severance payments) are measured using the Projected Unit Credit Method in accordance with IAS 19—Employee Benefits.

Pension commitments exist towards certain employees. There are no pension commitments to people who are already retired. The actuarial calculation of the company's provisions for retirement benefits is based on the following assumptions:

Per cent	2007	2006
Discount rate	5.0	4.5
Effective salary increase for active employees	3.0	3.0
Individual career trend for active employees	2.0	1.5
Expected increase in retirement benefits	2.0	2.0
Expected return on defined benefit pension plans	4.25	4.25

Calculations are based on the earliest assumed retirement age, taking account of changes made to the General Social Insurance Act pursuant to the Year Tax Act 2003 and special arrangements in individual contracts.

Actuarial gains or losses relating to pension obligations are recognized immediately in profit. The right to vote according to IAS 19.92 ("corridor method") is not applied.

The actuarial calculation of the company's provisions for severance payments is based on the following assumptions:

Per cent	2007	2006
Discount interest rate	5.0	4.5
Average increase in salary	3.0	3.0
Individual career trend	2.0	1.5

The biometrical basis for the calculation of all provisions for social capital is provided by AVÖ 1999-P-Rechnungsgrundlagen für die Pensionsversicherung (Computational Framework for Pension Insurance)–Pagler & Pagler, using the variant for salaried employees.

Other provisions are made to uncertain liabilities to third parties in the amount of the expected claim. These provisions are not discounted because the resulting interest effect is immaterial.

Defined contribution plans

Under defined contribution plans, the company pays fixed contributions into a pension fund. These payments are recognized as staff expenses in the income statement.

Net interest income

Interest and similar income primarily encompasses interest income on loans and claims on banks and customers and from fixed-interest securities. Interest and similar expense mainly includes interest paid on liabilities to banks and customers. Interest income and expenses are accrued in the reporting period. Moreover, current interest income from shares and other variable yield securities (dividends), income from equity participations and from investments as well as interest-like income and expenses are reported as interest income.

Net commission income

Net commission income mainly includes income and expenses arising from payment transfers, securities transactions not classified as trading profit including income from providing services in connection with capital market transactions (IPOs and SPOs), currency and credit transactions as well as income from advisory services provided to clients in connection with mergers and acquisitions. Commission income and expenses are accrued in the reporting period.

Trading profit

Trading profit comprises the customer margins resulting from the foreign exchange business, results due to currency exchange translation, and all realized and unrealized gains and losses from financial assets and liabilities at fair value. In addition, it includes all interest and dividend income attributable to trading activities and related refinancing costs.

- Accounting Policies
- Notes to the Income Statement
 - Notes to the Balance Sheet
 - Notes to Financial Instruments
 - Other Disclosures
 - Auditor's Report
 - Basis of Consolidation

General administrative expenses

General administrative expenses include staff and other administrative expenses as well as amortization/depreciation and impairment losses for fixed and intangible fixed assets.

Income taxes

Deferred taxes are recognized and calculated in accordance with IAS 12 applying the liability method. Deferred taxes are based on all temporary differences that result from comparing the carrying amounts of assets and liabilities in the IFRS accounts with the tax bases of assets and liabilities which will be reversed in the future. Deferred taxes are calculated by using tax rates applicable in the countries concerned. A deferred tax asset should also be recognized on tax loss carry-forwards if it is probable that sufficient taxable profit will be available against which the tax loss carry-forwards can be utilized within the same entity. Deferred tax assets and deferred tax liabilities within the same entity are netted.

Income tax credits and income tax obligations were recorded separately under other assets and tax provisions respectively.

Raiffeisen Centrobank AG, Vienna, and Raiffeisen Investment Aktiengesellschaft, Vienna, have both been members of the corporate group of RZB KI Beteiligungs GmbH since 2005, pursuant to § 9 Austrian Corporate Income Tax Act. In addition, Raiffeisen Centrobank AG is also a member of an equity group pursuant to § 9 Austrian Corporate Income Tax Act in regard to a company in which it has a minority shareholding.

Fiduciary business

Transactions arising from the holding and placement of assets on behalf of third parties are not shown in the balance sheet. Commission fees arising from these transactions are shown under net commission income.

Notes to the Income Statement

(1) Income statement according to valuation categories

The following table presents the income statement according to valuation categories pursuant to the definitions contained in IAS 39:

Amounts in thousand Euros	1/1/- 31/12/ 2007	1/1/- 31/12/ 2006	Change
Net gains/losses on financial assets and liabilities held for trading	58,891	36,440	61.6%
Financial assets and liabilities at fair value through profit or loss	1,044	1,481	-29.5%
Net interest income	1,527	1,490	2.5%
Net gains/losses on financial assets and liabilities at fair value through profit or loss	-483	-9	> 500%
Financial assets available-for-sale	1,616	1,166	38.6%
Net interest income	1,581	57	> 500%
Net realized gains/losses on financial assets available-for-sale	1,393	969	43.8%
Impairment loss on financial assets available-for-sale	-1,359	141	-
Loans and advances	17,148	18,008	-4.8%
Net interest income	17,232	18,256	-5.6%
Impairment loss on financial assets not measured at fair value	-84	-248	-66.1%
Financial liabilities measured at amortized cost	-14,018	-16,107	-13.0%
Interest expenses	-14,018	-16,107	-13.0%
Derivatives (hedging)	20	-217	-109.0%
Net income	20	-217	-
Net profit contribution from currency translation	4,467	3,597	24.2%
Other operating income/expenses	-14,242	-11,462	33.0%
Total profit before tax from continuing operations	54,926	32,905	66.9%

Accounting Policies
• Notes to the Income Statement
Notes to the Balance Sheet
Notes to Financial Instruments
Other Disclosures
Auditor's Report
Basis of Consolidation

(2) Net interest income

The net interest income position includes income and expenses from items of the banking business, dividend income, and interest-like commissions.

Amounts in thousand Euros	2007	2006
Interest income	18,745	19,357
from balances with central banks	216	163
from claims on banks	10,744	11,477
from claims on customers	6,264	6,545
from financial investments	1,500	1,388
from derivative financial instruments (non-trading, net)	21	-216
Current income	1,609	159
from shares and variable yield securities	28	102
from investments in affiliated companies	1,468	0
from other interests	113	57
Interest-like income	7	70
Total interest and interest-like income	20,361	19,586
Interest expenses	-13,992	-16,106
Liabilities to credit institutions	-3,162	-3,485
Liabilities to customers	-10,830	-12,621
Interest-like expenses	-26	-1
Total interest and interest-like expenses	-14,018	-16,107
Net interest income	6,343	3,479

The interest margin in relation to the respective averages of the stated base developed as follows:

Per cent	2007	2006
Interest margin (average balance sheet total)	0.30	0.19
Interest margin (average weighted risk assets of the banking book)	2.93	1.50

(3) Provisions for impairment losses

The provisions for impairment losses (credit risk) on-balance-sheet and off-balance-sheet transactions is comprised of the following.

Amounts in thousand Euros	2007	2006
Allocations to provisions for impairment losses	-84	-90
Direct write-downs	0	-336
Income received on written-down claims	0	178
Total	-84	-248

Detailed information on provisions is presented in Note 16, "Impairment losses on claims."

(4) Net commission income

Amounts in thousand Euros	2007	2006
Payment transfer business	-39	-157
Loan administration and guarantee business ¹	22	77
Securities business ¹	16,782	12,217
Income from M&A advisory services	20,415	12,506
Other banking services	778	400
Total	37,958	25,043

¹ Adjustment of the previous year's figure by TEUR 4,655 each.

Net commission income amounted to TEUR 45,108 (2006: TEUR 31,877). Net commission expenses amounted to TEUR 7,150 (2006: TEUR 6,834).

(5) Trading profit

Trading profit also includes interest and dividend income, refinancing costs, commissions, and any changes in fair value of trading portfolios.

Amounts in thousand Euros	2007	2006
Interest-based transactions	2,489	840
Currency-based transactions	-8,928	-1,432
Equity-/index-based transactions	69,797	40,629
Total	63,358	40,037

Accounting Policies
• Notes to the Income Statement
Notes to the Balance Sheet
Notes to Financial Instruments
Other Disclosures
Auditor's Report
Basis of Consolidation

In addition to realized and unrealized gains from the trading portfolio, trading profit also refers to interest income from debt instruments, dividend income from equity instruments of the trading portfolio, and refinancing costs of trading assets.

(6) Valuation result from derivative financial instruments

Amounts in thousand Euros	2007	2006
Changes in the present value of derivative financial instruments	226	666
Changes in the fair value of the underlying transaction	-226	-666
Total	0	0

The valuation result for derivative financial instruments refers to fair-value hedges for hedge accounting pursuant to IAS 39.

(7) Income from financial investments

Income from financial investments comprises valuation results and net proceeds from the disposal of marketable securities and equity participations, which include shares in affiliated companies and other equity investments.

Amounts in thousand Euros	2007	2006
Net income from financial investments and equity participations	34	1,109
Net valuations from financial investments and equity participations	0	140
Net proceeds from the sales of financial investments and equity participations	34	969
Net income from other current financial assets	-483	-9
Net valuation of securities held as other current financial assets	-483	-836
Net proceeds from sales of securities held at fair value through profit or loss	0	827
Total	-448	1,100

The proceeds from the sales of equity participations in the 2007 financial year relate to the sale of interest in Slobozhanska Budivelna Keramika JSC, Sumy, and Raiffeisen Private Equity AG, Vienna.

(8) Central administrative expenses

General administrative expenses in the Raiffeisen Centrobank Group include staff expenses, other administrative expenses as well as depreciation on tangible and intangible assets, as follows:

Amounts in thousand Euros	2007	2006
Staff expenses	-39,634	-31,350
Wages and salaries	-32,588	-24,933
Social security costs and staff-related taxes	-5,122	-4,114
Voluntary social expenses	-753	-344
Expenses on severance payments and retirement benefits	-1,171	-1,959
Other administrative expenses	-15,928	-10,497
Office space expenses	-1,752	-1,421
IT costs	-1,843	-1,446
Communication expenses	-2,717	-2,479
Legal, advisory and consulting expenses	-3,779	-1,562
Advertising, PR and promotional expenses	-2,344	-1,428
Deposit insurance fees	-313	-314
Office supplies	-391	-275
Car expenses	-353	-173
Travel expenses	-1,452	-677
Staff training expenses	-334	-214
Sundry administrative expenses	-650	-508
Depreciation on tangible and intangible fixed assets	-2,645	-2,203
Tangible fixed assets	-2,290	-1,905
Intangible fixed assets	-355	-298
Total	-58,207	-44,050

(9) Other operating result

The position other operating result encompasses, among other things, sales revenues and expenses of Raiffeisen Centrobank's commodity operations and from other non-banking activities, income and expenses from disposal as well as income derived from the revaluation of tangible and intangible fixed assets.

Amounts in thousand Euros	2007	2006
Net result	7,144	8,330
Sales revenues from non-banking activities	315,301	330,708
Expenses arising from non-banking activities	-308,157	-322,378
Net proceeds from the disposal of tangible and intangible fixed assets	42	8
Other taxes	-1,216	-1,819
Net result from the allocation and release of other provisions	2,192	491
Other operating income	7,586	6,632
Other operating expenses	-5,358	-5,116
Total	6,006	7,544

In particular, the expenses for other provisions as contained in the net result from the allocation and release of other provisions primarily refer to provisions for litigation risks.

(10) Income taxes

Income taxes are comprised of the following:

Amounts in thousand Euros	2007	2006
Current income taxes	-11,985	-3,917
Austria	-11,529	-3,491
Other countries	-456	-427
Deferred taxes	-488	-1,290
Total	-12,473	-5,208

The following transition shows the relation between the profit before tax and the effective tax burden:

Amounts in thousand Euros	2007	2006
Profit before tax	54,926	32,905
Theoretical income tax expense in the financial year based on the domestic income tax rate of 25 per cent	-13,731	-8,227
Effect of divergent foreign tax rates	193	105
Tax deductions due to tax-exempted income from equity participations and other income	821	637
Tax increases due to non-deductible expenses	-112	-88
Other	357	2,365
Effective tax burden	-12,472	-5,208
Tax rate in per cent	22.7	15.8

The item "Other" contains tax savings arising as a result of the group taxation scheme in Austria, amounting to TEUR 316 (2006: TEUR 2,160).

(11) Earnings per share

	2007	2006
Group net profit	42,453	27,698
Average number of ordinary shares outstanding	655,000	655,000
Earnings per share in Euros	64.81	42.29

In the 2007 financial year, Raiffeisen Centrobank did not issue any option or conversion rights. For this reason, there is no dilution of earnings per share.

Notes to the Balance Sheet

(12) Balance sheet according to valuation categories

The following table shows the carrying amount of the valuation categories as defined in IAS 39:

Assets according to valuation categories	31/12/2007	31/12/2006	Change
Amounts in thousand Euros			
Trading assets	1,684,881	1,478,866	13.9%
Positive fair values of derivative financial instruments ²	1,045,290	956,060	9.3%
Shares and other variable-yield securities	621,372	504,733	23.1%
Bonds, notes, and other fixed-interest securities	18,219	18,073	0.8%
Financial assets held at fair value through profit or loss	65,652	40,805	60.9%
Shares and other variable-yield securities	124	127	-2.0%
Bonds, notes, and other fixed-interest securities	65,528	40,678	61.1%
Financial assets available-for-sale	5,168	8,348	-38.1%
Other interests	5,168	8,348	-38.1%
Loans and advances	386,577	489,174	-21.0%
Claims on banks and the Austrian National Bank	207,799	318,475	-34.8%
Claims on customers	118,647	111,711	6.2%
Other non-derivative financial assets	61,473	60,247	2.0%
Impairment losses on claims	-1,342	-1,259	6.6%
Derivatives (hedging)	653	479	36.3%
Positive fair values of derivatives in fair-value hedge (IAS 39)	653	479	36.3%
Other assets	17,018	16,939	0.5%
Investments in associates and other affiliated companies	1,429	2,283	-37.4%
Intangible and tangible fixed assets	15,589	14,656	6.4%
Total assets	2,159,951	2,034,610	6.2%

² Including positive fair values of other banking book derivatives in the balance sheet item "derivative financial instruments."

Equity and liabilities according to valuation categories	31/12/2007	31/12/2006	Change
Amounts in thousand Euros			
Trading liabilities	1,618,109	1,564,496	3.4%
Negative fair values of derivative financial instruments ³	1,565,186	1,464,669	6.9%
Short selling of trading assets	52,923	99,827	-47.0%
Liabilities	379,362	340,099	11.5%
Liabilities to banks	122,907	43,948	179.7%
Liabilities to customers	218,779	266,346	-17.9%
Other non-derivative financial liabilities	37,677	29,805	26.4%
Derivatives (hedging)	0	52	-100.0%
Negative fair values of derivatives in fair-value hedge (IAS 39)	0	52	-100.0%
Provisions	32,924	22,534	46.1%
Equity	129,556	107,431	20.6%
Total equity and liabilities	2,159,951	2,034,610	6.2%

³ Including negative fair values of other banking book derivatives in the balance sheet item "Derivative financial instruments."

(13) Cash reserve

Amounts in thousand Euros	2007	2006
Cash on hand	392	330
Deposits at the Austrian National Bank	9,548	1,693
Total	9,940	2,023

(14) Claims on banks

Amounts in thousand Euros	2007	2006
Giro and clearing business	96,085	107,488
Money market business	101,774	208,964
Total	197,859	316,452

Accounting Policies
Notes to the Income Statement
• Notes to the Balance Sheet
Notes to Financial Instruments
Other Disclosures
Auditor's Report
Basis of Consolidation

Claims on banks are classified regionally (counterparty's seat) as follows:

Amounts in thousand Euros	2007	2006
Austria	128,872	90,147
Other countries	68,987	226,305
Total	197,859	316,452

(15) Claims on customers

Amounts in thousand Euros	2007	2006
Corporate customers—large corporates	101,287	102,591
Retail customers—private individuals	17,360	9,119
Total	118,647	111,711

The claims on customers are comprised of the following asset classes (pursuant to Basel II definition):

Amounts in thousand Euros	2007	2006
Austria	9,377	9,170
Other countries	109,270	102,541
Total	118,647	111,711

(16) Impairment losses on claims

Provisions for impairment losses are formed in accordance with uniform group standards and cover all recognizable credit risks. A table with the development of the impairment losses for loans and advances can be found in the Risk Report on page 121. Provisions for impairment losses are allocated to the following asset classes according to the definition contained in Basel II:

Amounts in thousand Euros	2007	2006
Corporate customers—large corporates	936	874
Retail customers—private individuals	406	385
Total	1,342	1,259

Retail (private) customers refer exclusively to wealthy private individuals and self-employed people (high net worth individuals).

(17) Trading assets

The trading assets consist of the following securities and derivative financial instruments:

Amounts in thousand Euros	2007	2006
Bonds, notes, and other fixed-interest securities	18,219	18,073
Other bills of public authorities	0	2
Bonds and notes of non-public issuers	18,219	18,071
Shares and other variable-yield securities	621,372	504,733
Shares	556,181	456,613
Investment fund shares	65,191	48,120
Positive fair values of derivative financial instruments	1,045,130	955,811
Structured products	740,606	646,657
Interest-based transactions	5,040	6,392
Equity-/index-based transactions	299,484	302,762
Total	1,684,721	1,478,617

The portfolio of shares and other securities primarily relates to the company's market-making activities. Together with options and acquired structured products, they also represent hedge positions for the certificates and futures issued by Raiffeisen Centrobank.

(18) Derivative financial instruments

Amounts in thousand Euros	2007	2006
Positive fair values of derivatives in fair-value hedges (IAS 39)	653	479
Interest-based transactions	653	479
Positive market values of other banking book derivatives	160	249
Currency-based transactions	160	249
Total	813	728

Insofar as the conditions for hedge accounting according to IAS 39 are fulfilled, derivative financial instruments are measured at their fair values (dirty prices) in their function as hedging instruments. The hedged items in connection with fair-value hedges are claims on customers. The hedged risks are interest rate risks. The changes in the carrying amount of the hedged underlying transactions in IAS 39 fair-value hedges are included in the respective balance sheet items.

This item also includes the positive fair values of derivative financial instruments which are not held for trading and do not constitute fair-value hedging instruments as stipulated in IAS 39.

(19) Securities and financial investments

This item comprises securities available-for-sale, financial assets at fair value through profit or loss and securities held-to-maturity as well as strategic equity participations held on a long-term basis.

Amounts in thousand Euros	2007	2006
Bonds, notes, and other fixed-interest securities	65,528	40,678
Treasury bills and bills of public authorities eligible for refinancing	2,824	3,031
Other public-sector securities	62,704	31,207
Bonds and notes of other issuers	0	6,440
Shares and other variable-yield securities	124	127
Shares	50	50
Investment fund shares	74	77
Equity participations	6,597	10,631
Investments in associates and other affiliated companies	1,429	2,283
Other interests	5,168	8,348
Total	72,249	51,436

The reduction in the item “Investments in associates and other affiliated companies” resulted from the sale of Raiffeisen Private Equity AG, Vienna. The decline in the item “Other interests” relates to the sale of the company’s shareholding in Slobozhanska Budivelna Keramika JSC, Sumy (Ukraine).

Information on associates pursuant to IAS 28: Syrena Immobilien Holding AG reported a balance sheet total of TEUR 31,592 as at December 31, 2007 (December 31, 2006: TEUR 33,625) in its annual financial statements, equity of TEUR 28,948 (December 31, 2006: TEUR 28,713), and a profit after tax amounting to TEUR 235 (2006: TEUR 487).

(20) Intangible fixed assets

Amounts in thousand Euros	2007	2006
Software	432	574
Other intangible fixed assets	5	7
Total	437	581

(21) Tangible fixed assets

Amounts in thousand Euros	2007	2006
Properties and buildings used for own activities	7,968	7,864
Other equipment, furniture, and fittings	7,185	6,211
Total	15,153	14,075

(22) Statement of fixed assets

The tangible and intangible fixed assets developed in the 2007 financial year as follows:

Cost of acquisition or conversion Amounts in thousand Euros	Balance as at 1/1/2007	Change in consolidation group	Currency translation differences	Additions	Disposals	Transfers	Balance as at 31/12/2007
Intangible fixed assets	2,964	0	-15	219	-8	0	3,160
Goodwill	43	0	0	0	0	0	43
Software	2,921	0	-15	219	-8	0	3,117
Tangible fixed assets	27,179	0	-45	3,448	-257	0	30,325
Properties and buildings used for own activities	8,691	0	0	360	0	0	9,051
thereof value of developed land	2,006	0	0	0	0	0	2,006
Other tangible fixed assets	18,488	0	-45	3,088	-257	0	21,274
Total	30,143	0	-60	3,667	-265	0	33,485

Write-ups, amortization, depreciation, and impairment Amounts in thousand Euros	Cumulative	Write-ups	Depreciation	Book value as at 31/12/2007
Intangible fixed assets	-2,725	0	-355	437
Goodwill	-43	0	0	0
Software	-2,682	0	-355	437
Tangible fixed assets	-15,172	0	-2,290	15,152
Properties and buildings used for own activities	-1,083	0	-190	7,968
thereof value of developed land	0	0	0	2,006
Other tangible fixed assets	-14,089	0	-2,099	7,184
Total	-17,897	0	-2,645	15,589

The tangible and intangible fixed assets developed in the 2006 financial year as follows:

Cost of acquisition or conversion Amounts in thousand Euros	Balance as at 1/1/ 2006	Change in consolida- tion group	Currency translation differences	Addi- tions	Dis- posals	Trans- fers	Balance as at 31/12/ 2006
Intangible fixed assets	2,612	0	-17	427	-58	0	2,964
Goodwill	43	0	0	0	0	0	43
Software	2,569	0	-17	427	-58	0	2,912
Tangible fixed assets	25,066	0	-47	2,595	-435	0	27,179
Properties and buildings used for own activities	8,691	0	0	0	0	0	8,691
thereof value of developed land	2,006	0	0	0	0	0	2,006
Other tangible fixed assets	16,375	0	-47	2,595	-435	0	18,488
Total	27,678	0	-64	3,022	-493	0	30,143

Write-ups, amortization, depreciation, and impairment Amounts in thousand Euros	Cumulative	Write-ups	Depreciation	Book value as at 31/12/2006
Intangible fixed assets	-2,383	0	-298	581
Goodwill	-43	0	0	0
Software	-2,340	0	-298	581
Tangible fixed assets	-13,104	0	-1,905	14,075
Properties and buildings used for own activities	-827	0	-156	7,864
thereof value of developed land	0	0	0	2,006
Other tangible fixed assets	-12,277	0	-1,749	6,211
Total	-15,487	0	-2,203	14,656

(23) Other assets

Amounts in thousand Euros	2007	2006
Tax assets	5,699	3,687
Current tax assets	2,670	145
Deferred tax assets	3,029	3,542
Receivables arising from non-banking activities	31,011	21,737
Accruals and deferred items	2,114	990
Inventories	19,742	28,211
Other assets	2,908	5,620
Total	61,474	60,246

Deferred taxes consist of the following:

Amounts in thousand Euros	2007	2006
Deferred tax assets	3,029	3,542
Net deferred taxes	3,029	3,542

The net deferred taxes result from the following items:

Amounts in thousand Euros	2007	2006
Tangible and intangible fixed assets	1,302	1,366
Equity participations	938	1,609
Other assets	74	54
Provisions	337	287
Other liabilities	34	89
Tax loss carry-forwards	189	120
Other balance sheet items	347	17
Deferred tax assets	3,221	3,542
Other assets	163	0
Other balance sheet items	29	0
Deferred tax liabilities	192	0
Net deferred taxes	3,029	3,542

(24) Liabilities to banks

Amounts in thousand Euros	2007	2006
Giro and clearing business	6,841	6,194
Money market business	115,739	37,256
Long-term loans	327	498
Total	122,907	43,948

Liabilities to banks are classified regionally (counterparty's seat) as follows:

Amounts in thousand Euros	2007	2006
Austria	104,609	14,482
Other countries	18,298	29,466
Total	122,907	43,948

(25) Liabilities to customers

Amounts in thousand Euros	2007	2006
Sight deposits	163,748	101,376
Time deposits	55,031	164,970
Total	218,779	266,346

Liabilities to customers pursuant to the definition contained in Basel II are comprised of the following:

Amounts in thousand Euros	2007	2006
Corporate customers—large corporates	121,483	96,965
Retail customers—private individuals	97,296	169,381
Total	218,779	266,346

Retail (private) customers refer exclusively to wealthy private individuals and self-employed people (high net worth individuals).

Liabilities to customers are classified regionally (counterparty's seat) as follows:

Amounts in thousand Euros	2007	2006
Austria	135,975	59,293
Other countries	82,804	207,053
Total	218,779	266,346

(26) Provisions

Amounts in thousand Euros	Balance as at 1/1/2007	Allocation	Release	Use	Transfers, currency translation differences	Balance as at 31/12/2007
Severance payments	4,069	429	-195	0	0	4,303
Retirement benefits	756	168	-1	0	-1	922
Taxes	127	342	0	-77	-10	382
Current taxes	127	342	0	-77	-10	382
Pending legal issues	2,289	958	0	0	0	3,247
Unused vacation	2,251	548	-455	0	1	2,345
Other	13,042	19,780	-522	-10,478	-97	21,725
Total	22,534	22,225	-1,173	-10,555	-107	32,924

Amounts in thousand Euros	Balance as at 1/1/2006	Allocation	Release	Use	Transfers, currency translation differences	Balance as at 31/12/2006
Severance payments	3,121	986	-24	-14	0	4,069
Retirement benefits	474	282	0	0	0	756
Taxes	562	126	-18	-525	-18	127
Current taxes	536	126	0	-518	-17	127
Deferred taxes	26	0	-18	-7	-1	0
Pending legal issues	2,289	0	0	0	0	2,289
Unused vacation	1,659	604	-12	0	0	2,251
Other	10,090	12,942	-415	-9,508	-67	13,042
Total	18,195	14,940	-469	-10,047	-85	22,534

Other provisions primarily refer to provisions for employee compensation.

(27) Trading liabilities

Amounts in thousand Euros	2007	2006
Negative fair values of derivative financial instruments	1,565,076	1,464,277
Options	617,269	633,872
OTC transactions	13,485	6,796
Structured products	934,322	823,609
Short selling of trading assets	52,923	99,827
Total	1,617,999	1,564,104

On the one hand, trading liabilities refer to structured guarantee products issued by Raiffeisen Centrobank, for example the well-known winner or blue chip certificates. On the other hand, trading liabilities also include warrants and other certificates, such as turbo certificates on indices and individual shares.

(28) Derivative financial instruments

Amounts in thousand Euros	2007	2006
Negative fair values of derivatives in fair-value hedges (IAS 39)	0	52
Interest-based transactions	0	52
Negative fair values of other banking book derivatives	110	392
Currency-based transactions	110	392
Total	110	444

Insofar as the conditions for hedge accounting according to IAS 39 are fulfilled, derivative financial instruments are measured at their fair values (dirty prices) in their function as hedging instruments. The hedged items in connection with fair-value hedges are claims on customers. The hedged risks are interest rate risks. Negative fair values for derivative hedging instruments in IAS 39 fair-value hedges did not exist in 2007.

This item also includes the positive fair values of derivative financial instruments which are not held for trading and do not constitute fair-value hedging instruments as stipulated in IAS 39.

(29) Other liabilities

Amounts in thousand Euros	2007	2006
Liabilities from non-banking activities	22,621	13,994
Accruals and deferred items	614	2,557
Other liabilities	14,441	13,252
Total	37,676	29,804

(30) Equity

Amounts in thousand Euros	2007	2006
Consolidated equity	87,103	79,733
Subscribed capital	47,599	47,599
Capital reserves	6,651	6,651
Retained earnings	32,853	25,483
Group net profit	42,453	27,698
Total	129,556	107,431

The subscribed capital of Raiffeisen Centrobank AG continues to be divided into 655.000 no-par-value shares. In accordance with the Articles of Association, the total nominal value amounts to EUR 47,598,850.

The Executive Board will propose to the Annual General Meeting that a dividend of EUR 53.00 per ordinary share be distributed from the balance sheet profit of Raiffeisen Centrobank AG as at December 31, 2007, amounting to TEUR 35,343. This represents a total dividend payment of TEUR 34,715. The remaining amount of TEUR 628 will be carried forward to the new balance sheet.

The development of equity is detailed on page 74.

(31) Remaining terms to maturity

31/12/2007 Amounts in thousand Euros	Due at call or without maturity	Up to 3 months	3–12 months	1–5 years	More than 5 years
Cash reserve	9,940	0	0	0	0
Claims on banks	92,349	102,589	2,921	0	0
Claims on customers	41,010	5,822	6,464	50,171	15,180
Trading assets	621,992	5,158	96,981	490,838	469,753
Securities and financial investments	6,672	4,026	115	61,438	0
Sundry assets	36,698	31,489	7,679	0	666
Total assets	808,661	149,084	114,160	602,447	485,599
Liabilities to banks	7,740	114,839	164	164	0
Liabilities to customers	135,737	47,016	6,456	28,012	1,558
Trading liabilities	52,923	15,004	166,079	943,335	440,658
Sundry liabilities	44,593	23,626	2,360	131	0
Subtotal	240,993	200,485	175,059	971,642	442,216
Equity	129,556	0	0	0	0
Total equity and liabilities	370,549	200,485	175,059	971,642	442,216

31/12/2006 Amounts in thousand Euros	Due at call or without maturity	Up to 3 months	3–12 months	1–5 years	More than 5 years
Cash reserve	2,023	0	0	0	0
Liabilities to banks	102,553	213,899	0	0	0
Liabilities to customers	35,090	6,522	30,441	22,734	16,924
Trading liabilities	504,789	15,690	33,738	466,286	458,114
Securities and financial investments	10,708	10,468	0	30,260	0
Sundry assets	36,620	35,887	48	0	1,817
Total assets	691,783	282,466	64,227	519,280	476,855
Liabilities to banks	6,194	35,725	1,538	491	0
Liabilities to customers	101,486	160,361	0	0	4,499
Trading liabilities	99,827	352,196	215,175	521,503	375,403
Sundry liabilities	41,144	9,655	1,977	0	7
Subtotal	248,652	557,936	218,690	521,994	379,908
Equity	107,431	0	0	0	0
Total equity and liabilities	356,083	557,936	218,690	521,994	379,908

(32) Related parties

Companies can carry out business with related parties that may affect the entity's asset, financial and earnings position. The following related companies of Raiffeisen Centrobank AG are divided into the following categories:

- » The "parent companies" are Raiffeisen-Landesbanken-Holding GmbH, Raiffeisen Zentralbank Österreich Aktiengesellschaft, RZB KI Beteiligungs GmbH, and RZB IB Beteiligungs GmbH.
- » "Companies with significant influence" refers to Raiffeisen Landesbank Niederösterreich-Wien AG, Vienna.
- » "Affiliated companies" encompass those companies of Raiffeisen Zentralbank Aktiengesellschaft which are not included in consolidation in the consolidated financial statements of Raiffeisen Centrobank AG.
- » Other interests.

Information on the business ties of the Raiffeisen Centrobank Group with key management (Executive Board) is contained in section 48. In the 2007 financial year, transactions with related parties were as follows:

Amounts in thousand Euros	Parent companies	Companies with significant influence	Affiliated companies	Other interests
Claims on banks	104,812	0	2,325	0
Claims on customers	0	0	47,663	514
Trading assets	305,579	0	36,703	0
Securities and financial investments	0	0	1,429	5,168
Other assets including derivative financial instruments	889	34	55	25
Liabilities to banks	100,178	0	5,897	0
Liabilities to customers	0	0	1,170	20
Provisions	770	0	0	0
Trading liabilities	0	0	1,916	0
Other liabilities	5,661	0	1	0

As at December 31, 2006, the transactions with related parties were as follows:

Amounts in thousand Euros	Parent companies	Affiliated companies	Other interests
Claims on banks	42,848	5,036	0
Claims on customers	0	73,386	934
Trading assets	312,064	0	0
Other assets (including derivative financial instruments)	1,050	321	75
Liabilities to banks	7,351	36,216	5,661
Liabilities to customers	0	7,963	15
Provisions	203	0	0
Other liabilities	4,502	323	0
Guarantees issued	0	9,461	0

(33) Foreign currency volume

The consolidated financial statements consist of the following volumes of assets and liabilities denominated in foreign currencies:

Amounts in thousand Euros	2007	2006
Assets	569,127	650,620
Liabilities	173,319	297,543

The foreign currency component contained in Raiffeisen Centrobank's structured products are not included in this overview, due to the fact that these certificates are traded in Euros.

(34) Foreign assets/liabilities

Assets and liabilities with counterparties outside of Austria are as follows:

Amounts in thousand Euros	2007	2006
Assets	1,338,343	1,400,694
Liabilities	188,539	310,481

Accounting Policies
Notes to the Income Statement
• Notes to the Balance Sheet
• Notes to Financial Instruments
Other Disclosures
Auditor's Report
Basis of Consolidation

(35) Subordinated assets

Assets include the following subordinated assets:

Amounts in thousand Euros	2007	2006
Trading assets	5,018	4,984

(36) Assets pledged as collateral

The following liabilities are secured by assets shown in the balance sheet:

Amounts in thousand Euros	2007	2006
Liabilities to banks	0	498
Other liabilities	77,504	76,970
Total	77,504	77,468

The following balance sheet assets are provided as collateral for the above-mentioned liabilities:

Amounts in thousand Euros	2007	2006
Claims on banks	77,972	87,609
Claims on customers	0	491
Trading assets	33,264	0
Securities and financial investments	30,340	24,009
Total	141,576	112,109

(37) Operating leases

Operating leases from the point of view of the Raiffeisen Centrobank Group as a lessee. Future minimum leasing payments for non-cancellable operating leases are as follows:

Amounts in thousand Euros	2007	2006
Up to 1 year	651	551
1–5 years	2,505	1,929
Total	3,156	2,480

Notes to Financial Instruments

(38) Risks arising from financial instruments (Risk Report)

Principles of risk management

For Raiffeisen Centrobank, active risk management means the identification, evaluation, monitoring and management of economic risks. This process is designed to achieve profits by taking risks in a targeted, controlled manner. Transactions are evaluated in regard to their potential risk and return on investment according to the type of transaction, scale, and complexity, against the backdrop of prevailing legal regulations. A variety of risks are managed as part of a coordinated process, in particular market, credit, operational, equity participation and other risks.

As a subsidiary of RZB, Raiffeisen Centrobank is integrated into the risk management processes of the RZB Group. The various risk management units operating at different management levels ensure that all major risks are monitored and limited and that business transactions are concluded by taking account of the risk/earnings ratio. For this purpose, the concept of risk management takes into consideration the legal and regulatory framework, but also the type of transaction, scale, and complexity and the accompanying risks.

The concept of risk management as practiced by Raiffeisen Centrobank focuses on the individual risk profile of the company. The basic principles and methods underlying risk management are defined in the bye-laws for the Supervisory Board and the Executive Board as well as in the bank's organizational guidelines and manuals. A comprehensive planning and controlling process enables the Executive Board to identify risks at an early stage, evaluate them and take appropriate countermeasures. Within the framework of its decision-making authority, the Executive Board determines the bank's risk management policies, authorizing the principles of risk management, the specification of limits for all relevant risks as well as the precise processes to monitor risks. Risk management is an integral part of managing the bank, i.e., the management of earnings and risks in all business segments are systematically linked with each other.

An independent department for risk management, incorporated within the controlling division, supports the Executive Board in effectively fulfilling its duties. The department reports regularly to the Executive Board and evaluates the current risk situation by taking account of the risk capacity and risk limits. It supports the Executive Board in allocating a risk management budget and in managing risks. As a cross-divisional and enterprise-wide body, the department is responsible for the ongoing further development and implementation of methods to measure risks, to refine risk management instruments as well as to maintain and update the regulatory framework. The evaluation of interest rate changes and balance sheet structure risks as well as liquidity risks takes place within the framework of the Assets/Liabilities Management Committee.

In order to enable the bank to adjust to changing regulatory conditions (ICAAP) and tailor risk management to expanded business activities, Raiffeisen Centrobank implemented a comprehensive project in 2007 designed to further improve its risk management capabilities. New and innovative methods and concepts underlying a modern risk management system were developed and implemented with significant support provided by a leading consulting company. One of the major aspects of the project was the revision and specification of a risk strategy, which increasingly emphasizes risk propensity and risk bearing capacity. On this basis, a unified risk limit system throughout the bank was conceived, which divides the predefined risk exposure on a division, department and individual manager level. The first-time conception of a process-oriented self-risk assessment to identify operational risks was an even more significant development. This enables Raiffeisen Centrobank to quantify this risk as well and appropriately take account of the operational risks in the bank's overall risk management efforts led by the Executive Board by means of a value-at-risk (VaR) consistent risk measurement approach, along with the main risks to which the bank is subject, namely the market risk and credit risk.

Ability to bear and manage risk

The ability to bear risk denotes the capacity of a bank to cover the risks arising from its transactions by furnishing equity capital and similar items. As banks cannot as a general rule completely preclude the incurring of risks, the losses arising from the realization of these risks are to be defrayed by these funds, which are referred to as the "risk coverage sum." The amount of this sum determines which risk-bearing activities—and the maximum exposure associated with them—are suitable for a bank. The ability to bear risk thus significantly impacts on a bank's assumption of further risk. This, in turn, determines the focus and scope of the bank's transactions.

The significant expansion of the operations of the department at the RZB banking group charged with analyzing risk-bearing abilities is being undertaken to enable a variety of scenarios to be assessed for Raiffeisen Centrobank. Taking the going concern perspective (calculated using a confidence interval of 95% and holding period of three months), the scenarios' thrust is the assuring that the potential losses ("risk potential") arising from transactions do not exceed the associated risk coverage sums. Also factored in are the liquidation perspective (bearing with it a confidence level augmented to 99.9%) and the stress tests employed in the assessment of the effects of significant and negative alterations in the risk-causing factors which may possibly not be adequately depicted in value-at-risk models.

The determination and further development of its risk assessment strategy constitute a key component of Raiffeisen Centrobank's total risk management operations. As it is derived from both the bank's approach to its business and from its ability to bear risk, the strategy serves to intermesh the bank's business strategy and its ability to bear risk. For these reasons, the setting of the bank's risk strategy has been assigned to its Executive Board.

Market risk

The top priority of Raiffeisen Centrobank is to counteract market risk. Raiffeisen Centrobank defines market risk as incurring potential losses due to market changes resulting from fluctuating or changing market prices (e.g., share, currency, and securities prices) and parameters which affect prices (e.g., interest rates, volatilities). Comprehensive, real-time evaluations of market risk are developed, enabling the bank to combine this information with data on other risk factors to prepare an overall risk assessment. Market risks primarily consist of share and warrant prices as well as interest rate fluctuation and exchange rate risks and are managed by the bank's Securities Trading and Treasury segments.

The main focus of the business activities of Raiffeisen Centrobank is in securities trading and in the issue of securities and share-index-oriented derivatives and structured products (certificates and guarantee bonds). Risk positions primarily resulted from the dynamic hedging of the warrants and certificates issued by Raiffeisen Centrobank. The market risk arising from the securities trading-book of Raiffeisen Centrobank mainly refers to price risks resulting from trading book positions held in shares and derivatives.

Raiffeisen Centrobank measures, monitors and manages all market risks by setting a variety of limits which are defined by taking account of the risk capacity of the bank.

Depending on the type of transaction, these limits encompass volume and position limits, sensitivity limits (delta, gamma, vega, basis point value) as well as stop-loss limits, which will be embedded in an integrated VaR bank limit system in the future. Compliance and use of limits are monitored and reported to the Executive Board on a daily basis by the Securities Controlling department, within the context of a comprehensive reporting system.

The value-at-risk approach is of central importance. It is calculated on a daily basis on the basis of a variance-covariance matrix with a confidence interval of 99%. The market data is accumulated from the preceding year applying a retention period of 10 days.

The following table shows the value at risk (in accordance with the variance-covariance model) for the market risk arising from the trading books, depending on the type of risk:

Amounts in thousand Euros	31/12/2007	30/09/2007	30/06/2007	31/03/2007	31/12/2006
Interest rate risk	420	290	310	270	480
Foreign exchange risk	74	65	122	64	121
Price risk	8,315	9,029	8,412	10,699	8,949
Total	8,809	9,384	8,844	11,033	9,550

In a first, a Monte Carlo simulation, which delivers statistics showing a higher degree of precision, was used at the end of 2007 to calculate value at risk. This practice will enable the taking into account those nonlinear risks resulting from the employment of options and impacting upon market-related risks. Monte Carlo simulations are based upon a full-scale valuation of the portfolio. This figure's future development is then simulated by subjecting the portfolio to an array of randomly-generated movements on exchanges. Whether or not random variables (risk factors) are realized is determined by applying a stochastic process (distributions and random walks) and parameters (for instance: volatility, correlations) incorporating historic data or predefined scenarios. This development imparts a substantially greater flexibility and a greater scope to risk measurement methods, which are now able to incorporate new methods of valuation, non-normal distribution assumptions and such non-linear correlation models as copulas. Included in Raiffeisen Centrobank's portfolio are exotic options and path-dependent instruments. It is for that reason that Monte Carlo simulations represent the most effective way of measuring the risks borne by Raiffeisen Centrobank's portfolio. In a further benefit, the incorporation of stress tests enables the taking into account of extreme market variations, of catastrophic events, and of risks specific to individual countries and arising from concentration of operations.

In accordance with the rules laid down in Austria's Banking Act, the determination of the requisite capital to be furnished for the trading book is to be performed using the standard procedure codified in Basel I. The equity capital required to be furnished for the securities book amounted as of the end of the year to EUR 37.9 m (December 31, 2006: EUR 38.5 m).

Of secondary importance are risks arising from changes in the rates of interest borne by items in the banking book. Such risks are quantified and qualified using the methods of analysis classically applied to capital and interest commitments. Since 2002, the reporting of the statistics compiled for such risks has occurred on a quarterly basis. Recipients are the dedicated supervisory bodies.

The interest maturity gap of Raiffeisen Centrobank as at December 31, 2007, was as follows:

Amounts in thousand Euros	> 6 m-1 y	> 1-2 y	> 2-5 y	> 5 y
EUR	25,146	15,134	46,418	0
USD	-155	0	0	0
Other	0	0	0	0

The interest maturity gap of Raiffeisen Centrobank as at December 31, 2006, was as follows:

Amounts in thousand Euros	> 6 m-1 y	> 1-2 y	> 2-5 y	> 5 y
EUR	13,549	15,171	15,039	0
USD	-433	0	0	0
Other	0	0	0	0

A positive interest maturity gap means a net settlement amount of assets, whereas a negative interest maturity gap means a net settlement amount of liabilities.

Credit risk

The credit risk represents the default risk that arises from the inability of a customer to fulfil contractually agreed financial obligations, when services have been rendered (e.g., liquidity, securities, advisory services) or when unrealized profits from pending business transactions can no longer be recovered.

The traditional credit and loan business is of immaterial significance to Raiffeisen Centrobank due to the limited business volume and the bank's strategic orientation. Additional credit risks primarily relate to acquired debt instruments and structured products, which serve to hedge debt instruments and structured products issued by the company.

The limitation and measurement of risks is primarily carried out by setting nominal limits as well as by the VaR figures for credit risk made available by the RZB Group. The internal system for controlling credit risk encompasses all forms of monitoring measures that are directly or indirectly integrated into the work processes that require monitoring. Against the backdrop of the new capital adequacy framework for banks which is currently being developed (Basel II), the ongoing management, controlling and monitoring of credit risk at the Raiffeisen Banking Group are assured. Within the framework of the Basel II project, a group-wide rating and default data base has been developed, which is designed to register and evaluate customers as well as document default processes.

To assess risk, the Raiffeisen Centrobank is going to start using a modified version of the Basel II-IRB approach. It enables the determination of a risk value whose amount accords to VaR principles and which contains, in contrast to one calculated using the original IRB formula, the expected loss. The risks associated with the loans made by Raiffeisen Centrobank are monitored and analyzed on a loan-by-loan (employing a comprehensive and well-founded analysis of potential debtor's creditworthiness and collateral) and portfolio-wide basis. The methods of calculation employed yield a comprehensive depiction of the bank's credit-incurred risks and reveal their relative (when compared to market-related risks) lack of importance.

As at December 31, 2007, Raiffeisen Centrobank had interest-bearing assets subject to credit risk as well as an off-balance-sheet volume amounting to TEUR 413, 511 before deductions made for value adjustments.

Active volume	31/12/2007		31/12/2006	
Amounts in thousand Euros				
Bonds and notes from public authorities	62,703		31,207	
Claims on banks	188,919		301,635	
Claims on customers	138,701		148,352	
Bonds	21,044		21,104	
	411,367		502,298	
Product-weighted off-balance sheet transactions	2,144		1,220	
	413,511	100%	503,518	100%
Default potential or irrecoverable	1,342	0.3%	1,285	0.3%
Substandard	14,000	3.4%	9,898	2.0%

The following table shows the development of the individual loan loss provisions according to balance sheet items during the financial year:

Amounts in thousand Euros	Balance as at 1/1/2007	Allocation*	Release	Use	Transfers, currency translation differences	Balance as at 31/12/2007
Individual loan loss provisions	1,259	84	0	0	0	1,342
Claims on customers	1,259	84	0	0	0	1,342
thereof Austria	1,259	84	0	0	0	1,342
Total	1,259	84	0	0	0	1,342

* Allocation includes direct write-downs and income received on written-down claims.

Claims as well as individual loan loss provisions according to asset classes similar to the RZB Group pursuant to the definitions contained in Basel II are as follows:

31/12/2007 Amounts in thousand Euros	Carrying amount	Individual loan loss provisions	Net carrying amount	Individually impaired assets	Fair Value
Banks	197,859	0	197,859	0	197,859
Corporate customers– large corporates	101,287	936	100,351	936	100,380
Retail customers– private individuals	17,360	406	16,954	406	16,953
Total	316,506	1,342	315,164	1,342	315,192

31/12/2006 Amounts in thousand Euros	Carrying amount	Individual loan loss provisions	Net carrying amount	Individually impaired assets	Fair Value
Banks	316,452	0	316,452	0	316,452
Corporate customers– large corporates	102,591	873	101,718	885	101,668
Retail customers– private individuals	9,119	385	8,734	385	8,734
Total	428,162	1,258	426,904	1,270	426,854

Operational risks

In line with Basel II, operational risk is defined as the risk of unexpected losses resulting from inadequate or failed internal processes, people, and systems or from external events including legal risk. As is the case with other types of risk, the principle of ensuring a strict division of responsibilities between risk management and risk controlling is also applied to operational risk.

Operational risk is analyzed and managed on the basis of the group's own regular self-risk assessments, the results of evaluating risk scenarios and the group's historical loss data.

The standardized approach to operational risk within the context of Basel II is employed. Allocations are made to reserves in order to meet pending legal risks in accordance with appraisals carried out of the potential economic losses resulting from court decisions.

The calculation of VaR-consistent risk values is going to be carried out using the operating amounts determined by using the standard approach stipulated by Basel II for standard business lines. The method of quantification employed is derived from a large-scale empirical study on the advanced measurement approaches used in analyzing data banks chronicling operational losses and their ties to Basel II's standard approach. The data presented in the study forms the basis for the employment of empirical values and a reversed engineering approach in the deriving of the parameters delineating the function distributing operational losses. The calculation of VaR-consistent risk values enables the immediate and fully-intermeshed taking into account of the operational risks and of an assessment of its role within the bank's overall exposure to risks and the limits placed upon it.

Equity participation risks

Part of the banking book also encompasses risks derived from equity participations (all of which involve unlisted companies). As at December 31, 2007, the book value of the equity participations of Raiffeisen Centrobank amounted to about EUR 15.6 m. The resulting share of these equity participations in the capital requirements of Raiffeisen Centrobank is subsequently about 2.24% (2006: 2.40%).

The focal point of the bank's efforts to mitigate and control equity participation risks is the limits set for the trading subsidiaries of Raiffeisen Centrobank. Financial and trading limits are prescribed and approved by the internal credit committee of Raiffeisen Centrobank or, when specified limits are to be exceeded, by the Supervisory Board of Raiffeisen Centrobank. On this basis, a standardized and comprehensive spectrum of reports are put together, sometimes on a daily basis but on a monthly basis at a minimum, including risk reports for performance risk, financial risk, and position risk. The limits are monitored at various levels: by the subsidiaries themselves, through the equity participation controlling mechanisms of Raiffeisen Centrobank, and by the economic controls imposed by the bank's credit department within the context of the supervision of capital loans to subsidiaries. The information provided by all companies in which Raiffeisen Centrobank has an equity stake are merged into one single report each month and conveyed to the Executive Board of Raiffeisen Centrobank and also on a quarterly basis to the Supervisory Board.

Risk assessment operations are from now on going to distinguish between participatory items per se and all other exposures associated with these items ("participatory-similar items"). The items' quantification is undertaken, as a general rule, using, in line with the procedure applied to loan-related risk, a modification of the IRB approach. Directly-held participatory items are quantified using a procedure according to the PD/LGD approach (§§ 72, 77 par. 4 SolvaV). Participatory-similar items are categorized on an item-by-item basis as either participations or loans.

Other risks

Short-term liquidity risks are not of major significance for Raiffeisen Centrobank, because a large part of the refinancing is carried out via RZB. Other subordinate types of risk (e.g., business, FX and reputation risk) will be encompassed in the risk capacity analysis in the future by means of risk buffers and risk surcharges.

Basel II

2007 was marked by the further upgrading of the risk management sector's infrastructure. This was undertaken to facilitate the implementation of changes in regulation necessitated by the promulgation of Basel II. The upgrading was completed at the end of the year and the date of expiry of the transitional provisions. The upgrading notably included the carrying out of the integration tests requisite for the implementation of the new regulations applying to proprietary funds, the instituting of measures ensuring the quality of data, and the facilitating of the high-level intermeshing of the central data warehouse's risk management application with that of our local core banking operations. The IRB approach employed by RZB, our owner, is based on the use of in-house ratings. This approach is completing its way through the official approval process. In conjunction with this approval and for Raiffeisen Centrobank, a permanent partial use was applied for.

Overdue financial instruments

The definition of default and the assessment of the expected recovery value are heavily influenced by the number of days in which payment is late. Overdue receivables not subject to impairment losses were neither existent as at December 31, 2007, nor at December 31, 2006. The total amount of overdue receivables not individually assessed for impairment was TEUR 315,164 as at December 31, 2007 (December 31, 2006: TEUR 426,904).

Impaired financial instruments

The following table shows the carrying amount of the impaired assets, specifically allocated provisions, and the corresponding net value of the available collateral:

Impairments and collaterals 31/12/2007 Amounts in thousand Euros	Individually impaired assets	Individual loan loss provisions (ILLP)	Individually impaired assets after deduction of ILLP	Collaterals for indi- vidually impaired assets	Interest on individually impaired assets
Corporate customers– large corporates	936	936	0	0	51
Retail customers– private individuals	406	406	0	0	21
Total	1,342	1,342	0	0	72

Impairments and collaterals 31/12/2006	Individually impaired assets	Individual loan loss provisions (ILLP)	Individually impaired assets after deduction of ILLP	Collaterals for indi- vidually impaired assets	Interest on individually impaired assets
Amounts in thousand Euros					
Corporate customers– large corporates	885	873	11	0	37
Retail customers– private individuals	385	385	0	0	11
Total	1,270	1,258	11	0	48

The maximum credit risk exposure (including revocable and irrevocable credit obligations) and the fair values of the collaterals where reselling and/or repledging are allowed without default of debtor are shown in the following table:

31/12/2007	Maximum credit exposure		Fair values of collateral
Amounts in thousand Euros	Net exposure	Contingent liabilities Guarantees issued	Reselling/ repledging allowed
Banks	197,859	0	0
Corporate customers– large corporates	100,351	1,085	28,352
Retail customers– private individuals	16,954	455	28,370
Total	315,164	1,540	156,722

31/12/2006	Maximum credit exposure		Fair values of collateral
Amounts in thousand Euros	Net exposure	Contingent liabilities Guarantees issued	Reselling/ repledging allowed
Banks	316,452	152	0
Corporate customers– large corporates	101,718	689	112,384
Retail customers– private individuals	8,734	425	43,428
Total	426,904	1,266	0

(39) Derivative financial instruments

The total volume of the unsettled derivative financial instruments as at December 31, 2007, is comprised of the following:

31/12/2007 Amounts in thousand Euros	Nominal amount by maturity				Fair values	
	Up to 1 year	1-5 years	> 5 years	Total	Positive	Negative
Total	1,644,763	1,502,554	1,184,850	4,332,167	1,059,145	-1,565,186
a) Interest rate contracts	82,599	64,750	163,795	311,144	5,693	-1,466
OTC products						
Interest rate swaps	0	64,750	163,795	228,545	5,693	0
Interest rate futures	14,000	0	0	14,000	0	-16
Products traded on stock exchange						
Interest rate futures	68,599	0	0	68,599	0	-1,450
b) Foreign exchange and gold contracts	328,420	3,812	18,342	350,574	1,497	-11,832
OTC products						
Forward foreign exchange contracts	63,053	0	0	63,053	17	-19
Currency options-purchased	120,000	0	0	120,000	481	0
Currency options-sold	120,000	0	0	120,000	0	-481
Other currency contracts	0	3,812	18,342	22,154	0	-11,332
Products traded on stock exchange						
Currency contracts (futures)	25,367	0	0	25,367	999	0
c) Equity/index contracts	1,209,692	1,422,727	988,904	3,621,323	1,051,221	-1,535,002
OTC products						
Equity-/index-based options-purchased	177,275	102,172	221,509	500,956	207,212	0
Equity-/index-based options-sold	128,913	69,268	18,634	216,815	0	-17,404
Products traded on stock exchange						
Equity/index futures	97,029	2,469	0	99,498	604	-3,255
Equity-/index-based options	156,728	15,478	0	172,206	33,951	-33,171
Other equity/index contracts	649,747	1,233,340	748,761	2,631,848	809,454	-1,481,172
d) Commodities	24,052	11,265	13,809	49,126	734	-16,886

For hedging purposes, the net settlement amount of negative market values for other equity and index contracts is offset against acquired shares listed under trading assets, which are not encompassed in the chart above.

The total volume of the unsettled derivative financial instruments as at December 31, 2006, is comprised of the following:

31/12/2006 Amounts in thousand Euros	Nominal amount by maturity				Fair values	
	Up to 1 year	1–5 years	> 5 years	Total	Positive	Negative
Total	1,477,278	1,514,465	1,495,296	4,487,039	947,744	-1,464,721
a) Interest rate contracts	131,119	67,750	161,719	360,588	6,871	-2,122
OTC products						
Interest rate swaps	7,608	67,750	161,719	237,077	6,871	-52
Products traded on stock exchange						
Interest rate futures	123,511	0	0	123,511	0	-2,070
b) Foreign exchange and gold contracts	261,062	0	0	261,062	3,999	-4,143
OTC products						
Forward foreign exchange contracts	75,082	0	0	75,082	249	-392
Currency options–purchased	92,990	0	0	92,990	3,750	0
Currency options–sold	92,990	0	0	92,990	0	-3,751
c) Equity/index contracts	1,037,296	1,446,715	1,333,577	3,817,588	936,874	-1,456,941
OTC products						
Equity-/index-based options–purchased	165,820	57,740	273,015	496,575	215,336	0
Equity-/index-based options–sold	37,872	40,635	56,010	134,517	0	-11,921
Products traded on stock exchange						
Equity/index futures	162,474	64,389	0	226,863	13,436	-1,893
Equity-/index-based options	212,659	583	0	213,242	4,174	-1,839
Other equity/index contracts	458,471	1,283,368	1,004,552	2,746,391	703,928	-1,441,288
d) Commodities	47,801	0	0	47,801	0	-1,515

(40) Fair values of financial instruments

Fair value is the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing and completely independent business partners. As far as market prices are available (mainly securities and derivatives quoted on stock exchange or active markets), this quotation represents the fair value.

All other financial instruments are valued using internally accepted calculation models, especially discounted cash flow analysis and option pricing models. Fair values different from the carrying amount are calculated for fixed-interest loans and advances to and deposits from banks or customers, if the remaining maturity is more than one year. Variable-interest loans and advances and deposits are taken into account if they have an interest rollover period of more than one year. The effect of discounting by using a computational interest rate that reflects the market rates is only material in those cases.

Amounts in thousand Euros	2007			2006		
	Fair value	Carrying amount	Difference	Fair value	Carrying amount	Difference
Assets						
Claims on banks	197,859	197,859	0	316,452	316,452	0
Claims on customers	119,258	118,647	611	112,082	111,711	371
Liabilities						
Liabilities to banks	122,793	122,907	-113	43,953	43,948	5
Liabilities to customers	218,779	218,779	0	266,346	266,346	0

Other Disclosures

(41) Contingent liabilities and other off-balance-sheet obligations

Amounts in thousand Euros	2007	2006
Contingent liabilities	716	805
Other guarantees	522	653
Letters of credit	194	152
Credit risks	824	460
Irrevocable credit obligations and stand-by facilities	824	460
Up to 1 year	433	69
More than 1 year	432	391

Credit risks encompass only irrevocable credit obligations.

(42) Fiduciary business

Fiduciary business not recognized in the balance sheet was concluded with the following volumes as at the balance sheet date:

Amounts in thousand Euros	2007	2006
Equity participations	9,109	9,109
Fiduciary assets	9,109	9,109
Other fiduciary liabilities	9,109	9,109
Fiduciary liabilities	9,109	9,109

Disclosures based on Austrian regulations

(43) Securities admitted for trading on a stock exchange pursuant to § 64 Austrian Banking Act

Amounts in thousand Euros	2007 Listed	2007 Unlisted	2006 Listed	2006 Unlisted
Bonds, notes, and other fixed-interest securities	83,747	0	49,279	3,031
Shares and other variable-yield securities	697,901	664,698	472,233	680,076

(44) Volume of the trading book pursuant to § 22 Austrian Banking Act

Amounts in thousand Euros	2007	2006
Securities	1,380,198	1,169,464
Other financial instruments	304,524	309,154
Total	1,684,722	1,478,617

(45) Regulatory own funds pursuant to Austrian Banking Act

The regulatory own funds of Raiffeisen Centrobank, in accordance with the stipulations contained in the Austrian Banking Act, are as follows:

Amounts in thousand Euros	2007	2006
Total own funds (only tier 1–core capital)	77,946	74,331
Total own funds requirement	55,470	56,979
Excess own funds	22,476	17,355
Excess cover ratio in per cent	140.5	130.5
Core capital ratio (tier 1), banking book	37.2	33.1
Own funds ration in per cent	11.2	10.4

The core capital ratio is based on the risk-weighted basis of assessment pursuant to § 22 BWG.

The total own funds requirement is as follows:

Amounts in thousand Euros	2007	2006
Risk-weighted assessment base pursuant to § 22 Austrian Banking Act	209,350	224,352
thereof 8 per cent minimum own funds requirement	16,748	17,948
Own funds requirement for the trading book pursuant to § 22 Austrian Banking Act	37,890	38,526
Own funds requirement for open currency positions pursuant to § 22 Austrian Banking Act	832	505
Total own funds requirement	55,470	56,979

(46) Average number of employees

The average number of people employed during the financial year (full-time equivalents) is as follows:

Full-time equivalents	2007	2006
Salaried employees	252	226
Wage earners	7	6
Total	259	232

(47) Expenses for severance payments and retirement benefits

Amounts in thousand Euros	2007	2006
Members of the Executive Board and senior staff	401	591
Other employees	736	755
Total	1,137	1,346

(48) Relations to key management**Remuneration of the Executive Board**

The following remuneration was paid to the members of the Executive Board of Raiffeisen Centrobank in the 2007 financial year:

Amounts in thousand Euros	2007	2006
Fixed and performance-based remuneration	2,278	2,282
Payments to pension funds and business insurances	0	0
Total	2,278	2,282

The table includes fixed and performance-based salary components, including bonuses and payment in kind. It does not include remuneration for membership on the Executive or Supervisory Boards of subsidiaries.

There are no contractual obligations regarding remuneration to the members of the Supervisory Board and previous members of the Executive Board.

The relations of the members of the Executive Board of Raiffeisen Centrobank to the Raiffeisen Centrobank Group are as follows:

Amounts in thousand Euros	2007	2006
Loans	0	2
Sight deposits	449	257

The following table shows the relations of close family members of the Executive Board to Raiffeisen Centrobank Group:

Amounts in thousand Euros	2007	2006
Loans	0	0
Sight deposits	787	397

- Accounting Policies
- Notes to the Income Statement
- Notes to the Balance Sheet
- Notes to Financial Instruments
- **Other Disclosures**
- **Auditor's Report**
- Basis of Consolidation

(49) Corporate Bodies

Executive Board

Chairman

Eva Marchart

Deputy Chairman

Alfred Michael Spiss

Member

Gerhard Grund

Supervisory Board

Chairman

Walter Rothensteiner, Chairman of the Management Board,
Raiffeisen Zentralbank Österreich AG, Vienna

First Deputy Chairman

Patrick Butler, Member of the Management Board, Raiffeisen Zentralbank Österreich AG, Vienna

Second Deputy Chairman

Herbert Stepic, Chairman, Raiffeisen International Bank-Holding AG, Vienna

Members

Helfried Marek, Vienna

Karl Sevelda, Member of the Management Board, Raiffeisen Zentralbank Österreich AG, Vienna

Christian Teufl, Director, Raiffeisen Zentralbank Österreich AG, Vienna

State Commissioners

Peter Braumüller, Divisional Director

Tamara Els, Deputy Assistant

Vienna, April 7, 2008

The Executive Board

Eva Marchart

Chairman of the Executive Board

Alfred Michael Spiss

Deputy Chairman of the Executive Board

Gerhard Grund

Member of the Executive Board

Auditor's Report

Report on the consolidated financial statements

We have audited the accompanying consolidated financial statements of Raiffeisen Centrobank AG, Vienna, for the financial year from January 1, 2007, to December 31, 2007. These consolidated financial statements comprise the balance sheet as at December 31, 2007, and the income statement, statement of changes in equity and cash flow statement for the year ending December 31, 2007, and a summary of significant accounting policies and other explanatory notes.

Management's responsibility for the consolidated financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards (IFRS), designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based in our audit. We conducted our audit in accordance with binding legal regulations in Austria and with the International Standards on Auditing (ISA) issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC). These standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

- Accounting Policies
- Notes to the Income Statement
- Notes to the Balance Sheet
- Notes to Financial Instruments
- Other Disclosures
- **Auditor's Report**
- **Basis of Consolidation**

Opinion

Our audit did not give rise to any objections. Based on the results of our audit, in our opinion, the consolidated financial statements present fairly, in all material aspects, the financial position of Raiffeisen Centrobank AG, Vienna, as at December 31, 2007, and of its financial performance and its cash flows for the financial year from January 1, 2007, to December 31, 2007, in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU.

Report on the group management report

Laws and regulations applicable in Austria require us to perform audit procedures whether the consolidated management report is consistent with the consolidated financial statements and whether the other disclosures made in the consolidated management report do not give rise to misconception of the position of the group.

In our opinion, the consolidated management report for the group is consistent with the consolidated financial statements.

Vienna, April 9, 2008
KPMG Wirtschaftsprüfungs und
Steuerberatungs GmbH

Wilhelm Kovsca
Certified public accountant

Josef Kirchknopf
Tax consultant

Basis of Consolidation

List of fully-consolidated companies

Company, domicile (country)	Subscribed capital in local currency	Share in %	Indirectly held ¹	Type ²
Centrotech Chemicals AG, Zug (CH)	5,000,000 CHF	100.0%		OT
Centrotech Deutschland GmbH, Eschborn (DE)	410,000 EUR	100.0%		OT
Centrotech Holding AG, Vienna (AT)	3,000,000 EUR	100.0%		OT
Centrotech Investment AG, Zug (CH)	5,900,000 CHF	100.0%		OT
Centrotech Minerals & Metals Inc., Chesapeake (US)	3,002,000 USD	100.0%		OT
Raiffeisen Centrobank AG, Vienna (AT)	47,598,850 EUR	100.0%		BA
Raiffeisen Investment Aktiengesellschaft, Vienna (AT)	730,000 EUR	100.0%		FI

Other companies not included in consolidation

Company, domicile (country)	Subscribed capital in local currency	Share in %	Indirectly held ¹	Type ²
A.X. Finance Limited, St. Helier (JE)	2,500 GBP	100.0%		FI
Cellice Company Ltd., Hong Kong (HK)	10,000 HKD	100.0%		OT
Centro Asset Management Limited, St. Helier (JE)	10,000 GBP	100.0%		FI
Centro Investment Ltd., St. Helier (JE)	10,000 GBP	100.0%		OT
FRIOUL HOLDING SA, Luxemburg (LU)	1,500,000 EUR	100.0%		OT
Centrotech Singapore Pte. Ltd., Singapore (SG)	500,000 SGD	100.0%		OT
Fundusz Rozwoju sp.z.o.o., Warsaw (PL)	130,000 PLN	100.0%	100.0%	OT
FUNDUSZ ROZWOJU SPOLKA KOMANDYTOWO-AKCYJNA, Warsaw (PL)	50,000 PLN	100.0%	100.0%	OT
MENARAI Holding GmbH, Vienna (AT)	35,000 EUR	100.0%		OT
MIRA Beteiligungsholding GmbH, Vienna (AT)	35,000 EUR	100.0%		OT
Raiffeisen Energy & Metals Beteiligungsverwaltungs Ges.m.b.H., Vienna (AT)	35,000 EUR	100.0%		OT
Raiffeisen Investment (Malta) Limited, Sliema (MT)	5,000 EUR	99.8%		FI
Raiffeisen Investment, Moscow (RU)	24,000,000 RUB	100.0%		FI
Raiffeisen Investment Polska sp.z.o.o., Warsaw (PL)	360,000 PLN	100.0%		FI
Raiffeisen Investment Romania SRL, Bucharest (RO)	159,130 RON	100.0%		FI
Raiffeisen Investment Ukraine TOV, Kiev (UA)	3,733,213 UAH	100.0%		FI
Raiffeisen Investment Bulgaria EOOD, Sofia (BG)	60,050 BGN	100.0%		FI
Raiffeisen Investment d.o.-in Liquidation, Zagreb (HR)	300,000 HRK	100.0%		OT
SORANIS Raiffeisen Portfolio Management GmbH, Vienna (AT)	35,000 EUR	100.0%		OT

- Accounting Policies
- Notes to the Income Statement
- Notes to the Balance Sheet
- Notes to Financial Instruments
- Other Disclosures
- Auditor's Report
- **Basis of Consolidation**

Other interests

Company, domicile (country)	Subscribed capital in local currency	Share in %	Indirectly held ¹	Type ²
Alpenbank Aktiengesellschaft, Innsbruck (AT)	10,220,000 EUR	0.0%		FI
Centrotrade (Malaysia) Sdn. Berhad-in liquidation, Kuala Lumpur (MY)	100,000 MYR	30.0%		OT
Österreichische Raiffeisen-Einlagensicherung reg. Gen.m.b.H., Vienna (AT)	2,800 EUR	3.6%		OT
Scanviwood Co. Ltd., Ho Chi Minh City (VN)	2,500,000 USD	6.0%		OT
Society for Worldwide Interbank Financial Telecommunication s.c., La Hulpe (BE)	14,009,000 EUR	0.0%		OT
Syrena Immobilien Holding AG, Spittal an der Drau (AT)	22,600,370 EUR	21.0%		OT

¹ Equity participations held via companies that are not included in the consolidated financial statements (pro-rata share).

² Company type:

BA ... bank

BR ... company rendering bank-related ancillary services

FI ... financial institution

OT ... other company

Individual Financial Statements

of Raiffeisen Centrobank AG as at December 31, 2007,
according to the Austrian Banking Act

Balance Sheet as at December 31, 2007

Assets	31/12/2007 Amounts in Euros	31/12/2006 Amounts in thousand Euros
1. Cash on hand and assets deposited with central banks	9,925,952.45	2,012
2. Treasury bills eligible for refinancing with central banks	62,703,483.61	31,207
Treasury bills and similar securities	62,703,483.61	31,207
3. Claims on banks	188,919,475.07	301,634
a) repayable on demand	87,136,425.59	98,587
b) other claims	101,783,049.48	203,047
4. Claims on customers	138,295,334.81	147,967
5. Bonds and other fixed-income securities	21,043,893.35	21,104
a) issued by public issuers	2,824,477.84	3,033
b) issued by other issuers	18,219,415.51	18,071
6. Shares and other variable-yield securities	1,362,598,982.65	1,152,310
7. Investments in related companies	5,167,850.12	5,168
8. Investments in subsidiaries	10,391,766.26	11,952
9. Intangible fixed assets	373,854.00	489
10. Tangible fixed assets, thereof properties and buildings used by the credit institution for its own business operations: EUR 13,977,313.92; 2006: TEUR 14,270	20,559,408.64	19,971
11. Other assets	310,524,401.64	313,836
12. Deferred expenses	1,250,034.20	823
Total assets	2,131,754,436.80	2,008,473

Items shown the balance sheet

1. Foreign assets	1,324,123,351.00	1,387,484
-------------------	------------------	-----------

Equity and liabilities	31/12/2007 Amounts in Euros	31/12/2006 Amounts in thousand Euros
1. Liabilities to banks	121,995,511.48	42,397
a) repayable on demand	7,156,762.64	211
b) with agreed maturity dates or periods of notice	114,838,748.84	42,186
2. Liabilities to customers (other)	244,095,900.39	271,562
a) repayable on demand	139,489,326.42	87,036
b) with agreed maturity dates or periods of notice	104,606,573.97	184,526
3. Liabilities evidenced by certificates		
Other issued bonds	934,321,557.01	823,609
4. Other liabilities	690,601,041.99	751,348
5. Deferred income	1,075,978.41	464
6. Provisions	26,001,394.41	22,732
a) severance payments	3,761,671.94	3,382
b) retirement benefits	684,252.78	517
c) taxes	4,048,787.00	4,733
d) other	17,506,682.69	14,100
7. Subscribed capital	47,598,850.00	47,599
8. Share premium		
Reserve	6,651,420.71	6,651
9. Revenue reserves	10,530,936.83	7,031
a) statutory reserves	1,030,936.83	1,031
b) other reserves	9,500,000.00	6,000
10. Reserve pursuant to § 23 par. 6 Austrian Banking Act	13,538,860.00	13,539
11. Net profit for the period	35,342,985.57	21,541
Total equity and liabilities	2,131,754,436.80	2,008,473

Items shown under the balance sheet

1. Contingent liabilities arising from guarantees and assets pledged as security	935,681.44	1,107
2. Credit risks	3,775,320.71	522
3. Liabilities arising from fiduciary business transactions	7,091,124.47	7,091
4. Total own funds pursuant to § 23 Austrian Banking Act; thereof capital resources pursuant to § 23 par. 14 (7) Austrian Banking Act: EUR 0.0; 2006: TEUR 0	77,946,213.54	74,332
5. Required own funds pursuant to § 22 Sect. 1 Austrian Banking Act; thereof required capital resources pursuant to § 22 par. 1 (1 and 4) Austrian Banking Act: EUR 16,749,000.00; 2006: TEUR 17,948	55,470,000.00	56,979
6. Foreign equity and liabilities	168,740,236.00	300,463

Profit and Loss Account for the 2007 Financial Year

	2007 Amounts in Euros	2006 Amounts in thousand Euros
1. Interest and related income	34,728,759.09	29,339
thereof fixed interest securities	17,077,253.80	8,106
2. Interest and related expenses	-29,043,800.47	-23,278
I. Net interest income	5,684,958.62	6,061
3. Income from securities and shares, related companies, subsidiaries, and variable-yield securities	13,568,142.90	9,275
4. Commission income	20,932,697.91	15,290
5. Commission expenses	-2,513,134.30	-2,501
6. Net profit on financial trading activities	50,230,229.53	29,680
7. Other operating income	1,187,088.74	1,134
a) net profit on commercial trading activities	291,919.71	159
b) other operating income	895,169.03	975
II. Operating income	89,089,983.40	58,939
8. General administrative expenses	-37,513,442.03	-30,691
a) staff costs	26,231,668.75	22,456
aa) wages and salaries	21,087,761.76	17,703
bb) statutory social security contributions as well as levies and compulsory contributions based on wages and salaries	3,777,236.28	3,091
cc) other employee benefits	329,593.73	315
dd) expenses for retirement benefits	503,786.48	576
ee) expenses for severance payments and contributions to company pension funds	533,290.50	771
b) other administrative expenses	11,281,773.28	8,235
9. Value adjustments (depreciation) on asset items 9 and 10	-2,415,795.57	-2,120
10. Other operating expenses	-185,242.23	-42
III. Operating expenses	-40,114,479.83	-32,853
IV. Operating result	48,975,503.57	26,086

	2007 Amounts in Euros	2006 Amounts in thousand Euros
IV. Operating result (amount carried forward)	48,975,503.57	26,086
11. Expenditures arising from the valuation and disposal of receivables and securities held as other current assets	-564,078.13	-377
12. Income arising from the valuation and disposal of receivables and securities held as other current assets	0.00	442
13. Expenditures arising from the valuation of securities capitalized as financial fixed assets as well as investments in related companies and subsidiaries	-2,346,861.72	-60
V. Result on ordinary activities	46,064,563.72	26,091
14. Income tax expense, (thereof passed on from parent company: EUR 9,890,449.00; 2006: TEUR 2,926)	-9,458,243.70	-2,926
15. Other taxes, unless included in item 14	-1,619,068.42	-1,758
VI. Annual surplus	34,987,251.60	21,407
16. Adjustment of reserves	0.00	-509
thereof allocation to the statutory reserve	0.00	509
VII. Profit for the year	34,987,251.60	20,898
17. Profit carried forward from the previous year	355,733.97	643
VIII. Net profit for the period	35,342,985.57	21,541

Development of Fixed Assets in the 2007 Financial Year

Amounts in Euros	Balance on 1.1.2007	Acquisition costs Additions	Acquisition costs Disposals
I. Intangible fixed assets			
Software licenses	2,554,369.92	200,398.35	0.00
II. Tangible fixed assets			
1. Property and buildings used by the credit institution for its own business operations; thereof value of the property: EUR 3,066,200.92; 2006: TEUR 3,066	14,789,785.11	0.00	0.00
2. Office equipment, furniture and fittings	17,027,064.55	2,731,043.21	380,154.63
	31,816,849.66	2,731,043.21	380,154.63
III. Financial assets			
1. Investments in subsidiaries; thereof shareholdings in credit institutions: EUR 0.00	15,502,266.49	0.00	2,260,596.00
2. Investments in related companies; thereof shareholdings in credit institutions: EUR 0.00	5,168,286.12	0.00	0.00
	20,670,552.61	0.00	2,260,596.00
Total	55,041,772.19	2,931,441.56	2,640,750.63

	Balance on 31/12/2007	Accumulated depreciation	Net book value 31/12/2007	Net book value 31/12/2006	Depreciation in the 2007 financial year
	2,754,768.27	2,380,914.27	373,854.00	488,564.00	315,108.35
	14,789,785.11	812,471.19	13,977,313.92	14,270,404.92	293,091.00
	19,377,953.13	12,795,858.41	6,582,094.72	5,700,575.72	1,807,596.21
	34,167,738.24	13,608,329.60	20,559,408.64	19,970,980.64	2,100,687.21
	13,241,670.49	2,849,904.23	10,391,766.26	11,952,362.54	1,358,596.00
	5,168,286.12	436.00	5,167,850.12	5,167,850.12	0.00
	18,409,956.61	2,850,340.23	15,559,616.38	17,120,212.66	1,358,596.00
	55,332,463.12	18,839,584.10	36,492,879.02	37,579,757.30	3,774,391.56

Notes

A Accounting policies

General principles

The financial statements of Raiffeisen Centrobank AG for the 2007 financial year have been prepared in accordance with the general accounting principles stipulated in the Austrian Commercial Code and the specific sectoral regulations as specified by the Austrian Banking Act. The balance sheet as well as the income statement have been structured according to Appendix 2 of the forms contained in § 43 Austrian Banking Act. The structure of the income statement in regard to ensuring an adequate representation of the commodity trading (countertrade) activities of Raiffeisen Centrobank have been expanded to include a sub-item entitled "Net profit on commercial trading activities." Changes in the accounting and valuation methods have not been made compared to the 2006 financial statements.

Currency conversion

Assets and liabilities denominated in foreign currencies are reported at the middle rates of exchanges fixed by the European Central Bank on the balance sheet date. Amounts denominated in currencies for which the European Central Bank published no rates are converted at the middle rates of exchange published by Raiffeisen Zentralbank Österreich AG on the balance sheet date. Currency futures and options transactions in foreign currencies are capitalized at the forward exchange rates. Any differences in rates resulting from currency conversion are reported as a profit or loss in the financial statements.

Trading portfolio—valuation of securities, futures, and options

A daily market price system is applied for the valuation of securities held for trading purposes or as other current assets.

In terms of securities held for trading purposes or as other current assets, the company's portfolio of shares in publicly-listed companies as well as fixed-interest securities is reported at the share price prevailing on the balance sheet date.

Certificates acquired based on a share-price-related or index-related performance are valued with the share prices prevailing on the balance sheet date, and if no share prices are available, with the assistance of valuation models to illustrate stochastic development processes.

Bonds issued by borrowers from Eastern European markets as well as shares issued by Eastern European companies held by the company for trading purposes are valued at the market rates announced by other credit institutions and brokers or as quoted by Reuters, provided that share prices for these securities are not available or do not provide sufficient information.

Options on securities of publicly-listed companies and options on security indices (i.e., sold and bought calls and puts, primarily ÖTOB and EUREX options) as well as futures held for trading purposes are valued according to the market prices prevailing on the balance sheet date.

Appropriate models are used for the valuation of OTC options, depending on the type of option. For plain-vanilla options (American and European style), the Black-Scholes model and the binomial pricing model according to Cox-Ross-Rubinstein are applied. The Curran approximation is applied to Asian options and guarantee bonds, whereas barrier options use Heinen-Kat and spread options rely on the Kirk model.

Claims on banks and customers

Claims on financial institutions and customers are shown at their nominal value. Individual value adjustments or provisions for depreciation are made in the case of an identifiable recognizable risk of default on the part of borrowers.

Subsidiaries and investments in related companies

Subsidiaries and investments in related companies are principally capitalized according to the principle of “going concern” (the ability to continue functioning as a business entity) at their cost of acquisition. Depreciation is carried out when, in all probability, a permanent diminution in value has taken place.

Intangible and tangible fixed assets

The valuation of intangible fixed assets as well as tangible fixed assets (i.e., property and buildings, office equipment, furniture, and fittings) is carried out at the cost of acquisition less their scheduled, linear depreciation.

Depreciation rates applied are 33.3% and 14.3% p.a. for intangible fixed assets, 2.5% and 10.0% p.a. for immovable fixed assets, and 10–33% for movable fixed assets. A full year’s depreciation is taken in the case of additions made during the first half of the financial year, whereas half-year depreciation applies to additions in the second half of the financial year. Assets with an extremely low value (cost of acquisition per item less than TEUR 0.4) are fully depreciated in the year of acquisition.

Liabilities from banking transactions

Liabilities from banking transactions are reported at the amount of repayment, taking into consideration the principle of financial prudence.

Liabilities evidenced by certificates

The liabilities evidenced by certificates (the majority of which are structured capital guaranteed bonds, whose rate of interest depends on the share price or share price index performance) are valued according to the Projected Unit Credit Method, or according to the Curran approximation for the option component.

Provisions for severance payments

The provisions for termination benefits are designed to fulfil legal demands as well as those arising from individual or collective contractual agreements. Provisions are calculated in accordance with the guidelines specified by IAS 19, applying the Projected Unit Credit Method and assuming a calculatory interest rate of 5.0% (2006: 4.5%) as well as an unchanged annual salary increase amounting to 3.0%. The underlying presumption is a decreasing fluctuation rate in connection with the earliest possible retirement date, at the age of 60 for women and 65 for men, taking into account the changes to Austria's General Social Insurance Act in accordance to the Year Tax Act 2003. The premium reserve amounts to 54.9% of the statistical termination benefit obligations on the balance sheet date.

Provisions for retirement benefits

Provisions for pensions are calculated in accordance with the guidelines specified by IAS 19, applying the Projected Unit Credit Method and assuming a calculatory interest rate of 5.0% (2006: 4.5%), an unchanged 2.0% increase in the probable profit sharing rate, and a retirement age of 60 years. In 2005, pension commitments were allocated to a specified group of eligible employees. The cash value of the pension plan reinsurance concluded for future beneficiaries is reported as other assets.

Other provisions

Other provisions have been made according to expected demands. They comprise identifiable risks and liabilities, the extent of which has not yet been determined.

B Notes to the financial statements

I Cash on hand and assets deposited with central banks

The balance sheet item A1, which encompasses cash on hand and assets deposited with the Austrian National Bank, is reported as TEUR 9,926 (2006: TEUR 2,012). The bank abided by prevailing regulations pertaining to liquidity and minimum reserves.

II Claims on banks and customers

II.1 Classification of claims other than those repayable on demand according to their term to maturity

As at 31/12/2007	0-3 months	3-12 months	1-5 years	> 5 years	Total
Amounts in thousand Euros					
Debt instruments of public bodies	0	15,247	47,457	0	62,704
Claims on banks	101,783	0	0	0	101,783
Claims on customers	6,723	3,997	37,708	29,851	78,279
Bonds and other fixed-interest securities	2,709	115	18,212	0	21,036
	111,215	19,359	103,377	29,851	263,802

Comparative figures as at 31/12/2006	0-3 months	3-12 months	1-5 years	> 5 years	Total
Amounts in thousand Euros					
Debt instruments of public bodies	997	0	30,210	0	31,207
Claims on banks	203,047	0	0	0	203,047
Claims on customers	26,880	40,403	491	8,889	76,663
Bonds and other fixed-interest securities	18,102	0	3,000	2	21,104
	249,026	40,403	33,701	8,891	332,021

II.2 Claims on subsidiaries and related companies

As at 31/12/2007	Claims on subsidiaries (direct/indirect > 50%)	Claims on related companies (in which Raiffeisen Centrobank has a direct shareholding)
Amounts in thousand Euros		
Claims on banks	104,573	0
Claims on customers	57,058	514
Bonds and other fixed-interest securities	13,201	0
Shares and other variable-yield securities	151,623	0
Other assets	225	25
	326,680	539

Comparative figures as at 31/12/2006 Amounts in thousand Euros	Claims on subsidiaries (direct/indirect > 50%)	Claims on related companies (in which Centrobank has a direct shareholding)
Claims on banks	35,827	0
Claims on customers	73,205	934
Bonds and other fixed-interest securities	13,086	0
Shares and other variable-yield securities	131,975	0
Other assets	34	0
	254,127	934

III Securities

III.1 Figures supplied pursuant to § 64 par. 1 (10/11) Austrian Banking Act

As at 31/12/2007 Amounts in thousand Euros	Unlisted	Listed	Total	Valued at market price
Debt instruments of public bodies, A2	0	62,703	62,703	62,703
Bonds and other fixed- income securities, A5	0	21,044	21,044	21,044
Shares and other variable-yield securities, A6	664,698	697,901	1,362,599	1,362,599
Investments in related companies, A7	5,168	0	5,168	0
Investments in subsidiaries, A8	10,392	0	10,392	0

The fair value of securities held in a portfolio for trading purposes or which are held as current assets exceeded the purchase price by TEUR 882. The balance sheet items A2 and A5 include fixed-interest securities amounting to TEUR 83,747 (2006: TEUR 52,311), of which a total of TEUR 2,824 will fall due in the course of 2008.

III.2 Subordinated assets

The balance sheet item A5, "Bonds and other fixed-income securities," shows subordinated bonds valued at TEUR 5,018 (2006: TEUR 4,984).

IV Shareholdings in subsidiaries

The following list contains information on companies in which the bank directly held a minimum 20% shareholding on the balance sheet date. The 2007 results are predominantly based on audited accounts.

Amounts in thousand Euros	Shareholding held by bank in %	Subscribed capital	Annual results 2007
1. Centrotrade Holding AG, Vienna	100	3,629	5
2. Centrotrade Investment AG, Zug	100	7,243	698
3. Centrotrade Malaysia Sdn Bhd, Petaling Jaya	30	42 *	0 *
4. Raiffeisen Investment AG, Wien	100	14,988	5,711
5. Centro Asset Management Ltd., Jersey	100	855	280
6. Centro Investment Ltd., Jersey	100	14 **	0 **
7. Frioul Holding SA, Luxembourg	100	28 ***	0 ***
8. Cellice Pte. Ltd., Hong Kong	99	-25 *	0 *
9. Syrena Immobilien Holding AG, Spittal/Drau	21	28,948	235

* Annual results for 2004. Both companies are being liquidated. ** Annual results for 2004. The company does not have any operating activities.

*** Annual results for 2005. The company is being liquidated.

On the basis of a purchase contract dated April 16, 2007, all the shares held by Raiffeisen Centrobank AG in Raiffeisen Private Equity Management AG were disposed of as at July 4, 2007.

Comparative figures as at 31.12.2006	Subscribed capital held by bank in %	Subscribed capital	Annual results 2006
Amounts in thousand Euros			
1. Centrotrade Holding AG, Vienna	100	3,624	187
2. Centrotrade Investment AG, Zug	100	6,768	609
3. Centrotrade Malaysia Sdn. Bhd. Petaling Jaya	30	42 **	0 **
4. Raiffeisen Investment AG, Vienna	100	9,277	5,094
5. Centro Asset Management Ltd., Jersey	100	614	262
6. Raiffeisen Private Equity Management AG, Vienna	100	1,785	30
7. Centro Investment Ltd., Jersey	100	15 **	0 **
8. Frioul Holding SA, Luxemburg	100	28 *	28 *
9. Cellice Pte. Ltd., Hong Kong	99	-25 **	0 **
10. Syrena Immobilien Holding AG, Spittal/Drau	21	28,712	486

* Annual results for 2005. ** Annual results for 2004.

V Fixed Assets

The composition and development of fixed assets is contained in the table outlining the development of fixed assets.

VI Other assets

The balance sheet item A11, "Other assets," amounting to TEUR 310,524 (2006: TEUR 313,836), primarily refers to purchase contracts from trading in derivative financial instruments totalling TEUR 304,185 (2006: TEUR 308,235) as well as claims on tax authorities of TEUR 4,145 (2006: TEUR 1,901).

VII Liabilities

VII.1 Classification of liabilities other than those repayable on demand according to their term to maturity

As at 31/12/2007	0-3	3-12	1-5	> 5	Total
Amounts in thousand Euros	months	months	years	years	
Liabilities to banks	114,838	0	0	0	114,838
Liabilities to customers	70,462	5,874	28,012	258	104,607
Liabilities evidenced by certificates	5,699	32,472	460,353	435,798	934,322
	191,000	38,346	488,365	436,056	1,153,767

Comparative figures as at 31/12/2006	0-3	3-12	1-5	> 5	Total
Amounts in thousand Euros	months	months	years	years	
Liabilities to banks	40,150	1,538	498	0	42,186
Liabilities to customers	181,339	0	0	3,187	184,526
Liabilities evidenced by certificates	3,985	22,190	394,441	402,994	823,610
	225,474	23,728	394,939	406,181	1,050,322

VII.2 Liabilities to subsidiaries and related companies

As at 31/12/2007 Amounts in thousand Euros	Liabilities to subsidiaries (direct/indirect > 50%)	Liabilities to related companies (in which Centrobank has a direct shareholding)
Liabilities to banks	106,075	0
Liabilities to customers	25,432	20
Other liabilities	1,901	0
	133,408	20

Comparative figures as at 31/12/2006 Amounts in thousand Euros	Liabilities to subsidiaries (direct/indirect > 50%)	Liabilities to related companies (in which Centrobank has a direct shareholding)
Liabilities to banks	19,788	0
Liabilities to customers	7,961	15
Other liabilities	45	0
	27,794	15

VII.3 Liabilities evidenced by certificates

The position E/L3 contains issued bonds totalling TEUR 38,171 (2006: TEUR 26,175), which will fall due in the course of 2008.

VII.4 Other liabilities

The balance sheet item E/L4, "Other liabilities," amounting to TEUR 690,601 (2006: TEUR 751,348), primarily refers to liabilities reported at fair value as well as premiums received from trading in securities and derivative financial instruments of TEUR 683,681 (2006: TEUR 740,494).

VIII Share capital

The share capital is comprised of 655,000 no-par-value shares.

The shares in Raiffeisen Centrobank are owned by the companies:	Per cent	Units
RZB IB Beteiligungs GmbH, Vienna	100.00	654,999
Raiffeisen-Invest-GmbH, Vienna	0.00	1
	100.00	655,000

IX Provisions

• Other provisions

The balance sheet item E/L6 "Other provisions" amounting to TEUR 17,507 (2006: TEUR 14,100) includes the following:

Amounts in thousand Euros	31/12/2007	31/12/2006
Wages and bonuses	9,059	6,596
Litigation risks	3,248	2,289
Unused vacation	2,074	2,112
Credit risks from subsidiaries	936	873
RZB Group services	770	203
Provisions for the securities department	167	566
Legal, auditing and consulting expenses	628	670
Management fees	194	500
Commissions from commodity transactions	112	138
Provisions for the FX department	160	0
Others	159	153
	17,507	14,100

X Obligations arising from the use of property, plant, and equipment not recognized in the balance sheet

The rental and leasing expenses during the period under review amounted to TEUR 544 (2006: TEUR 429). For the 2008 financial year, rental costs are expected to total TEUR 575, and TEUR 2,873 for the 2008–2012 financial years, of which the rental costs to related companies and subsidiaries will total TEUR 166 and TEUR 829 respectively.

XI Supplementary data

• Assets and liabilities in foreign currencies

The following amounts are contained in the balance sheet in foreign currencies:

Current value in thousand Euros	31/12/2007	31/12/2006
Assets	540,623	646,502
Liabilities	157,099	286,873

• Unsettled futures and options transactions

At the balance sheet date, the following futures and options transactions (banking and trading book) had not yet been settled:

Purchase contracts at nominal values Amounts in thousand Euros	31/12/2007	31/12/2006
Interest rate options (futures)	68,599	123,511
Forward rate agreements	14,000	0
Currency and interest rate swaps in a single currency	13,714	22,846
Forward exchange transactions	67,958	87,773
Currency options	120,000	92,990
Index future contracts	65,780	165,164
Options on asset values and security index options	1,199,290	1,113,992
Share contracts	49,419	47,801

Sales contracts at nominal values Amounts in thousand Euros	31.12.2007	31.12.2006
Currency and interest rate swaps in a single currency	13,714	22,846
Forward exchange transactions	67,877	87,652
Currency options	120,000	92,990
Index future contracts	33,719	62,000
Options on asset values and security index options	1,865,585	1,799,437
Share contracts	47,234	47,810

• **Securities trading book**

A securities trading book is maintained pursuant to § 22b of the Austrian Banking Act. At the balance sheet date, the securities trading book value at the market price (share derivatives with delta values) amounted to:

Amounts in thousand Euros	31/12/2007	31/12/2006
Shares	544,268	398,324
Listed options	-18,075	56,658
Certificates	-538,721	-560,008
Bonds	156,762	142,846
Structured products	-170,728	-195,806
OTC options	259,300	294,897
Warrants	-71,328	-129,783
Share futures	32,334	103,596
Bond futures	68,599	123,511
	262,411	234,235

• **Data on transactions with derivative financial instruments**

Stock market trading in derivative financial instruments focuses on share and share-related futures and options. The financial instruments issued by Raiffeisen Centrobank can be classified as warrants, certificates on shares and share indices (turbo, discount, bonus and open-end certificates), and guarantee bonds with a payment structure oriented to the shares or share indices.

Listed derivatives are reported in the balance sheet at the listed market price. Unlisted derivatives are reported in the balance sheet with synthetic market prices. In both cases, adjustments in value are recognized through profit or loss in the income statement. The synthetic market prices are determined according to the bank's own evaluation models, which are examined and approved by the risk management teams and which are based on recognized option-theoretical models.

For plain-vanilla options (American and European style), the Black-Scholes model and the binomial pricing model according to Cox-Ross-Rubinstein are applied. The Curran approximation is applied to Asian options and guarantee bonds, whereas barrier options use Heinen-Kat and spread options rely on the Kirk model.

The volume of derivatives is as follows:

As at 31/12/2007 Amounts in thousand Euros	Nominal amount		Positive market value		Negative market value	
	Banking book	Trading book	Banking book	Trading book	Banking book	Trading book
1. Interest rate options	27,714	283,430	653	5,040	16	1,450
1.1. OTC products						
Interest swaps	13,714	214,831	653	5,040	0	0
Interest forward rate agreements	14,000	0	0	0	16	0
Interest futures	0	68,599	0	0	0	1,450
1.2. Listed products	0	0	0	0	0	0
2. Currency options	63,053	262,154	17	1,480	19	11,813
2.1. OTC products						
Forward exchange transactions	63,053	262,154	17	481	19	11,813
2.2. Listed products						
Forward exchange contracts	0	25,367	0	999	0	0
3. Securities-related transactions	0	3,670,449	0	1,051,955	0	1,551,888
3.1. OTC products	0	717,770	0	207,212	0	17,404
Share options–purchase	0	500,956	0	207,212	0	0
Share options–sale	0	216,814	0	0	0	17,404
3.2. Listed products	0	2,952,679	0	844,743	0	1,534,484
Share and other securities-related index options and future contracts	0	1,194,705	0	90,202	0	583,277
Commodities futures	0	49,126	0	734	0	16,886
Certificates and guarantee bonds	0	1,708,849	0	753,807	0	934,322
Total OTC products	0	717,77	0	207,212	0	11,921
Total listed products	0	2,952,679	0	844,743	0	1,534,484
TOTAL	90,767	4,241,400	670	1,058,475	35	1,565,151
Thereof carrying amount:						
Shares and other variable-yield securities	0	0	0	753,807	0	0
Other assets	0	0	670	304,668	0	0
Liabilities evidenced by certificates	0	0	0	0	0	934,322
Other liabilities	0	0	0	0	35	630,830

The surplus of sales contracts are offset against the shares acquired for hedging purposes listed under trading assets, which are not encompassed in the chart above.

C Notes to the income statement

Due to a change in the reporting in the interest gains or losses from swap transactions in the 2007 financial year to a net presentation, the comparative figures from the 2007 financial year have been changed in the income statement item "Interest and related income" and in the item "Interest and related expenses" by TEUR 1,271 each.

I Other operating income

The income reported in "Other operating income" from trading activities amounting to TEUR 292 (2006: TEUR 160) primarily refers to fulfilling countertrade obligations to third parties in Indonesia and the performance of offset transactions. Furthermore, this item also includes income from charging-ons.

II Other operating expenses

Other operating expenses amounting to TEUR 185 (2006: TEUR 42) primarily relate to fees and charging-on expenses for non-banking transactions.

III Deferred tax

The bank did not exercise its right to capitalize deferred taxes. The capitalizable amount of about TEUR 1,400 was calculated on the basis of non tax-deductible expenses for the 2007 financial year and previous years.

D Other information

Contingent liabilities

The breakdown of contingent liabilities arising from guarantees and assets pledged as security totalling TEUR 935 (2006: TEUR 1,107) consists of the following:

Amounts in thousand Euros	31/12/2007	31/12/2006
Letters of credit	413	454
Guarantees	523	653
thereof for subsidiaries	356	454
	936	1,107

In accordance with § 93 Austrian Banking Act, the bank is legally obliged to provide for a proportionate deposit insurance as part of its membership in a professional association. Raiffeisen Centrobank AG is a member of the Raiffeisen Group. This also entails an affiliation with Österreichische Raiffeisen-Einlagensicherung reg. Gen.m.b.H., Vienna (the deposit insurance arm of the Raiffeisen Group, registered as a limited-liability company).

In the 2007 financial year, the theoretical claim on this insurance is limited to a rate of 0.83% of the assessment basis in accordance with § 22 par. 2 Austrian Banking Act at the balance sheet date, plus the weighted items of the securities trading book, also in accordance with § 22 Austrian Banking Act. These contingent liabilities are reported at a market value of EUR 0.07.

- **Credit risks shown under the balance sheet**

Credit risks shown under the balance sheet amounting to TEUR 3,775 (2006: TEUR 522) refer exclusively to irrevocable credit obligations and lines of credit.

- **Other contractual bank guarantee obligations**

The following assets have been pledged as security for obligations:

Amounts in thousand Euros	2007	2006	Notes
Item A3 Claims on banks	75,351	84,354	Collateral deposited with banks and stock exchanges for the securities and options business
Items A2 and A5 Fixed-income securities	45,725	18,070	Collateral deposited with banks and stock exchanges for the securities and options business
Item A4 Claims on customers	322	491	Deposited as collateral for liabilities arising from the refinancing of export loans granted by Österreichische Kontrollbank AG (item E/L1 b: Liabilities to banks)
Item A6 Shares and other variable-yield securities	151,501	164,154	Collateral deposited with Clearstream for the securities and options business

- **Own funds**

The own funds of Raiffeisen Centrobank pursuant to § 23 Austrian Banking Act are comprised of the following:

Amounts in thousand Euros	31/12/2007	31/12/2006
Subscribed capital	47,599	47,599
Share premium reserve	6,651	6,651
Statutory reserve	1,031	1,031
Reserve pursuant to Austrian Banking Act	13,539	13,539
Other reserves	9,500	6,000
	78,320	74,820

• **Number of employees**

	31/12/ 2007	2007 annual average	31/12/ 2006	2006 annual average
Salaried employees (incl. Executive Board)	205	194	174	172
thereof part-time	17	14	11	12
Workers	8	7	6	6
thereof part-time	1	1	1	1
Total	213	201	180	178

• **Advances and loans to members of the Executive Board and Supervisory Board**

At the balance sheet date, loans and advances made to members of the Executive Board amounted to TEUR 0.2 (2006: TEUR 2). During the period under review, repayments totalled TEUR 2 (2006: TEUR 178). No advances, loans, or guarantees were granted to members of the Supervisory Board.

• **Expenses for severance payments and retirement benefits**

Expenses for severance payments and pensions (including contributions to pension funds and employee retirement benefit plans as well as provisions allocated to the reserves for severance payments) amounted to TEUR 401 for members of the Executive Board (2006: TEUR 591) and to TEUR 636 for other employees (2006: TEUR 755). The payment made to employee retirement benefit plans totalled TEUR 101 (2006: TEUR 63).

• **Remuneration for members of the Executive Board and Supervisory Board**

In the 2007 financial year, remuneration for the members of the Executive Board totalled TEUR 2,278 (2006: TEUR 2,282). No fees for attending meetings were paid to members of the Supervisory Board in 2007.

• **Group relations**

The company is a related company of the Raiffeisen-Landesbanken-Holding GmbH, Vienna. The annual financial statements are integrated both into the consolidated financial statements of Raiffeisen-Landesbanken-Holding GmbH, Vienna, and Raiffeisen Zentralbank Österreich AG, Vienna, which provides consolidated financial statements for the least number of companies required. Raiffeisen Centrobank itself is considered to be a parent company pursuant to § 30 par. 1 Austrian Banking Act. Provisions pertaining to the exempting consolidated financial statements pursuant to § 245 par. 5 Austrian Commercial Code are not applicable, due to the fact that securities issued by the company are traded on an organized securities exchange as stipulated in § 2 (37) Austrian Banking Act. For this reason, the company draws up its own consolidated financial statements for its subgroup in accordance with International Financial Reporting Standards. These consolidated financial statements are available at the relevant parent company as well as at the Commercial

Court of Vienna. Since 2005, the company has been a member of the corporate group RZB KI Beteiligungs GmbH, pursuant to § 9 Austrian Corporate Income Tax Act. Based on the official notification 1/23 from Vienna's financial authorities dated February 6, 2006, the application submitted by the company to set up a corporate group has been approved. In addition, Raiffeisen Centrobank AG has been part of an equity group pursuant to § 9 Austrian Corporate Income Tax Act, in which it has a minority shareholding. The taxable business results of the members of the group are attributed to the parent company. Any tax adjustments between the parent company and the individual members of the corporate group are regulated in the form of a tax allocation agreement.

- **Members of the Executive Board, Supervisory Board and State Commissioners**

Executive Board

Chairman

Eva Marchart

Deputy Chairman

Alfred Michael Spiss

Member

Gerhard Grund

Supervisory Board

Chairman

Walter Rothensteiner, Chairman of the Management Board,
Raiffeisen Zentralbank Österreich AG, Vienna

First Deputy Chairman

Patrick Butler, Member of the Management Board, Raiffeisen Zentralbank Österreich AG, Vienna

Second Deputy Chairman

Herbert Stepic, Chairman, Raiffeisen International Bank-Holding AG, Vienna

Members

Helfried Marek, Vienna

Karl Sevelda, Member of the Management Board, Raiffeisen Zentralbank Österreich AG, Vienna

Christian Teufl, Director, Raiffeisen Zentralbank Österreich AG, Vienna

State Commissioners

Peter Braumüller, Divisional Director

Tamara Els, Deputy Assistant

Vienna, April 7, 2008

The Executive Board

Eva Marchart

Chairman of the Executive Board

Alfred Michael Spiss

Deputy Chairman of the Executive Board

Gerhard Grund

Member of the Executive Board

Auditor's Report

We conducted the audit of the financial statements of Raiffeisen Centrobank for the business year starting on January 1, 2007, and ending on December 31, 2007, taking account of the company's accounts. The accounting, presentation and the contents of these financial statements as well as the management report, in accordance with the binding legal regulations of the Austrian Commercial Code, are the responsibility of the legally appointed representatives of the company. Our responsibility is to express an opinion on these financial statements based on our audit and to state whether the management report for the company is in accordance with the financial statements.

We conducted our audit in accordance with the regulations and principles applicable in Austria and with generally accepted standards on auditing. These principles require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement and whether we can state that the management report for the company is in accordance with the financial statements. In determining the audit procedures, we considered our knowledge of the businesses, the economic and legal environment of the company as well as the expected occurrence of errors. An audit involves procedures to obtain evidence about amounts and other disclosures in the accounts and the financial statements on a sample basis. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Our audit did not give rise to any objections. As a result of our duly implemented audit, we can certify that the accounting records and the financial statements comply with binding legal regulations. The financial statements provide, in all material respects, a true and fair picture of the company's assets, financial position, and profit or loss, in conformity with generally accepted accounting principles. The management report is fully consistent with the financial statements of the company.

Vienna, April 7, 2008
KPMG Wirtschaftsprüfungs- und
Steuerberatungs GmbH

Wilhelm Kovsca
Certified public accountant

Josef Kirchknopf
Tax consultant

Service and Information

- **Glossary: Certificates**
Glossary: General Financial Terms
Companies of the Raiffeisen Centrobank Group
RZB Group Companies
Contacts

Glossary: Certificates

B

Base value

Also referred to as an underlying, this refers to the stock, basket of stocks, index, commodity or other item from which the certificate is derived.

Basket

Refers to an underlying which is comprised of two or more stocks, indexes or commodities. The basket's individual items do not have to be equally weighted.

Benchmark

Is a value—generally an index producing pertinent figures – detailing the performance of an investment vis-à-vis that of the market as a whole.

C

Cap

Is the maximum payout of a certificate upon maturity.

Certificates

Are financial instruments which are traded on exchanges, which securitize assets, and which are issued by banks or other issuers as bonds. Certificates are comprised of derivatives, meaning that their performances are always completely dependent upon the movements on exchanges of their underlyings.

Closing price

Is the final quote of a security at the end of the trading day.

D

Direct investment

Refers to an investor's purchase of an underlying instead of the related certificate.

Dividend

Is the portion of unappropriated annual income paid out by a joint stock company and accruing to each of its shares.

E

EUWAX (European Warrant Exchange)

Is a segment of the Stuttgart Securities Exchange upon which such derivative products as certificates and option warrants are traded. EUWAX is the world's largest certificates trading exchange.

I

Index

Is an indicator expressed in a single number, calculated on an ongoing basis using the values of its constituent securities (stocks or bonds) and comprised of items whose incorporation in the index is subject to periodic and objective reviews employing such accountability-ensuring criteria as turnover on exchanges or market capitalization.

ISIN (International Securities Identification Number)

Is the twelve-digit combination of letters and numbers assigned to each of the world's securities to establish its identity.

Issuer

Is the party issuing securities. Issuers of stocks are companies; of bonds, companies, the government and other public sector authorities, or other institutions; of certificates, generally banks.

Issue surcharge

Serving to defray commissions paid for distribution, this one-time fee is generally levied upon the acquisition of certificates within the subscription period.

Issuing

Refers to that of a new certificate.

Issuing price

Also referred to as the subscription price, this figure is the price at which new certificates are issued.

M**Market maker**

Are official members of an exchange which establish and maintain quotes for bidding and offering prices. In cases of certificates, the issuer itself generally serves as the market maker, so as to assure adequate amounts of supply and demand.

Maturity

Is date of expiry of a certificate. Most index certificates are "open ended," meaning that they do not have a time of maturity.

O**Open-end**

Indicates that the certificate has no preset time of maturity.

Outperformance

Is when one investment outperforms—achieves a higher rate of return—another. Outperformance certificates enable the engineering of this rate of market-average return.

Over-the-counter trading

Refers to all securities trading which is not transacted on an exchange.

P**Participation**

Indicates the extent to which a certificate enables the investor to participate in the underlying's movements on exchanges.

Performance

Denotes changes in investment value or return and is generally reported in percentages.

Premium

Is the difference between the two purchase prices: that of the underlying when acquired directly and that of an option warrant for the underlying.

Q**Quanto**

Is affixed to certificates to indicate that they comprise a currency hedge precluding rates of exchanges' affecting of the certificates' value.

R**Risk buffer**

Is the amount by which the certificate's underlying can fall without causing the investor to incur a loss.

S**Spread**

Is employed in securities trading to denote the difference between bidding and offering prices. Certificate spreads are largely determined by the underlying's liquidity.

Subscription ratio

Indicates how many units of the underlying the certificate encompasses.

T**Time to maturity**

Is the period extending from the issuing to the maturing of a certificate.

V**Volatility**

Is the intensity of fluctuations of quote and returns. Volatility is generally calculated in percentages and on the basis of standard deviations from norms. The great degree of volatility evinced by discount and other certificates makes them highly attractive for investors wishing to gain footholds in markets.

Glossary: Certificates

- **Glossary: General Financial Terms**
Companies of the Raiffeisen Centrobank Group
RZB Group Companies
Contacts

Glossary: General Financial Terms

A

Affiliated companies

Entities over which the investor has control (= power to govern the financial and operating policies).

Associated companies

Entities over which the investor has significant influence.

B

Back testing

The backward comparison of VaR figures with actual results to test the quality of a model.

Banking book

All positions that are not assigned to the trading book.

Basis of assessment (incl. market risk)

Comprises the basis of assessment within the meaning of § 22 of the Austrian Banking Act (BWG) plus 12.5 times the own funds required as cover for the trading book and open currency positions.

Basis points

Measurement to differentiate interest and yield differences. One basis point corresponds to 1/100th of a percentage point (1 BP = 0.01%).

BWG

Austrian Banking Act.

C

Cash flow

Inflows and outflows of cash and cash equivalents.

Cash flow statement

Statement of cash flows during the financial year arising from operating activities, investing activities and financing activities and a reconciliation of cash and cash-equivalents held at the beginning and the end of the financial year.

CE

Central Europe. For RZB it is defined as total of Hungary, Poland, Slovakia, Slovenia, and Czech Republic.

CEE

Central and Eastern Europe.

CIS

Commonwealth of Independent States, consisting predominantly of territories of the former Soviet Union.

Clean price

Price of a financial instrument without accrued interest.

Country risk

This comprises transfer and convertibility risk and political risk.

Core capital

Paid-in capital and reserves less intangible fixed assets and balance sheet losses and material losses during the current financial year.

Core capital ratio

This ratio's numerator is core capital (tier 1) and its denominator is the basis of assessment (incl. market risk).

Cost/income ratio

Indicator of an enterprise's cost efficiency based on the ratio of expenses to earnings. It is calculated by comparing general administrative expenses (comprising staff expenses and other administrative expenses and depreciation/amortization of tangible and intangible fixed assets) with operating income (net interest income, net commission income, trading profit/loss and other operating profit/loss).

Credit derivatives

Instruments designed to transfer credit risk arising from loans, bonds and other risk assets or market risk items to another party.

D

DBO

Defined benefit obligation = the present value, without deducting any plan assets, of expected future payments required to settle the obligation resulting from employee service in the current and prior periods.

Default risk

Risk that counterparties in a financial transaction will not be able to fulfil an obligation, causing the other party a financial loss.

Deferred tax assets

The amounts of income taxes recoverable in future periods in respect of deductible temporary differences, the carry-forward of unused tax losses, and the carry-forward of unused tax credits.

Deferred tax liabilities

The amounts of income taxes payable in future periods in respect of taxable temporary differences.

Derivatives

Financial instruments whose value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, a credit rating or credit index, or other variable, that requires no initial net investment or small initial net investment and that is settled at a future date.

Dirty price

Price of a financial instrument including accrued interest.

E

Earnings per share (EPS)

Profit attributable to ordinary equity holder (profit adjusted by dividends to preference shareholders) divided by the weighted average number of ordinary shares outstanding during the period.

Excess cover ratio

Relation of excess own funds to total own funds requirement.

F

Fair value

The amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Fiduciary business

Transactions which are carried out by trustee, often banks, on own name but on account of the beneficiary.

Futures

Standardized forward contracts traded on a stock exchange under which a commodity traded in a money, capital, precious metal or currency market is to be delivered or accepted at a price fixed in an exchange environment.

G**Goodwill**

Any excess of the cost of the acquisition over the acquirer's interest in the fair value of the identifiable assets and liabilities acquired as at the date of the exchange transaction.

Gross investment value

The aggregate of minimum lease payments receivable by the lessor under a finance lease and any unguaranteed residual value accruing to the lessor.

H**Hedging**

Designating one or more hedging instruments so that their change in fair value is an offset, in whole or in part, to the change in fair value or cash flows of a hedged item.

Held-for-trading

Securities held for trading purposes to take advantage of short-term market fluctuations.

Held-to-maturity

Financial assets with fixed or determinable payments and fixed maturity that an entity has the positive intention and ability to hold to maturity.

HGB/UGB

[Austrian] Commercial Code.

I**ICAAP**

Internal Capital Adequacy Assessment Process = methods and processes of an integrated total bank risk management system to enable banks to ensure that enough own funds are always available to cover significant risks.

IFRIC, SIC

International Financial Reporting Interpretation Committee – interpreter of the International Financial Reporting Standards, formerly also SIC (Standing Interpretations Committee).

IFRS, IAS

The International Financial Reporting Standards or International Accounting Standards are reporting standards published by the IASB (International Accounting Standards Board) with the goal of achieving transparent and comparable accounting on an international basis

Interest margin

Net interest income in relation to average balance sheet total.

Investment property

Property (land or buildings–or part of buildings–or both) which are held to earn rentals or for capital appreciation or both.

IPO

Initial public offering, going public.

L**Liquidity risk**

Risk that the bank could be unable to meet its current and future financial obligations in full or in good time. This arises from the danger that e.g. refinancing can only be obtained at very disadvantageous terms or is entirely impossible.

M**Market capitalization**

The number of issued shares multiplied by the share price.

Market risk

The risk that the value of a financial instrument will fluctuate because of changes in market prices whether those changes are caused by factors specific to the individual security or its issuer or factors affecting all securities traded in the market.

O**Operating profit/loss**

In IFRS-compliant financial statements, it consists of operating income net of general administrative expenses. Operating income comprises net interest income, net commission income, trading profit (loss) and other operating profit (loss). General administrative expenses comprise staff expenses and other administrative expenses and depreciation/amortization of tangible and intangible fixed assets.

Operational risk

Risk of unexpected losses resulting from inadequate or failed internal processes, people and systems or from external events, including legal risk.

Options

Instruments that give the holder the right to purchase the underlying from a contracting party at an agreed price and at an agreed time or within an agreed period (call option) or to sell the underlying to a contracting party at an agreed price and at an agreed time or within an agreed period (put option).

OTC instruments

Financial instruments that are neither standardized nor traded on a stock exchange. They are traded directly between market participants "over-the-counter."

- Glossary: Certificates
- **Glossary: General Financial Terms**
 - **Companies of the Raiffeisen Centrobank Group**
- RZB Group Companies
Contacts

Own funds within the meaning of BWG

Consist of core capital (tier 1), additional and subordinated capital (tier 2) and short-term subordinated capital and rededicated tier 2 capital (tier 3).

Own funds ratio

The ratio's numerator is own funds within the meaning of the Austrian Banking Act (BWG) and its denominator is the basis of assessment pursuant to § 22 BWG plus 12.5 times the own funds required as cover for the trading book and open currency positions.

P

Plan assets

Assets held by a long-term employment benefit fund.

Portfolio rate

Total provisions for impairment losses divided by total credit exposure.

Projected Unit Credit Method

An actuarial valuation method defined by IAS 19 that sees each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation (sometimes known as the accrued benefit method prorated pro-rated on service or as the benefit/years of service method).

R

Raiffeisen International

The Group of Raiffeisen International Bank-Holding AG.

Risk-weighted assets of the banking book

According to the Austrian Banking Act (BWG) these are on-balance-sheet assets, off-balance-sheet and special off-balance-sheet banking book asset positions weighted by business and counterparty risk, respectively.

ROE (return on equity)

Return on the total equity including minority interests, i.e., profit before tax respectively after tax in relation to weighted average balance sheet equity. Average equity is calculated on month-end figures and does not include current year profit.

RZB

Raiffeisen Zentralbank Österreich AG Group.

RZB Group

Pursuant to § 30 of the Austrian Banking Act (BWG), RZB-Kreditinstitutsgruppe is made up of all banks, financial institutions, securities companies and companies rendering banking-related services in which RZB holds direct or indirect interests or has control as a super-ordinate institution.

S

Segment reporting

Disclosure of earnings and asset data for business segments (primary) and geographical areas (secondary).

SEPA

Single European Payments Area. This is a project to create a Europe-wide standardized payment area. In this payment area there is no distinction between cross-border and national payments for customers anymore.

Share-based remuneration

Performance-based allotments of company shares for eligible employees for a given period of time.

SPO

Secondary public offering; capital increase.

Stress tests

Stress tests endeavour to simulate extreme fluctuations in market parameters. They are used because such fluctuations are usually inadequately captured by VaR models (VaR forecasts maximum losses under normal market conditions).

Swap

Exchange of interest obligations (interest swap) and/or currency positions (currency swap).

T

Tax rate

Relation of income taxes to profit before tax.

Trading book

Bank regulators' term for assets held by a bank for short-term resale to exploit fluctuations in prices and interest rates.

V

VaR

Value at risk expresses the potential loss that will, with a 99% probability, not be exceeded within the period for which an asset is held in the portfolio in question.

Companies of the Raiffeisen Centrobank Group

Subsidiaries

**CENTROTRADE
CHEMICALS AG, Switzerland**
Bahnhofstrasse 21
6301 Zug
Phone: (+41-41) 710 66 44
Fax: (+41-41) 711 10 80

**CENTROTRADE DEUTSCHLAND
GMBH, Germany**
Kölner Strasse 10 b
65760 Eschborn
Phone: (+49-61 96) 775 08-0
Fax: (+49-61 96) 775 08-55

**SYRENA IMMOBILIEN
HOLDING AG, Vienna**
Donau-City-Strasse 9
1220 Vienna
Phone: (+43-1) 515 20-410
Fax: (+43-1) 515 20-5410

RAIFFEISEN INVESTMENT AG, Vienna
Krugerstrasse 13
1015 Vienna
Phone: (+43-1) 710 54 00-0
Fax: (+43-1) 710 54 00-169

**CENTROTRADE MINERALS
& METALS INC., USA**
1317 Executive Blvd.
Suite 120
Chesapeake, VA 23320, USA
Phone: (+1-800) 520 76 69
Phone: (+1-757) 518 23 00
Fax: (+1-757) 518 23 05

**CENTROTRADE SINGAPORE
PTE. LTD., Singapore**
20, Cecil Street
#06-07, Equity Plaza
Singapore 049705
Phone: (+65) 65 35 91 33
Fax: (+65) 65 34 13 45

CENTROTRADE HOLDING AG, Vienna
Tegetthoffstrasse 1
1010 Vienna
Phone: (+43-1) 205 10 74
Fax: (+43-1) 205 10 74-111

SCANVIWOOD CO. LTD., Vietnam
52 An Doung Vuong
Binh Tan District
Ho Chi Minh City, Vietnam
Phone: (+84-8) 877 65 55
Fax: (+84-8) 875 00 90

Representatives

**CENTROTRADE CHEMICALS AG,
Great Britain**
1 D The Courtyard
3 & 5 Market Square
Westerham, Kent TN 16 1AZ
Great Britain
Phone: (+44-19 59) 56 58 59
Fax: (+44-19 59) 56 33 23

**RACO TRADING PHILS. INC.,
Philippines**
10th floor, Rufino Building
6784 Ayala Avenue
1226 Makati City, The Philippines
Phone: (+63-2) 810 03 01
Fax: (+63-2) 810 39 27

Glossary: Certificates
 Glossary: General Financial Terms
 Companies of the Raiffeisen Centrobank Group

- **RZB Group Companies**
 Contacts

Selected RZB Group Companies

Raiffeisen Zentralbank Österreich AG

Austria

Am Stadtpark 9, 1030 Vienna
 Phone: +43-1-71 707-0
 Fax: +43-1-71 707-1715
 SWIFT/BIC: RZBAATWW
 www.rzb.at

Contact:

Austrian Corporate Customers

Joseph Eberle

Phone: +43-1-71 707-1487
 joseph.eberle@rzb.at

Multinational Corporate Customers

Peter Bazil

Phone: +43-1-71 707-1547
 peter.bazil@rzb.at

Central and Eastern European

Corporate Customers

Christian Theuer

Phone: +43-1-71 707-1462
 christian.theuer@rzb.at

Corporate, Trade & Export Finance

Helmut Breit

Phone: +43-1-71 707-1321
 helmut.breit@rzb.at

Global Markets

Martin Czurda

Phone: +43-1-71 707-1120
 martin.czurda@rzb.at

Transaction Services

Günther Gall

Phone: +43-1-71 707-1168
 guenther.gall@rzb.at

Raiffeisen International

Bank-Holding AG

Am Stadtpark 9, 1030 Vienna

Phone: +43-1-71 707-3504

Fax: +43-1-71 707-1377

www.ri.co.at

Contact: Roman Hager

roman.hager@ri.co.at

China

Beijing Branch

Beijing International Club, Suite 200

21, Jianguomenwai Dajie

100020 Beijing

Phone: +86-10-6532 3388

Fax: +86-10-6532 5926

SWIFT/BIC: RZBACNBJ

Contact: Andreas Werner

andreas.werner@cn.rzb.at

Xiamen Branch

Zhongmin Building

Unit 01-02, 32/F

No. 72 Hubin North Road,

361012 Xiamen, Provinz Fujian

Phone: +86-592-2623 988

Fax: +86-592-2623 998

Contact: Alice Li

alice.li@cn.rzb.at

Malta

Raiffeisen Malta Bank plc

52, Il-Piazzetta, Tower Road,

Sliema SLM16, Malta

Phone: +356-2260 0000

Fax: +356-2132 0954

Contact: Anthony C. Schembri

anthony.schembri@mt.rzb.at

Singapore

Singapore Branch

One Raffles Quay

#38-01 North Tower

Singapore 048583

Phone: +65-6305 6000

Fax: +65-6305 6001

Contact: Rainer Šilhavý

rainer.silhavy@sg.rzb.at

United Kingdom

London Branch

10, King William Street

London EC4N 7TW

Phone: +44-20-7933 8000

Fax: +44-20-7933 8099

SWIFT/BIC: RZBAGB2L

www.london.rzb.at

Contact: Mark Bowles

mark.bowles@uk.rzb.at

USA.

RZB Finance LLC

1133, Avenue of the Americas

16th floor, New York, N.Y. 10036

Phone: +1-212-845 4100

Fax: +1-212-944 2093

www.rzbfinance.com

Contact: Dieter Beintrexler

dbeintrexler@rzbfinance.com

Banking network Central and Eastern Europe

Albania

Raiffeisen Bank Sh.a.

European Trade Center,

Bulevardi "Bajram Curri," Tirana

Phone: +355-4-222 669

Fax: +355-4-275 599

SWIFT/BIC: SCSBALTX

www.raiffeisen.al

Contact: Oliver Whittle

oliver.whittle@raiffeisen.al

Belarus

Priorbank, OAO

31-A, V. Khoruzhey Str.

Minsk, 220002

Phone: +375-17-289 9090

Fax: +375-17-289 9191

SWIFT/BIC: PJCBY2X

www.priorbank.by

Contact: Olga Gelakhova

olga.gelakhova@priorbank.by

Bosnia and Herzegovina

Raiffeisen Bank d.d.

Bosna i Hercegovina

Danijela Ozme 3, 71000 Sarajevo

Phone: +387-33-287 100

Fax: +387-33-213 851

SWIFT/BIC: RZBABA2S

www.raiffeisenbank.ba

Contact: Michael G. Mueller

michael.mueller@rbb-sarajevo.raiffeisen.at

Bulgaria

Raiffeisenbank (Bulgaria) EAD

18/20 Ulica N. Gogol, 1504 Sofia

Phone: +359-2-9198 5101

Fax: +359-2-943 4528

SWIFT/BIC: RZBBGSGF

www.rbb.bg

Contact: Momtchil Andreev

momtchil.andreev@rbb.bg

Croatia

Raiffeisenbank Austria d.d.

Petrinjska 59, 10000 Zagreb

Phone: +385-1-456 6466

Fax: +385-1-481 1624

SWIFT/BIC: RZBHHR2X

www.rba.hr

Contact: Vesna Ciganek-Vukovic

vesna.ciganek-vukovic@rba.hr

Czech Republic

Raiffeisenbank a.s.

Olbrachtova 2006/9

140 21 Praha 4

Phone: +420-221-141 111

Fax: +420-221-142 111

SWIFT/BIC: RZBCCZPP

www.rb.cz

Contact: Lubor Žalman

lubor.zalman@rb.cz

eBanka, a.s.
Na Příkopě 19
11719 Praha 1
Phone: +420-222-115 222
Fax: +420-222-115 500
SWIFT/BIC: EBNK CZPP
www.ebanka.cz
Contact: Pavla Pasekova
ppasekova@ebanka.cz

Hungary
Raiffeisen Bank Zrt.
Akadémia utca 6, 1054 Budapest
Phone: +36-1-484 4400
Fax: +36-1-484 4444
SWIFT/BIC: UBRTHUHB
www.raiffeisen.hu
Contact: Frank Daniel
frank.daniel@raiffeisen.hu

Kosovo
Raiffeisen Bank Kosovo J.S.C.
Rruga UÇK 51, Pristina
Phone: +381-38-222 222
Fax: +381-38-2030 1130
SWIFT/BIC: RBKOC522
www.raiffeisen-kosovo.com
Contact: Oliver Whittle
oliver.whittle@raiffeisen-kosovo.co

Poland
Raiffeisen Bank Polska S.A.
Ul. Piękna 20, 00-549 Warszawa
Phone: +48-22-585 2000
Fax: +48-22-585 2585
SWIFT/BIC: RCBWPLPW
www.raiffeisen.pl
Contact: Piotr Czarnecki
piotr.czarnecki@raiffeisen.pl

Romania
Raiffeisen Bank S.A.
Piața Charles de Gaulle 15
011857 București 1
Phone: +40-21-306 1000
Fax: +40-21-230 0700
SWIFT/BIC: RZBRROBU
www.raiffeisen.ro
Contact: Steven C. van Groningen
centrala@raiffeisen.ro

Russia
ZAO Raiffeisenbank
Smolenskaya-Sennaya pl, 28
119002 Moskwa
Phone: +7-495-721 9900
Fax: +7-495-721 9901
SWIFT/BIC: RZBMRUMM

www.raiffeisen.ru
Contact: Johann Jonach
jjonach@raiffeisen.ru

Serbia
Raiffeisen banka a.d.
Bulevar Zorana Djindjica 64a
11070 Novi Beograd
Phone: +381-11-320 2100
Fax: +381-11-220 7080
SWIFT/BIC: RZBSRSBG
www.raiffeisenbank.co.yu
Contact: Oliver Rögl
oliver.roegl@raiffeisenbank.co.yu

Slovakia
Tatra banka, a.s.
Hodžovo námestie 3
811 06 Bratislava 1
Phone: +421-2-5919 1111
Fax: +421-2-5919 1110
SWIFT/BIC: TATR SKBX
www.tatrabanka.sk
Contact: Igor Vida
igor_vida@tatrabanka.sk

Slovenia
Raiffeisen Krekova banka d.d.
Slovenska ulica 17
2000 Maribor
Phone: +386-2-229 3100
Fax: +386-2-252 4779
SWIFT/BIC: KREKSI22
www.raiffeisen.si
Contact: Klemens Nowotny
klemens.nowotny@raiffeisen.si

Ukraine
VAT Raiffeisen Bank Aval
9, Leskova vul, 01011 Kyiv
Phone: +38-044-490 88 07
Fax: +38-044-285 32 31
SWIFT/BIC: AVAL UA UK
www.aval.ua
Contact: Angela Prigozhina
angela.prigozhina@aval.ua

Representative offices in Europe

Belgium
Brussels
Rue du Commerce 20-22
1000 Bruxelles
Phone: +32-2-549 0678
Fax: +32-2-502 6407
Contact: Josef-Christoph Swoboda
josef-christoph.swoboda@rzb.at

France
Paris
9-11, Avenue Franklin Roosevelt
75008 Paris
Phone: +33-1-4561 2700
Fax: +33-1-4561 1606
Contact: Harald Stoffaneller
harald.stoffaneller@fr.rzb.at

Germany
Frankfurt am Main
Mainzer Landstraße 51
60329 Frankfurt am Main
Phone: +49-69-29 92 19-18
Fax: +49-69-29 92 19-22
Contact: Dorothea Renninger
dorothea.renninger@rzb.at

Italy
Milan
Via Andrea Costa 2
20131 Milano
Phone: +39-02-2804 0646
Fax: +39-02-2804 0658
www.rzb.it
Contact: Miriam Korsic
miriam.korsic@it.rzb.at

Moldova
Chișinău (Raiffeisen Bank S.A.)
65 Stefan cel Mare blvd.
Chișinău, MD-2001
Phone: +373-22-279 331
Fax: +373-22-279 343
Contact: Victor Bodiu
victor.bodiu@rzb.md

Russia
Moscow
14, Pretchistensky Pereulok
Building 1, 119034 Moskwa
Phone: +7-495-721 9905
Fax: +7-495-721 9907
www.raiffeisen.ru
Contact: Svyatoslav Bulanenkov
svyatoslav.bulanenkov@raiffeisen.ru

Sweden/Nordic Countries
Stockholm
Norrländsgatan 12
P.O. Box 7810
SE-103 96 Stockholm
Phone: +46-8-440 5086
Fax: +46-8-440 5089
Contact: Lars Bergström
lars.bergstrom@rzb.at

Glossary: Certificates
 Glossary: General Financial Terms
 Companies of the Raiffeisen Centrobank Group

• **RZB Group Companies**
 Contacts

Representative offices in America and Asia

China

Hong Kong
 Unit 2001, 20th floor, Tower 1
 Lippo Centre, 89 Queensway
 Hong Kong
 Phone: +85-2-2730 2112
 Fax: +85-2-2730 6028
 Contact: Edmond Wong
 edmond.wong@hk.rzb.at

Zhuhai

Room 2404, Yue Cai Building
 188, Jingshan Road, Jida
 519015 Zhuhai
 Phone: +86-756-323 3500
 Fax: +86-756-323 3321
 Contact: Susanne Zhang-Pongratz
 susanne.zhang@cn.rzb.at

India

Mumbai
 87, Maker Chamber VI
 Nariman Point, Mumbai 400 021
 Phone: +91-22-663 01700
 Fax: +91-22-663 21982
 Contact: Anupam Johri
 anupam.johri@in.rzb.at

Iran

Teheran (UNICO Banking Group)
 Vanak, North Shirazi Avenue
 16, Ladan Str., 19917 Tehran
 Phone: +98-21-804 6767-2
 Fax: +98-21-803 6788
 Contact: Gerd Wolf
 unico@unicorep.com

South Korea

Seoul
 Leema Building, 8th floor
 146-1, Soosong-dong
 Chongro-ku, 110-755 Seoul
 Phone: +822-398 5840
 Fax: +822-398 5807
 Contact: Kun Il Chung
 kun-il.chung@kr.rzb.at

USA

Chicago (RZB Finance LLC)
 150 N. Martingale Road, Suite 840
 Schaumburg, IL 60173
 Phone: +1-847-995 8884
 Fax: +1-847-995 8880
 Contact: Charles T. Hiatt
 chiatt@rzbfinance.com

Houston (RZB Finance LLC)
 10777, Westheimer, Suite 1100
 Houston, TX 77042
 Phone: +1-713-260 9697
 Fax: +1-713-260 9602
 Contact: Stephen A. Plauche
 splauche@rzbfinance.com

Los Angeles (RZB Finance LLC)
 29556 Fountainwood St.
 Agoura Hills, CA 91301
 Phone: +1-818-706-7385
 Fax: +1-818-706-7305
 Contact: JDee Christensen
 jchristensen@rzbfinance.com

New York

1133, Avenue of the Americas
 16th floor, New York, N.Y. 10036
 Phone: +1-212-593 7593
 Fax: +1-212-593 9870
 Contact: Dieter Beintrexler
 dieter.beintrexler@rzb-newyork.raiffeisen.at

Vietnam

Ho Chi Minh City
 6, Phung Khac Khoan St.
 District 1, Room G6
 Ho Chi Minh City
 Phone: +84-8-8297 934
 Fax: +84-8-8221 318
 Contact: Ta Thi Kim Thanh
 ta-thi-kim.thanh@vn.rzb.at

Investment Banking

Österreich

Raiffeisen Zentralbank
 Österreich AG
 Global Markets
 Am Stadtpark 9, 1030 Vienna
 Phone: +43-1-71 707-1120
 Fax: +43-1-71 707-3813
 www.rzb.at
 Contact: Martin Czurda
 martin.czurda@rzb.at

Raiffeisen Centrobank AG
 Equity
 Tegetthoffstrasse 1, 1015 Vienna
 SWIFT/BIC: CENBATWW
 Phone: +43-1-51 520-0
 Fax: +43-1-513 4396
 www.rcb.at
 Contact: Eva Marchart
 marchart@rcb.at

Raiffeisen Investment AG
 Advisory
 Tegetthoffstrasse 1, 1015 Vienna
 Phone: +43-1-710 5400-0
 Fax: +43-1-710 5400-39
 www.raiffeisen-investment.com
 Contact: Heinz Sernetz
 h.sernetz@raiffeisen-investment.com
 Subsidiaries and representative
 offices in Bosnia and Herzegovina,
 Bulgaria, Czech Republic, Hungary,
 Montenegro, Poland, Romania,
 Russia, Serbia, Turkey, and Ukraine.

Bosnia and Herzegovina

Raiffeisen Bank d.d.
 Bosna i Hercegovina
 Danijela Ozme 3, 71000 Sarajevo
 Phone: +387-33-287 100 or 287 121
 Fax: +387-33-213 851
 www.raiffeisenbank.ba
 Contact: Dragomir Grgić
 dragomir.grgic@rbb-sarajevo.raiffeisen.at

Bulgaria

Raiffeisen Asset Management EAD
 18/20 Ulica N. Gogol, 1504 Sofia
 Phone: +359-2-919 85 632
 Fax: +359-2-943 4528
 www.ram.bg
 Contact: Mihail Atanasov
 mihail.atanasov@ram.raiffeisen.bg

Croatia

Raiffeisenbank Austria d.d.
 Petrinjska 59, 10000 Zagreb
 Phone: +385-1-456 6466
 Fax: +385-1-456 6490
 www.rba.hr
 Contact: Ivan Žižić
 ivan.zizic@rba.hr

Czech Republic

Raiffeisenbank a.s.
 Olbrachtova 2006/9
 140 21 Praha 4
 Phone: +420-221-141 863
 Fax: +420-221-143 804
 www.rb.cz
 Contact: Martin Bláha
 martin.blaha@rb.cz

Hungary

Raiffeisen Bank Zrt.
Akadémia utca 6
1054 Budapest
Phone: +36-1-484 4400
Fax: +36-1-484 4444
www.raiffeisen.hu
Contact: Gábor Liener
gliener@raiffeisen.hu

Poland

Raiffeisen Investment Polska Sp.z o.o.
Ul. Piękna 20, 00-549 Warszawa
Phone: +48-22-585 2900
Fax: +48-22-585 2901
Contact: Marzena Bielecka
marzena.bielecka@ripolska.com.pl

Romania

Raiffeisen Asset Management
România
Piața Charles de Gaulle 15, et. IV
011857 București 1
Phone: +40-21-306 1711
Fax: +40-21-312 0533
www.raiffeisenfonduri.ro
Contact: Mihail Ion
mihail.ion@rzb.ro

Raiffeisen Capital & Investment S.A.

Piața Charles de Gaulle 15
011857 București 1
Phone: +40-21-306 1233
Fax: +40-21-230 0684
www.rciro.ro
Contact: Dana Mirela Ionescu
dana-mirela.ionescu@rzb.ro

Russia

ZAO Raiffeisenbank
Smolenskaya-Sennaya pl., 28
119002 Moskwa
Phone: +7-495-721 9900
Fax: +7-495-721 9901
www.raiffeisen.ru
Contact: Pavel Gourine
pgourine@raiffeisen.ru

Serbia

Raiffeisen Investment AG
Bulevar Zorana Djindjica 64a
11070 Novi Beograd
Phone: +381-11-21 29211
Fax: +381-11-21 29213
Contact: Radoš Ilinčić
rilincic@raiffeisen-investment.com

Slovakia

Tatra banka, a.s.
Hodzovo námestie 3
811 06 Bratislava 1
Phone: +421-2-5919 1111
Fax: +421-2-5919 1110
www.tatrabanka.sk
Contact: Igor Vida
igor_vida@tatrabanka.sk

Slovenia

Raiffeisen Banka d.d.
Slovenska ulica 17
2000 Maribor
Phone: +386-2-229 3119
Fax: +386-2-252 5518
www.raiffeisen.si
Contact: Primož Kovačič
primoz.kovacic@raiffeisen.si

Ukraine

Raiffeisen Investment TOV
2, Mechnikova vul.
01601 Kyiv
Phone/Fax: +38-044-490 6897
or +38-044-490 6897 98
Contact: Vyacheslav Yakymuk
yakymuk@rio.kiev.ua

**Selected specialist
Raiffeisen companies****Austria**

Kathrein & Co. Privatgeschäftsbank
Aktiengesellschaft
Wipplingerstrasse 25, 1010 Vienna
Phone: +43-1-53 451-600
Fax: +43-1-53 451-599
SWIFT/BIC: KTBKATWW
www.kathrein.at
Contact: Claudio Cantele
claudio.cantele@kathrein.at

Raiffeisen Bausparkasse Ges.m.b.H.

Wiedner Hauptstrasse 94
1050 Vienna
Phone: +43-1-546 46-1420
Fax: +43-1-546 46-2359
SWIFT/BIC: RBSKAT W1
www.wohnbausparen.at
Contact: Sonja Hochreiter
sonja.hochreiter@raibau.at
Equity interests in Croatia, Czech
Republic, Romania, and Slovakia.

Raiffeisen Capital Management

(Raiffeisen Kapitalanlage Ges.m.b.H.)
Am Schwarzenbergplatz 3
1010 Vienna
Phone: +43-1-71 170-1250
Fax: +43-1-71 170-76-1250
www.rcm.at
Contact: Monika Riedel
monika.riedel@rcm.at

Raiffeisen Versicherung AG

Untere Donaustrasse 21
1029 Vienna
Phone: +43-1-21 119-0
Fax: +43-1-21 119-1134
www.raiffeisen-versicherung.at
service@raiffeisen-versicherung.at
Raiffeisen Versicherung is a
member of the UNIQA Group,
which has further subsidiaries
in Austria, Albania, Bosnia and
Herzegovina, Bulgaria, Croatia,
Czech Republic, Hungary, Kosovo,
Macedonia, Montenegro, Poland,
Romania, Serbia, Slovakia,
Slovenia, and Ukraine as well as in
Germany, Italy, Liechtenstein, and
Switzerland.

Raiffeisen-Leasing GmbH

Hollandstrasse 11-13, 1020 Vienna
Phone: +43-1-71 601-8440
Fax: +43-1-71 601-98448
www.raiffeisen-leasing.at
Contact: Andrea Weber
andrea.weber@rl.co.at
Subsidiaries in Finland, Germany,
Italy, Sweden, and Switzerland.

Raiffeisen-Leasing International GmbH

Am Stadtpark 9, 1030 Vienna
Phone: +43-1-71 707-2966
Fax: +43-1-71 707-762966
Contact: Dieter Scheidl
dieter.scheidl@rli.co.at
Subsidiaries in Albania, Belarus,
Bosnia and Herzegovina, Bulgaria,
Croatia, Czech Republic, Hungary,
Kazakhstan, Moldova, Poland,
Romania, Russia, Serbia, Slovakia,
Slovenia, and Ukraine.

Glossary: Certificates
 Glossary: General Financial Terms
 Companies of the Raiffeisen Centrobank Group

- **RZB Group Companies**
- **Contacts**

ÖPAG Pensionskassen AG
 Ernst-Melchior-Gasse 22, 1020 Vienna
 Phone: +43-1-316 48-100
 Fax: +43-1-316 48-66100
 www.oepag.at
 Contact: Johannes Ziegelbecker
 johannes.ziegelbecker@oepag.at

ÖVK Vorsorgekasse AG
 Untere Donaustrasse 21, 1029 Vienna
 Phone: +43-810-530 099
 Fax: +43-810-530 098
 www.oevk.co.at
 Contact: Bernhard Breunlich
 office@oevk.co.at

Raiffeisen evolution project
 development GmbH
 Ernst-Melchior-Gasse 22, 1020 Vienna
 Phone: +43-1-71 706-600
 Fax: +43-1-71 706-410
 www.raiffeisenevolution.com
 Contact: Markus Neurauder
 markus.neurauder@raiffeisenevolution.com

Subsidiaries in Bulgaria, Croatia,
 Czech Republic, Hungary, Poland,
 Serbia, Slovakia, Romania, Russia,
 and Ukraine.

F. J. Elsner Trading Ges.m.b.H
 Am Heumarkt 10, 1030 Vienna
 Phone: +43-1-79 736-0
 Fax: +43-1-79 736-9142
 www.elsner.at
 Contact: Siegfried Purrer
 siegfried.purrer@elsner.at
 Subsidiaries in China, India, United
 Arab Emirates, and the USA.

Notartreuhandbank AG
 Landesgerichtsstrasse 20, 1010 Vienna
 Phone: +43-1-535 68 86-208
 Fax: +43-1-535 68 86-250
 www.notar.at
 Contact: Karl Grünberger
 karl.gruenberger@ntbag.at

Leipnik-Lundenburger Invest
 Beteiligungs AG
 Börsegasse 9, 1010 Vienna
 Phone: +43-1-535 11 24-0
 Fax: +43-1-535 11 24-33
 www.lli.at
 Contact: Christian Teuffl
 office@lli.at

Raiffeisen Informatik GmbH
 Lilienbrunnungasse 7-9, 1020 Vienna
 Phone: +43-1-99 399-1010
 Fax: +43-1-99 399-1011
 www.raiffeiseninformatik.at
 Contact: Ursula Freiseisen-Pfneiszl
 ursula.freiseisen@r-it.at

Status: March 1, 2008

Contacts of Raiffeisen Centrobank

Wilhelm Celeda
 Equities and Derivatives
 celeda@rcb.at
 Phone: +43 (1) 51520-402

Heike Arbter
 Structured Products
 arbter@rcb.at
 Phone: +43 (1) 51520-407

Klaus della Torre
 Equity Sales
 dellatorre@rcb.at
 Phone: +43 (1) 51520-472

Helga Frohner
 Securities Back Office
 frohner@rcb.at
 Phone: +43 (1) 51520-421

Birgit Kuras
 Company Research and
 Equity Capital Markets Austria
 kuras@rcb.at
 Phone: +43 (1) 51520-150

Stefan Maxian
 Company Research CEE
 maxian@rcb.at
 Phone: +43 (1) 51520-177

Erich Obersteiner
 Equity Capital Markets CEE
 obersteiner@rcb.at
 Phone: +43 (1) 51520-145

Gerald Deimel
 Legal, Tax & Compliance
 deimel@rcb.at
 Phone: +43 (1) 51520-160

Monika Jung
 Private Banking
 jung@rcb.at
 Phone: +43 (1) 51520-417

John Dinhobel
 Credit
 dinhobel@rcb.at
 Phone: +43 (1) 51520-390

Günter Völker
 IT
 voelker@rcb.at
 Phone: +43 (1) 51520-280

Sabine Holzer
 Public Relations
 holzer@rcb.at
 Phone: +43 (1) 51520-214

Publisher's details

Owner and Publisher

Raiffeisen Centrobank AG
A-1015 Vienna, Tegetthoffstraße 1
Phone: +43-1-51520-0
Fax: +43-1-513 43 96
www.rcb.at

Concept and Graphic Design

Buero 16, Vienna
www.buero16.com

Text

Peter Hiess

Photos

Joachim Haslinger except the photo of
Dr. Rothensteiner (Klaus Vyhnalek)

Production

Lindenau Productions, Vienna

For further information

Sabine D. Holzer
Phone: +43-1-51520-214
holzer@rcb.at

