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# Sanctioning Russia's War: The Case of Raiffeisen Bank International

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# Speakers



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# B4Ukraine Coalition

Advancing Corporate Responsibility for Conduct  
in Russia

B4Ukraine  WHAT'S NEW WHAT WE DO TAKE ACTION OUR REPORTS ABOUT US   



## B4Ukraine Business Outreach

We continuously engage with  
companies still in Russia promoting  
a responsible exit strategy

B4Ukraine 



217  
Letters sent



39%  
Response rate



10%  
Meeting rate

★ ★ ★

## Risks and Considerations for Doing Business in the Russian Federation and Russia- Occupied Territories of Ukraine

OTHER RELEASE

BUREAU OF EUROPEAN AND EURASIAN AFFAIRS

FEBRUARY 23, 2024

## Summary

The United States assesses that doing business in the Russia Federation and in Russia-occupied territories of Ukraine poses serious legal, financial, and reputational risks.

## Continued Corporate Presence

- 1,600 companies remain - nearly 3/4 of those with Russian subsidiaries at the start of 2022
- Generated >\$196.9bn in revenue; \$16.8bn in profit in 2023
- Ca. \$41.6bn taxes paid to Kremlin since full-scale invasion

## Sectoral Contributions

- Most significant contributor: Fast-Moving Consumer Goods (FMCG), generating \$587.5bn in revenue & paying \$1.5bn in profit taxes. Alcohol/tobacco & food/beverages also significant.
- Banks played a pivotal role in sustaining Russia's economy:
  - Austria's Raiffeisen Bank International (RBI) was the largest corporate taxpayer in Russia in 2023, contributing \$491m — more than twice that of the second-largest contributor.
  - Other significant banks incl. Italy's UniCredit, Hungary's OTP, China's ICBC, U.S.-based Citigroup.





# RBI in Russia: A Brief Overview

- Active since 1996, by far the largest and most profitable foreign bank in Russia
- Considered “systemically important” by Russian gov’t
- One of Russia’s only remaining banks with SWIFT access
- Under heightened regulatory, public and financial pressure
- Announced plans to sell subsidiary and exit Russia in March 2022; plans have stalled and fallen through



## Introduction

On February 24th, 2022, Russia launched a full-scale illegal ground invasion of Ukraine, escalating an already ongoing decade-long war on the Ukrainian people. Over the past two and a half years, this campaign of military aggression has claimed the lives of hundreds of thousands of soldiers on both sides, killed tens of thousands of Ukrainian civilians, forced millions of people to flee their homes, and levelled Ukrainian cities across the country.<sup>1</sup>

Next to providing extensive military support to the Ukrainian government, most Western countries have coordinated to economically punish Vladimir Putin’s autocratic regime for its assault on Ukraine. More than 1000 companies,<sup>2</sup> too, have joined in this effort and have pulled out of Russia to avoid financing and legitimising this war of aggression.

Russia has been faced with coordinated, targeted sanctions and boycotts, which seek to deprive the Kremlin of the funding needed for its war effort. These measures also seek to amplify pressure on Putin’s regime by de-normalizing the war in the eyes of the Russian population and ensuring the Kremlin faces diplomatic and economic isolation as a consequence for its invasion of Ukraine.

The Russian financial sector, too, has been severely affected by boycotts and sanctions. Russian banks have been removed from the payment network SWIFT and “disconnected from the international financial system”, making it much harder for their Russian customers to do business abroad.<sup>3</sup> Additionally, most large Western banks have ended their Russian operations and stopped serving retail customers in Russia by selling or shutting down their Russian units: France’s Société Générale sold its Russian business in April 2022, while the US’ Citigroup, which started reducing its Russian services immediately after the invasion, closed its last branch in November 2024.<sup>4</sup>

However, despite the legal, financial, reputational, and operational risks, a few Western banks and financial institutions continue to do business in Russia. They provide the financial architecture enabling the war on Ukraine and propping up the Russian economy; they pay hundreds of millions in taxes to the Russian regime, some of which is allocated to Russia’s defence sector; and they are forced to assist in sending their employees to the frontlines as soldiers. These banks also knowingly or unknowingly play a significant role in weakening global economic pressure on Russia by allowing their customers to do business abroad and escape the conditions

## Western Banks Sent Billions in Cash to Russia on Eve of Ukraine Invasion, Data Shows

Raiffeisen Bank International AG [+ Add to myFT](#)

## Raiffeisen Bank trumpets Russia growth plans in dozens of job ads

Austrian lender, which has pledged to exit Russia, orders internal probe following FT findings

**Bloomberg**

Politics

### Raiffeisen Bank Clients in Russia Help Supply Putin's War Machine

- Clients include chemical firm supplying Putin's arms industry
- Bank amassed €4.4 billion of profit that is stuck in Russia



# RBI & Russia's War: Failed Disengagement

- RBI's failure to act, sanctions risks, market conditions in Russia make sale impossible
- RBI refuses to close Russian unit without sale
- Alternative plan: Business reduction per ECB orders; "policies and procedures to be in compliance with all applicable sanctions"
- Current strategy is seriously flawed: No clear exit plan; public investigations cast doubt on business reduction & compliance policies

# Raiffeisen Capital – a Sanctions Risk?

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- RBI's "fully consolidated" asset manager Raiffeisen Capital continues to operate as normal in Russia
- Russian mutual fund filings in March 2025 expose ca. €337m of investments in sanctioned Russian companies
- Ca. \$27m in Russian MinFin bonds issued after 9 March 2022 (EU 833/2014 cutoff date)
  - Ca. \$20m purchased after introduction of EU "best efforts clause"
- Exposes serious potential gaps in sanctions compliance policies

## Raiffeisen Bank International subsidiary still invested in sanctioned Russian entities, find BankTrack and B4Ukraine

Austrian banking group's Russian asset manager holds mutual funds with investments in Sberbank, Gazprom, government bonds

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### Raiffeisen Bank subsidiary still invested in sanctioned Russian entities



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# Raiffeisen Capital – Managing the Risks

- No clear response to press/NGO inquiries about sanctions risks:
  - *“Please note that RBI maintains policies and procedures to be in compliance with all applicable EU, US and UK sanctions.”*
- Despite multiple queries, board failed to provide investors with insight into compliance policy implementation at AGM
- Raiffeisen Capital website modified & all financial documents deleted since publication of report

## Raiffeisen Bank Under Fire: Austrian Activists Demand Bank Cut Ties with Russia

NEWS

Austrian activists protested against Raiffeisen Bank International for continuing business in Russia and allegedly financing its war in Ukraine, following reports that the bank delivered billions in cash to Russia just before the 2022 invasion.



: Attac Austria  
or



# EU 'Best Efforts' Obligation – What it Means for Raiffeisen

## *Article 8a*

Natural and legal persons, entities and bodies shall undertake their best efforts to ensure that any legal person, entity or body established outside the Union that they own or control does not participate in activities that undermine the restrictive measures provided for in this Regulation.

- Beyond avoiding violations: “circumvention” vs. “undermining”
- Key trigger: **effective control**
- EU commentary highlighting increased risk environment operating in Russia
- Example of required actions under “best efforts”:
  - Ongoing due diligence & risk assessments
  - Sanctions training & compliance programs
  - Clear internal mechanisms & reporting systems

# Questions

## Let's Discuss!



# Additional Resources

- [Raiffeisen bank subsidiary still invested in sanctioned Russian entities](#), BankTrack and B4Ukraine
- [Burning the Bridge - Why Raiffeisen Bank Must Leave Russia](#), BankTrack and B4Ukraine
- [Western Banks Sent Billions in Cash to Russia on Eve of Ukraine Invasion, Data Shows](#), Organized Crime and Corruption Reporting Project and Paper Trail Media
- [Raiffeisen Bank Clients in Russia Help Supply Putin's War Machine](#), Bloomberg

# THANK YOU FOR ATTENDING!

If you would like to learn more or have any questions, please contact  
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