

PRESS RELEASE
of HYDRA ASSOCIATION
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Information on filed criminal announcement against Czech and Austrian companies of the Raiffeisen banking group for possible financing or support of terrorism committed by the Russian Federation through their subsidiaries companies operating in the Russian Federation and controlled from Austria

Invitations to the Czech, Austrian and EU investigative authorities to create an international investigative team in relation to activities of Raiffeisen banking group in Russian Federation

Call on European NGOs to file similar criminal complaints against companies operating in the Russian Federation controlled by parent companies from EU countries

The Association for the Rights of Citizens and Entrepreneurs (hereinafter referred to as the **HYDRA Association**) - for the purpose of supporting the efforts of the **European Central Bank¹**, which is trying to persuade companies belonging to the **Raiffeisen banking group**, uniformly managed on a consolidated basis by parent entities from the Republic of Austria², **to leave the Russian Federation** – informs that it made the following announcements and invitations.

HYDRA Association:

- (1) informs that it has **filed criminal announcements concerning Czech and Austrian companies from the Raiffeisen banking group**, which have or had contractual relations with companies from the same group operating in the Russian Federation, **for possible suspicion of committing criminal acts of financing a terrorist organisation called the Russian Federation³ or supporting terrorism organisation carried out by the Russian Federation on the territory of Ukraine⁴**;
- (2) informs that it has submitted invitation to the EU authorities, such as **EUROJUST, EUROPOL and the European Public Prosecutor's Office (EPPO)** to translate its English version of the criminal announcement into the relevant languages of the EU countries in which **Raiffeisen Group companies operate**, such as Slovakia, Hungary, Romania or

¹ The pressure on Raiffeisen Bank International is increasing. The ECB demands its departure from Russia, 24. 3. 2023, 11:07, Adam Kahánek, server novinky.cz: https://www.novinky.cz/clanek/ekonomika-tlak-na-raiffeisen-bank-international-sili-ecb-pozaduje-jeji-odchod-z-ruska-40426756#dop_ab_variant=0&dop_source_zone_name=novinky.sznhp.box&source=hp&seq_no=1&utm_campaign=abtest217_krokovy_redesign_feedu_varA&utm_medium=z-boxiku&utm_source=www.seznam.cz

² As defined in the published consolidated annual financial statement of the Czech subsidiary of the Raiffeisen banking group (Raiffeisenbank a.s.) for the year 2021, p. 310 (<https://or.justice.cz/ias/ui/vypis-sl-detail?dokument=75894972&subjektId=445917&spis=74749>)

³ Within the meaning of § 312d of the Czech Criminal Code and § 278d of the Austrian Criminal Code.

⁴ Within the meaning of § 403 of the Czech Criminal Code.

Croatia, and called on the public prosecutor's offices in these EU countries to start ex-officio investigations of Raiffeisen Group companies operating in these EU countries for possible suspicions of similar criminal acts;

- (3) informs that it has invited the European Commission, EUROJUST, EUROPOL, and the European Public Prosecutor's Office (EPPO) as well as the Czech and Austrian law enforcement authorities to start cooperation with the Attorney General of the United States of America, who has already begun to investigate the Raiffeisen Group in the United States for similar reasons, and together with their American colleagues, to create an international investigation team regarding the activities of the Raiffeisen Group in the Russian Federation and its financing of the Russian Federation as a terrorist movement or terrorist group;
- (4) informs that it has invited the Single Resolution Board of the European Union and the European Central Bank to investigate the impact of the sanctions and the mentioned possible criminal charges on the Raiffeisen Group and their possible effect on the stability of the financial market in the EU, if one or more companies of the Raiffeisen Group operating in the EU were accused or convicted by the competent authorities of the EU Member States of one or more of the aforementioned criminal acts of which it may be suspected;
- (5) calls on individuals or non-governmental organizations in EU countries to file similar criminal charges against parent or subsidiary companies of multinational groups operating in the Russian Federation but managed from EU countries⁵, which help 'connected' companies from the same group operating in the Russian Federation to generate profit there and to transfer parts of this profit to the budget of the Russian Federation, which uses them to finance war and terrorist crimes by Russian soldiers and mercenaries on the territory of Ukraine;
- (6) calls on employees of the Raiffeisen Group who have an ethical or moral awareness to work in such a way that the companies of the Raiffeisen Group in the Russian Federation do not generate any taxable profit or turnover in this country or possibly follow the example of other employees who are already associated for ethical reasons linked to the financing of the Russian Federation by the Raiffeisen group, they left this group.⁶

⁵ List of companies which have not yet left Russia created by the Yale University, updated on 18 August 2023: <https://som.yale.edu/story/2022/over-1000-companies-have-curtailed-operations-russia-some-remain>

⁶ A comment of Michal Zuna, a former employee of the Czech subsidiary of the Raiffeisen Group, who has recently left this bank: „After 21 years, I'm leaving @RaiffeisenCZ '€659 million is the amount the bank paid in taxes in Russia. €100 million of that is excess profit tax, an extraordinary tax that is supposed to be used to pay salaries to Russian soldiers.

I will not support a bank that supports Russia's war..’ https://twitter.com/michal_zuna/status/1689996677841641472?t=r5Rkw8lKndY_yfmAynaITA&s=09; in the same speaks an owner of a Czech company Isolit-Bravo: „The owner of the Isolit-Bravo company says that from the negotiations with the banker, he also got the impression that a number of top representatives of the Czech branch

The suspicions are in a nutshell based on the hypothesis, which the aforementioned competent law enforcement authorities are invited to investigate, that **the Czech and Austrian companies of the Raiffeisen banking group - by means of financing through intra-group transactions or by providing support to the Russian subsidiaries of the Raiffeisen banking group - help these Russian companies of the Raiffeisen group to create profit and pay taxes to the budget of the Russian Federation; the Russian Federation then finances its war and terrorist crimes in Ukraine from this budget.**

As a result, Raiffeisen Group companies operating in EU Member states such as in the Czech Republic or Austria may commit possible criminal acts of "financing a terrorist organization" and/or "providing support to a terrorist organization". **The Russian Federation can be considered a terrorist organization, at least from the point of view of Czech criminal law.**

According to information from public sources, **the Raiffeisen Group companies present in the Russian Federation generated profit for 2022, from which they transferred approximately EUR 660 million (EUR 560 million per day from the income of legal entities and EUR 100 million from the tax on excess profits) to the state budget of the Russian Federation⁷**, from which the Russian Federation finances its invasion of Ukraine and the commission of war and terrorist crimes on the territory of Ukraine.

According to leading Swedish economic commentator Anders Åslund „***the whole West should sanction Raiffeisen International Bank for willingly supporting Russia's war of aggression in Ukraine. Raiffeisen had time to get out of Russia - as Societe Generale did - but did not take it. It is guilty.***”⁸

The HYDRA Association shares these principled ethical positions of the European Central Bank and the other persons mentioned above. **The HYDRA Association therefore requests the aforementioned competent authorities of the Czech Republic, Austria, the EU and possibly other EU member states to immediately use their powers and immediately take the necessary measures in the field of administrative or criminal law against the Raiffeisen Group in connection with the financial contributions of its Russian companies to the Russian budget Federation, in close cooperation with the Office of the Attorney General of the United States of America.**

do not agree with the continued business in Russia. "When I talked about all this with the Czech managers, they told me that they don't like it either, that they sympathize with us," businessman Kvido Štěpánek described the situation. "I'll give them another month." The Czech businessman is pressuring the bank to leave Russia - Seznam Zprávy (seznamzpravy.cz), <https://www.seznamzpravy.cz/clanek/domaci-politika-dam-jim-jeste-mesic-cesky-byznysmen-tlaci-na-banku-aby-odesla-z-ruska-228897>

⁷ https://twitter.com/DefenceU/status/1686624631656992768?t=4kvYANOOT2t_cM5ZCoeoDA&s=09

⁸ https://twitter.com/anders_aslund/status/1686854579776897024?t=zfvIGcUEQ5I-Y6P1kRCEw&s=09

Annex

List of filed criminal announcements on suspicion of possible commitment of criminal offenses and other announcements

The HYDRA Association has filed with various Czech, Austrian and EU authorities an announcement of suspicion of commitment of possible criminal acts by various entities of the Raiffeisen banking group in the Czech Republic and Austria, related to the financing and/or support of a terrorist organisation under the name Russian Federation.

- (1) Announcement to the High Prosecutors Office in Prague of suspicion of commitment by entities of Raiffeisenbank Czech Republic of possible criminal acts of:
 - (a) financing of terrorism under § 314d of the Czech Criminal Code, and/or
 - (b) supporting of terrorism under § 403 of the Czech Criminal Code;
- (2) Announcement to the Austrian Federal criminal office (Bundeskriminalamt) and to the Federal State Prosecutor Office of the suspicion of commitment by entities of Raiffeisenbank Austria of the possible criminal act under § 278d of the Austrian Criminal Code;
- (3) Announcement to the European Public Prosecutor Office of the suspicion of possible commitment of above-mentioned criminal acts to assess whether the possible commitment of those acts could have an influence on the application of EU funds which those entities are possibly administering, treating or otherwise advising to third persons on how to use them;
- (4) Invitation to EUROPOL and EUROJUST to coordinate prosecution activities of the authorities referred to under points (1) – (3) and possibly establish a contact U.S. enforcement authorities unless such contact is established by the European Commission;
- (5) Invitation to the Vice-President of the European Commission Mr. Frans Timmermans to establish communication with EUROPOL, EUROJUST and U.S. enforcement authorities and take patronage over this cooperation;
- (6) Invitation to the Single Resolution Board of the European Union and the European Central Bank to investigate the impact of the sanctions and the mentioned criminal charges on the Raiffeisen banking group and their possible impact on the stability of the financial market in the EU, if one or more companies of the Raiffeisen banking group operating in EU countries, which are uniformly managed and carrying out its activities on a consolidated basis, are accused or convicted by the competent authorities of the EU Member States of one or more of the above-mentioned criminal offenses of which it may be suspected.

Moreover, the HYDRA Association sent an information about the above to the prosecution team of the U.S. enforcement authorities with a request to establish cooperation in relation to prosecution of Raiffeisen Group with the European Commission/EUROJUST/EUROPOL/national criminal law enforcement teams of Czech, Austrian and possibly of other countries.

The possible commission of the above-mentioned criminal acts under Czech or Austrian law is not conditioned by the finding of a violation by any of the companies of the Raiffeisen banking group of any of the sanctions imposed on the Russian Federation.