

Sunlight comes from the flaming shield that Dazhdbog carries with him. By day, the Sun is in the real world, Yav, while at night, Nav, is in the underworld. An amulet in the form of two stallions' heads represented the daily and nightly movements of the celestial light, and protects a house day and night.



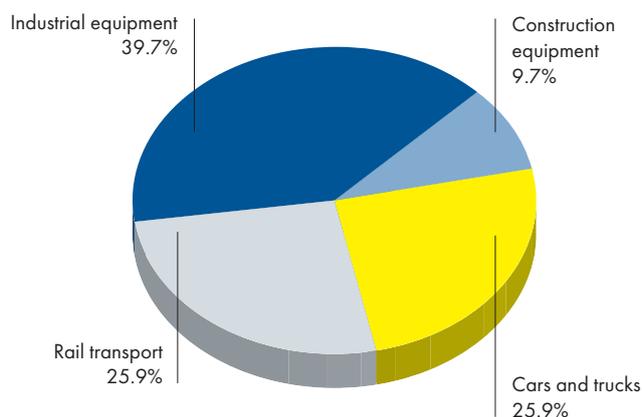
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Subsidiary Companies

OOO Raiffeisen-Leasing

Last year tested the strength of Russia's leasing market. Raiffeisen-Leasing maintained its leading positions among universal leasing companies with foreign ownership thanks to sound solutions, a solid development strategy, and a strong safety margin accumulated during 10 years of successful operations.

Raiffeisen-Leasing's portfolio structure as of 31 December 2009



Source: Raiffeisen-Leasing

In 2009, Raiffeisen-Leasing completed new deals for a total of RUR 481 million, with funds going toward asset purchases by key clients with whom the company has worked successfully for many years. As of end-2009, the leasing portfolio stood at RUR 7.6 billion.

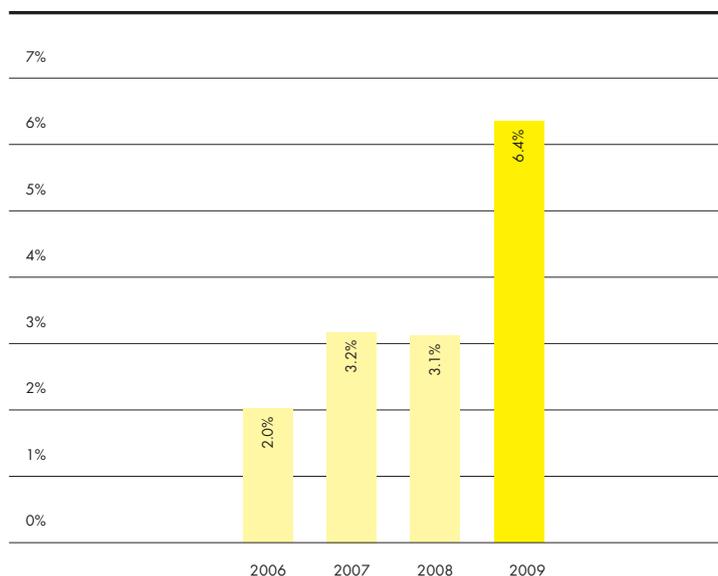
Raiffeisen-Leasing has always focused on portfolio quality and liquidity, and successfully incorporates the experience of Raiffeisen Group amid rapidly changing external factors, allowing the company and its clients to greatly reduce the impact of economic downturn on their business activity.

Raiffeisen-Leasing's 2010 strategy included expanding new business, increasing its market share, and further improving its service to clients.

Raiffeisen Capital Asset Management Company

The year 2009 was the most successful in Raiffeisen Capital's five-year history. Although the Russian asset management market experienced serious difficulties reflected in significant outflows from open unit investment funds, the company more than doubled its client base and outpaced its main competitors in the growth rate of assets under management.

Market share of Raiffeisen Capital, %



Source: Investfunds.ru

* Among open unit investment funds

Last year, Raiffeisen Capital was the only major Russian collective investments market player to achieve a positive result in attracting money to open funds. Raiffeisen Capital took four of five first places in the unit investment fund ratings for money raised in 2009, when open funds raised roughly RUR 1.3 billion compared to an outflow of RUR 11.6 billion. The success was due to high-quality funds management, with profitability generally above that of competitors throughout the year, and higher than comparison group indices, as well as to improved sales channel efforts and new products jointly with Raiffeisenbank. Last year, the qualifications and competence of Bank staff selling investment products improved significantly, contributing greatly to our overall success.

The company also achieved strong results managing the funds of institutional clients, particularly non-state pension funds: over the past two years the profitability of these funds' reserves exceeded 30% annual, one

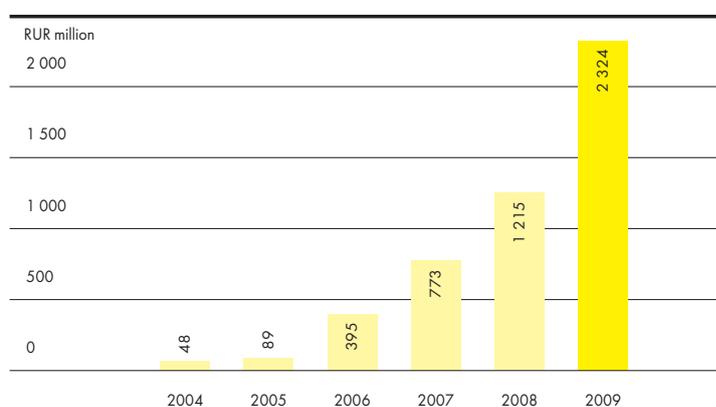
of the best results among Russian management companies during the period. In 2009, the volume of institutional client assets under management by Raiffeisen Capital rose 50%. Raiffeisen Capital also showed its investment strength at the global level: equity fund Raiffeisen-Russland Aktien, co-managed by RCM, Austria with Raiffeisen Capital achieved the highest yield in 2009 among funds registered in Austria – 168.1%.

These achievements boosted Raiffeisen Capital's share of the local collective investment market: in 2009, the company's market share among open unit investment funds managed rose over 2X to 6.4%, as it moved from 8th to 6th place among major operators.

This year Raiffeisen Capital hopes to increase its market share to 7.5% by expanding its product line for individual clients as well as working more closely with institutional clients. Last year's strong results and its desire to further develop them allow Raiffeisen Capital to look to the future with confidence.

Non-State Pension Fund Raiffeisen

Total assets managed by NPF Raiffeisen



Source: NPF Raiffeisen

In 2009, the Russian government continued to pursue pension reform. A number of legislative acts were passed, significantly changing the Russian pension system from 1 January 2010. The changes affect employers as well as current and future retirees. A key element is valorising citizens' pension rights and adding social payments for non-working retirees, increasing pensions to more attractive levels. Employers' unified social tax will be replaced by insurance payments to the Russian Pension Fund, the Russian Social Insurance Fund and the Mandatory Medical Insurance Fund, with administrative responsibility transferred from the tax authorities to the funds themselves.

NPF Raiffeisen – Highlights

In 2009, the number of participants in NPF Raiffeisen's private pension programmes rose to 38.8 thousand people. The number of corporate clients servicing their pension programmes with the Fund reached 111.

In 2009, a total pension payouts were RUR 12.8 million; 371 people received private pensions from NPF Raiffeisen.

In 2009, more than 9 thousand insured people transferred the accrued portion of their labour pension to NPF Raiffeisen, and the total number of insured people choosing the Fund as insurer reached 34.7 thousand people.

NPF Raiffeisen founder's contribution rose to RUR 313 million in 2009.

By the end of 2009, the total assets under management of NPF Raiffeisen increased 2 times and reached more than RUR 2.3 billion, including RUR 1.2 billion in pension reserves and RUR 1.1 billion in pension accumulations.

NPF Raiffeisen received the following ratings:

- AA- (very high reliability, level 3) from the National Rating Agency (NRA) for its Q2 2009 results;
- A (high level of reliability) from Expert RA for its Q2 2009 results.

Managing Pension Reserves and Pension Accumulations

In 2009, the Fund continued to work with asset management companies chosen to invest pension accumulations and reserves in 2008.

For investment of pension accumulations NPF Raiffeisen worked with Allianz ROSNO Asset Management OJSC, ZAO UFG INVEST, Kapital Asset Management LLC and JSC URALSIB-Wealth Management.

Investment of the Fund's pension reserves was handled by Raiffeisen Capital LLC Asset Management Company, Kapital Asset Management LLC, ZAO UFG INVEST and RENAISSANCE CAPITAL ASSET MANAGEMENT COMPANY LTD.

Regional Development

In 2009, new software was installed in ZAO Raiffeisenbank's branches to sell pension products including private pensions and mandatory pension insurance, and handled documentation for the state co-financing programme.

As of end-2009, NPF Raiffeisen's agent network included 182 sales outlets for pension products at Raiffeisenbank branches in 47 regions of Russia.

Regional Development

Last year, Raiffeisenbank continued developing its Russian regional network to improve client service quality, increase profitability and its share of main market segments, and improve the efficiency of regional divisions.

Network development included:

- Opening new branches;
- Expanding existing facilities;
- Moving to new offices.

Last year, a total of 28 projects were implemented:

- Ten new additional offices were opened in Vladivostok, Kaliningrad, Kursk, Novosibirsk, Krasnodar, St. Petersburg, Yekaterinburg and Rostov-on-Don;
- Seven additional offices were opened in Moscow;
- Office space was increased in Perm, Volgograd and Yekaterinburg;
- Eight regional offices moved to new premises in Nizhny Novgorod, Ivanovo, Izhevsk, Omsk, Novorossiysk, Volzhsk, Chelyabinsk and Belgorod.

The Bank also worked to improve network efficiency by modernizing a number of sales outlets, and either closing less productive outlets or moving them to new premises.

As of end-2009 Raiffeisenbank was present in 47 regions, 71 towns and cities, and had 211 sales outlets (including 88 in Moscow).

The Bank intends to further develop its regional network over the long term. Development plans for 2010 include about 10 projects nearing completion and 20 at the development stage. These efforts should enhance the Bank's regional operations and promote long-term relations with clients desiring quality banking services.

Corporate Responsibility

Corporate responsibility is an inalienable part of Raiffeisenbank's corporate culture. As a participant in the sustainable development of society the Bank adheres strictly to the principles of responsible business conduct:

- Openness and transparency when working with partners, clients, staff and the government; strict observance of Russian law;
- Creating good work conditions for staff; providing social benefits and opportunities for development;
- Participation in public life through charitable programs which provide support for less privileged members of society, as well as initiatives in the areas of sport and culture.

Charitable Programmes

The Bank is developing an extensive charity programme at the federal level, and in the regions. The main areas of development in 2009 were: assistance to handicapped people of all ages; help for the elderly and war veterans; assistance for orphans; social adaptation and schooling for homeless children; and medical aid for children with serious illnesses.

Last year, the Bank supported a number of charities and non-profit organisations in Moscow, and the regions where it operates:

- Raiffeisenbank was general partner for the SMS marathon "You are not Alone!" with the funds collected going to UNICEF to equip a special facility for deaf and blind children from a children's home in Sergiev Posad;
- The Bank continued to support "Children's Villages SOS," financing the maintenance of a home in the Tomilino children's village;
- The Bank provided support for a social adaptation and educational programme "ROOF Educational Centre for Orphans," which provides children out of orphanages with a decent basic education while motivating them to learn and helping them to overcome psychological barriers and complexes;
- Raiffeisenbank provided assistance for the creation of family-oriented arts and craft workshops for disabled children and their parents under the "New Opportunities" project in Orenburg;
- The Bank supported the renovation of premises provided by the Orenburg government for special workshops where disabled children and their parents can acquire new work skills; purchases included sewing and plumbing equipment;
- We provided support for disabled athletes at the Wheelchair Sport Dance World Cup in the Netherlands;
- We also provided material assistance for the "Illustrated Books for Small Blind Children" fund's publication of a series of special books for blind and sight-impaired children using three-dimensional illustrations;
- We helped fund the Central Writers' Home's meeting between Moscow children and WWII veteran authors to celebrate the 64th anniversary of the end of World War II;
- We helped the charitable organization EveryChild buy special rehabilitation equipment for disabled children;
- As official partner of the 54th Eurovision competition we organised access for over 500 children from orphanages to visit rehearsals and performances of the show, which was held for the first time in Moscow;
- We participated in the charitable fundraising cycling event "Red Square" to help Russian children with Down syndrome;
- We supported an art studio for disabled children run by the St. Petersburg charitable organization "Prospects" helping young people with cerebral palsy develop their creative talents through art, theatre and music;

- Our assistance included purchasing Adeli suits used for resistive exercises and to promote mobility;
- We participated in a charitable mini-football tournament, with the funds going to assist Russian children with Down syndrome;
- We provided material support to the Samu Social, which helps young children and teenagers left to fend for themselves on the streets of Moscow.

In 2009, Raiffeisenbank again took part in the programme “Charity instead of gifts.” The Bank reduced its purchases of New Years gifts, allocating the funds saved to the “Children’s Villages SOS” fund.

We believe it is very important to involve our staff in our charitable work, and our “Together We Can Help!” programme gives each employee the opportunity to contribute to the common cause. Under the programme employees make personal financial contributions and the Bank doubles the total amount raised.

An important aspect of the programme is that employees are expected to participate in the selected project as volunteers. So far, three projects have been realised, and in each case the funds raised significantly exceeded the initially required amount.

In 2009, staff collected funds for the children’s division of the Tuberculosis Dispensary in Saransk to supply schoolrooms and playrooms with new furniture. Once again, the funds collected more than covered the costs, so it was decided to replace the dispensary’s windows; the premises are under renovation and, in October-November, 15 windows were replaced. In December, the facility received the new class and recreational furniture.

Cultural Initiatives

In the area of arts sponsorship, Raiffeisenbank seeks to promote a common cultural space between Russia and Europe, and to support outstanding initiatives that are innovative in the Russian cultural context.

In 2009, the Bank sponsored a number of significant cultural projects:

- International musical festival “Mozart in Moscow” in the Rachmaninoff Hall of the Moscow Conservatory;
- “KomMissiya,” a cartoon festival bringing together over 500 artists working in the genre from various countries;
- Eurovision 2009, held for the first time in Moscow at the Olympic Sports Complex;
- “Usad’ba Jazz”, a large open-air jazz festival at Archangelskoe outside Moscow;
- “Euroreadings”, a special project of the 4th Moscow International Book Festival;
- “Jazz in the Provinces” in Voronezh, Stary Oskol, and Kursk;
- Moscow international children’s theatre festival “Big BreakFest”;
- The “New European Theatre” festival, the theme of which was the 20th anniversary of the fall of the Berlin Wall;
- 1st Russian-European festival of short films “27+ One”.