

COMPOSER

# CHRISTOPHE GLUCK



He is one of the best known composers of his era. Even though he belonged to the classical school, in his works he denied old opera traditions, which can be seen in his works, especially *Orpheus and Eurydice*. Unlike with operas of the past, Gluck seeks integrity and wholeness of music and text, which creates a new opera aesthetic. Gluck's operas turn into musical dramas.

"Before getting down to work, I try to forget that I am a musician", Gluck once said. These words describe his innovative approach to operas best of all.



OPERA SINGER

# LEONID SOBINOV

He was one of the first Russian lyrical tenor singers to create an image that was uniform in its vocal and dramatic interpretation. Sobinov paid considerable attention to words, musical speech, and gestures. As a consequence, he was recognized one of the best performers of the role of Orpheus in Gluck's *Orpheus and Eurydice*. Sobinov had a flexible, exquisite voice of rare beauty and a soft quality, which was even in all registers. He mastered his voice and breathing perfectly, and *Orpheus and Eurydice* he overcame the tessitura of high notes easily. The singer's repertoire included more than 40 roles. As a director, he staged *Café Society* by Giacomo Puccini and by Christoph Gluck in the Bolshoi Theater.

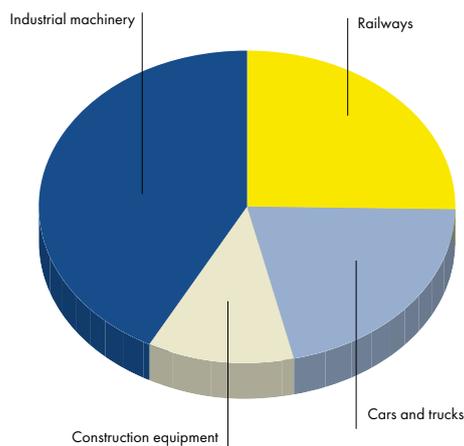


# Subsidiary companies

## OOO Raiffeisen-Leasing

Within recent years, OOO Raiffeisen-Leasing has managed to develop a reputation of a reliable business partner by building up a unique team of highly skilled professionals and forming a large customer base.

### Leasing portfolio structure



Source: OOO Raiffeisen-Leasing

In 2010, OOO Raiffeisen-Leasing signed 579 new leasing agreements in the amount of RUR 3 030 million.

The leasing portfolio amounted to RUR 6 383 million includes:

- 40.31% industrial machinery;
- 28.4% railways;
- 20.18% cars and trucks;
- 11.11% construction equipment.

Currently OOO Raiffeisen-Leasing is one of the leading universal foreign leasing companies in Russia. It is one of the TOP20 largest companies in the leasing industry. OOO Raiffeisen-Leasing has an advanced branch network with a highly experienced team.

OOO Raiffeisen-Leasing works together with the largest companies in different industries, aiming for further dynamic development.

Last year clearly showed that owing to competent management and its mature strategies, the company successfully handled with the impact of negative factors keeping on strengthening its dominant position within the local leasing market.

OOO Raiffeisen-Leasing is entering new decade with an optimistic attitude and high financial strength, in an effort to improve its positions in the leasing market.

The essential strategic guidelines of the company for 2011 include staff development, the customer-orientated approach, the quality and liquidity of the leasing portfolio, and market-share gain.

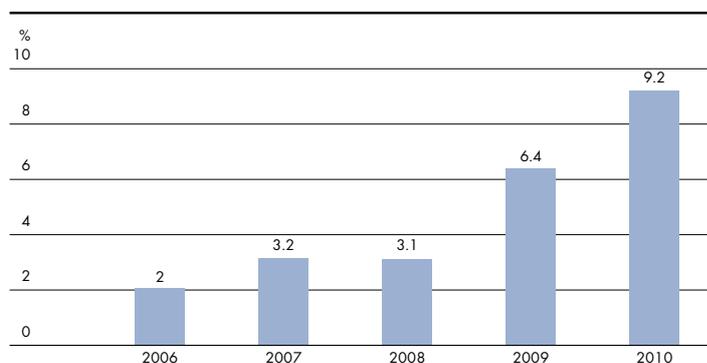
## Raiffeisen Capital Asset Management Company

In 2010, Raiffeisen Capital Management maintained the high growth rate of 2009, and for the second consecutive year was the undisputed leader on the Russian collective investments market. The net value of the funds raised by the company in its mutual funds reached RUR 2.6 billion, which was a record. At the same time, the industry as a whole experienced an outflow from mutual funds of RUR 355 million. The number of clients of the asset management company increased by 1.6 times and exceeded 40 000 shareholders. Four funds managed by Raiffeisen Capital Management got into the top 10 most popular retail funds amongst investors in 2010.

The strengthening of Raiffeisen Capital's leading position was made possible thanks to the continuation of its successful partnership with Raiffeisenbank in the improvement of the sales channels and the introduction of new products, primarily interval funds. In November, the "Raiffeisen — Precious metals" commodity

market interval fund managed to raise RUR 132 million in one day during subscription. This was the most successful introduction of an interval fund for the past several years. The partnership with the Premium Banking Division developed fast: during the year the sales of funds in this segment grew steadily and by the end of the year exceeded 40% of all sales. The share of regional sales of funds also significantly increased.

#### Market share of Raiffeisen Capital (in open-mutal funds)



Source: investfunds.ru

The excellent results achieved in the management of institutional client funds over the past three years enabled new clients to be attracted in 2010, including the Pension fund of JSC AvtoVAZ and the Endowment Fund of the European University at St. Petersburg. In 2010 the total assets of institutional clients under the management of Raiffeisen Capital Management increased by 1.6 times.

For the second consecutive year, Raiffeisen Capital Management achieved excellent results in asset management at the international level: in 2010 the Raiffeisen equity fund — Russland Aktien, managing the company together with Raiffeisen Capital Management, produced the best performance among European funds focused on Russian stocks and denominated in euros.

All this enabled Raiffeisen Capital Management to significantly strengthen its position on the Russian collective investments market: in 2010 the market share of the company by size of the open-end mutual funds under management increased by 1.4 times and reached 9.2%. The company moved from sixth to third place among the largest operators of mutual funds.

In 2011, the company plans to further increase its market share of open-end mutual funds to 12%, to expand its retail product range, primarily due to foreign securities funds, and to work more closely with institutional clients.

## Non-State Pension Fund Raiffeisen

### Economy and sector overview

2010 turned out to be difficult for the Russian pension system and the pension industry: as both the country and the world they were recovering from the global financial crisis. The government however lived up to all its promises: state pensions were increased by 23% while the relevant budget expenditures grew 45% yoy.

The year saw a continued discussion on the interim results of the pension reform and the future of the pension system in Russia, with particular focus on 2nd Pillar products.

Despite the crisis, in 2010, a range of measures was taken to add more weight to social insurance in the structure of the pension system:

- The unified social tax was abolished and individual insurance premiums for mandatory pension insurance were reinstated (earlier abolished in 2001);
- The tax rates were unified for all types of employers;
- Administration of insurance premiums was returned to the Pension Fund of the Russian Federation, the regressive scale was scrapped and a cap was put in place to exempt annual wages over RUR 415 thousand from the social tax payment, its size to be annually updated.

## **The operating performance of the Fund**

In 2010, the Fund almost doubled its 2nd Pillar customer base, signing 17 000 new accounts (as compared to 6 000 new accounts in 2009). While doing so, however, the Fund never compromised the high quality standards — it holds the first place among non-captive funds by average 2nd Pillar account balance.

The number of corporate clients reached 111, major Russian and international companies among them.

Overall, the Fund services 74 000 customers: 33 000+ 2nd Pillar and 40 000+ 3rd Pillar accounts.

As of the end of 2010, the total AuM (assets under management) of the Fund exceeded RUB 4 bln, growing more than 1.7 times over the year.

According to the results of 2010, the Fund holds:

- 1st place — in terms of pension savings (PS) on the personal account of policy holders in the compulsory pension insurance scheme amongst the largest NPFs with more than 1 500 insured persons;
- 17th place — in terms of the size of the aggregate contribution of the founding parties of the fund amongst the NPF's working in the compulsory pension scheme;
- 16th place — in terms of pension savings amongst the NPFs working in the compulsory pension scheme;
- 25th place — in terms of pension reserves (PR);
- 20th place — in terms of PS + PR;
- 63rd place — in terms of assets designated to secure the charter of the fund.

## **Organisation**

In 2010, the organisational structure of the Fund was overhauled, a lot of new talent was brought on board to strengthen the team.

## **Risks**

The audit confirmed the high level of reliability of the fund in terms of operational risk control. The Fund holds high reliability:

- an A rating ("a high level of reliability") assigned on 30.11.2009 from Expert Rating Agency
- an AA rating ("a very high level of reliability") assigned on 5.24.2010 from National Rating Agency

## **Technology**

In 2010, the Fund launched a remote access information service that enables the corporate customers and their employees check their pension accounts on-line. In 2011, this service will be made available for all the customers of the Fund.

The first stage of the Front-Office System upgrade project, aimed at boosting its capacity and enhancing the functional capabilities, was successfully completed. This will lay a foundation for developing the retail network and increasing the sales volume.

## **Prospects**

The Fund is planning to implement a sales and servicing enhancement strategy based on interactive technologies' utilisation. Development of both agent sales and own retail network is one of the priorities for the coming year.

## Raiffeisen Life Insurance Company LLC

For Raiffeisen Life Insurance Company, 2010 was the first full calendar year in which it sold life insurance programmes. The company now offers a wide range of services in the field of bank insurance for customers from all three retail segments of Raiffeisenbank. Raiffeisen Life's products have become an integral part of the product line of Raiffeisenbank, complementing the other products and enabling customer needs for long-term savings and financial protection to be met.

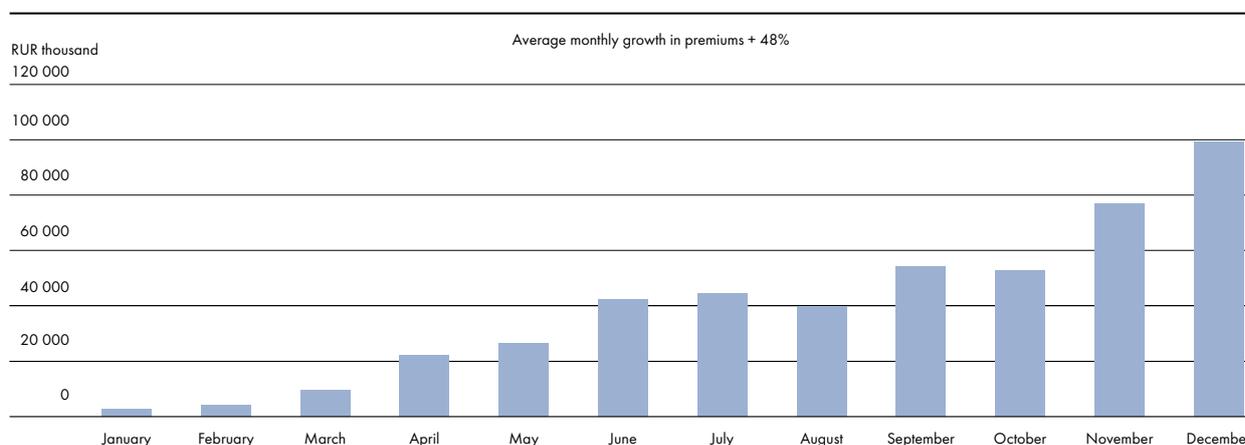
A number of important projects were implemented in 2010, which were focused on creating the best solutions to meet the individual needs of customers, namely:

- the creation of a special product line for Private clients, which meets the most demanding requirements of the clients;
- the opening of 7 regional offices which replicate the structure of Raiffeisenbank, as well as the recruitment and training of Sales Development Managers for Raiffeisen Life in every region of Russia to better identify and meet customer needs;
- the introduction of an integrated IT system to simplify and speed up the processing and servicing of insurance policies, as well as to ensure accurate actuarial accounting and the high security of personal data;
- the completion and signing of agreements between Raiffeisenbank and UNIQA companies, which resulted in Raiffeisenbank entering the shareholding structure of Raiffeisen Life, with a 25% share in its authorized capital.

The main objective of Raiffeisen Life Insurance Company is to fully meet the needs of the customers of Raiffeisenbank in life insurance. The company's strategy for 2011 includes improving and expanding the product range, increasing the insurance coverage, simplifying the sales systems and introducing additional information services aimed at improving the quality of customer service, such as SMS-payment notification. In 2011, Raiffeisen Life will continue its expansion in order to be closer to its customers.

The insurance premium for 2010, roubles.	474 231 801
The number of insured persons as of 31.12.2010 (cumulative total).	41 717
The number of customers who received payments in 2010.	10
The value of the payments in 2010.	2 261 795
Ranking according to <a href="http://www.fssn.ru">www.fssn.ru</a> — the official site of the Federal Service for Insurance Supervision.	9 place (in the third quarter of 2010).

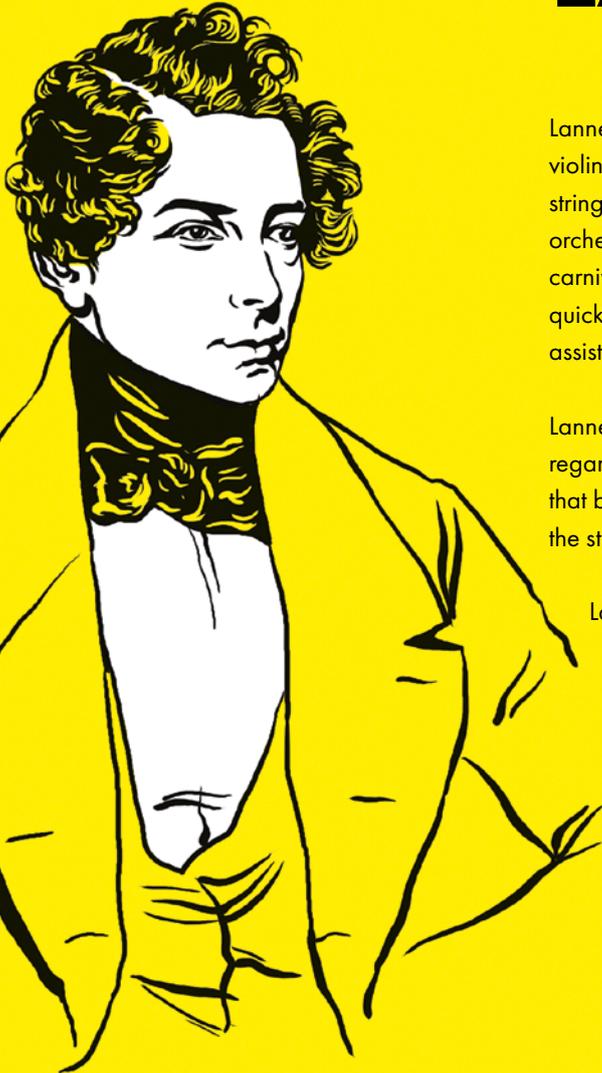
### The Insurance Premium for 2010



Source: Raiffeisen Life Insurance Company LLC

COMPOSER

# JOSEPH LANNER



Lanner was an Austrian composer, conductor and violinist. At the age of 19, he was the leader of his own string quartet, and in four years he rose to lead a small orchestra. This orchestra played dance music at Vienna carnivals and municipal events, becoming popular very quickly Lanner invited Johann Strauss to become his assistant to work with a smaller orchestra.

Lanner's creative legacy is very extensive: he is regarded as the founder of the classical Vienna waltz that became an independent genre. It is in his works that the structures typical of waltz were found.

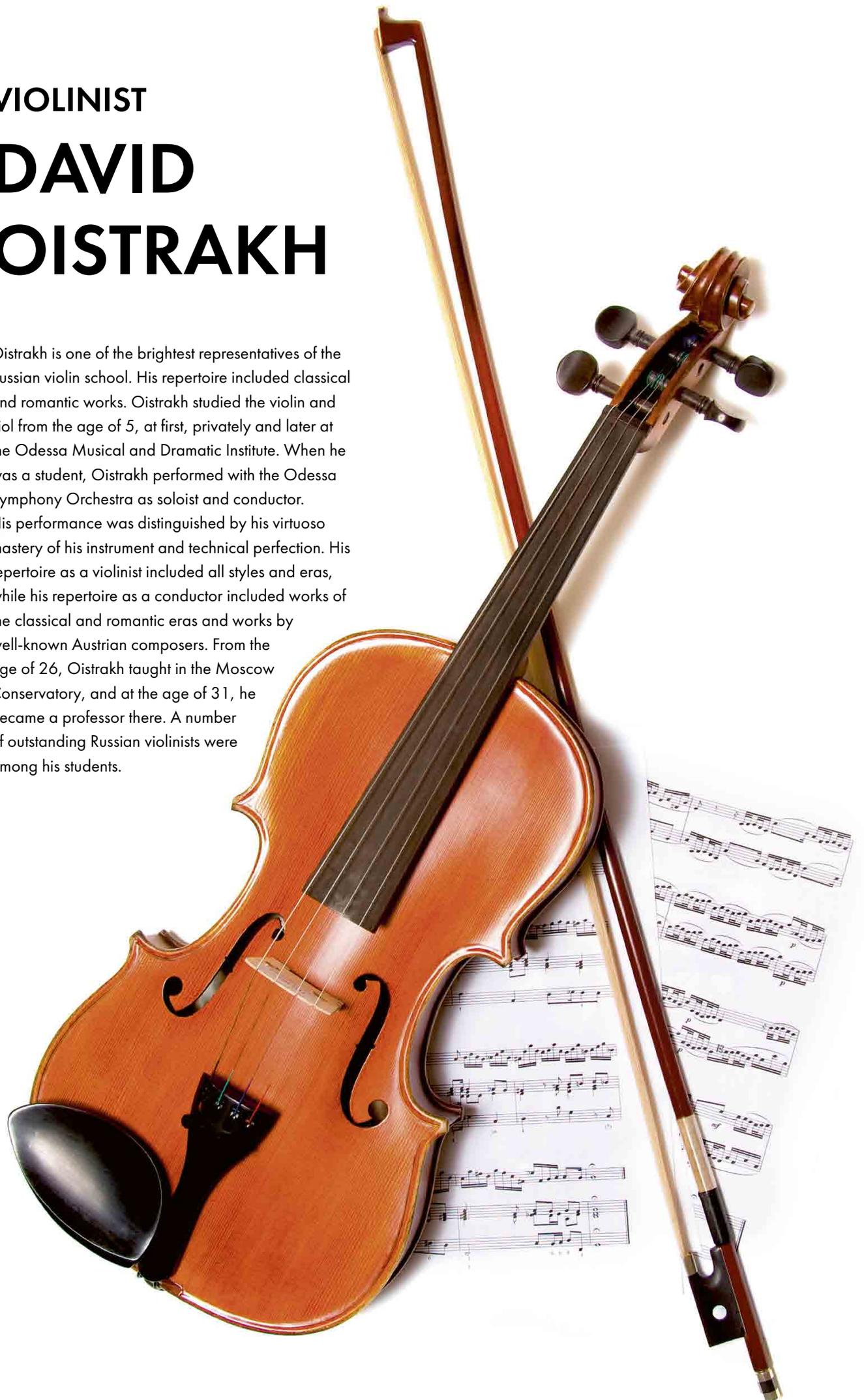
Lanner wrote more than 100 works – waltzes, polkas, cotillions, and marches.



VIOLINIST

# DAVID OISTRAKH

Oistrakh is one of the brightest representatives of the Russian violin school. His repertoire included classical and romantic works. Oistrakh studied the violin and viol from the age of 5, at first, privately and later at the Odessa Musical and Dramatic Institute. When he was a student, Oistrakh performed with the Odessa Symphony Orchestra as soloist and conductor. His performance was distinguished by his virtuoso mastery of his instrument and technical perfection. His repertoire as a violinist included all styles and eras, while his repertoire as a conductor included works of the classical and romantic eras and works by well-known Austrian composers. From the age of 26, Oistrakh taught in the Moscow Conservatory, and at the age of 31, he became a professor there. A number of outstanding Russian violinists were among his students.



# Corporate Responsibility

Raiffeisenbank has traditionally paid a lot of attention to its corporate responsibility programme. The Bank's corporate responsibility is based on the awareness of the staff members of their citizen responsibilities, and the personal desire of each employee to participate in the sustainable development of society.

The main principles of Raiffeisenbank in the field of corporate social responsibility are:

## **Transparency in business**

Openness and transparency in working with partners, clients, employees and public authorities are important priorities for Raiffeisenbank. Information which the Bank discloses on its activities enables the risks to be impartially assessed and decisions to be made on long-term cooperation. The Bank strictly complies with all the regulations and requirements of Russian legislation.

## **The Responsible Employer status**

Raiffeisenbank is a responsible employer, which creates a good working environment for its employees, provides employment benefits and a competitive compensation package. The Bank has developed and continues to update its training and staff development programmes. In an effort to improve the social welfare of its employees, Raiffeisenbank is creating a corporate pension plan.

## **Support for vulnerable people and participation in projects focused on the sustainable development of society**

The Bank's mission in the charitable field is:

- To help first and foremost those groups in need, which, because of societal stereotypes receive the least support;
- To involve employees in charitable activities;
- To not capitalize on advertising opportunities in the charitable field;

The Bank's mission in the sponsorship of cultural events is:

- To support initiatives that help create a unified cultural space between Russia and Europe;
- To support innovative projects that have a high level of organization and are of great importance for the development of culture and society;
- To support initiatives that can bring the most promotional benefit for the Bank.

## **Charitable programmes**

The main areas in which the charitable work of Raiffeisenbank expanded in 2010, were in the support of people with disabilities of all ages and categories, and the social adaptation of children left without parental care. In addition, in the anniversary year of the victory in World War II, the Bank paid considerable attention to supporting veterans.

As part of its charitable work in helping people with disabilities, in 2010 Raiffeisenbank supported the regional society of disabled people "Perspektiva." Perspektiva is focused on protecting the rights of persons with disabilities. It also helps them to find employment, holds seminars and other inclusive education programmes, and it also supports people with disabilities of all ages and types in other ways.

As part of its policy of social responsibility, in 2010 the Bank made the strategic decision to reduce the debt load for customers with disabilities by reducing penalty fees. On 1 January 2011, the Bank introduced a system in which the accrual of penalty fees and late payment charges is individually reviewed

for customers who are in a difficult situation. On the International Day of Persons with Disabilities, the employees of Raiffeisenbank's largest business outlets in Moscow went to work wearing white ribbons as a sign of their support for the disabled.

Not for the first year, Raiffeisenbank supported the fund "Illustrated Books for Small Blind Children." In 2010 we supported this organization again, being aware of the importance of helping children with various degrees of disability.

In 2010, Raiffeisenbank started working with "The Russian Assistance Fund" (founded by the daily Russian newspaper Kommersant). The Fund provides assistance to children who require expensive medical treatment. The feature of this organization is that it does not have its own funds, but simply acts as an intermediary between the donor and the child in need.

Once again, Raiffeisenbank supported the organization "SOS Children's Villages", and took care of all the maintenance costs of a house in the village of Tomilino. "Children's Villages SOS" is an international social organization working in 132 countries. For more than 60 years, the organization has been working for the benefit of children left without parental care or at risk of abandonment. There are more than 1 300 children under the care of the organization in Russia in St.Petersburg, Vologda, Pskov, Murmansk, Orel and the Moscow regions.

The Bank continued to support the programme "The Educational Centre for Orphaned Youth ROOF", whose aim is to provide orphans with quality comprehensive education.

As part of the in-house charitable programme "Together We Can Help!" in 2010, Raiffeisenbank helped purchase and install a water treatment system in the Burmakinsk dormitory of the special boarding school for orphaned youth and children left without parental care, located in the Yaroslavl region. Since the amount of funds collected significantly exceeded the original target, the unspent funds from the Bank were put towards the installation of new windows in the boarding school.

In 2010, the Bank worked with the "World Wildlife Fund" (WWF). As part of the "Live Office" programme, the fund advised the Bank on various ways to improve its activities in order to mitigate its impact on the environment.

### **Cultural Initiatives**

In 2010, the Bank supported a number of significant cultural initiatives. One of the biggest projects was the large open-air jazz festival "Usadba.Jazz", which the Bank has traditionally supported. The festival was held on the first weekend of summer in Arkhangelskoe. In 2010, on five stages, over a hundred performers and musicians from almost every continent played jazz from traditional to the most avant-garde and unexpected forms.

In addition, in 2010 the Bank continued to support the KomMissia festival of comics, which took place in the capital for the ninth time and is one of the top-five largest comics festival in Europe.

The Bank also sponsored the New European Theatre (NET) international festival. Established in 1998, this festival brings various European theater groups to theatrical stages across the capital. The festival is one of the most important cultural events of the autumn in Moscow and it commands respect in the international theater community.

Also in 2010 the Bank sponsored the Big Break festival, the International Festival of Theatre for Children. Established in 2007, the festival shows presents the best performances for children from all over the world. The Big Break festival presents the best Russian and foreign children's shows, which are traditionally selected by the organizers during the year.