

Russia

MARKET REVIEW

During 1998–2010, the National Research University – Higher School of Economics (Moscow) surveyed the results of the activities of all of the largest, and most of the remaining leasing market operators in Russia. The results of the scheduled annual analysis undertaken to survey the activities of leasing companies in the Russian Federation indicate that 2010 was a successful year for the leasing business.

Doubling of volume. The figures showed that the leasing industry began to emerge from the acute financial crisis. However, the most successful level seen in 2007 has not yet been reached, although the gap did narrow by 26% (see Table 1). It is thought that in 2010 the development trend of the industry will surpass the pre-crisis level in 2011. If this prediction is confirmed, it would mean that the crisis has stunted development of the Russian lease for four years.

Over the period from 1998–2010, the volumes of leasing operations in Russia totalled US\$138.1bn (at current prices). This figure is not adjusted for changes in the value of money over time. Leasing business in Russia has been growing at a geometrical-average annual rate of 42.4% (before crisis) and 28.6% (for the whole period).

However, at the time of writing this article (mid-2011) it is difficult to predict the dynamics of the Russian leasing industry for 2012 and subsequent years. This is largely due to the Ministry of Finance's intentions to justify the abolition of privileges for leasing on an accelerated depreciation rate no higher than three.



Dr Victor Gazman, author of this article.

As reported in a hearing in the State Duma of the Russian Federation on February 18, 2011, analysis indicates that excess funds in the budget over funds received as a benefit of leasing, were almost three-fold, i.e., the budget proved the benefits of leasing in Russia. As a result, the deputies at the State Duma hearing stated that the legislators were in favour of a mechanism for the application of accelerated depreciation in leasing.

Leasing market penetration. In 2010, the gross domestic product (GDP) of the Russian Federation amounted to US\$1,482.5bn (R/US\$ – 30.314) (US\$1,255.6bn in 2009; US\$1,674.8bn in 2008) and according to the official data of the Federal State Statistics Service, increased by 15.9%. Investments into fixed capital assets rose by 14.7%.

The total foreign investments allocated in the non-financial sector of the economy, excluding monetary and credit-ing institutions, commercial banks, and

Leasing services

Afin Leasing Vostok (Iveco Capital), Ltd

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Agrointersnab, Inc.

ul. Tkachev, d.13A, office 310, 400087, Volgograd, Russia. Tel: +7 (8442) 379 683; Fax: +7 (8442) 379 292. General Manager: Arzamastseva, Nina.

Activities: Member of the Russian Leasing Association (Rosleasing).

Agrosnabtechservice, JSC

Factory Street 14, 630007 Novosibirsk, Russia. Tel: +7 (383) 223 0843; Fax: +7 (383) 223 7626; Email: kolos@rvcom.ru; Website: www.rsm-asts.ru. General Manager: Anatoly V. Zhukov.

Activities: Agricultural machinery. Member of the Russian Leasing Association (Rosleasing).

Agrosoyuz-Market, Inc.

Dubki, promuzel Zorinsky, 2, 410506, Saratov, Russia. Tel: +7 (8452) 624 286; Fax: +7 (8452) 624 576; Email: info@rsm-agromarket.ru; Website: www.rsm-agro-market.ru. General Manager: Gennady Gerasimov.

Activities: Leasing of agricultural machinery. Member of the Russian Leasing Association (Rosleasing).

AgroTehTsentr, Inc.

8, Passage of Engineers, 432072, Ulyanovsk, Russia. Tel: +7 (8422) 200 611/870. General Director: Alexander M. Dolgov.

Activities: Member of the Russian Leasing Association (Rosleasing).

Air Company 'Atlant-Soyuz' Incorporated

2 Building, Tsentralnaya Street, Moscow 119027, (Vnukovo International Airport), Russia. Tel/Fax: +7 (495) 436 7045; Website: www.atlant-soyuz.ru. Chief Executive Officer: Evgeny Bachurin;

Direct Tel: +7 (495) 436 7045 (Ext: 328); Email: evgeny.bachurin@atlant-soyuz.ru; Head of Fleet Management: Tatiana Sazonova; Direct Tel: +7 (495) 436 7045 (Ext: 304); Email: tatiana.sazonova@atlant-soyuz.ru.

Activities: The airline acts as lessee and owner of aircraft providing passenger transportation services (regular and charter flights).

AKKORtechservice, Ltd

st. Zipovskaya, 10, 350072 Krasnodar, Russia. Tel: +7 (861) 257 0757/242 9429; Email: akkor23@mail.ru; Website: www.techleasing.narod.ru. Director: Ella V. Kudayar.

Activities: Member of the Russian Leasing Association (Rosleasing).

Allen & Overy Legal Services

Dmitrovsky pereulok 9, 107031 Moscow, Russia. Tel: +7 (495) 725 7900; Fax: +7 (495) 725 7949; Email: information@allenoverly.com; Website: www.allenoverly.com. Contact Partners: Tony Humphrey; Stephen Matthews; Irina Mashlenko.

Activities: International legal practice with 31 offices in 22 countries. Advises on all types of domestic and cross-border leasing (both tax based and non tax based) across the board in ship, aviation and rail finance as well as in the leasing of almost every other capital asset including containers, cranes, and commercial vehicles as well as other asset classes and categories.

Table 1: Leasing in Russia (1998–2010)

Year	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Value of leasing contracts concluded: US\$m	1,180	1,300	1,415	1,960	2,320	3,640	6,750	8,510	17,080	32,850	26,400	10,450	24,240
Changes compared to the preceding year:													
US\$m	220	120	115	545	360	1,320	3,110	1,760	8,570	15,770	-6,450	-15,950	13,790
%	22.9	12.7	8.8	38.5	18.4	56.9	85.4	26.1	100.7	92.3	-19.6	-60.4	132.0

savings banks, amounted to US\$114.746bn.

According to our estimates, the share of leasing operations in GDP (real) in 2010 was 1.62% (2009 – 0.84%); the share of leasing operations in investments in production assets was 7.7% (2009 – 4.0%); and the share of the leasing of machinery, equipment and transport vehicles in the total volume of investments in such assets made up 17.0% (2009 – 8.8%).

According to Leaseurope data for 2010,¹ and the author's own data, Russia occupies fifth place in Europe (after Germany, the UK, Italy and France) in terms of new leasing business (€15,422m, excluding VAT). Russia's share of European leasing is 6.44%.

It is worth remembering that 90% of new leasing business in the Russian Federation is in Europe, especially in European cities – Moscow and Saint Petersburg (54%).

The refinancing rate of Russia's Central Bank. Lease pricing has for the most part tracked with bank lending rates. The refinancing rate of the Central Bank has clearly traceable cyclicity (Table 2). As the crisis escalated, rates increased. Then the Central Bank began the gradual process of reduction. As a result, the rate has reached historic levels in the Russian

Federation – 7.75%. At the beginning of 2011, alarming signals once again appeared in the reduction of liquidity and inflationary growth, and the annual rate, which rose by 0.5 percentage points.

Activities of leasing market operators. In practice, many Russian leasing companies have managed not only to copy, but also to successfully adapt the experience of countries with developed leasing industries.

In 2005, Russia had 24 leasing companies, with new business volumes in excess of US\$100m; in 2006 there were 39; in 2007 there were 50; in 2008 there were 53; in 2009 there were 18; and in 2010 there were 30, including five with new business volumes over US\$1,000m, three of which being the largest in Russia – VEB-Leasing, Sberbank Leasing, VTB-Leasing – at over US\$3bn (see Table 3).

A large amount of new leasing business in Russia (approximately 12.5% in 2010) is represented by agreements executed between Russian lessees and leasing companies established in Russia as residents with a 51%–100% interest owned by investors from various countries such as Germany, France, Italy, the UK, the US, Austria, the Netherlands, Sweden, etc.

It is assumed that the intention of the Ministry of Finance on the repeal of ben-

Leasing services

American Appraisal

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Activities: American Appraisal is recognized for establishing best practices in fixed asset management.

American Appraisal

1st Khvostov per., 11A, Moscow 109180, Russia. Tel: +7 (495) 795 2450; Email: moscow@american-appraisal.com; Website: www.american-appraisal.com. Managing Director: Alexander Lopatnikov; Email: alopatnikov@american-appraisal.com.

Activities: American Appraisal is recognized for establishing best practices in fixed asset management.

Andreas Neocleous & Co. LLC

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Activities: General practice. Company law (incorporation of companies, corporate management, mergers and acquisitions, insolvency); commercial law; international tax planning (individual and corporate trust services); insurance law; family law; civil and commercial litigation; arbitration (local and international); admiralty and shipping; international trade law; trade mark and patent law.

Argument, Legal support agency, Ltd

78 Dobrovolcheskoy brigady Street, 2, 660077 Krasnoyarsk, Russia. Tel/Fax: +7 (3912) 541 600; Email: lizing@argument.su; argum@online.su; Website: www.argument.su. General Director: Tatiana Y. Tregubova.

Activities: Attracting investment to the purchase and delivery of finance lease, in the areas of construction equipment, vehicles, railway, aircraft, industrial equipment, and fuel equipment. Member of the Russian Leasing Association (Rosleasing).

Astragroleasing, Ltd

Sovetskoy Gvardii str., 9, Astrahan, 414013, Russia. Tel: +7 (8512) 579 701/578 788. Director: Doldaev Badma Borlaevich.

Activities: Member of the Russian Leasing Association (Rosleasing).

Athens Leasing Vostok (Iveco Capital), Ltd

Cosmonaut Volkov, 10, p.1, 125171, Moscow, Russia. Tel: +7 (495) 504 0445; Fax: +7 (495) 504 0446; Email: info@ivecofinance.com; Website: www.iveco.com. General Manager: Tatyana V. Goncharov.

Activities: Leasing services. Member of the Russian Leasing Association (Rosleasing).

AvtoAgroMash, Inc.

Derbenevskaya nab., 11, korp.B., 4th Floor, office 401B, 115114, Moscow, Russia. Tel: +7 (495) 647 1397; Fax: +7 (495) 647 1396; Email: avtoagromash@list.ru. General Manager: Tyupenkin, Oleg D.

Activities: Member of the Russian Leasing Association (Rosleasing).

BA-DEC-Leasing, Ltd

Ufa, Kirov Street, 29, off.2, 450077 Bashkortostan, Russia. Tel: +7 (3472) 913 778; Fax: +7 (3472) 913 780; Email: office@badek.ru. General Director: Vladimir Kogan Vilenovich.

Activities: Member of the Russian Leasing Association (Rosleasing).

Baltic Leasing Group

22, letter A, BC 'Kellerman' ul. 10th Red Army, 190103, St. Petersburg, Russia. General Manager: Dmitry V. Corchagov.

Activities: Leasing of vehicles, equipment and machinery and real estate. Member of the Russian Leasing Association (Rosleasing).

BelgorodoblagroSNAB, Inc.

Nikolaya Chumicheva, 122, Belgorod 308014 Russia. Tel: +7 (4722) 262 918; Fax: +7 (4722) 266 425; Email: agroprom@belgtts.ru. General Director: Stefan I. Volosenok Ignatievich.

Activities: Member of the Russian Leasing Association (Rosleasing).

Bot Lease (Eurasia) Ltd

st. Butyrskiy Val d.68/70, building 1, office 63, 127055, Moscow, Russia. Tel: +7 (495) 988 1707; Email: ta_matsumura@botlease.ru; o.cheketa@botlease.ru; Website: www.botlease.ru. General Manager: Tadashi Matsumura.

Activities: Member of the Russian Leasing Association (Rosleasing).

Business Alliance ZAO

Legal Address: Nikoloyamskaya str. 44/18, Moscow, 109004; Mail Address: 53/6 Dubininskaya str., Moscow 115054, Russia. Tel: +7 (495) 645 4484/644 3200 (English Speakers); Fax: +7 (495) 644 3203; Email: info@lcb.ru; Website: www.leasing-ba.ru. General Director: Aleksey U. Akindinov.

Table 2: The refinancing rate of Russia's Central Bank (2008–2010)

Year	Jan.	Feb.	Mar.	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
2008		10.25		10.5		10.75	11.0				12.0	13.0
2009				12.5	12.0	11.50	11.0	10.75	10.5; 10.0	9.5	9.0	8.75
2010		8.5	8.25	8.0		7.75						
2011		8.0			8.25							

Table 3: Russian leasing companies that concluded new business volumes of more than US\$200m (2010)

No.	Leasing company	New production volumes for finance lease, US\$m
1	VEB-Leasing (Moscow)	3,506.9
2	Sberbank Leasing (Moscow)	3,250.6
3	VTB-Leasing (Moscow)	3,077.8
4	Gaztechleasing (Moscow)	1,217.0
5	TransCreditLeasing (Moscow)	1,182.0
6	Europlan (Moscow)	719.7
7	TransFin-M (Moscow)	476.2
8	Group Companies "Baltlease" (St. Petersburg)	428.0
9	Ilyushin Finance Co (Voronezh)	411.1
10	Gazprombank-leasing (Moscow)	401.4
11	GTLC (Moscow)	373.7
12	Carcade Leasing (Moscow)	252.1
13	DeltaLeasing (Vladivostok)	240.6
14	Group Companies "Interleasing" (St. Petersburg)	233.8
15	Group Companies "Severnay Veneziy" (St. Petersburg)	201.4

efits is to encourage leasing companies to build deals with operating leasing. However, it should be borne in mind that operating leasing is substantially a product which will require the restructure of leasing companies, shifting efforts towards forming material and repair bases, expanding service lessees, and assuming the risks associated with the correct assessment of the needs of the market in some form of long-term property leasing. In 2010, approximately 92% was spent on financial leasing transactions and over 8% of contracts were operating leasing transactions. Previously, the proportion of operating leasing was 2%–2.5%.

According to our survey, leasing companies are indeed providing substantial funding to small-sized enterprises, for example, Europlan (cost of property for lease, US\$445.2m) and Sberbank-Leasing (US\$306.5m). The share of leasing for small-sized enterprises in the total volume of leasing operations in Russia is more than 15%.

In practice many Russian leasing companies have managed not only to copy but also to successfully adapt the experience of countries with developed leasing industries.

Analysis shows that in 2010 more than 60% of new products were initiated by leasing companies affiliated with the State. This means that the State has been supporting leasing companies in the crisis, but has done so randomly.

At the St. Petersburg International Economic Forum (June 17, 2011), the President of Russia, Dmitry Medvedev

stated that: “Private business and private investment should dominate in the Russian economy. The state must protect the choice and assets of those who consciously decide to risk their money and reputation. We need to give them the right to make mistakes, and opportunities for drive and development. Moreover, we need to use our state companies to guarantee a modern and stable infrastructure for the economy’s development in general ... I think we need to give up not just controlling stakes but, in a number of cases, also blocking stakes in many big companies that are currently still state-owned today”.

“Outstandings”: According to our assessments, the “outstandings” figure, i.e., the total amount payable to leasing companies by lessees under current leasing contracts (the leasing companies portfolio) as at the beginning of 2011, totalled US\$33.345bn (US\$32.03bn at January 1, 2010; US\$41.25bn in 2009; US\$38.87bn in 2008; and US\$21.92bn in 2007).

However, these figures should not only be seen as quantitative growth. The quality of portfolios must also be taken into account. In 2010, leasing portfolio quality had risen compared with the previous year.

Information about the number of lessors in the range-group can be found in Table 5, and information about Russian leasing companies with “outstandings” over US\$300m can be found in Table 6.

The analysis of activities of leasing companies allowed us to determine the following ratio. According to our esti-

Leasing services

Business Car Leasing

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Capital Insurance, Inc.

Kievskaya Str. 7, Moscow 121059, Russia. Tel: +7 (495) 777 7701/620 9533; Fax: +7 (495) 620 9538; Email: cl@ifdk-insurance.ru; Website: www.ifdk-insurance.ru. General Manager: Rustan Aliyev Allahverdi oglu.

Activities: Insurance company operating in the domestic and international insurance markets. Member of the Russian Leasing Association (Rosleasing).

Capital Legal Services, LLC

Chaplygina House, 20/7 Chaplygina Street, Moscow 105062, Russia. Tel: +7 (495) 970 1090; Fax: +7 (495) 970 1091; Email: oneikova@cls.ru; Website: www.cls.ru. Managing Partner: Vladislav Zabrodin; Direct Tel: +7 (812) 346 7990; Email: vzabrodin@cls.ru; Senior Attorney: Elena Stepanova; Email: estepanova@cls.ru.

Activities: Provision of legal services, including drafting agreements, assessment of contract terms, due diligence of leasing companies, clients representation in contract negotiations, litigation in connection with leasing issues.

Carcade, Ltd

Stanislavskogo str, 21/3, 109004, Moscow, Russia. Tel/Fax: +7 (495) 933 8816; Email: carcade@carcade.com; Website: www.carcade.com. General Manager: Larisa Vlasov.

Activities: Leasing of vehicles for small and medium-sized businesses. Member of the Russian Leasing Association (Rosleasing).

Carr Investment Ltd.

Timerjavez str., 30, 614990, Perm, Russia. Tel: +7 (342) 210 5147/7084/7069; Email: invest@topcom.ru; Website: www.topcom-invest.ru. Director: Alex Makrushin Fomich.

Activities: Leasing company for machinery, equipment and motor vehicles. Member of the Russian Leasing Association (Rosleasing).

ChelIndLeasing, OOO

Krasnaya Str., 11, office 307, Chelyabinsk, 454091, Russia. Tel: +7 (351) 239 8448; Email: tazotova@chelindbank.ru; Website: www.chelindleasing.ru. Director: Taisiya A. Zotova.

Activities: Leasing company. Member of the Russian Leasing Association (Rosleasing).

OOO CHG-MERIDIAN Leasing

Jlyinka Str. 3/8, Building 5, Moscow 109012, Russia. Tel: +7 (495) 921 2115; Fax: +7 (495) 921 2116; Email: russia@chg-meridian.com; Website: www.chg-meridian.ru. CEO: Alexey Maluytin.

Activities: Leasing of information technology (IT) and telecommunication equipment independent of banks and manufacturers. As well as flexible financing, extensive services are offered.

CJSC ‘Europlan’

Bolshaya Sadovaya St., 5/12, Rostov-on-Don, Russia. Tel/Fax: +7 (863) 299 9350/9351; Email: asm@europlan.ru; Website: www.leasing.ru.

Activities: Leading Russian foreign capital independent automobile leasing company. For 12 years it has successfully financed 33000 small and mid-sized businesses and carried out over 80000 projects.

CJSC ‘Europlan’

Chelyuskintsev St., 2/5, Office 45, Ekaterinburg, Russia. Tel/Fax: +7 (343) 377 7898/7897; Email: asm@europlan.ru; Website: www.leasing.ru.

Activities: Leading Russian foreign capital independent automobile leasing company. For 12 years it has successfully financed 33000 small and mid-sized businesses and carried out over 80000 projects.

CJSC ‘Europlan’

Elkina st., 45, Block A, Office 1003, 1008, Chelyabinsk, Russia. Tel: +7 (351) 247 9442; Fax: +7 (351) 247 9441; Email: asm@europlan.ru; Website: www.leasing.ru.

Activities: Leading Russian foreign capital independent automobile leasing company. For 12 years it has successfully financed 33000 small and mid-sized businesses and carried out over 80000 projects.

CJSC ‘Europlan’

Srednemoskovskaya St., 31, 3rd Floor, Office 303, Voronezh, Russia. Tel/Fax: +7 (4732) 390 060/931; Email: asm@europlan.ru; Website: www.leasing.ru.

Activities: Leading Russian foreign capital independent automobile leasing company. For 12 years it has successfully financed 33000 small and mid-sized businesses and carried out over 80000 projects.

Table 4: New leasing business by type of lessor in 2009–2010 (%)

Group lessors	New business		Outstandings	
	2009	2010	2009	2010
For lessors, affiliated to the state	52.5	62.6	48.5	64.9
For lessors, established foreign banks and companies	17.9	12.3	17.4	9.6
All other lessors, established Russian businesses	29.6	25.1	34.1	25.5

Table 5: Outstandings of Russian leasing companies, for January 1 (2007–2011)

Range: US\$m	Number of companies				
	2007	2008	2009	2010	2011
From 100 to 200	14	25	22	21	16
From 200 to 300	7	12	11	9	6
From 300 to 500	10	12	15	7	7
From 500 to 1,000	7	7	9	6	2
More than 1,000	4	7	7	4	6
Total:	42	63	64	47	39

Leasing services

Table 6: Russian leasing companies with "outstandings" over US\$300m for January 1, 2011

No.	Leasing company	Outstandings, US\$m
1	VTB-Leasing (Moscow)	5,108.4
2	Sberbank-Leasing (Moscow)	2,177.6
3	VEB-Leasing (Moscow)	1,376.2
4	Ilyushin Finance Co (Voronezh)	1,185.9
5	Gaztechleasing (Moscow)	908.4
6	Group Companies "Business Alliance" (Moscow)	871.5
7	Avangard-Leasing (Moscow)	804.4
8	TGI-Leasing (Moscow)	670.7
9	TransCreditLeasing (Moscow)	610.9
10	UniCredit Leasing (Moscow)	545.9
11	Group Companies "Baltlease" (St. Petersburg)	457.9
12	Deutsche Leasing Vostok (Moscow)	448.4
13	Europlan (Moscow)	417.3
14	Caterpillar Finance (Moscow)	375.4
15	Raiffeisen-Leasing (Moscow)	351.1
16	Volvo Finance Service Vostok (Moscow)	334.7
17	Group Companies "Severnay Veneziy" (St. Petersburg)	333.0

mates, a few months after the beginning of the crisis, doubtful and problem receivables accounted for over 2% of the total lease market portfolio.

Doubtful receivables are known as payment overdue by the lessee for more than 30 days starting from the date of lease payment, but less than 60 days, as defined by the lease contract. Problem receivables are those with more than two sequentially missed lease payments as specified in the lease contracts.

By the end of 2009, total doubtful and problem receivables rose to 11.7%. Apparently, this was the culminating peak for poor leasing portfolios. By the end of 2010, the total slightly decreased, but, so far, remains very high at over 11%. Until this figure has been reduced by at least half, I do not believe it is possible to conclude that the Russian leasing industry has escaped the crisis.

An analysis of information on the non-fulfillment of obligations by the lessee and the actions of lessors in response to this allows us to make the following conclusion. Leasing companies, as a rule, try to avoid the last resort of conflict resolution – the courts. The majority of conflicts are resolved by negotiations with the lessee, which usually end with a review of the payment schedule or by the provision of staggered payments.

A leasing agreement may be dissolved in the courts (Point 2 of Article 450 and Article 619 of the Civil Code) in a case where the violation of the agreement is significant in nature, and also in other cases foreseen by the leasing agreement. These circumstances may include a two-time non-payment of the leasing payment.

The crisis has revealed an unsystematic way to operate the accounts receivable: no methods to manage the receivables; no instruments of property confiscation from unreliable lessees; poor preventive measures against overdue receivables (minimisation of amounts due, encouragement for on-time lease payment); and imperfection of organisational mechanisms in management solutions, legal protection, etc.

The crisis in the leasing industry became apparent in a combination of two negative, systematically interconnected factors: a credit pressing and an insolvency of lessees. Liquidity in global markets in 2010 has gone up.

Three strategies of interaction with problem lessees are now being used by Russian lessors: debt restructuring; termination of lease contract and lease asset confiscation from unobliging lessees; and lessees' bankruptcy origination and leasing companies claim settlement as creditors in lease deals.

Portfolio toxicity was partially lowered thanks to prematurely terminated lease contracts. However, sometimes early contract termination and asset confiscation from insolvent lessees took place with no adequate assessment of property liquidity price given. It is easier to cancel the deal rather than put the property up for sale in order to pay off the principal and the interest of the debt. In this case, leasing companies may end up with withdrawn property, a depreciated and non-liquid asset.

Basel II and Basel III. The crisis has revealed an imperfection in the applied methods of risk assessment in lease projects, including those based on scoring models. A real necessity has occurred for

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Activities: Leading Russian foreign capital independent automobile leasing company. For 12 years it has successfully financed 33000 small and mid-sized businesses and carried out over 80000 projects.

CJSC 'Europlan'

Geroev Stalingrada pr-t, 72, 3rd Floor, Volgograd, Russia. Tel/Fax: +7 (8442) 498 151; Email: asm@europlan.ru; Website: www.leasing.ru.

Activities: Leading Russian foreign capital independent automobile leasing company. For 12 years it has successfully financed 33000 small and mid-sized businesses and carried out over 80000 projects.

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Activities: Leading Russian foreign capital independent automobile leasing company. For 12 years it has successfully financed 33000 small and mid-sized businesses and carried out over 80000 projects.

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Activities: Leading Russian foreign capital independent automobile leasing company. For 12 years it has successfully financed 33000 small and mid-sized businesses and carried out over 80000 projects.

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Activities: Leading Russian foreign capital independent automobile leasing company. For 12 years it has successfully financed 33000 small and mid-sized businesses and carried out over 80000 projects.

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Partizan Zheleznyak St., 35 'A', 9th Floor, Office 9-01, Krasnoyarsk, Russia.

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CJSC 'Europlan'

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Activities: Leading Russian foreign capital independent automobile leasing company. For 12 years it has successfully financed 33000 small and mid-sized businesses and carried out over 80000 projects.

CJSC 'Europlan'

Vnukovskaya st., 2, Business Center 'Pulkovo Sky', Office 903, St Petersburg, Russia. Tel: +7 (812) 458 5757; Fax: +7 (812) 458 5665; Email: asm@europlan.ru; Website: www.leasing.ru.

Activities: Leading Russian foreign capital independent automobile leasing company. For 12 years it has successfully financed 33000 small and mid-sized businesses and carried out over 80000 projects.

CJSC 'Europlan'

Jukov Marshal St., 8, Office 510, Stavropol, Russia. Tel: +7 (8652) 264 131; Fax: +7 (8652) 260 699; Email: asm@europlan.ru; Website: www.leasing.ru.

Activities: Leading Russian foreign capital independent automobile leasing company. For 12 years it has successfully financed 33000 small and mid-sized businesses and carried out over 80000 projects.

CJSC 'Europlan'

Parkhomenko St., 156/3, Office 1115, Ufa, Russia. Tel/Fax: +7 (347) 292 4407/6418; Email: asm@europlan.ru; Website: www.leasing.ru.

Activities: Leading Russian foreign capital independent automobile leasing company. For 12 years it has successfully financed 33000 small and mid-sized businesses and carried out over 80000 projects.

leasing companies to modify the methods, improving all risk-management systems. Control mechanisms laying down the foundations of lease project management solutions will come together.

With Basel III to replace Basel II, the time has now come to generate a new system of bank standards that would regulate financial institutions, including leasing companies, and suggest recommendations in accounting and credit risk control (default losses – 35% of credit risk exposure with reimbursement and 65% of credit amount).

As with any other financial deal, leasing is accompanied by a certain level of risk for each side in the leasing agreement. Nevertheless, in Russia leasing allows suppliers to increase their sales, provides lessees with a mechanism to acquire much-needed assets and stimulates the economy through capital investment. It allows the parties to a leasing deal to allocate risk according to their own needs.

Basel II was adopted on the assumption that it should increase the sensitivity of capital to risk of credit loss as it requires banks to increase levels of capital for those borrowers who are assessed as having a high degree of credit risk. Naturally, the new requirements for banks had a direct impact on the activities of lessors.

However, Basel II overvalued the trust probability calculation of VaR (vector autoregression) models within advanced approaches. For credit risk, the interpretation of data by the Basel Committee experts shows that a deviation from the VaR threshold is likely once in a thousand years. Russia is not found in the forecast models, which reflects that for all banks, the systemic risk of exposure to a crisis is once every seven or eight years. I believe that from a managerial point of view, projections can be obtained in the calculation of VaR at the level of 85%–90%.

It is believed that Basel III would strengthen the financial sustainability of the world banking (financial) system by improving the quality, increasing the volume and consistency of banking capital and increasing bank liquidity reserves. Provided that the share capital of the first level in the total minimum capital will grow from the current 4% to 6% of risk-weighted assets and the share of equity capital in the first level will increase from 2% to 4.5%, the banks will require additional capital buffers (reserve and counter-cyclical) of 2.5%. As a result, the

minimum level of capital adequacy will increase to 8.5%, taking into account the requirements for creating additional reserves. The minimum level of overall capital adequacy will remain at 8% of the weighted risk assets of the bank level, but the capital buffer will reach 10.5%. The overall level of requirements as to the sufficiency of ordinary share capital, which includes capital by shareholders and retained earnings will rise to 7%.

Of course, these measures will lead to tighter regulation of financial institutions, including leasing companies in part borrowings and the formation of the proportions of the leasing portfolio. These circumstances will directly influence securitisation transactions of leasing assets and are likely to change requirements for Russian leasing companies in terms of the availability of their own capital. However, the question remains of how banks, followed by other financial organisations, including leasing companies, will be able to execute new Basel requirements.

Insurance of financial risks. Some leasing companies, when carrying out leasing operations, confine themselves to insurance of financial risks, meaning, first of all, the risk of final insolvency (bankruptcy) of the lessee; the risk of non-compliance by the lessee with its contractual obligation to make lease payments; the risk of the loss of income (profit) by the lessee due to forced interruption of business or idle time caused by the loss (damage) of the insured property.

As required by legislation, in such insurance policies the beneficiary (i.e., the leasing company) is named as the insured. Tariffs for such a type of insurance have considerably decreased and were at a level of 1.2%–2.8% per annum of the value of leasing contracts. Although it is an expensive type of insurance, it provides an interesting scheme for the minimisation of risks.

In the book *To Let*, part of *The Forsyte Saga* by John Galsworthy, it is very subtly commented that: “Insurance – one of the few cases in our soil, which must be fought without risk”.

A characteristic of the Russian leasing services market is a relatively high level of preparation of leasing contracts. We believe that in this respect Russian leasing companies do not lag behind their foreign colleagues. It is more likely that they are even ahead of their foreign colleagues in this respect because risks on the Russian market are higher.

Ratings. It will be necessary to arrange

Leasing services

CJSC 'Europlan'

Gagarin st., 46, 5th Floor, Business Center 'Lainer', Office 508, Perm, Russia. Tel/Fax: +7 (342) 257 0787; Email: asm@europlan.ru; Website: www.leasing.ru.

Activities: Leading Russian foreign capital independent automobile leasing company. For 12 years it has successfully financed 33000 small and mid-sized businesses and carried out over 80000 projects.

CJSC 'Europlan'

Frunze St., 80/18, 7th Floor, Office 726/8-9, Omsk, Russia. Tel/Fax: +7 (3812) 433 151/161; Email: asm@europlan.ru; Website: www.leasing.ru.

Activities: Leading Russian foreign capital independent automobile leasing company. For 12 years it has successfully financed 33000 small and mid-sized businesses and carried out over 80000 projects.

CJSC 'Europlan'

Frunze St., 80, 6th Floor, Office 617, Novosibirsk, Russia. Tel/Fax: +7 (383) 200 4112/4113; Email: asm@europlan.ru; Website: www.leasing.ru.

Activities: Leading Russian foreign capital independent automobile leasing company. For 12 years it has successfully financed 33000 small and mid-sized businesses and carried out over 80000 projects.

CJSC 'Europlan'

Shelkovichnaya St., 11/15, Floor 10, Saratov, Russia. Tel: +7 (8452) 246 699; Fax: +7 (8452) 246 999; Email: asm@europlan.ru; Website: www.leasing.ru.

Activities: Leading Russian foreign capital independent automobile leasing company. For 12 years it has successfully financed 33000 small and mid-sized businesses and carried out over 80000 projects.

CJSC 'Europlan'

Malaya Sukharevskaya Square, 12, Moscow, 127051, Russia. Tel: +7 (495) 960 2244; Fax: +7 (495) 960 2240; Email: asm@europlan.ru; Website: www.leasing.ru. President: Nikolay Zinoviev; Vice-President of Business Development: Mikhaylov Alexander.

Activities: Leading Russian foreign capital independent automobile leasing company. For 12 years it has successfully financed 33000 small and mid-sized businesses and carried out over 80000 projects.

Clifford Chance CIS Limited

Gasheka Street 6, Moscow 125047, Russian Federation. Tel: +7 (495) 258 5050; Fax: +7 (495) 258 5051; Email: moscow.office@cliffordchance.com; Website: www.cliffordchance.com/russia. Managing Partner: Jan ter Haar; Direct Tel: +7 (495) 725 6446; Email: jan.terhaar@cliffordchance.com; Partner/Leasing Sector Leader: Victoria Bortkevich; Direct Tel: +7 (495) 725 6406; Email: victoria.bortkevich@cliffordchance.com.

Activities: A leading global law firm providing a full scope of legal services for domestic and cross-border leasing transactions.

Complex Leasing, Ltd

2-nd Zvenigorodskaya str., 13, building 42, Moscow 123022, Russia. Tel: +7 (495) 739 0817/0818; Fax: +7 (495) 739 0819; Email: info@complex-leasing.ru; Website: www.complex-leasing.ru.

Director: Vladimir Yakovlevich Skoropupov.
Activities: Member of the Russian Leasing Association (Rosleasing).

Creative Leasing Company, Ltd

Panfilov St., 39 H. kab.307, 424003 Yoshkar-Ola, Russia. Tel: +7 (8362) 420 950; Email: velli@mbk.mari.ru. Director: Valery Bychkov.
Activities: Member of the Russian Leasing Association (Rosleasing).

Customer Leasing Company, Inc.

ul. Novozavodskaya, 18, k. 1, 121309, Moscow, Russia. Tel: +7 (495) 988 4646; Fax: +7 (495) 795 0674; Email: info@klk-leasing.ru; Website: www.klk-leasing.ru. General Director: Alexander Druzhinin Viniaminovich.

Activities: Member of the Russian Leasing Association (Rosleasing).

Dakt Engineering JSC

Smirnovskaya Str. 25, bl. 17, Moscow 109052, Russia. Tel: +7 (495) 673 3548/234 0320; Fax: +7 (495) 234 1923; Email: engineering@dakt.com. Director General: Yury P. Borisov.

De Lage Landen

Novaya Plochad 10, 109012 Moscow, Russia. Tel: +7 (495) 280 0170; Fax: +7 (495) 725 5831; Website: www.delagelanden.com/russia. Country Manager: Russian Almazov.

Activities: Specialised in asset-based financing programs for equipment manufacturers, dealers and distributors all over the world. Offering customers a single source for leasing, administration, risk and asset management solutions.

for the gathering and disclosure of information and for the assessment of risks by rating agencies. It is necessary for the purpose of selecting assets and forming high-quality portfolios. Only then will it be possible to implement a flexible policy in respect of profitability levels.

Financing costs are often higher in Russia than in Western Europe, the US and Japan. And many Russian leasing companies are interested in attracting funds. Inexpensive long-term resources mean lower-cost services, and lower-cost services are another competitive advantage.

One thing that can help ease those concerns is credit ratings, a service that is now beginning to appear. A rating reduces risk to a company's creditors and investors, which makes it easier for that company to attract fresh resources and expand its business. Ratings assigned by an independent rating agency are a compact, meaningful summary of the state of a company's business, and of its credit-worthiness.

We assume that rankings characterise the quantitative aspect of the lessor's business. Qualitative assessment is attained through ratings. Lessors' ratings have certain features predefined by their very lease nature. The logic of lease business speaks for the necessity of building a system of ranking and rating estimates for various practical purposes.

It is important to distinguish between the two types of lessors' ratings. The first type of rating is based on coefficients, characterising the financial stability of the leasing company. These ratings are used by creditors as decision-makers in allocating funds to finance a specific project on certain terms. Some features are distinctive for lessors. The thing is

that a leasing company may not stick to only running a lease business. The balance sheet will then accumulate the financials of all the businesses it has.

Another crucial feature lies with the definition of lessor's leverage. In contrast with a standard commercial company, a lessor's leverage may constantly rise, which is quite a common thing as every steadily growing leasing company tends to enhance borrowed capital in its financial structure.

Leasing companies are transparent and correct in sharing information with their creditors – this is not only a sign of good lessor culture, but also inevitability: otherwise no loan will be granted.

The second type of rating is reasonably formed from the point of view of lessees. The current financial state of the leasing company is not a matter of interest for the lessee. It holds onto the lease asset as the source of income.

In this scenario, the rating should more likely reflect average annual lease appreciation as compared with the face value of the lease asset. However, very few leasing companies are accurate with this. For instance, advance payments (funds from lessees to finance a project) are not always deducted in the calculation.

To build a lessor's rating targeted for lessees, it is crucial to assume that this coefficient is aggregated. Hence its value is based on at least four parameters: face value of lease property, advance payment, lease margin and term of lease contract.

At the same time, some requirements that a lessor puts forward in a lease contract are not seen, for example, requirements for collateral, extra security, cost of lease asset as ratio to the volume of

Leasing services

DLA Piper

25, Leontievsky Pereulok, Moscow, 125009, Russia. Tel: +7 (495) 221 4400; Fax: +7 (495) 221 4401; Email: moscow@dlapiper.com; Website: www.dlapiper.com/russia. Managing Partner: Constantine Lusignan-Rizhinashvili; Direct Tel: +7 (495) 221 4414; Email: constantine.lusignan-rizhinashvili@dlapiper.com; Partner: Vyacheslav Khorovskiy; Direct Tel: +7 (495) 221 4477; Email: vyacheslav.khorovskiy@dlapiper.com; Legal Director: Alexei Yanboukhtin; Direct Tel: +7 (495) 221 4495; Email: alexei.yanboukhtin@dlapiper.com.

Activities: Advising legal companies, airlines and banks on all aspects of leasing activities, including drafting and negotiating operating leases, tax-based and leveraged leases.

EBV-Leasing, Inc.

ul. Dolgorukovskaya, 7, 127006, Moscow, Russia. Tel: +7 (495) 981 4240; Fax: +7 (495) 981 4238; Email: info@veb-leasing.ru; Website: www.veb-leasing.ru. General Manager: Solovoy, Vyacheslav S.

Activities: Lease of high-tech equipment, helicopters and units. Member of the Russian Leasing Association (Rosleasing).

Elevator-Servis

Sovetskaya, 112, Tula, 300041, Russia. Tel: +7 (4872) 092 518; Email: elevator-servis@yandex.ru; Website: www.elevator-servis.ru. General Director: Andrey A. Panov.

Activities: Member of the Russian Leasing Association (Rosleasing).

Energoleasing JSC

Svyato-Tricky bul'var, 17, Office 407, Belgorod 308000 Russia. Tel/Fax: +7 (4722) 329 009; Email: energolizing@bel.ru; Website: www.enleasing.ru. General Director: Evgeny V. Budilov.

Activities: Member of the Russian Leasing Association (Rosleasing).

Eurotechnica, Ltd

October Ave., D.209, 140000, Lyubertsy, Russia. Tel: +7 (495) 554 1262/2064; Fax: +7 (495) 554 2264; Email: et@kamela.ru; Website: www.kamela.ru. Director: S. Ignatov Vselav.

Activities: Member of the Russian Leasing Association (Rosleasing).

Evrotekhnik, Ltd.

Oktayabrskiy prospekt, 209, Lubertcy, 140000, Russia. Tel: +7 (495) 554 2064/1262; Fax: +7 (495) 554 2264; Email: et@kamela.ru; Website: www.kamela.ru. Director: Vseslav S. Ignatov.

Expo-leasing, Ltd

Electrozavodskaya ul., d. 33, Moscow 107076, Russia. Tel: +7 (495) 660 9795; Email: info@expoleasing.ru; Website: www.expoleasing.ru. Director General: Konstantin Rummyantsev.

Activities: Member of the Russian Leasing Association (Rosleasing).

Feost, Leasing Company

1 Novokuznetsky pereulok, 10A, Moscow 115184, Russia. Tel: +7 (495) 625 2587; Email: feost@mail.ru; Website: www.feost.ru. General Director: Igor I. Andruschenko.

Activities: Independent universal leasing company. Member of the Russian Leasing Association (Rosleasing).

Financial Technologies Group

4 block, 6 Shliuzovaya nab., Moscow 115114, Russia. Tel: +7 (495) 782 1685/1696; Fax: +7 (495) 782 1662; Email: info@gft-leasing.ru; Website: www.gft-leasing.ru. General Manager: Stanislav V. Kotashevsky.

Activities: Member of the Russian Leasing Association (Rosleasing).

FinStroyLeasing Ltd

Stromynka, 18, bld.13, Moscow 107996, Russia. Tel: +7 (495) 983 0620; Fax: +7 (495) 983 0621; Email: mail@finstroyliz.ru; Website: www.finstroyliz.ru. Director General: Sergey A. Kiryanov.

Activities: Member of the Russian Leasing Association (Rosleasing).

First Leasing Company, JSC

Voshod str, 26/1, Novosibirsk 630092, Russia. Tel: +7 (383) 335 6043/335 6046; Email: leasing@plk-nsk.ru; Website: www.plk-nsk.ru. Director General: Nikolay A. Podosovov.

Activities: Services for financial leasing. Member of the Russian Leasing Association (Rosleasing).

Gaztehlizing, Ltd

st. Academician Anokhin, Building 2, Bldg. 7, 119602 Moscow, Russia. Tel: +7 (495) 663 8877; Fax: +7 (495) 663 8876; Email: mail@gaztechleasing.ru; offer@gaztechleasing.ru; Website: www.gaztechleasing.ru. General Manager: Dmitry Borisovich Yeroshok.

Activities: Leasing for a wide range of equipment. Member of the Russian Leasing Association (Rosleasing).

Table 7: Financing of leasing operations in Russia in 2007–2010

Source of financing	Share in the total financing of leasing operations (%)			
	2007	2008	2009	2010
Bank credits, total	59.5	57.7	52.2	67.1
Incl. Russian banks	48.1	46.5	39.7	56.4
Foreign banks	11.4	11.2	12.5	10.7
Loans from founders and other organisations	8.6	10.6	10.6	3.4
Trade credits provided by suppliers	1.1	2.3	0.6	0.2
Advance payments	17.3	15.1	19.8	13.7
Own funds of leasing companies, total	6.2	9.5	9.1	9.1
Incl. authorised capital	1.5	5.0	0.4	4.8
Profit	4.7	4.5	8.7	4.3
Promissory notes/exchange bills	2.0	1.1	0.2	1.6
Bonds	3.7	3.6	7.1	4.7
Asset securitisation	1.5	0.0	0.0	0.1

Table 8: Top six leasing companies that concluded more than 2,000 leasing contracts (2010)

No.	Leasing company	Number of concluded leasing contracts
1	Europlan (Moscow)	14,355
2	Carcade Leasing (Moscow)	5,221
3	Element Leasing (Moscow)	3,193
4	Gaztechleasing (Moscow)	2,450
5	Group Companies "Baltlease" (St. Petersburg)	2,309
6	Volkswagen Group Finanz (Moscow)	2,248

total assets of lessee, lessor's specialisation in a specific market segment.

Obviously this type of rating is highly important, although it is not always sufficient for the lessee to make its final decision as to which leasing company to select for further work.

Funding. In order for leasing transactions to go ahead, leasing companies must have access to the capital markets or possess their own funds for financing such transactions. Whichever method of pricing is used, the cost of financing a leasing operation directly affects the price of the leasing service.

The cost of loans taken for financing leasing operations (including bank, commercial and budgetary loans), as well as the cost of the funds of a leasing company, the funds of the lessee, the use of factoring, promissory notes/exchange bills, securities and other instruments, depends on a variety of factors, including: the financial independence of leasing companies; the risks associated with the sale of a leasing product; the security for the transaction; the terms of depreciation of leased property, the terms of credit contract and of leasing contracts; the currency of the leasing transaction; whether the funds are borrowed on the domestic or on the international capital market; the schemes for carrying out a leasing operation; and deviations from LIBOR and from the refinancing interest rate established by the Central Bank of Russia, etc.

In 2010, the funding of all lessors was more than 2.2 times that of the previous year, and reached US\$14.475bn. However, this is 13.3% less than 2008 and 36% less than 2007. In rouble terms, funding in 2010 was more than in 2008 at 5.6%, as compared with the 2007 backlog at 23.4%.

The Russian leasing industry has demonstrated a number of distinctive features in its development during the crisis period. In particular it has seen a monopoly impact on lease business

results in market sectors and the overall lease industry caused by some of the lessees.

The ratio between Russian and foreign banks in credit to the Russian leasing business was as follows: 5.27 in 2010; 3.18 in 2009; 4.15 in 2008; 4.22 in 2007; and 4.58 in 2006. Thus, 2010 was the highest for five years and this testifies to the increasing interest from foreign banks in lending to Russian leasing.

The experience of a number of economically developed countries shows that the development of the leasing industry is likely to result in a certain reduction of the share of the banking sector in the redistribution of financial resources, due, for example, to more active use of stock market institutions: the issue by leasing companies of securities, and the securitisation of leased assets. Soon we are likely to see the elimination of intermediaries (the banks) from leasing operations.

With each year, the number of Russian leasing companies that can obtain financing directly from foreign banks grows. There is a growth in the volume of credit operations with the involvement of the national agencies for insurance of export-import operations, e.g., from Germany, Austria, Italy, the Netherlands, the US and other countries. In general, such institutions provide credits for a term of three to five years, and in some cases, for seven years.

Among the leasing companies who used this form of financing in their leasing operations we can name VTB-Leasing and Europlan. Some leasing companies, such as Caterpillar Finance, MAN Financial Services, Carcade, Hewlett Packard, DeltaLeasing (Vladivostok), Volkswagen Group Finanz, VR Leasing, Deutsche Leasing Vostok, among others, obtained credits from western creditors for terms from three to seven years.

The average debt-to-equity ratios (capital leverage) per Russian leasing company were 12.4:1 in 2007, 7.9:1 in

Leasing services

Gloress, the Agency for Investment & Leasing, Inc.

Pushkinskaya, d. 11B, 426011, Izhevsk, Russia. Tel: +7 (3412) 022 093; Fax: +7 (3412) 220 293; Email: leasing@udm.ru. General Director: Alexander Solodyankin.

Activities: Member of the Russian Leasing Association (Rosleasing).

Goznak-Leasing, Inc.

Pavla Andreeva Str., 27, Moscow 115162, Russia. Tel/Fax: +7 (495) 981 4903; Fax: +7 (495) 981 4904; Email: info@gznleasing.ru;

Website: www.gznleasing.ru. Director: Alexander A. Babich.

Activities: Member of the Russian Leasing Association (Rosleasing).

Herbert Smith CIS LLP

10 Ulitsc Nikolskaya, Moscow 109012, Russia. Tel: +7 (495) 363 6500; Fax: +7 (495) 363 6501; Email: contact@herbertsmith.com;

Website: www.herbertsmith.com. Managing Partner (Moscow): Allen Hanen; Email: allen.hanen@herbertsmith.com; Partner: Alexander Currie; Email: alexander.currie@herbertsmith.com.

Activities: Legal advisers to contractors, developers and lenders on English, EU and local law aspects of oil and gas, power generation, telecom/media, transport and other major infrastructure projects worldwide.

Higher School of Economics

20, Myasnikskaya, Moscow 101987, Russia. Tel: +7 (95) 628 8003; Email: hse@hse.ru; Website: www.hse.ru.

Homnet Leasing

36/7 Varshavskoe shosse, Moscow 115230, Russia. Tel/Fax: +7 (495) 781 7778; Email: pr@1c-leasing.ru; Website: www.1c-leasing.ru; www.inera.ru. Managing Director: Dmitry Kurdomonov;

Email: kurdomonov@1c-leasing.ru; Deputy Director: Alexander Shirokov; Email: shirokov@inera.ru.

Activities: A leading Russian developer of software solutions for leasing. Provides full service package for leasing automation; consulting, implementation, support, maintenance, etc.

ICC Insurance Group, Inc.

ul. Dolgorukovskaya, 40, 127006, Moscow, Russia. Tel: +7 (495) 956 8484; Fax: +7 (495) 974 0561; Email: mail@sgmsk.ru; Website: www.sgmsk.ru. General Director: Sergey Savosina.

Activities: Member of the Russian Leasing Association (Rosleasing).

ICF International

2 Brestskaya Street, Building 8, 15th Floor, Office 4, Moscow 125047, Russia. Tel: +7 (495) 783 1032; Fax: +7 (495) 783 1848; Email: icfeko@icfeko.ru; Website: www.icfi.com. Chairman & Chief Executive Officer: Sudhakar Kesavan; President & Chief Operating Officer: John Wasson.

Activities: Assistance with the purchase or lease of aircraft and equipment, including evaluating and renegotiating lease terms and provisions. Head office in Fairfax, US.

Ilyushin Finance Co.

Build 6, 1st km of Rublevo-Uspenskoe Highway, Moscow Region, Odintsovsky District, 143030, Russia. Tel/Fax: +7 (495) 710 9960; Email: ifc@ifc-leasing.com; Website: www.ifc-leasing.com. General Director: Rubtsov Alexander; Direct Tel: +7 (495) 710 9958; Deputy CEO: Medzhibovskiy Igor; Direct Tel: +7 (495) 710 9959.

Activities: Sale and leasing of civil aircraft.

Inavto Ltd

Leningradskaya Str. 1A, Khimki, 141400, Russia. Tel: +7 (495) 575 4512; Email: pikzahar@rambler.ru. General Director: Zahar A. Pik.

Activities: Member of the Russian Leasing Association (Rosleasing).

Ingosstrakh

Lesnaya str, 41, Moscow 127994, Russia. Tel: +7 (495) 729 5599; Fax: +7 (495) 234 0294; Email: ingos@ingos.ru; Website: www.ingos.ru. General Manager: Alexander V. Grigoriev.

Activities: Insurance company working in the domestic and international market. Member of the Russian Leasing Association (Rosleasing).

Interleasing, Headquarters

5 Krapivny per., Saint Petersburg 194044, Russia. Tel: +7 (812) 346 6055; Fax: +7 (812) 541 8298; Email: zakaz@ileasing.ru; Website: www.ileasing.ru. Director: Kirill A. Tsarev.

Activities: Leasing services.

Invest-Svyaz-Holding JSC

Petrovsky Bulvar 12, build 2, Moscow 127051, Russia. Tel: +7 (495) 950 0730; Fax: +7 (495) 950 0731; Email: leasing@ish.ru. Director General: Viktor N. Ilyin.

Activities: Member of the Russian Leasing Association (Rosleasing).

2008, 7.8:1 in 2009; and 8.5:1 in 2010.

Emission worth. For 10 years (April 2001 to May 2010), more than 40 Russian leasing companies (or SPV leasing companies) issued total emission worth of US\$6.7bn.

The first issues were short-term, for half a year or a full year. Then the maturity terms lengthened and finally reached ten years, i.e., such terms became compatible with the terms of leasing contracts. This is a sign of recovery of emissive finance for lease operations and offers some optimism that 2012–2014 will see positive economic growth.

In May 2011, a leading Russian leasing company OJSC “VEB-Leasing” successfully placed its debut Eurobond issue. Loan participation notes were issued for an amount of US\$400m for a period of five years under Regulation S. The coupon rate was 5.125% per annum, paid on a semi-annual basis. Credit Suisse, Goldman Sachs International, and VEB Capital acted as joint leads and book-runners for the issue.

This transaction marked the first Eurobond offering by a leasing company out of Russia, setting a precedent for fast-growing Russian leasing companies.

The deal was very well received by the market and generated a strong interest from investors around the world. VEB-leasing is rated BBB by Fitch and S&P at par with sovereign and its parent – VEB, Russia’s principal state-owned development bank.

Investors enjoyed VEB-Leasing risk with a pick-up over the VEB curve. This resulted in a significantly (about 7.3 times) oversubscribed order book coming from more than 200 accounts, well diversified across regions and investor types. Unprecedented investor interest allowed the substantial tightening of the initial price guidance from 5.25%–5.50% to 5.125%–5.25% and allowed transactions to be priced at the lower end of the revised range, namely 5.125%.

A wide range of prime investors participated in the issue including investors from the UK (with an allocation share of 37%), Russia (29%), Switzerland (14%), other Europe (13%), and Asia (7%). The VEB-Leasing debut Eurobond issue allowed international investors to obtain exposure to a dynamically expanding Russian leasing company with solid positions in a large corporate segment with Russian blue-chip clientele.

As the leasing arm of VEB and in alignment with VEB’s general priorities for the development of the Russian econ-

omy, VEBL’s strategic objectives in relation to finance leasing are: to provide finance leasing services to aid the development of new and modernise existing infrastructure; assist the development of the Russian SME sector through finance leasing services; provide financial support to large investment projects, which are considered to be of strategic importance to the Russian Government; and to increase the competitiveness and diversification of the Russian economy. Leases are principally provided for the leasing of transportation assets in the air, maritime and rail sectors, and large and high-tech equipment principally for the energy sector, in each case produced by leading Russian and international manufacturers.

The debut Eurobond placement broadened the strong corporate client base of VEB-Leasing, diversified its funding sources, and made an excellent start for the process of VEB-Leasing curve building.

The possibility of using securitisation as a new means of financing in Russia has begun to be discussed at conferences, in special magazines, and has been the topic of pre-doctoral and master’s theses. However, in order to put a securitisation scheme into use in the Russian leasing industry it is necessary to adopt a number of legal and regulatory acts. So far, because of the lack of a necessary legislative and regulatory base, securitisation deals in respect of Russian companies were carried out abroad.

Lease ABS securitisation. At the end of November 2010, a third transaction for the securitisation of the assets of leasing companies “Business Alliance” was completed, providing power-generating equipment used by OAO “MOESK”. These securities were issued by a special purpose vehicle (SPV): Golden Gates B.V. (the Netherlands).

The bonds have a three-year maturity term. The bonds are secured with amounts receivable under one leasing contract and over-collateralisation, using real estate in Moscow and the Moscow region. Bond coupon income is paid quarterly. The total issue of debt securities of US\$147.6m in the form of Eurobonds provides for a profitability rate of 7.214% at the initial offering.

In the report of the International Conference on leasing in early March 2011 in Amsterdam, General Director of Business Alliance, Konstantin Varand, stated that consent has been granted for an English law firm to represent the inter-

Leasing services

IR-Leasing, Ltd

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Ivanovo Agrarian Leasing Company

ul. Suvorova 44., office 505, 153012, Ivanovo, Russia. Tel: +7 (4932) 471 763/306 212. Director: Nikolay Ilyich Karapapas. **Activities:** Member of the Russian Leasing Association (Rosleasing).

JSC ‘SG Finance’

9 Business Centre ‘Citydel’, Zemlyanoi val Str., 105064 Moscow, Russia. Tel/Fax: +7 (495) 777 8810/544 4185; Email: info@sgef-leasing.ru; Website: www.sgef-leasing.ru. Head of Vendor Finance: Alexander Filatov; Direct Tel: +7 (495) 777 8810 (Ext: 3755); Email: filatova@sgef-leasing.ru. **Activities:** Equipment and vendor finance in the fields of high-tech, industrial equipment and transport, customised European vendor programmes.

Kalmagrolizing, Inc.

ul. N. Ochirova, 15, Elista, 358000, Republic of Kalmykia, Russia. Tel: +7 (84722) 351 19; Fax: +7 (84722) 349 98; Email: kalmagrolizing@infotecset.ru; Website: www.kalmagrolizing.ru. Director: Valery B. Kuberlinov. **Activities:** Member of the Russian Leasing Association (Rosleasing).

Kamaz, Leasing Company

Avtozavodskoy prospekt str., 2, Naberezhnye Chelny, Respublika Tatarstan, Russia. Tel: +7 (8552) 452 692; Fax: +7 (8552) 452 954; Email: leasing@kamaz.net; leasing@kamaz.org; Website: www.kamazleasing.ru. General Director: Alfiya Kogogina.

KBP-Leasing, Ltd

2nd Tverskaya-Yamskaya Str. 18, Moscow 125047, Russia. Tel: +7 (495) 980 7065; Tel/Fax: +7 (495) 251 0742/1742; Email: kuprianov@mail.ru. Director General: Igor V. Kuprianov.

Klientskaya leasing company Klientskaya leasing company

Novozavodskaya str., 18, bld 1, Moscow 121309, Russia. Tel: +7 (495) 988 4646; Fax: +7 (495) 795 0674; Email: info@klk-leasing.ru; Website: www.klk-leasing.ru. General Director: Alexandr V. Druhinin.

Kominkorleasing, Ltd

Tel: +7 (8212) 245 163; Fax: +7 (8212) 245 182; Email: kileas@gmail.com; Website: www.leasing.komi.com. General Director: Alexandr G. Resler.

Kuban Industrial Leasing, Ltd

Krasnoarmeyskaya str, 32, Krasnodar, 350000, Russia. Tel: +7 (861) 274 8989/8925; Fax: +7 (861) 274 8989; Email: kpleasing@mail.ru; Website: www.kpleasing.ru. Director: Konstantin A. Kirsta. **Activities:** Provision of lease for property. Member of the Russian Leasing Association (Rosleasing).

Kubanleasing, GUP

Promyshlennaya str, 50, Krasnodar 350002, Russia. Tel: +7 (861) 255 1170/259 0490; Fax: +7 (861) 255 1186; Email: kubanleasing@gmail.ru. General Director: Vadim V. Ryzhov.

KurskAgroPromLeasing, OGUP

Solovynaya Str., 47, Kurskaya obl, Russia. Tel: +7 (4712) 241 134; Email: kursk-leasing@mail.ru. Director: Alexander M. Timoshenko. **Activities:** Member of the Russian Leasing Association (Rosleasing).

Ladya, Ltd

Sadovaya Street, 280, off. 14-24, 2 floor, Samara 443010, Russia. Tel: +7 (846) 270 6651/52/53; Fax: +7 (846) 276 6841; Email: ladia_ufc@mail.ru; Website: www.samara-ladia.ru. Director: Vladimir M. Dynin.

LC Uniastrium Leasing

1/52, Build 1, Suvozhovskaya Sq., Moscow, 127473, Russia. Tel: +7 (495) 785 0580; Fax: +7 (495) 783 5810 (Ext: 1476); Email: leasing@uniastrium.com; Website: www.uniastrium.ru. CEO: Timur Boytemirov; Direct Tel: +7 (495) 783 5810; Email: boytemirov@uniastrium.com. **Activities:** Leasing company with 100% foreign capital providing finance lease (commercial real estate, equipment, vehicles) in 45 Russian regions.

Leasing Centre, Ltd

Inzhenerny per., 3, Ulyanovsk 432072, Russia. Tel/Fax: +7 (8422) 061 120; Email: ochad@link-ul.ru. General Director: Aleksander M. Dolgov. **Activities:** Member of the Russian Leasing Association (Rosleasing).

ests of the originator if need be, given the obligation to maintain accounting records on IFRS. The companies believe that they have been able to develop and test in two transactions a client product, built on the basis of a leasing assets securitisation mechanism, which uses algorithms for the financing or refinancing of large investment projects, attracting resources at a reasonable price. The rates of securities may differ from the debt companies-lessees quotations of not more than 75–100 basis points, i.e., at 0.75%–1.0%.

This deal securitisation became the second in the history of the Business Alliance company. In August 2007, the company together with the Bank of Moscow released debut ruble Eurobonds and attracted funding for leasing transactions with OAO “MOESK” with a total debt securities issuance of R8,323m or US\$329m for a period of five years at a rate of 8.875%. The project was recognised by Euromoney’s “Best Deal of the Year 2007” and was innovative in many ways.

Thus, in 2006–2010 with the participation of Russian companies there were three securitisation leasing assets amounting to US\$967m.

In order to fully introduce securitisation schemes into the practice of the Russian leasing industry, it is necessary to adopt a number of legal and regulatory acts. Particular attention should be paid to organisational schemes for carrying out such operations, their taxation (i.e., how should a “true sale” be taxed? What are the tax implications of the purchase of assets by a new owner and of their refinancing? How will the investor’s profit be taxed? What happens to VAT in the case of a pool of assets? etc.), security with a pledge, regulation of situations where a party to a transaction becomes insolvent, the types of legal entities that may use SPVs, the possibility of using trusts and the regime of their use.

Of course, this is, so far, very little compared to some countries. For example, our analysis has shown that the leasing of assets securitisation in Italy during 1990–2011 was not less than 72 deals amounting to almost €60bn. We estimate that in Russia in the first half of the second decade of the 21st century, once the leasing industry is out of the crisis, it is realistic to expect annual securitisation transactions of leasing assets of 4.5%–6.0% of the value of all new leases, i.e., amounting to US\$1.5 to US\$2.0bn.

The securitisation of leasing assets is held at the junction of four financial tools – lending, leasing, factoring and securities issues. This innovative mechanism that requires subtle scientific and practical configuration achieves remarkable economic performance update, modernisation and re-equipment of enterprises.

The author of the study has given a scientific definition of the term “securitisation of leasing assets”. Securitisation of the leasing assets represents a complex property relationship between the parties to the transaction within the system of interrelated lessee contracts about attracting beneficial finance for new leasing projects through breeding and separating liquid assets that generate cash flows, assignment of receivables and the formation of collateral, transfer of risks and the issuance of securities.

The transformation process in the form of leasing payments in securities allows one to develop a convergence between the leasing market and stock market, and thus improve liquidity in circulation assets.

We must build a system of securitisation leasing asset pricing which is feasible through a set of equations that balance the interests of the participants. If one looks at the components of the system, the interest of investors’ bonds associated with yield securities can be formalise as follows:

$$I_{YT} < I_{YTM} < I_{YC}$$

where I_{YT} is the interest rate on the cost of long-term and medium-term money, for example, US treasuries (10Y; 5Y); I_{YTM} is the prevailing interest rate of the time value of money in the market; and I_{YC} is coupon rate bonds ABS (asset-backed security), calculated as the ratio of the sum of coupon payments per year for a nominal fee.

The ratio of premiums on bonds ABS level of profitability of the US treasuries rate (10Y, 5Y) fluctuates depending on the class, sum of emission, maturity and the rating of securities.

In one of the securitisation transactions involving a Russian lessor the coupon rate was fixed at the treasuries rate (5Y) + 382.67 b.p.

Thus, investors benefit by the amount of the difference between the rates of return on securities purchased by the Russian company and profitability in the global capital market.

Interest SPV in securitisation transaction is contained in the margin:

$$I_{YC} < ISPV,$$

where I_{SPV} is the yield of the SPV. With,

Leasing services

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Activities: Member of the Russian Leasing Association (Rosleasing).

Leasing-M, OOO

Lenina, d.68, 455044, Magnitogorsk, Russia. Tel: +7 (3519) 220 061/062; Fax: +7 (3519) 288 554; Email: lizing-m@mail.ru. Director: Ravil Karimov Malikovich.

Activities: Member of the Russian Leasing Association (Rosleasing).

Leasing-Trade, Ltd.

ul. Sovetskaya, 61, office 3, 410 600, Saratov, Russia. Tel: +7 (8452) 524 464; Email: kazan@leasing-trade.ru; Website: www.leasing-trade.ru. Director: Nagorkina Olga.

Activities: Financial and operating leases. Leasing of equipment and vehicles. Member of the Russian Leasing Association (Rosleasing).

Leasing-Trade, Ltd.

Peterburgskaya str., 86, 420107 Kazan, Russia. Tel: +7 (843) 293 9394; Fax: +7 (843) 299 1252; Email: kazan@leasing-trade.ru; Website: www.leasing-trade.ru. General Director: Iskander D. Maslahudinov.

Activities: Providing services to finance leasing operations in the areas of passenger cars, trucks, machinery and equipment. Member of the Russian Leasing Association (Rosleasing).

Leasing-Trade, Ltd.

Bldg 4, Office 217, Marx st., 37, 450 077 Ufa, Russia. Tel: +7 (347) 291 1224; Email: kazan@leasing-trade.ru; Website: www.leasing-trade.ru. Directors: Talipov Aytugan Nurutdinovich; Hatmulin Azamat R.

Activities: Financial and operating leases. Leasing of equipment and vehicles. Member of the Russian Leasing Association (Rosleasing).

Leasing-Trade, Ltd.

ul. Bureya, 8, office 303, 400 081 Volgograd, Russia. Tel: +7 (8442) 542 751; Email: kazan@leasing-trade.ru; Website: www.leasing-trade.ru. Director: Yevgeny Kuznetsov.

Activities: Financial and operating leases. Leasing of equipment and vehicles. Member of the Russian Leasing Association (Rosleasing).

Leasing-Trade, Ltd.

Moskovsky prospect, 17/1, office 307A, 428 015 Cheboksary, Russia. Tel: +7 (8352) 455 243; Email: kazan@leasing-trade.ru; Website: www.leasing-trade.ru. Director: Albert Y. Medyukov.

Activities: Financial and operating leases. Leasing of equipment and vehicles. Member of the Russian Leasing Association (Rosleasing).

Leasing-Trade, Ltd.

Builders 18., office 523, 423570 Nizhnekamsk, Russia. Tel: +7 (8555) 471 232; Email: kazan@leasing-trade.ru; Website: www.leasing-trade.ru. Director: Renat Ibragimov Minnetagirovich.

Activities: Financial and operating leases. Leasing of equipment and vehicles. Member of the Russian Leasing Association (Rosleasing).

Leasing-Trade, Ltd.

pr. M. Jalil 79/1, 3rd Floor, 423 822, Naberezhnye Chelny, Russia. Tel: +7 (8552) 445 244; Email: kazan@leasing-trade.ru; Website: www.leasing-trade.ru. Director: Ermakov Ruslan F.

Activities: Financial and operating leases. Leasing of equipment and vehicles. Member of the Russian Leasing Association (Rosleasing).

Leasing-Trade, Ltd.

d.12a, office 316, il. Ordzhonikidze, 614045, Perm, Russia. Tel: +7 (3422) 375 453; Email: kazan@leasing-trade.ru; Website: www.leasing-trade.ru. Director: Edward A. Obuchi.

Activities: Financial and operating leases. Leasing of equipment and vehicles. Member of the Russian Leasing Association (Rosleasing).

LeasingPromHold Ltd

Okskaya Str., 13, Moscow 109 457, Russia. Tel: +7 (495) 921 2266; Email: iph@iph.ru; Website: www.mdm-leasing.ru. General Director: Maxim V. Popravko.

Activities: Professional leasing operator. Member of the Russian Leasing Association (Rosleasing).

Leifko-Leasing, Leasing Company, Ltd

Vavilov Str. 38, bl. 6, Moscow 119991, Russia. Tel: +7 (495) 785 5185/1717/755 5561; Fax: +7 (495) 132 6256; Email: lleasing@leifcobank.ru. Director General: Yuri V. Kwartalnov.

Linklaters CIS

Paveletskaya sq. 2, Bld. 2, 115054 Moscow, Russia. Tel: +7 (495) 797 9797; Fax: +7 (495) 797 9798; Website: www.linklaters.com.

Activities: Global asset finance and leasing practice advising governments, corporates, financiers and lessors on all aspects of complex domestic and cross-border big-ticket transactions.

Table 9: Regional structure of leasing operations in the Russian Federation (2007–2010)

Region of the Russian Federation	Share in the total Russian leasing business, %			
	2007	2008	2009	2010
Far East	3.2	2.6	4.6	2.6
Siberia	7.1	8.5	13.6	8.1
The Urals	8.5	10.7	6.5	8.4
The Volga region	9.6	13.3	10.2	8.5
South	4.0	6.6	2.5	3.3
North-West (excluding St. Petersburg and Leningradskaya oblast)	2.2	2.5	1.6	1.7
St. Petersburg and Leningradskaya oblast	7.5	12.9	14.6	13.6
Central region (excluding the city of Moscow)	19.2	14.3	17.1	12.0
Moscow	31.5	28.0	28.3	40.6
Cross-border leasing (export)	7.2	0.6	1.0	1.2

$I_{SPV} = I_{YC} + I_{IC}$, where I_{IC} the issue cost of a securitisation transaction, including the bonds issue.

$I_{SPV} = \text{US treasuries} + 425 \text{ b.p.}$

Interest of the lessor – leasing rate (I_{Lease}). In this case: $I_{SPV} < I_{Lease}$.

As a result of a step-by-step analysis of securitisation transactions, we will obtain the following system of inequalities:

$I_{YT} < I_{YTM} < I_{COUPON ABS} < I_{SPV} < I_{Lease} < I_{Lessee}$

where I_{Lessee} is the yield of the lessee on an investment project.

Leasing contracts. The number of leasing contracts concluded shows, to a certain extent (but not definitively), the degree of the development of the leasing industry in a country. In 2010, the companies under review concluded 71,000 new leasing contracts (41,000 in 2009, 78,000 in 2008, and 90,000 in 2007). On average, the value of one leasing transaction was US\$341,000 (US\$200,000 in 2009, US\$288,000 in 2008, US\$323,000 in 2007).

Regional structure of Russian leasing. The bulk of financial resources is still located in Moscow and in St. Petersburg, but leasing transactions are often carried out in other regions. This explains why many Moscow-based companies have opened branches and representative offices in other Russian cities. It allows them to be closer to their clients, to increase mobility and to pay more attention to strengthening their ties with prospective users of their services.

In order to obtain an objective picture of the structure of the Russian leasing industry we believe it is necessary to determine the value of the leasing services provided by leasing companies in each individual region (see Table 9).

I consider it necessary to draw atten-

tion to one major change that occurred in the structure of regional leasing in Russia in 2010. For the first time, the market share of St. Petersburg and Leningradskaya oblast has exceeded that of the central region (excluding Moscow).

Structure of the leasing industry. Based on the results of our review we have prepared a structural market analysis with a breakdown by type of leasing asset (equipment, transport vehicles, immovable property) and calculated the share of each such asset segment in the total volume of new leasing contracts concluded in 2010. Information about the structure of leasing contracts can be found in Table 10.

It has been possible identify the types of leasing assets that were in demand with lessees (total 35 positions).

Transport vehicles have always been the most popular leasing assets. The present-day Russian leasing industry is no exception. The most significant changes compared with the previous year occurred with leasing railroad rolling stock and locomotives, by air, by the courts. The combined weight of these three segments of the domestic leasing market reached 54.5% (46% in 2009).

Never during our studies of the history of leasing in Russia, have there been any cases in which the leading segment has a share of more than 39%. But this kind of structural change does not necessarily indicate a favourable trend in the leasing market of Russia. A monopoly structure has the same problems for the market as the monopoly of any business entity.

The dominance of one of the branches is always treated cautiously, since the situation could change significantly to one side or the other, under the influence of

Leasing services

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Activities: Member of the Russian Leasing Association (Rosleasing).

Lipetskagroyehservis, Ltd

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Activities: Member of the Russian Leasing Association (Rosleasing).

Lizfaynens, Ltd

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Activities: Member of the Russian Leasing Association (Rosleasing).

MAN Finance Russia

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Activities: Member of the Russian Leasing Association (Rosleasing).

Medleasing

Vvedenskogo str, 3, Moscow, 117342, Russia. Tel: +7 (495) 663 0419; Fax: +7 (495) 663 0418; Email: medleasing@bk.ru. President: Evgeniy V. Makarov.

Activities: Member of the Russian Leasing Association (Rosleasing).

META-Leasing, Ltd

Moskovskaya str, 25g, Kirov, 610000, Russia. Tel: +7 (8332) 351 100; Fax: +7 (8332) 351 890; Email: meta@pbcgroup.ru; Website: www.metaliz.ru. Director: Dmitry S. Kaisin; Head of Sales: Konakov Evgeniy; Email: konakov@pbcgroup.ru; Assistant Manager: Tkachev Anton; Email: tkachev@pbcgroup.ru; Assistant Manager, Sales & Marketing: Matantseva Maria Mikhailovna; Email: manyina_m@mail.ru; matantseva@bcgroup.ru.

Activities: Member of the Russian Leasing Association (Rosleasing).

MK Finance, Ltd

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Activities: Project management and corporate finance. Member of the Russian Leasing Association (Rosleasing).

Mon-Leasing, Ltd

Moskovsky Prospect, d.79-A, office 601, 196084, Saint Petersburg, Russia. Tel: +7 (812) 331 9009; Fax: +7 (812) 369 0300; Email: office@pn-leasing.ru; Website: www.pn-leasing.ru. General Manager: Malanin S. Roman; Head of Finance: Gorelov, Alexander E.; Direct Tel: +7 (812) 331 9009 (Ext: 1113); Email: gorelov@pn-leasing.ru.

Activities: Member of the Russian Leasing Association (Rosleasing).

Mon-Leasing, Ltd

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Activities: Member of the Russian Leasing Association (Rosleasing).

Moscow Leasing Company, JSC

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Activities: Finance leasing: equipment, machinery and vehicles; car rental: self drive. Member of the Russian Leasing Association, member of the leasing department of the Chamber of Commerce and Industry of the Russian Federation.

Mozharskoye, Ltd

s. Klyuchishchi Krasnooktyabrsky rayon, Nizhegorodskaya obl., 607530, Russia. Tel/Fax: +7 (8312) 776 305; Email: caramel@sendy.ru. General Manager: Farhat F. Fattahetdinov.

Activities: Member of the Russian Leasing Association (Rosleasing).

both objective and subjective reasons, and affect the performance of the entire market, as has already happened in the leasing of railway property. Thus, before the crisis, prices of rolling stock grew very quickly, during the crisis, however, assets decreased by almost half; before growing again during 2010–2011. These variations show the uncertainty of the situation on the market and the fickleness of the quality of the leasing portfolio.

Operation with different types of vehicles was 92.8% lessors-respondents. At the same time, the proportion of total new vehicle leasing business in the country for two years decreased from 28.4% to 16.2%.

More than half of all Russian market leasing vehicles are “held” by the top eight lessors who enter into contracts for the supply to their customers of the leasing of trucks, tractors, trailers, semi-trailers and dump trucks. Suppliers of this technology were automotive companies from Germany, Sweden, Japan, the US, as well as Russian companies such as KAMAZ, GAZ, etc.

The concentration of the responding

companies was as follows: cargo trucks accounted for more than half of the volumes in the largest seven companies; passenger cars for the largest three companies; and, minibuses and buses for two companies in each segment.

Competition and concentration.

Competition is one of the most important criteria of the degree of development of a market. Competition is characterised by business concentration, the operation in a sector of a certain number of companies, e.g., at a national or regional level or in one or another sector of the leasing market with specialisation in different types of equipment.

In 2010 the five largest companies (top 6 in 2009, top 18 in 2008 and top 12 in 2007) of the survey's list accounted for half of the total new leasing business in the Russian leasing market.

Various countries have experience of measuring the level of competition by using the market concentration and monopolisation indices. Such indices are necessary to inform the State authorities of the need to intervene in the existing market mechanisms. The need for such

Leasing services

Norton Rose

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Activities: Leading international legal practice, offering a full business law service from offices across Europe, the Middle East and Asia.

OMB Ltd.

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Activities: Member of the Russian Leasing Association (Rosleasing).

OrelAgroLizing, Inc.

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Activities: Member of the Russian Leasing Association (Rosleasing).

Orenburggazpromleasing, Ltd

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Activities: Member of the Russian Leasing Association (Rosleasing).

Permskaya promyshlennaya lizingovaya kompaniya, Ltd.

Lunocharskogo, 96, Perm, 614000, Russia. Tel: +7 (342) 237 6688; Fax: +7 (342) 237 6707; Email: info@pplk.ru. Director: Aleksey I. Kramskov.

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PN-Leasing, Ltd

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PricewaterhouseCoopers

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Activities: PwC has a global network of asset finance and leasing experts providing business consulting, accounting, and legal expertise and experience.

Priroda IC, Ltd

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Privolgskagroleasing, Ltd

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Activities: Member of the Russian Leasing Association (Rosleasing).

Progress-Leasing

Sovetskaya str., 56/1, Kostroma, 156022, Russia. Tel: +7 (4942) 372 181; Fax: +7 (4942) 372 191; Email: progress@ktrn.ru; Website: www.prliz.ru. General Director: Ivan M. Melnikov.

Activities: Member of the Russian Leasing Association (Rosleasing).

PRS-Leasing, Inc.

ul. Proletarian, 252, Barnaul, 656008, Altai Region, Russia. Tel: +7 (3852) 652 083; Email: sss-lizing@mail.ru. Managing Director: Vladimir Filipovich Smykov.

Activities: Member of the Russian Leasing Association (Rosleasing).

Razvitiye Sela, GUP RM

Moskovskaya Str. 1, Mordoviya Saransk 430000, Russia. Tel: +7 (8342) 327 272; Fax: +7 (8342) 327 044; Email: fors@whrm.moris.ru. General Director: Aleksander V. Vorobiev.

RB-Leasing, Ltd

st. Dubinskaya House 53, p. 5, BC, office 101, Moscow, 115054, Russia. Tel: +7 (495) 580 7334; Email: ru-leasing.info@socgen.com; Website: www.rb-leasing.ru. General Manager: Guram A. Kudryavtsev.

Activities: Specialising in large-scale projects in acquisition and transfer of financial leasing. Member of the Russian Leasing Association (Rosleasing).

Table 10: Structure of leasing contracts concluded (2007–2010)

Type of leasing assets	Share in the total volume, %			
	2007	2008	2009	2010
Motor vehicles for cargo transportation	14.4	16.9	6.9	7.8
Light passenger cars	6.2	8.6	8.8	6.8
Passenger minibuses	0.3	0.8	0.3	0.2
Buses	2.1	1.8	1.3	1.4
Equipment for repairing and servicing cars	0.2	0.3	0.1	0.1
Telecommunications equipment	2.8	2.6	4.6	0.3
Computers and other office equipment	0.9	0.9	0.2	1.0
Geological exploration equipment	0.3	0.7	0.1	0.2
Oil and gas production and processing equipment	5.3	1.8	3.7	4.1
Agricultural equipment	1.1	1.5	1.5	0.5
Railway rolling stock and locomotives	22.1	12.5	27.3	39.5
Building machinery, including specialised machinery on wheels	7.7	10.5	5.0	5.1
Road-building equipment	3.1	3.7	1.8	3.4
Equipment for production and processing of glass	1.1	0.2	0.1	0.01
Metalworking equipment	2.6	3.2	1.7	1.0
Metallurgical equipment	2.6	0.4	0.01	0.01
Mining equipment	0.5	0.9	2.5	0.8
Power-generating equipment	7.4	5.2	2.2	2.0
Printing equipment	1.0	1.2	1.2	0.8
Equipment for food industry, including refrigerating equipment	1.7	1.3	1.0	0.8
Selling/shopping equipment	0.9	0.9	0.2	0.2
Packing equipment	0.3	0.3	0.7	0.6
Loaders and warehouse equipment	1.1	1.7	0.6	0.8
Logging equipment and timber transportation vehicles	0.6	0.5	0.3	0.4
Woodworking equipment	0.6	0.5	0.2	0.6
Equipment for production of paper and cardboard	0.1	0.6	0.1	0.1
Chemical equipment	0.5	0.4	0.6	1.1
Entertainment industry equipment	0.2	0.2	0.3	0.1
Special equipment for provision of housing and communal services	1.1	0.4	0.2	0.4
Banking equipment	0.1	0.1	0.1	0.01
Medical and pharmaceutical equipment	0.2	0.1	0.4	0.1
Sea and river vessels	0.4	0.1	2.6	2.0
Aircraft	5.7	12.8	16.1	13.0
Buildings and structures	2.7	3.2	5.9	3.3
Other property	2.2	3.2	1.4	1.4



According to estimates, the share of leasing operations in Russian GDP (real) in 2010 was 1.62% compared to 0.84% in 2009.

intervention may arise due to various reasons, e.g., degree of market power of one or several enterprises, or their ability to influence prices and production volumes.

Various methodologies are used to gauge the market concentration level, including the determination of the significance of the selling companies operating on such markets. This methodology makes use of the Herfindahl-Hirschman (HHI) index.

The HHI index is calculated as the sum total of the squared shares of all companies represented on the market. The maximum possible value of HHI is 10,000. In the US the HHI index is an evaluation reference mark to implement an anti-monopoly policy.

If the HHI is less than 1,000, the market is qualified as non-concentrated and is not subject to control. If the HHI values are more than 1,000 but less than 1,800, the market is believed to be moderately concentrated. With HHI exceeding 1,800 the market is rated as highly concentrated or rare.

The estimation undertaken by the survey indicates that the overall HHI in Russia was equal to 249 in 2006, 426 in 2007, 206 in 2008, 367 in 2009, while in 2010 it was 639.

Therefore, the above data on the HHI value indicates that there is no evidence of monopolisation or excessive concentration of the market. This means that the leasing business in Russia is distrib-

uted among a large number of market operators and, consequently, lessees can choose a company to cooperate with under a leasing agreement.

The development of competition manifests itself in: the offers by leasing companies of more favourable terms to their clients as regards the price, the duration of contracts, the schedule for the repayment of the debt and the amount of down payment; the development of new leasing products, services and various options; special measures taken to promote leasing products in the market; and the advertisement of leasing services.

Lease term. The Russian leasing law was amended eight years ago and such changes had a material impact on previously prevailing lease terms. Improvements in available financing and a shorter statutory depreciable life facilitated the lease of new types of property. Our statistics confirm such a trend (see Table 11).

Note that when structuring a leasing transaction one assumes that the lessee has no interest, from an economic perspective, to agree to too short a term of the lease, as the shorter the lease term, the larger the final depreciated cost will be, which is not desirable as the leased assets purchased at the end of the lease term will be valued at net book value when put on the lessee's books, and will accrue normal, and not accelerated, depreciation based on such cost.

Leasing services

RK-Garant Insurance Company, Inc.

Karl Marx str., 2, Lipetsk, 398001, Russia. Tel: +7 (4742) 341 817; Fax: +7 (4742) 341 782; Email: lioetsk@rkgarant.ru; Website: www.rkgarant.ru. General Director: Viktor Gushelik Fedoseyitch. **Activities:** Member of the Russian Leasing Association (Rosleasing).

Rook, Ltd

Sadovaya, 280, office 14-24, 2nd Floor, 443001 Samara, Russia. Tel: +7 (846) 270 6651/52; Fax: +7 (846) 276 6841; Email: ladia_ifc@mail.ru; Website: www.samara-ladia.ru. Director: Vladimir Dynin Mihalovich. **Activities:** Leasing of new or second-hand machinery and equipment. Member of the Russian Leasing Association (Rosleasing).

RosAgroLeasing, JSC

Pravdy Str., 26, Moscow 127137, Russia. Tel: +7 (495) 782 1976/77/82; Fax: +7 (495) 782 1985/86; Email: info@rosagroleasing.ru; Website: www.rosagroleasing.ru. General Director: Valery Nazarov. **Activities:** Financial leasing. Member of the Russian Leasing Association (Rosleasing).

Rosagrosnab JSC

Bolshaya Dmitrovka 32, bl. 1, Moscow 127994, Russia. Tel: +7 (495) 650 5239; Fax: +7 (495) 650 3000; Email: root@rosagrosnab.ru; Email: www.rosagrosnab.ru. Director General: Yury Limarev. **Activities:** Leasing operations in agribusiness. Member of the Russian Leasing Association (Rosleasing).

Rosagrostrah, Inc

Lenin Ave, d 8/5, Balashikha, Russia. Tel/Fax: +7 (495) 510 5014/16; Email: kokinaev@rosagrostrah.ru; Website: www.rosagrostrah.ru. General Manager: Kashirin Tcherniakov. **Activities:** Universal insurance company. Member of the Russian Leasing Association (Rosleasing).

RosBusinessLeasing, Ltd

Sobinova str., 5, Yaroslavl 120000, Russia. Tel: +7 (4852) 729 242; Fax: +7 (4852) 728 950; Email: rbl@yar.ru; Website: www.rosbl.ru. Director: Oleg V. Shelestov. **Activities:** Services within the leasing market. Member of the Russian Leasing Association (Rosleasing).

Rosno, JSC

Ozerkovskaya nab. 30, Moscow 115184, Russia. Tel: +7 (495) 232 3333; Fax: +7 (495) 232 0014; Email: info@rosno.ru; Website: www.rosno.ru. General Director: Hannes Shariputra Chopra. **Activities:** Insurance services. Member of the Russian Leasing Association (Rosleasing).

Rost Agrarian Group, JSC

Tsentralnaya str., 1, Domodedovo, MO 124003, Russia. Tel/Fax: +7 (49679) 68 315/326. Director General: Lubov U. Luznyh.

RostovAgroLeasing, Ltd

Sholohova proezd, 27/82, Rostov-na-Donu, 344019, Russia. Tel: +7 (863) 223 7310; Fax: +7 (863) 253 7400; Email: pacc_adm@aaanet.ru; Website: www.rostovagroleasing.ru. General Manager: Nikolay V. Gospodarev. **Activities:** Member of the Russian Leasing Association (Rosleasing).

RTC-Leasing JSC

Delegatskaya str., 5, Building 1, Moscow 127473, Russia. Tel: +7 (495) 777 0330; Fax: +7 (495) 777 0333; Email: mail@rtc-leasing.ru; Website: www rtc-leasing.ru. General Director: Irina V. Golovchenko. **Activities:** Leasing services. Member of the Russian Leasing Association (Rosleasing).

RTC-Leasing, Inc.

st. Tsyurupa, 13, Business Centre, office 27, 450008, Bashkir, Ufa, Russia. Tel: +7 (347) 292 0450; Fax: +7 (347) 292 0451; Email: ufa@rtcleasing.ru; Website: www.rtc-leasing.ru. General Director: Irina V. Golovchenko. **Activities:** Leasing services. Member of the Russian Leasing Association (Rosleasing).

RTC-Leasing, Inc.

st. Belinsky, 32, office 507, 603000, Nizhny Novgorod, Russia. Tel/Fax: +7 (831) 439 5064; Email: nnoov@rtcleasing.ru; Website: www.rtc-leasing.ru. General Director: Irina V. Golovchenko. **Activities:** Leasing services. Member of the Russian Leasing Association (Rosleasing).

RTC-Leasing, Inc.

st. Sovetskaya, 54, Suite 418, 625000, Tyumen, Russia. Tel: +7 (3452) 494 368/369; Email: tumen@rtcleasing.ru; Website: www.rtc-leasing.ru. General Director: Irina V. Golovchenko. **Activities:** Leasing services. Member of the Russian Leasing Association (Rosleasing).

Table 11: Finance lease terms in Russia (2001–2010)

Indicator	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Lease term (month) on average	35	39	45	52	48	54	61	64	63	68

In the majority of cases, the period of the leasing agreement corresponds with or is slightly (less than 20%) shorter than the period of depreciation of the leased asset.

Information provided in Table 11 on the duration of lease contracts is substantially different for different groups of lessors. Leasing companies affiliated with the State represented 89 months in 2009, and 80 months in 2010; lessors created by foreign banks and companies, represented 36 months in 2009 and 32 months in 2010; lessors established by Russian businesses, represented 54 months in 2009 and increased to 67 months in 2010.

Personnel of the Russian leasing industry.

The expansion of the activities of leasing companies before the crisis resulted in the increase of staff employees which entails certain cost increases. Currently, some of the larger Russian leasing companies employ more than 800 people. In total, more than 9,500 people are engaged in the leasing industry in Russia (9,160 in 2009, 9,780 in 2008, 10,550 in 2007 and 8,500 in 2006).

“Output per employee” may serve as an indicator of the performance of a leasing company. However, when using this

indicator for analytical purposes one has to take into account the specialisation of the leasing company, i.e., the segment of the market in which it operates, and the scale of its clients’ businesses.

The average number of personnel per Russian leasing company in 2010 was about 86 people (64 in 2009, 67 in 2008, 53 in 2007), and “output per employee” (for companies who participated in our survey of the leasing market) was approximately US\$2.6m per year (US\$1.5m in 2009, US\$2.7m in 2008, US\$3.1m in 2007 and US\$2.0m in 2006).

However, it should be noted that in a number of leasing companies, mainly those established by banks, some of the functions (e.g., legal, procurement, security) are performed by the bank’s employees. Consequently, the real figure would be closer to about 105 employees per leasing company.

Note:

¹ Annual Survey 2010 “The Voice of Leasing and Automotive Rental in Europe” (www.leaseurope.org).

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Leasing services

RTC-Leasing, Inc.

199004, city, 9th Line VO, 34, letter A, a business center Magnus, Suite 411, St Petersburg, Russia. Tel: +7 (812) 647 0330/493 4081; Email: spb@rtcleasing.ru; Website: www.rtc-leasing.ru. General Director: Irina V. Golovchenko.

Activities: Leasing services. Member of the Russian Leasing Association (Rosleasing).

RTC-Leasing, Inc.

st. Chernyshevsky, 16, office 401, Ural, 620014 Ekaterinburg, Russia. Tel: +7 (343) 380 1534/1546/1564; Fax: +7 (343) 380 1546; Email: ural@rtcleasing.ru; Website: www.rtc-leasing.ru. General Director: Irina V. Golovchenko.

Activities: Leasing services. Member of the Russian Leasing Association (Rosleasing).

RTC-Leasing, Inc.

Lenina, 90/4, Suite 907, 650 036, Kemerovo, Russia. Tel/Fax: +7 (3842) 574 436; Email: kmr@rtcleasing.ru; Website: www.rtc-leasing.ru. General Director: Irina V. Golovchenko.

Activities: Leasing services. Member of the Russian Leasing Association (Rosleasing).

RTC-Leasing, Inc.

Kirov Street, 124, Suite 211, 614000, Perm, Russia. Tel/Fax: +7 (342) 259 0838; Email: perm@rtcleasing.ru; Website: www.rtc-leasing.ru. General Director: Irina V. Golovchenko.

Activities: Leasing services. Member of the Russian Leasing Association (Rosleasing).

RTC-Leasing, Inc.

st. Fed. d.160, office 306, 350 015, Krasnodar, Russia. Tel: +7 (861) 259 2469/ 2836; Fax: +7 (861) 259 2469; Email: ug@rtcleasing.ru; Website: www.rtc-leasing.ru. General Director: Irina V. Golovchenko.

Activities: Leasing services. Member of the Russian Leasing Association (Rosleasing).

Rural Development

Moskovskaya Street, 1, Mordovia, 430000, Saransk, Russia. Tel: +7 (8342) 327 272; Fax: +7 (8342) 327 044; Email: fors@whrm.moris.ru. General Director: Alexander Vorobyov.

Activities: Member of the Russian Leasing Association (Rosleasing).

Rus-Leasing, Ltd

Myasnitskaya str., 43, build. 2, Moscow 107078, Russia. Tel: +7 (495) 621 0686; Email: leasing@russbank.ru; Website: www.russbank.ru. General Director: Gennady V. Bobkov.

Activities: Member of the Russian Leasing Association (Rosleasing).

RusnRusSantimir

Novomalykinsky paion, st. Yakusha, Ulyanovskaya obl., 433590, Russia. Tel/Fax: +7 (842) 312 1003; Email: forotd@mail.ru. General Director: Ruslan Z. Sitdikov.

Activities: Member of the Russian Leasing Association (Rosleasing).



According to Leaseurope data for 2010, and the author's own data, Russia occupies fifth place in Europe in terms of new leasing business. Russia's share of European leasing is 6.44%.

Leasing services

Russia Insurance Company

travel, 3a, Olminkskogo, 129085 Moscow, Russia. Tel: +7 (495) 790 7337; Fax: +7 (495) 790 7374; Email: rossia@ros.ru; Website: www.ros.ru. Director General: Yury Kolesnikov.
Activities: Insurance services. Member of the Russian Leasing Association (Rosleasing).

Russia, JISC

Olminkskogo pr-d, 3a, Moscow 129085, Russia. Tel: +7 (495) 790 7337; Fax: +7 (495) 790 7374; Email: rossia@ros.ru; Website: www.ros.ru. General Director: Yury A. Kolesnikov.

Russian Leasing Company, JSC

3-rd Maryinoy roshchi pr-d 40, bl. 11, off 705, Moscow 128018, Russia. Tel: +7 (495) 984 5086/159 4522/159 2584; Fax: +7 (499) 450 4469/984 5086; Email: post@ruslc.ru; Website: www.ruslc.ru.

Saratovagropromkomplekt, Ltd

1 Sokurovsky pr., 2, Saratov, 410080, Russia. Tel: +7 (8452) 623 937; Fax: +7 (8452) 629 271; Email: info@rsm-sap.ru; Website: www.rsm-sap.ru. General Manager: Nikolay V. Kostov.
Activities: Member of the Russian Leasing Association (Rosleasing).

Scania Leasing, Ltd

Obyrcheva str., 30/1, buld. 2, Moscow 117485, Russia. Tel: +7 (495) 787 5000; Fax: +7 (495) 787 5002; Email: leasing@scania.ru; Website: www.scania.ru. General Director: Hans Tardel.
Activities: Member of the Russian Leasing Association (Rosleasing).

SCM Leasing, Inc.

ul. Olhovskaya, 45, building 1, office 4, 105066, Moscow, Russia. Tel: +7 (495) 787 3183; Email: info@skm-leasing.ru. General Manager: Loboda Anatoly Leonidovich.
Activities: Member of the Russian Leasing Association (Rosleasing).

Shrei Leasing, JSC

Ulof Palme str., 1, Moscow 119590, Russia. Tel: +7 (495) 221 0124; Fax: +7 (499) 143 8481; Email: leasing@shrei.ru; Website: www.shrei.ru. General Director: Radzhesh Bhalotia.
Activities: Financing for construction, oil & gas, mining, rail, power and agricultural equipment. Member of the Russian Leasing Association (Rosleasing).

Sibenergoleasing, JSC

Sverdlova Str. 7, Novosibirsk 630007, Russia. Tel/Fax: +7 (383) 229 8280; Email: mab@nske.ru. General Director: Vitaly S. Parhomenko.
Activities: Member of Russian Leasing Association (Rosleasing).

Sibirskaya Leasing Company, Limited Liability Company

Kompozitorskaya str, 13, Moscow 121099, Russia. Tel: +7 (499) 576 5778; Fax: +7 (499) 252 8850; Email: slk@ooslk.ru; Website: www.ooslk.ru. General Director: Sergei Aleksandrovich Kladov; Email: kladovSA@ooslk.ru; Manager: Pavel Valentinovich Avdeikin; Email: avdeikinpv@ooslk.ru.
Activities: Financial and operational lease in Russia. Member of Russian Leasing Association.

OOO Siemens Finance

66-B Svetlanskaya str., Vladivostok, 690091, Russia. Tel: +7 (423) 202 2525; Fax: +7 (423) 202 2424; Email: info.ru.sfs@siemens.com; Website: www.finance.siemens.ru. CEO: Olek Ragitsky; Sales & Marketing Director: Valentina Polyakova.
Activities: Part of the worldwide Siemens Financial Services organisation and provides leasing for a wide range of equipment and machinery to national and international manufacturers and their sales channels, as well as to Siemens customers, other large organisations throughout Europe, North America and Asia-Pacific. Member of the United Leasing Association, Russia.

SKM-Leasing, Ltd

Olhovskaya str, 45, buld. 1, Moscow, 105066, Russia. Tel: +7 (495) 787 3183; Email: info@skm-leasing.ru. General Director: Anatoly L. Loboda.

SNR Denton UK LLP

Bolshaya Dmitrovka 7/5, Building 2 Moscow, 125009 Russia. Tel: +7 (495) 916 9636; Fax: +7 (495) 916 9637; Website: www.snrrenton.com. Partners: Anna Otkina; Email: anna.otkina@snrdenton.com; Alexander Barmin; Email: alexander@snrdenton.com.
Activities: Represent airlines, banks, lessors and manufacturers in transactions involving financing, leasing and buying aircraft.

Societe Generale Equipment Finance

Zemlyanoi val str, 9, Moscow, 105064, Russia. Tel: +7 (495) 544 4185; Fax: +7 (495) 777 8810; Email: info@sgef-leasing.ru; Website: www.sgef-leasing.ru. General Director: Guram A. Kudryavtcev.

Soglasie, Insurance Company, Ltd

M. Tolmachevsky per., 8/11, bl. 3, Moscow 119017, Russia. Tel: +7 (495) 739 0101; Email: info@soglasie.ru; smirnov@soglasie.ru; Website: www.soglasie.ru. Director General: Igor N. Zhuk.
Activities: Insurance services. Member of the Russian Leasing Association (Rosleasing).

Sogaz-Agro, Insurance Company, Ltd

Bolotnaya, 16, buld. 1, Moscow, 115035, Russia. Tel: +7 (495) 777 4416/730 0003; Fax: +7 (495) 730 0111; Email: info@sogaz-agro.ru; Website: www.sogaz-agro.ru. General Director: Aleksey E. Spiridonov.

Activities: Insurance services to lending and leasing companies. Member of the Russian Leasing Association (Rosleasing).

Sozidanie, Leasing Company, Ltd

Panfilova str, 39G, Ioshkar-Ola, 424003, Russia. Tel: +7 (8362) 420 950; Email: velli@emkb.mari.ru. Director: Valery P. Bychkov.

SSB-Leasing, Ltd

Proletarskaya str., 252, Barnaul, Altayskiy kray, 656008, Russia. Tel: +7 (3852) 652 083; Email: sssb-lizing@mail.ru. Director: Vladimir F. Smykov.

Stavropol Agroleasing, Ltd

s. Verherusskoe, ul. Batayskaya 3, Stavropol Region, Shpakovsky, 356236, Russia. Tel: +7 (86553) 050 256/020 561; Email: stavagroleasing@rambler.ru. General Manager: Ermolov, Vladimir G.
Activities: Member of the Russian Leasing Association (Rosleasing).

Stone-XXI, Ltd

Nagatinskaya Str., 1, B1., Moscow 117105, Russia. Tel: +7 (495) 981 1990; Fax: +7 (495) 981 1991; Email: lease@stone-xxi.ru; Website: www.stone-xxi.ru. General Director: Vyacheslav B. Kudrin.
Activities: Universal leasing company for vehicle and equipment leasing. Basic services include; financial lease, operating lease, project financing, and lease for physical persons. Member of the Russian Leasing Association (Rosleasing).

Svoje Delo-Leasing, JSC

Staraya Basmannaya Str. 22, Moscow 105066, Russia. Tel/Fax: +7 (495) 363 9481; Email: klients@svoe-delo.ru; Website: www.svoe-delo.ru. Contact: Igor Shulgina; Grohovskaya Victorya.
Activities: Founded in 2002, providing leasing for new and used trucks and cars to individuals and companies in the territories of Russia. Member of the Russian Leasing Association (Rosleasing).

Tambovagropromsnab, Ltd

ul. Michurinskaya, 89B, 392000, Tambov, Russia. Tel: +7 (4752) 532 181/536 512; Fax: +7 (4752) 532 181/534 010; Email: gorycheva.i@mail.ru. General Director: Alexander K. Zhalnin.
Activities: Member of the Russian Leasing Association (Rosleasing).

Techneleasing, JSC

Shlyuzovaya nab. 6, Building 4, Moscow 115114, Russia. Tel: +7 (495) 363 6561; Fax: +7 (495) 363 6562; Email: info@techleasing.ru; Website: www.techleasing.ru. Director General: Natalya P. Panskikh; Email: npp@techleasing.ru.
Activities: Member of the Russian Leasing Association (Rosleasing).

Techniversal LC, Ltd

2nd Yuzhnoportovoy pr-d 16, bl. 1, Moscow 115088, Russia. Tel/Fax: +7 (495) 101 2464/7387; Email: s.rusanov@energon.ru. Director General: Sergey V. Rusanov.

TENEX-Service CJSC

st. Most Ordynka, 54, p.2, Moscow, 119017, Russia. Tel: +7 (495) 967 3066/3126; Email: info@atomleasing.ru; Website: www.atomleasing.ru. General Director: Yury Demash.
Activities: Financial lease funds. Member of the Russian Leasing Association (Rosleasing).

Titan-Leasing, Ltd

5th Armiy Str. 29, p/o 96, Irkutsk 664025, Russia. Tel: +7 (3952) 203 583/509; Fax: +7 (3952) 240 557; Email: office@titanleasing.ru; Website: www.titanleasing.ru. General Director: Igor A. Chugaev.
Activities: Member of the Russian Leasing Association (Rosleasing).

TopCom Invest, Ltd

Timiryazeva Str. 30, Perm 614000, Russia. Tel: +7 (342) 210 5147/7084/7069; Email: invest@topcom.ru; Website: www.topcom-invest.ru. Director: Alexey F. Makrushin.

Transinzleasing Ltd

Sadovaya-Spasskaya 21, Moscow 107217, Russia. Tel/Fax: +7 (495) 782 0538/0540-42/782 9359; Email: leasing@transstroy.ru. General Director: Andrey V. Saharov.
Activities: Leasing services.

TransLizingKom, Ltd

Baykalmaya Str. 160a, Irkutsk 664046, Russia. Tel: +7 (3952) 513 113; Fax: +7 (3952) 513 114; Email: tlc@tlc.su; Website: www.tlc.su. General Director: Pavel Chirkov.
Activities: Leasing services, including leasing of vehicles, logging equipment, printing equipment, equipment for trade and rail. Member of the Russian Leasing Association (Rosleasing).

Translease, LC, JSC

Stakhanovtsev str., 13, Apartment 4 H, Liter A, St Petersburg 195196 Moscow, Russia. Tel: +7 (812) 436 8754; Fax: +7 (812) 445 3097; Email: transliz@mail.wplus.net. General Director: Alexander A. Kalinin.
Activities: Member of the Russian Leasing Association (Rosleasing).

Transleasing, Ltd

Truda Str. 64a, Chelyabinsk 454091, Russia. Tel: +7 (351) 230 5305/9309; Fax: +7 (351) 247 2471; Email: trans@leasing74.ru; Website: www.leasing74.ru. General Director: Andrey Beloglazov; Email: beloglazov@leasing74.ru; Also Contact: Elena Gerasimenko; Direct Tel: +7 (351) 236 1351; Email: elena@leasing74.ru.
Activities: Leasing services. Member of the Russian Leasing Association (Rosleasing).

TransFin-M Ltd

Verhnaya Krasnoselskaya Str., 11A building1, Moscow 107140, Russia. Tel: +7 (495) 276 0732; Email: tfm@tf-m.ru; Website: www.transfin-m.ru. General Manager: Eduard I. Keretsman.
Activities: Specialises in granting of high-quality financial leasing services of automobiles, special machines, plant and equipment, real estate and railway vehicles. Member of the Russian Leasing Association (Rosleasing).

Trust-Leasing Ltd

Vosstanaya St. 58/19, 420039 Kazan, Russia. Tel: +7 (843) 267 8380; Fax: +7 (843) 267 8381; Website: www.trustlising.ru. General Director: R. Safin; Direct Tel: +7 (843) 267 8383; Email: info@trustlising.ru; Deputy General Director: Azat Nogumanov; Direct Tel: +7 (843) 267 8382; Email: azatn@mail.ru.
Activities: Rapidly developing leasing company specialised in leasing of motor vehicles, special autotechnique, industrial equipment and communication facilities on the territory of the Republic of Tatarstan.

Tulaselkhoztekhnik, JSC

Ryazanskaya Str. 20, Tula 300026, Russia. Tel: +7 (4872) 377 165/020; Email: agros4@tula.net. Director General: Vyacheslav M. Sokolov.
Activities: Member of the Russian Leasing Association (Rosleasing).

Tupolev Leasing Company, Ltd

Leninskogo komsomola 38, Ulyanovsk 432072, Russia. Tel: +7 (8422) 501 454; Fax: +7 (8422) 543 047; Email: alc@vens.ru. President: Alexander I. Medvedev.
Activities: Leasing services.

Tuymaade-Leasing, GUP

Avdodorzhnaya Str. 23, Sakha, Yakutsk 677007, Russia. Tel/Fax: +7 (4112) 357 265; Email: tlizing@yandex.ru; Website: www.tleasing.ru. Director General: Semen S. Ivanov.
Activities: Member of the Russian Leasing Association (Rosleasing).

Tyumenagromash, GUP

Respublikiki Str., 252, bl. 8, Tyumen 625014, Russia. Tel: +7 (3452) 213 890/70; Fax: +7 (3452) 211 882; Email: selsnab@ttknet.ru; info@rsm-tam.ru; Website: www.rsm-tam.ru. Director General: Raif M. Muhammedzyanov.
Activities: Member of the Russian Leasing Association (Rosleasing).

Udmurtagrosnab

Poyma str., 79, Igevsik, 426028, Russia. Tel: +7 (3412) 505 567; Fax: +7 (3412) 505 045; Email: agrosnab@udmnet.ru; Website: www.agrosnab.udmnet.ru. General Director: Adrey V. Babikov.
Activities: Member of the Russian Leasing Association (Rosleasing).

Ugrom-Leasing, Ltd

Severny obhod, 12, Stavropol, 355000, Russia. Tel: +7 (8652) 236 061; Email: glav@yugprom.ru; Website: www.yugprom.ru. General Director: Uriy A. Pechenov.

Ugra Leasing Company, Inc.

st. Beznoskova 65, 628012, Khanty-Mansiysk, Russia. Tel: +7 (3467) 356 241; Fax: +7 (3467) 337 806; Email: info@ugra-leasing.ru; Website: www.ugra-leasing.ru. General Manager: Dmitry G. Shchukin; Department of Leasing: Marina Skorobogatova; Direct Tel: +7 (3467) 356 242; Email: leasing@ugra-leasing.ru.
Activities: Financial leasing in utilities and municipal equipment, machinery and construction equipment, motor vehicles and real estate. Member of the Russian Leasing Association (Rosleasing).

Uniastrum LK Leasing, Inc.

Suvorov Square, d.1/52, building 1, 127473, Moscow, Russia. Tel: +7 (495) 785 0580; Email: leasing@uniastrum.com; Website: www.leasing.uniastrum.ru. General Director: Timur Boytemirov Faridovich.
Activities: Member of the Russian Leasing Association (Rosleasing).

UniCredit Leasing

24 Timura Frunze Street, 119021 Moscow, Russia. Tel: +7 (495) 287 3150; Fax: +7 (495) 258 6521; Email: lea@unicreditgroup.ru; Website: www.unicreditleasing.ru. General Manager: Fabrizio Rollo; Head of Identity & Communications: Miss Maria Siladiy; Email: maria.siladiy@unicreditgroup.ru.
Activities: Russian subsidiary of the UniCredit Leasing international network. Member of the Russian Leasing Association (Rosleasing).

Universalny leasing, JSC

Promzona, Zheleznogorsk 307170, Kursk, Russia. Tel/Fax: +7 (47148) 797 01; Email: reception@gotek.ru. General Director: Vladimir V. Tukin.
Activities: Member of the Russian Leasing Association (Rosleasing).

Leasing services

Ural Leasing Centre, JSC

Karla Marksa Str. 48/1, off 2, Ufa 450015, Russia. Tel: +7 (3472) 285 417/768 424; Email: kuprianov@mail.ru. Director General: Guzel Zinnatullina.

VB-Leasing Ltd

Sevastopolsky prospekt, 47A, Moscow 115230, Russia. Tel: +7 (495) 967 9676; Fax: +7 (495) 967 9600; Email: info@vr-leasing.ru; Website: www.vr-leasing.ru. General Director: Lange Andreas.

VEB-Leasing

Dolgourovskaya 7, Moscow, 121357, Russia. Tel: +7 (495) 981 4240; Fax: +7 (495) 981 4238; Email: info@veb-leasing.ru; Website: www.veb-leasing.ru. General Director: Vyacheslav S. Solovjev.

Vector-Leasing, OJSC

Lenina, 5 L, BC 'Airplane', office 305, Ekaterinburg, Russia. Tel/Fax: +7 (343) 253 6568; Website: www.vector-leasing.ru.

Activities: Financial and operating leases. Leasing of equipment and vehicles. Member of the Russian Leasing Association (Rosleasing).

Vector-Leasing, OJSC

ul. Uritskogo, 19 Business Center, 'Business World', 9th Floor, Office 1, Samara, Russia. Director: Stanislav Hladek.

Activities: Financial and operating leases. Leasing of equipment and vehicles. Member of the Russian Leasing Association (Rosleasing).

Vector-Leasing, OJSC

ul. Spartacus, 6, office 713, Kazan, Russia. Tel/Fax: +7 (843) 526 5838; Website: www.vector-leasing.ru. Director: Stanislav Hladek.

Activities: Financial and operating leases. Leasing of equipment and vehicles. Member of the Russian Leasing Association (Rosleasing).

Vector-Leasing, OJSC

ul. Tsuruyupa, 13, office 6, Ufa, Russia. Tel: +7 (347) 292 0491; Fax: +7 (347) 292 0492; Website: www.vector-leasing.ru. Director: Stanislav Hladek.

Activities: Financial and operating leases. Leasing of equipment and vehicles. Member of the Russian Leasing Association (Rosleasing).

Vector-Leasing, OJSC

ul. Dzerzhinsky, 7, office 508, Krasnodar, Russia. Tel: +7 (861) 224 0238; Fax: +7 (861) 224 5269; Website: www.vector-leasing.ru. Director: Stanislav Hladek.

Activities: Financial and operating leases. Leasing of equipment and vehicles. Member of the Russian Leasing Association (Rosleasing).

Vector-Leasing, OJSC

st. Radio, 24, building 1, office 504, 105005, Moscow, Russia. Tel: +7 (495) 783 3360; Fax: +7 (495) 783 3362; Website: www.vector-leasing.ru. Director: Stanislav Hladek.

Activities: Financial and operating leases. Leasing of equipment and vehicles. Member of the Russian Leasing Association (Rosleasing).

Vector-Leasing, OJSC

ul. Kamensky, 78/2, office 504, Novosibirsk, Russia. Tel: +7 (383) 212 0386; Fax: +7 (383) 212 0389; Website: www.vector-leasing.ru. Director: Stanislav Hladek.

Activities: Financial and operating leases. Leasing of equipment and vehicles. Member of the Russian Leasing Association (Rosleasing).

Vector-Leasing, OJSC

ul. Tekucheva 139/94, Office 10.21, Rostov-na-Donu, Russia. Tel/Fax: +7 (863) 268 8642; Website: www.vector-leasing.ru. Director: Stanislav Hladek.

Activities: Financial and operating leases. Leasing of equipment and vehicles. Member of the Russian Leasing Association (Rosleasing).

Verhovye Dona, GUP

Oboronnaya Str. 114a, Tula 300045, Russia. Tel/Fax: +7 (4872) 370 797; Email: vd@msx.ru. General Director: Vasily A. Kubatkin.

Vneshtransservice, JSC

Tsvetnoy bulvar 21, bl. 5, Moscow 127051, Russia. Tel: +7 (495) 699 2871; Fax: +7 (495) 699 2863; Email: vts@lorezi.com. General Director: Oleg A. Kharlamov.

Activities: Member of the Russian Leasing Association (Rosleasing).

Volgogradagroleasing, JSC

Nevskaya str., 13a, Volgograd 400087, Russia. Tel: +7 (8442) 376 732; Fax: +7 (8442) 379 292; Email: agrosnab@vlnk.ru; Website: www.volgogradagrosnab.ru. General Director: Vladimir I. Tokarev. **Activities:** Member of the Russian Leasing Association (Rosleasing).

Volkswagen Group Finance, Ltd

Obrucheva, 30/1, bld. 1, Moscow 117485, Russia. Tel: +7 (495) 775 7557; Fax: +7 (495) 258 8154; Email: info-ru@vwfsag.com; Website: www.vwfs.ru. General Director: Yan Kranat.

Activities: Financial services for the automotive market. Member of the Russian Leasing Association (Rosleasing).

Volkswagen Group Finance, Ltd

Shkipersky, Building 14, Block 1, lit. In, 199106, St Petersburg, Russia. Tel: +7 (812) 309 2239; Email: info-ru@vwfsag.com; Website: www.vwfs.ru. Branch Director: Leonid E. Nikitin.

Activities: Financial services for the automotive market. Member of the Russian Leasing Association (Rosleasing).

Volzhanin, Leasing Company

st. Alexandrova, 67ZH, Volga, Volgograd, 404103, Russia. Tel: +7 (8443) 337 453; Fax: +7 (8443) 338 364; Email: Y.VMoiseev-bus.ru; Website: www.volzhanon.ru. Director General: Yury I. Moiseev.

Activities: Leasing of passenger and commercial vehicles and industrial equipment. Member of the Russian Leasing Association (Rosleasing).

VSP-Leasing Ltd

B. Polyanka Str., 50/1, bl. 1, Moscow 119180, Russia. Tel: +7 (499) 238 0911/230 0326; Fax: +7 (495) 238 0911; Email: office@vsp-leasing.ru; Website: www.vsp-leasing.ru. General Manager: Dmitry B. Aleshin.

Activities: Universal leasing company. Works whole of Russia. Gives to leasing autotransport, special vehicles, motor vehicles, equipment, builders. Member of the Russian Leasing Association (Rosleasing).

Vyatkaagrosnab, JSC

Prudnaya str., 51, Kirov 610030, Russia. Tel: +7 (8332) 644 019; Fax: +7 (8332) 402 127; Email: disp@agrosnab.kirov.ru. General Manager: Nikolai G. Bulgakov.

Activities: Member of the Russian Leasing Association (Rosleasing).

Yakor, Ltd

Podsosensky pereulok, 5-7, bld. 2, Moscow 105062, Russia. Tel: +7 (495) 232 9962; Email: yakor@yakor.ru; Website: www.yakor.ru. General Director: Sergey Andreev.

Activities: Insurance company. Member of the Russian Leasing Association (Rosleasing).

Yakov-Semenov LC, JSC

Svetlanskaya str., 51a, Vladivostok, 690990, Russia. Tel: +7 (4232) 222 210/226 432; Email: mail@yakovsemenov.ru; Website: www.yakovsemenov.ru. Director: Alexey G. Balyaba.

Activities: Leasing services. Member of the Russian Leasing Association (Rosleasing).

Yambovagropromsnab, Ltd

Michurinskaya str., 89B, Tambov, 392000, Russia. Tel: +7 (4752) 532 181/536 512; Fax: +7 (4752) 534 010; Email: gorycheva.i@mail.ru. General Director: Alexandr K. Jainin.

Yugorskaya Leasing Company, JSC

Beznoskova Str. 65, Hanty-Mansiysk 628012, Russia. Tel: +7 (34673) 56241/56244; Fax: +7 (34673) 37806; Email: info@ugra-leasing.ru; Website: www.ugra-leasing.ru. Director General: Dmitry G. Schukin.

Activities: Leasing of realty; passenger and lorry transport; municipal and construction machinery.

Yugprom, Ltd

Vokzalnaya Str. 16, Essentuki 357600, Russia. Tel/Fax: +7 (87934) 555 95; Email: stav@yugprom.ru; Website: www.yugprom.ru. General Director: Uriy A. Pechenov.

Activities: Agricultural equipment. Member of the Russian Leasing Association (Rosleasing).