

wly

World Leasing  
Yearbook  
2011



**EUROMONEY**  
YEARBOOKS  
Part of Euromoney Trading Ltd



**World Leasing**  
Yearbook  
2011

wly

---

✦ Edited by Lisa Paul

---

# Contents

---

## Introduction

Worst year ever for global leasing, as market declines more than 20%. Has the market bottomed?	1
Information as a hidden leasing company asset: Securing improved performance in uncertain times	11
Expanding Islamic leasing beyond Islamic countries: Is there a market appetite?	15
Proposed new lease accounting standard	20
Overhauling lease accounting: A joint IASB/FASB exposure draft	24
Lease accounting – Exposure draft published in August 2010	32
An overview of the European leasing market in 2009	36
Latin American leasing industry still resilient despite global economic downward spiral	43
Picking the winners – How to balance opportunity and risk in emerging markets	47
The renewable energy sector can fuel investments	49
So, the recession is over ...? Strategies for the recovery	51
The future of bank-owned leasing companies	55
Innovative leasing services for impact in emerging markets	57
Unidroit's legislative work designed to promote leasing internationally	63

## Information technology review

Technology update	74
Easing the pain of data migration	78
Why integration with multiple back office systems is essential for better risk assessment	82
How to achieve and benefit from genuine transparency in your business	86

## Leasing software reviews

Leasing software in Europe	90
Leasing software in the US	102
Leasing software in Asia-Pacific	108
International leasing associations	113

## Country reviews

Africa	116
Australia	122
Austria	136
Belgium	141
Bolivia	144
Bosnia and Herzegovina	147
Brazil	150
Canada	154
China	164
Colombia	172
Costa Rica	176

# Contents

---

Czech Republic	179
Denmark	184
Ecuador	188
Egypt	191
Estonia	195
Finland	203
France	207
Germany	219
Greece	233
Hong Kong	235
Hungary	238
India	244
Iran	247
Ireland	250
Italy	258
Japan	267
Kazakhstan	282
Korea	284
Malaysia	291
Mauritius	297
Morocco	302
Netherlands	306
New Zealand	310
Nigeria	318
Norway	329
Oman	335
Peru	339
Philippines	346
Poland	352
Russia	359
Saudi Arabia	373
Slovakia	377
South Africa	382
Spain	389
Sri Lanka	394
Sweden	399
Switzerland	405
Taiwan	410
Turkey	414
Ukraine	420
United Kingdom	425
United States	467
Uzbekistan	516
Venezuela	519
Miscellaneous countries	522
<b>Advertisers index</b>	<b>536</b>

**Editor:** Lisa Paul

**Directory Research Manager:** Sarah Harvey

**Advertising Sales:** Nigel Johnson

**Advertising Administrator:** Karolina Lubecka

**Marketing Manager:** Hannah Richards

**Publisher:** Adrian Hornbrook

**Editorial office:** Euromoney Yearbooks, 11 North Hill, Colchester, Essex CO1 1DZ, UK.

Tel.: (01206) 579591. Fax: (01206) 765309.

[www.euromoney-yearbooks.com](http://www.euromoney-yearbooks.com)

To order any Euromoney product, call the Euromoney Hotline +44 20 7779 8999 or in the US +1 212 224 3570 or via email at [hotline@euromoneyplc.com](mailto:hotline@euromoneyplc.com)

**Origination by:** Robin Graygoose, Colchester, Essex, UK.

**Printed by:** Wyndeham Grange Limited, Brighton, Sussex, UK.

Although every effort has been made to ensure the accuracy of the information contained in this book the publishers and contributing authors can accept no liability for any inaccuracies that may appear.

All rights reserved. No part of this publication may be reproduced in any material form by any means whether graphic, electronic, mechanical or means including photocopying, or information storage and retrieval systems without the written permission of the publisher and where necessary any relevant other copyright owner. This publication – in whole or in part – may not be used to prepare or compile other directories or mailing lists, without written permission from the publisher. The use of cuttings taken from this directory in connection with the solicitation of insertions or advertisements in other publications is expressly prohibited. Measures have been adopted during the preparation of this publication which will assist the publisher to protect its copyright. Any unauthorised use of this data will result in immediate proceedings.

© Copyright rests with the publishers, Euromoney Trading Ltd, England, ISBN: 978 184374-797-0.

# Russia

## MARKET REVIEW

The results of the scheduled annual analysis undertaken by the State Government University in Russia to survey the activities of leasing companies in Russia indicate that the year 2009 was worse for the leasing business than 2008. The situation of the Russian financial and leasing markets in 2009 is tough. But, there is some optimism that 2010 will see positive economic growth.

**Crisis and figures of the Russian leasing market.** For 12 years the State Government University – Higher School of Economics (Moscow) has been surveying the results of activities of most leasing market operators in Russia, including all the largest ones.

At the end of 2008 and beginning of 2009, the signing of new contracts with many lessors stopped or essentially reduced. 2009 had proven to be one of the most difficult years in the history of leasing in the Russian Federation. The crisis has seriously impacted on the financial figures of the Russian lessors.

Our regular annual analytical review of the Russian leasing industry shows that in 2009 new production volumes (the value of leasing contracts concluded during the year under which lease financing began to be provided) amounted to US\$10.45bn (including VAT) or US\$8.87bn (excluding VAT). This represents more than a twofold decline (in dollars) compared to 2008. The data given in Table 1 demonstrate that in the country's leasing industry there was a decline in the value of new leasing contracts.

The evaluation as of 2009 was based on the data of 94 Russian lessors (US\$8.14bn), which amounts to 79.0% of the value of all concluded new leasing agreements in the country, as well as available information on some transactions of some other small and medium-sized Russian leasing companies, which we value at US\$2.31bn.

Over the period from 1998 to 2009 the volumes of leasing operations in Russia totalled US\$113.86bn (at current



Dr Victor Gazman, author of this article.

prices). This figure is not adjusted for changes in the worth of money over time.

**Leasing market penetration.** However, in 2009 the Gross Domestic Product (GDP) of the Russian Federation amounted to US\$1,255.6bn (US\$1,674.8bn in 2008) and according to the official data of the Federal State Statistics Service, real investment increased by 16.2% in roubles compared to the level of the previous year.

But the economic side of the country and Russian's leasing market showed clear signs of improvement during the second half of 2009. GDP and industrial production began growing again and there have been some signs of recovery in investment.

During a meeting on pricing and tariffs (on May 31, 2010), the Prime Minister of the Russian Federation, Vladimir Putin, said: "We are now experiencing the lowest inflation in 20 years: 3.8% for the first four months of the year. It is clear that this is very important and beneficial for encouraging investment and increasing lending, especially long-term lending ... Today we see an upward trend in key economic indices. Russia's GDP is expected to grow by 3.5%–4.0% in 2010, according to the forecast of the Ministry of Economic Development. There are even more optimistic scenarios, but we will proceed from that conservative estimate. Russian industry performed extremely well in

## Leasing services

### Afin Leasing Vostok (Iveco Capital), Ltd

Kosmonavta Volkova Str., 10 Building 1, 125171 Moscow, Russia. Tel: +7 (495) 504 0445; Fax: +7 (495) 504 0446; Email: varvara.nikolova@iveco.com; Website: www.iveco.com. **Activities:** Member of the Russian Leasing Association (RosLeasing).

### Agrosnabtechservice, JSC

Fabrichnaya Street 14, 630007 Novosibirsk, Russia. Tel: +7 (3832) 230 843; Fax: +7 (3832) 236 536; Email: kolos@nvcorn.ru; Website: www.rsm-asts.ru. General Director: Anatoly V. Zhukov. **Activities:** Member of the Russian Leasing Association (RosLeasing).

### Air Company "Atlant-Soyuz" Incorporated

2 Building, Tsentralnaya Street, Moscow 119027, (Vnukovo International Airport), Russian Federation. 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, 36, 350072 Krasnodar, Russia. Tel: +7 (861) 257 0757; 242 9429; Email: akkor23@mail.ru; Website: www.techleasing.narod.ru. Director: Vladimir A. Fedorenko. **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.

### Altay Leasing, Ltd

Kalinina pr-t, 22a, Office 9, 656011 Barnaul, Russia. Tel: +7 (3852) 777 630. Director: Aleksander I. Ushakov.

### Argument, Legal support agency, Ltd

78 Dobrovolskoy brigady Street, 2, 660077 Krasnoyarsk, Russia. Tel: +7 (3912) 541 600; Email: lizing@argument.su; argum@online.su; Website: www.argument.su. General Director: Tatyana V. Tregubova. **Activities:** Member of the Russian Leasing Association (RosLeasing).

### Astragroleasing, Ltd

Sovetskoy Gvardii str., 9, Astrahan, 414013, Russia. Tel: +7 (8512) 579 701/578 788. Director: Badma Doldaev. **Activities:** Member of the Russian Leasing Association (RosLeasing).

### BA-DEK-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. **Activities:** Member of the Russian Leasing Association (RosLeasing).

### Baltic Leasing Group

22, letter A, BC "Kellerman", ul. 10 th Red Army, 190103, St. Petersburg, Russia. Tel: +7 (812) 325 9080; Fax: +7 (812) 325 9083; Email: mail@spb.baltlease.ru; Website: www.baltlease.ru. CEO: Dmitry V. Corchagov. **Activities:** Member of the Russian Leasing Association (RosLeasing).

### Beloblagopromsnab, JSC

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. **Activities:** Member of the Russian Leasing Association (RosLeasing).



April, posting double-digit growth, 10.4% for the first time.”

According to our estimates, the share of the leasing operations in GDP (real) in 2009 was 0.83% (2008 – 1.88%; 2007 – 2.86%); the share of leasing operations in investments in production assets was 4.10% (2008 – 7.41%; 2007 – 12.83%).

According to the data published by the London Financial Group, an analytical agency assessing the international leasing markets, and our research over the period from 1998 to 2008, the Russian Federation has risen in the leasing ratings from 34th place in the world to seventh place and from 20th place to fourth place within the European continent.<sup>1</sup>

**The refinancing rate of Russia's Central Bank.** Lease pricing has for the most part tracked with bank lending rates. The economic situation in the borrowed capital market in the country has been steadily improving for several years.

Over four years, from June 2003 to June 2007, the refinancing rate of Russia's Central Bank in roubles decreased from 16% to 10% annually. During this time period the credits in dollars, euros and roubles that Russian leasing companies received for three to seven years were at the level of 9%–11%. Therefore, borrowings of Russian lessors abroad were cheaper by two to three interest points.

Despite the world financial crisis in 2008 and worldwide reinforcement of inflation processes, Russia experienced growth of the refinancing rate of the Central Bank and saw an increase in the cost of money resources, including resources for leasing companies.

The rates listed above are higher, of course, than the rates at which the largest, most creditworthy companies can generally borrow – as is to be expected. Central Bank efforts have helped restore optimism. In the following period of 2009–10, the refinancing rate decreased (see Table 2).

**Activities of leasing market operators.** In 2003 Russia had only seven leasing companies, whose new business volumes

were in excess of US\$100m; in 2004 there were 15; in 2005 – 24; 2006 – 39; 2007 – 50; 2008 – 53; and in 2009 there were only 18 such companies, two of which are over US\$1,000m, yet two are over US\$500m, but less than US\$1,000m (see Table 3).

A large amount of new leasing business in Russia (approximately 18% in 2009 and 16% in 2008) is represented by the 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.

According to our survey, leasing companies are indeed providing substantial funding to small-sized enterprises, for example, Europlan (cost of property for lease, US\$183.0m). The share of leasing for small-sized enterprises in the total volume of leasing operations in Russia is more than 10%.

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

Analysis showed that in 2009 more than half 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 does so randomly.

**“Outstandings”.** With the help of 12 years of empirical research of the Russian leasing market we have formed a ranking of lessors, primarily by “new production” and “outstandings” and by “region”, and “market segment”. This study is still highly in demand and is a well-timed topic of today.

In my view, during a financial crisis the most significant ranking is that of leasing companies by “outstandings” rather than “new production”. Moreover the lease portfolio must be adjusted by the amount of overdue debt receivables. Such an adjustment enables the assessment of debt and defines its weight in the total portfolio of lease contracts.

## Leasing services

### 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@lcba.ru; Website: www.leasing-ba.ru. General Director: Aleksey U. Akindinov.

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

### Business Car Leasing

Balaklavsky pr. 26, Moscow 117452, Russia. Tel: +7 (495) 721 3368; Fax: +7 (495) 223 7746; Email: adolgov@leasingbc.ru; Website: www.leasingbc.ru. General Director: Ilya A. Pimenov.

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

### Capital Insurance, JSC

Kievskaya Str. 7, Moscow 121059, Russia. Tel: +7 (495) 411 8274; Email: cl@ifdk-insurance.ru; Website: www.ifdk-insurance.ru. General Director: Ruslan Aliev.

**Activities:** 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/(495) 970 1090; Email: vzabrodin@cls.ru; Senior Attorney: Elena Stepanova; Tel: +7 (495) 970 1090; Email: estepanova@cls.ru.

**Activities:** Provision of legal services, including drafting agreements, assessment of contracts terms, due diligence of leasing companies, clients representation in contracts 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.ru; Website: www.carcade.ru. General Director: Larisa Vlasova.

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

### ChelIndLeasing, OOO

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

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

### 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 Malyutin.

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

### Clifford Chance CIS Limited

Gashka 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 Bortkevicha; Direct Tel: +7 (495) 725 6406; Email: victoria.bortkevicha@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 Ia. Skoropupov. **Activities:** Member of the Russian Leasing Association (Rosleasing).

**Table 1: Leasing in Russia (1998–2009)**

Year	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
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
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
%	22.9	12.7	8.8	38.5	18.4	56.9	85.4	26.1	100.7	92.3	–19.6	–60.4

According to our assessments, the “outstandings” figure, i.e. the total amount payable by lessees under current leasing contracts to leasing companies (the leasing companies portfolio), as at the beginning of 2010 totalled US\$32.030bn (US\$41.250bn for January 1, 2009; US\$38.870bn in 2008; US\$21.920bn in 2007).

In 2009 the share of poor portfolios held by lessors rose (bad receivables due from the lessees for ongoing lease contracts), i.e. the quality of lease portfolio held by Russian lessors has worsened.

Information about the number of lessors in the range group can be found in Table 5, and information about Russian

leasing companies with “outstandings” more than US\$300m can be found in Table 6.

Back in October 2008 at the Annual International Conference “Leasing in Russia” in Barcelona we stated that poor financial support from the State was provided to those lessors who attract a large number of investment projects to the real economy sector.

However even if the State initiates direct finance for leasing companies alike provided for banks, there is a concern that the growth rate of bad debt will go up. Our forecast confirmed this and back in February 2010 at the Annual International Conference “Leasing in

## Leasing services

### Cooperator, SMSKPK

Universitetskaya Str. 45, bl. 51, Saratov 410078, Russia. Tel: +7 (8452) 517 714; Fax: +7 (8452) 517 702. Executive Director: Vladimir N. Vizgalin.

### DaimlerChrysler Leasing Avtomobili, Ltd

B. Ordynka str., 40, Building 2, Moscow 119017, Russia. Tel: +7 (495) 797 5353; Fax: +7 (495) 797 5355; Email: info@DCLA.ru. Director General: Frank Hike.

### 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: Yuri 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: Alexander d'Huc. Activities: De Lage Landen is 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.

### Elevator-Servis

Sovetskaya, 112, Tula, 300041, Russia. Tel: +7 (4872) 250 918; Email: elevator-servis@yandex.ru; Website: www.elevator-servis.ru. General Director: Andrey A. Panov. Activities: Member of the Russian Leasing Association (Rosleasing).

### Energogrant IAC, JSC

Sadovnicheskaya nab. 23, Moscow 115305, Russia. Tel: +7 (495) 737 0301; Fax: +7 (495) 234 6515; Email: energy@msk-garant.ru; Website: www.energogrant.ru.

### EnergogazleasingHold Ltd

Garibaldi str., 19, bl. 2, Moscow 117335, Russia. Tel: +7 (495) 128 5807; Fax: +7 (495) 728 7721; Email: gazleasing@mtu-net.ru. General Director: Aleksander B. Pirumov.

### Energoleasing JSC

Svyato-Trickiy 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).

### Energosvyazservice, JSC

Oktyabrskaya Str. 2, bl. 1, Ryazan 390042, Russia. Tel: +7 (4912) 378 054; Email: root@comtelsys.ryazan.ru. General Director: Mels. G. Sorsoryan.

### Ershovskaya MTS, JSC

Remontnaya Str., 1, Ershov 413500, Russia. Tel: +7 (84564) 24068. Director General: Aleksander G. Besshapashnikov.

### Evrotehnika, Ltd.

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

### Expo-leasing, Ltd

Elektrozavodskaya ul., d. 33, Moscow 107076, Russia. Tel: +7 (495) 660 9795; Email: info@expoleasing.ru; Website: www.expoleasing.ru. Director General: Konstantin I. Distilyator. 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: Member of the Russian Leasing Association (Rosleasing).

### Financial Leasing Agency JSC

Sadovnicheskaya Str. 67, bl. 1, Moscow 115035, Russia. Tel: +7 (495) 956 1731; Email: leasing@kapitalleasing.ru. Director General: Dmiry I. Koryagin.

### Financial Technologies Group

4 block, 6 Shliuzovaya nab., Moscow 115114, Russia. Tel: +7 (495) 782 1685/1696; Fax: +7 (495) 782 1676/1662; Email: info@gtf-leasing.ru; Website: www.gtf-leasing.ru. General Director: 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).

**Table 2: The refinancing rate of Russia's Central Bank (2008–10)**

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						

**Table 3: Russian leasing companies that concluded new business volumes of more than US\$100m (2009)**

No.	Leasing company	New production volumes for finance lease, US\$m
1	VEB-leasing (Moscow)	1010.6
2	Sberbank-Leasing (Moscow)	1003.0
3	VTB-Leasing (Moscow)	936.2
4	Ilyushin Finance Co. (Voronezh)	659.8
5	Gaztechleasing (Moscow)	420.7
6	Eurolan (Moscow)	322.1
7	Group Companies "Baltlease" (St Petersburg)	245.4
8	Deutsche Leasing Vostok (Moscow)	178.0
9	Group Companies "Severnay Veneziy" (St Petersburg)	175.2
10	TGI-Leasing (Moscow)	171.1
11	Carcade (Moscow)	164.8
12	TransCreditLeasing (Moscow)	155.4
13	TransFin-M (Moscow)	154.3
14	Caterpillar Finance (Moscow)	127.1
15	Universalny Leasing Company (Khabarovsk)	126.3
16	Volvo Finance Service Vostok (Moscow)	122.3
17	Group Companies "KAMAZ-Leasing" (Naberezhny Chelny)	117.0
18	TransInvestHolding (Moscow)	105.1

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

Group lessors	New business	Outstandings	Payments received	Ratio of received payments:	
				To new business	To outstandings
For lessors, affiliated to the State	52.5	48.5	28.5	0.54	0.59
For lessors, established by foreign banks and companies	17.9	17.4	31.2	1.74	1.79
Rest of the lessors, established Russian businesses	29.6	34.1	40.3	1.36	1.18

Note: Lessors taken from the total surveyed companies.



**Table 5: Outstandings of Russian leasing companies, for January 1 (2007–10)**

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

Russia. Winning Strategies in Turbulent Times” in Brussels we noted this fact.

The analysis of activities of leasing companies allowed us to determine the following ratio. According to our estimates, by the beginning of 2010 doubtful and problem receivables in leasing companies accounted for approximately 10.02% (2.08% in 2009) 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, although less than 60 days, as defined in the lease contract – 1.68% (beginning of 2009 – 0.58%). Problem receivables are those with more than two sequentially missed lease payments as specified in the lease contract – 8.34% (previous year – 1.50%).

An analysis of information on the non-fulfilment 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 usu-

ally 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 has gone up.

## Leasing services

### FinStroyLeasing Ltd

Malaya Sadovaya St., 3/54, Lit A, office 20H, St Petersburg 191023, Russia. Tel: +7 (812) 702 8197; Fax: +7 (812) 702 8198; Email: mail@finstroyliz.ru; Website: www.finstroyliz.ru.

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

### Goznak-Leasing JSC

Pavla Andreeva Str., 27, Moscow 115162, Russia. Tel/Fax: +7 (495) 981 4903/981 4904; Email: info@gznleasing.ru; Website: www.gznleasing.ru. Director: Babich Alexander A. **Activities:** Member of the Russian Leasing Association (Rosleasing).

### GUTA-Strakhovaniye (Insurance), JSC

Myasnitkaya St., 35, Moscow 101990, Russia. Tel: +7 (495) 799 9799; Fax: +7 (495) 783 4187; Email: post@gutains.ru; Website: www.gutains.ru. General Director: Aleksey I. Kuznetsov.

### Herbert Smith CIS LLP

10 Ulitsa 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 lender on English, EU and local law aspects of oil and gas, power generation, telecom/media, transport and other major infrastructure projects world-wide.

### Higher School of Economics

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

### Homnet Leasing & Inera Consulting Joint Company

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

### INAL Company JSC

Leningradsky pr-t 80, Moscow 125190, Russia. Tel: +7 (495) 158 9603; Fax: +7 (495) 943 9281; Email: lc@inal.ru; Website: www.inal.ru.

### Inavto Ltd

Leningradskaya Str. 1A, Himki, 141400, Russia. Tel: +7 (495) 575 4512; Email: pikzahar@rambler.ru. General Director: Zahar A. Pik. **Activities:** Member of the Russian Leasing Association (Rosleasing).

### Independent Leasing

Vereyskaya St., 29/134B, office 415, Moscow, 121 357, Russia. **Activities:** Associate member of the Finance & Leasing Association (UK).

### INERA, Ltd

Zagorodnoe shosse 5, bl. 2a, Moscow 117152, Russia. Tel: +7 (495) 540 1286; Fax: +7 (495) 540 1287; Email: shirokovAV@inera.ru; Website: www.info@inera.ru. Director General: Dmitry V. Plastinin.

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

### Inteko-Agro, Ltd

Pos. Prohorovka, Chkalova Str. 19, Belgorodskaya obl., 309000, Russia. Tel: +7 (47242) 21583. Director General: Valery E. Gilchiyanc.

### Interleasing, Headquarters

5 Kravitsky 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. Member of the Russian Leasing Association (Rosleasing).

### Interleasing, Chelyabinsk Office

Hudiyakova Street 12A, Office 10, Chelyabinsk 454080, Russia. Tel: +7 (351) 247 9591; Email: zaa@ileasing.ru; Website: www.ileasing.com. Director: Anton Zolnikov. **Activities:** Leasing services

**Table 6: Russian leasing companies with “outstandings” over US\$300m for January 1, 2009**

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	Europplan (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

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 – approximately 1.8% of the total portfolio. 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, depreciated and non-liquid asset.

Calculated index – 11.82% – is significantly lower than the percentage of overdue loans in the overall banking sector in Russia. The Central Bank of Russia states that nominally bad loans in roubles, counted 6.0%, while the actual rate indicated 15% (according to estimates of the Minister of Finance, Alexey Kudrin) of total loans as of January 1, 2010 and 6.5% as of June 1, 2010 (really 16.25%).

The effective rate is higher as banks tend to hide it to avoid extra cost for insurance reserves. In order not to make the financials look worse, banks use loan prolongations, restructuring by formal issuance new loans in the amount of the total debt. In other words new loans are issued to refinance existing old debt.

By the end of 2010 in various estimations, credit debt may come up to 15%–16%. Analysts consider 17%–18% as a critical loss level in loan portfolio for the majority of banks, but during the 1997 crisis in Japan and Korea, the maximum share of bad debt reached 35% of total loans.

The crisis has revealed an imperfection of applied methods of risk assessment in lease projects, including those

based on scoring models. A real necessity has occurred for the leasing companies to modify the methods, improving all risk management systems.

The time has now come to generate a new system of bank standards – Basel III in replacement of Basel II – that would regulate financial institutes, including leasing companies, and suggest recommendations in accounting and credit risks 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 of the sides 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.

**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 1.5% to 3% 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.

A characteristic of the Russian market of leasing services is a relatively high level of preparation of leasing contracts. We believe that in this respect Russian leas-

## Leasing services

### Interleasing, Ekaterinburg Office

Krasnoarmeyskaya Street 10, Office 16/06, Ekaterinburg 620075, Russia. Tel: +7 (343) 378 4101; Email: zaa@ileasing.ru; Website: www.ileasing.ru. Director: Anton Zolnikov.

**Activities:** Leasing services.

### Interleasing, Kaliningrad Office

Teatralnaya Street 30A, Office 518, Kaliningrad, Russia. Tel: +7 (4012) 616 331; Email: tak@ileasing.ru; Website: www.ileasing.ru. Director: Tatiana Kovtonuk.

**Activities:** Leasing services.

### Interleasing, Kemerovo Office

Shestakova Street 6, Office 113, Kemerovo 650099, Russia. Tel: +7 (3842) 252 346; Email: kek@ileasing.ru; Website: www.ileasing.ru. Director: Kirill Karpov.

**Activities:** Leasing services.

### Interleasing, Krasnodar Office

Krasnay Street 160, Krasnodar 350015, Russia. Tel: +7 (861) 253 8115; Email: bdv@ileasing.ru; Website: www.ileasing.ru. Director: Denis Balbasov.

**Activities:** Leasing services.

### Interleasing, Krasnoyarsk Office

Office 505, 110 Dubrovinskogo str., Krasnoyarsk 660021, Russia. Tel: +7 (3912) 680 443; Email: svl@ileasing.ru; Website: www.ileasing.ru. Director: Sergey Lestrovoij.

**Activities:** Leasing services.

### Interleasing, Moscow Office

70 Vyatskaya str., Moscow 127015, Russia. Tel: +7 (495) 234 2575; Email: kag@ileasing.ru; Website: www.ileasing.ru. Director: Alexey Kostin.

**Activities:** Leasing services.

### Interleasing, Nizhni Novgorod Office

Kostina Street 3, Office 502, Nizhni Novgorod 350015, Russia. Tel: +7 (8312) 780 301; Email: gan@ileasing.ru; Website: www.ileasing.ru. Director: Alexander Galkin.

**Activities:** Leasing services.

### Interleasing, Novosibirsk Office

Office 513, Kommunisticheskaya str.2, Novosibirsk 630007, Russia. Tel/Fax: +7 (383) 325 7887; Email: nvq@ileasing.ru; Website: www.ileasing.ru. Director: Roman Groshev.

**Activities:** Leasing services.

### Interleasing, Perm Office

Ordjonikidze Street 14, Office 406, Perm 614000, Russia. Tel: +7 (342) 257 0332; Email: amv@ileasing.ru; Website: www.ileasing.ru. Director: Maksim Andrakovsky.

**Activities:** Leasing services.

### Interleasing, Petrozavodsk Office

Rovio Street 3, Office 237, Petrozavodsk 185000, Russia. Tel: +7 (8142) 511 729; Email: kda@ileasing.ru; Website: www.ileasing.ru. Director: Danil Kazaev.

**Activities:** Leasing services.

### Interleasing, Rostov-on-Don Office

Office 12/06, Tekucheva str. 234, Rostov-on-Don 344019, Russia. Tel: +7 (863) 218 1239; Email: kav@ileasing.ru; Website: www.ileasing.ru. Director: Alexey Korenkov.

**Activities:** Leasing services.

### Interleasing, Samara Office

335 Sadovaya str., Samara 443100, Russia. Tel/Fax: +7 (846) 240 3133; Email: avg@ileasing.ru; Website: www.ileasing.ru. Director: Andrey Gudkov.

**Activities:** Leasing services.

### Interleasing, Saratov Office

Astrakhanskaya Street 43, Building 2, Office 317, Saratov, Russia. Tel: +7 (8452) 512 183; Email: sav@ileasing.ru; Website: www.ileasing.ru. Director: Alexey Shepakin.

**Activities:** Leasing services.

### Interleasing, Surgut Office

Mira Street 42, Office 601 ("Office Palace"), Surgut 628426, Russia. Tel: +7 (3462) 319 477; Email: cau@ileasing.ru; Website: www.ileasing.ru. Director: Alexander Chepurin.

**Activities:** Leasing services.

### Interleasing, Ulyanovsk Office

Goncharova Street 32A, Office 407, Ulyanovsk 432063, Russia. Tel: +7 (8422) 794 363; Email: zlr@ulk.ileasing.ru; Website: www.ileasing.ru. Director: Lilia Zakirova.

**Activities:** Leasing services.

### Interleasing, Volgograd Office

Office 1203, 5 Sovetskaya str., Volgograd 400066, Russia. Tel: +7 (8442) 383 568; Email: mazitov@ileasing.ru; Website: www.ileasing.ru. Director: Sergey Mazitov.

**Activities:** Leasing services.

**Table 7: Lease portfolio in Russia as at January 1, 2010**

Indicator	% of total lease market portfolio
Doubtful receivables (more than 30 days, but less than 60 days)	1.68
Problem receivables (term with more than two sequentially missed lease payment dates as specified in the lease contract)	8.34
<b>Sub-total</b>	<b>10.02</b>
Prematurely terminated lease contracts	1.80
<b>Total</b>	<b>11.82</b>

**Table 8: Top six leasing companies that concluded more than 1,000 leasing contracts (2009)**

No.	Leasing company	Number of concluded leasing contracts
1	Eurolplan (Moscow)	7,157
2	Carcade (Moscow)	4,090
3	Gaztechleasing (Moscow)	3,086
4	ARVAL (Moscow)	1,308
5	Volkswagen Group Finanz (Moscow)	1,165
6	Group Companies "Baltlease" (St Petersburg)	1,072

ing 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 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 often are 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 creditworthiness.

We assume that rankings characterise the quantitative aspect of the lessors' 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 to build 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 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 only to running a lease business. The balance sheet will then accumulate the financials of all businesses it has.

Another crucial feature lies with the definition of lessor's leverage. In contrast with a standard commercial company, 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's 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 on to the leased 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 leased 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 leased property, advance payment, lease margin and term of lease contract.

At the same time some requirements which 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 total assets of lessee, and the 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 deci-

## Leasing services

### Interleasing, Voronezh Office

Svobody Street 69A, Office 211 Business Center "Capital", Voronezh, Russia. Email: gan@ileasing.ru; Website: www.ileasing.ru. Director: Alexander Galkin.  
**Activities:** Leasing services.

### Interleasing-invest, Ltd

Krasnoflotskaya Str., 66, Stavropol 355003, Russia. Tel: +7 (8652) 350 250/397; Email: leasing@iskra.stavropol.ru. General Director: Shamil D. Napso.  
**Activities:** Member of the Russian Leasing Association (Rosleasing).

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

### IR-Leasing, Ltd

Spasopeskovsky pereulok, 7/1, 1, Moscow 119992, Russia. Tel: +7 (495) 797 2635/2636; Fax: +7 (495) 797 2637; Email: ir@ir-leasing.ru; Website: www.ir-leasing.ru. General Director: Svetlana Mitrofanova; Direct Tel: +7 (495) 797 2635; Executive Director: Marina Bykovskaya; Email: marina.g@ir-leasing.ru.  
**Activities:** One of the top 20 leasing companies in Russia. Member of the Russian Leasing Association (Rosleasing).

### JSC "SG Finance"

9 Business Centre "Citydel", Zemlyanoi val Str., 105064 Moscow, Russian Federation. Tel/Fax: +7 (495) 777 8810/544 4185; Email: info@sgef-leasing.ru; Website: www.sgef-leasing.ru. Managing Director: Guram Kudryavtsev; Email: kudryavtsevg@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.

### Kamaz, Leasing Company

Avtozavodskoy prospekt str., 2, Naberegnye 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.  
**Activities:** Member of the Russian Leasing Association (Rosleasing).

### 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

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

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

### KPMG, JSC

Gogolevsky Boulevard 11, Moscow 119019, Russia. Tel: +7 (495) 937 4477/99; Fax: +7 (495) 037 4400; Email: KPMGMoscow@kpmg.ru. Company Head: Roger Mannings.

### Kubanleasing, GUP

Promyshlennaya str, 50, Krasnodar 350002, Russia. Tel: +7 (861) 255 1170/259 0490; Fax: +7 (861) 255 1186; Email: kubanliasing@gmail.ru. General Director: Vadim V. Ryzhov.  
**Activities:** Member of the Russian Leasing Association (Rosleasing).

### Kubanskiy promyshlenny 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:** Member of the Russian Leasing Association (Rosleasing).

### Kurskagropromleasing, OGUP

Solovynaya Str., 47, Kurskaya obl, Russia. Tel: +7 (4712) 341 124; Fax: +7 (4712) 341 125; Email: kursk-leasing@mail.ru. General Director: Aleksandr M. Timoshenko.  
**Activities:** Member of the Russian Leasing Association (Rosleasing).



**Table 9: Regional structure of leasing operations in the Russian Federation (2007–09)**

Region of the Russian Federation	Share in the total Russian leasing business, %		
	2007	2008	2009
Far East	3.2	2.6	4.6
Siberia	7.1	8.5	13.6
The Urals	8.5	10.7	6.5
The Volga region	9.6	13.3	10.2
South	4.0	6.6	2.5
North-West (not including St Petersburg and Leningradskaya oblast)	2.2	2.5	1.6
St Petersburg and Leningradskaya oblast	7.5	12.9	14.6
Central region (not including the city of Moscow)	19.2	14.3	17.1
Moscow	31.5	28.0	28.3
Cross-border leasing (export)	7.2	0.6	1.0

sion as to which leasing company to select for further work.

**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 2009 the companies under review concluded 41,000 new leasing contracts (78,000 in 2008 and 90,000 in 2007). On average, the value of one leasing transaction was US\$200,000 (US\$288,000 in 2008 and US\$323,000 in 2007).

**Geography of Russian leasing.** In this review we highlight the importance of the geography of Russian leasing business. For example, out of 94 leasing companies reviewed, 58.5% are based in Moscow, 7.4% in St Petersburg and 34.1% elsewhere in Russia (Volgograd, Voronezh, Vologda, Vladivostok, Khabarovsk, Novosibirsk, Tyumen, Ekaterinburg, Perm, Samara, Naberezhny Chelny, Saratov, Belgorod, Tver and some others). However, such geographical distribution is not indicative of the real situation.

It is not the place of registration of a company that is important in the Russian context but rather the region in which the company pursues its activities and in which clients may avail themselves of its services. It is true that redeployment is one of the characteristic features of the development of the Russian leasing business in recent years.

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).

**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's segment in the total volume of new leasing contracts concluded in 2009. Information about the structure of leasing contracts can be found in Table 10.

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

Transport vehicles account for 63.3% (53.41% in 2008 and 51.17% in 2007) of all leasing assets. It is not fortuitous. Transport vehicles have always been the most popular leasing assets. The present-day Russian leasing industry is no exception.

One of the largest sectors of the Russian leasing industry is railway rolling stock and locomotives. Also the biggest type of leasing asset was power-generating equipment. Therefore it is no coincidence that before the crisis, the first two securitisation transactions involved these assets.

These deals, totalling US\$820m, were carried out as a classic securitisation, i.e. "true sale" and synthetic securitisation.

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

## Leasing services

### 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\_ifc@mail.ru; Website: www.samara-ladia.ru. Director: Vladimir M. Dynin.  
**Activities:** Member of the Russian Leasing Association (Rosleasing).

### LC Uniastrum Leasing

Suvorovskaya pl., b.1/52, structure 1, Moscow, 127473, Russia. Tel: +7 (495) 785 0580; Email: leasing@uniastrum.com; Website: www.leasing-uniastrum.ru. General Director: Vladimir P. Dobrovolsky.  
**Activities:** Member of the Russian Leasing Association (Rosleasing).

### Leasing Centre, Ltd

Inzherny per., 3. Ulyanovsk 432072, Russia. Tel/Fax: +7 (8422) 200 611; Email: ochad@link-ul.ru. General Director: Aleksander M. Dolgov.  
**Activities:** 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. Maslahutdinov.  
**Activities:** Member of the Russian Leasing Association (Rosleasing).

### LeasingCom, JSC

Dobrolyubova Str. 2, Novosibirsk 630009, Russia. Tel: +7 (3832) 660 303/664 236; Fax: +7 (3832) 668 008; Email: toyota@54.ru. Director General: Igor L. Garbuzov.

### Leasingpromhold Ltd

Okskaya Str., 13, Moscow 107023, Russia. Tel: +7 (495) 921 2266; Email: iph@iph.ru; Website: www.mdm-leasing.ru. General Director: Maxim V. Popravko.  
**Activities:** Member of the Russian Leasing Association (Rosleasing).

### Lefko-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@lefcobank.ru. Director General: Yury V. Kvarntalnov.

### Liga Protect, Ltd

1 Avtozavodskoy pr-d 4/1, off. 612, Moscow 115280, Russia. Tel: +7 (495) 107 4259; Fax: +7 (495) 107 4259; Email: gruppaliga@op.liga; Website: www.gruppaliga.ru.

### Likostroy Leasing Company, JSC

Palashevsky per., 9, bl. 1, Moscow 123104, Russia. Tel: +7 (495) 609 0399/0400; Fax: +7 (495) 609 0433; Email: likostroy@likostroy.ru; Website: www.likostroy.ru. Director General: Georgy V. Kudrayashov.

### Linklaters CIS

Paveletskaya sq. 2, Bld. 2, 115054 Moscow, Russia. Tel: +7 (495) 797 9797; Fax: +7 (495) 797 9798; Email: michael.bott@linklaters.com; mark.kirsh@linklaters.com; Website: www.linklaters.com. Contact: Michael Bott.  
**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.

### Lipetskagrosnabservice, JSC

Village Sentsovo, Lipetski Rayona, Lipetskaya Oblast Region 398540, Russia. Tel: +7 (4742) 467 217/256 075; Fax: +7 (4742) 752 684/88; Email: don@lipetsk.ru; marketing@lacc.ru; Website: www.lacc.ru. General Director: Igor A. Konyahin.  
**Activities:** Member of the Russian Leasing Association (Rosleasing).

### Lipetskagrotehservice, Ltd

Molodneyaya str., 1B, Lipetskoy obl., Lipetskogo rayona, s.Sentsovo, 398540, Russia. Tel: +7 (4742) 467 217; Email: don@lipetsk.ru; marketing@lacc.ru. General Director: Igor A. Konyahin.  
**Activities:** Member of the Russian Leasing Association (Rosleasing).

### MAN Finance Russia

Doroznaya str, 29, 113405, Russia. Tel: +7 (495) 981 9004; Fax: +7 (495) 981 9005; Email: tomas.schneiderheinz@man-finance.ru; anna.drobilkina@man-finance.ru; Website: www.man-finance.ru. General Director: Tomas Schneiderheinz.  
**Activities:** Member of the Russian Leasing Association (Rosleasing).

### MB-Service-Elevator, Ltd

Bezmyannaya Str. 2, s Mokraya Buyvola, Blagodarnensky Rayon, Stravropolsky Kray 356410, Russia. Tel/Fax: +7 (86549) 23482. Director: Nikolay V. Kucher.

**Table 10: Structure of leasing contracts (2007–09)**

No.	Type of leasing assets	Share in the total volume, %		
		2007	2008	2009
1	Motor vehicles for cargo transportation	14.4	16.9	6.9
2	Light passenger cars	6.2	8.6	8.8
3	Passenger minibuses	0.3	0.8	0.3
4	Buses	2.1	1.8	1.3
5	Equipment for repairing and servicing cars	0.2	0.3	0.1
6	Telecommunications equipment	2.8	2.6	4.6
7	Computers and other office equipment	0.9	0.9	0.2
8	Geological exploration equipment	0.3	0.7	0.1
9	Oil and gas production and processing equipment	5.3	1.8	3.7
10	Agricultural equipment	1.1	1.5	1.5
11	Railway rolling stock and locomotives	22.1	12.5	27.3
12	Building machinery, including specialised machinery on wheels	7.7	10.5	5.0
13	Road-building equipment	3.1	3.7	1.8
14	Equipment for production and processing of glass	1.1	0.2	0.1
15	Metalworking equipment	2.6	3.2	1.7
16	Metallurgical equipment	2.6	0.4	0.0
17	Mining equipment	0.5	0.9	2.5
18	Power-generating equipment	7.4	5.2	2.2
19	Printing equipment	1.0	1.2	1.2
20	Equipment for food industry, including refrigerating equipment	1.7	1.3	1.0
21	Selling/shopping equipment	0.9	0.9	0.2
22	Packing equipment	0.3	0.3	0.7
23	Loaders and warehouse equipment	1.1	1.7	0.6
24	Logging equipment and timber transportation vehicles	0.6	0.5	0.3
25	Woodworking equipment	0.6	0.5	0.2
26	Equipment for production of paper and cardboard	0.1	0.6	0.1
27	Chemical equipment	0.5	0.4	0.6
28	Entertainment industry equipment	0.2	0.2	0.3
29	Special equipment for provision of housing and communal services	1.1	0.4	0.2
30	Banking equipment	0.1	0.1	0.1
31	Medical and pharmaceutical equipment	0.2	0.1	0.4
32	Sea and river vessels	0.4	0.1	2.6
33	Aircraft	5.7	12.8	16.1
34	Buildings and structures	2.7	3.2	5.9
35	Other property	2.2	3.2	1.4

**Table 11: Finance lease terms in Russia (2001–09)**

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

The author of the study has given a scientific definition to 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 its 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. Look at the components of the system. Thus, the interest of investors bonds associated with yield securities, 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 the 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 US Treasuries rate (10Y, 5Y) fluctuates depending on the class, sum of emission, maturity and the rating of securities.

In one of the securitisation transac-

## Leasing services

### 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).

### Mercedes-Benz Financial Services RUS

Bolshaja Ordynka 40/2, Leningradski PR. 39A, 119017 Moscow, Russia. Tel: +7 (495) 797 5354; Fax: +7 (495) 797 5355; Website: www.dcf.ru. Managing Director: Frank Hieke.

**Activities:** Leasing solutions for all automotive product brands of the Daimler Group in Russia.

### 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.

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

### MK Finance, Ltd

Samotechnaya Str. 7/5, bl. 2, Moscow 127473, Russia. Tel: +7 (495) 783 2683; Fax: +7 (495) 783 2682/937 8024; Email: info@mkfinance.ru; Website: www.mkfinance.ru.

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

### Moscow Leasing Company, JSC

Nikoloyamskaya Street 50/2, Build.1, Moscow 109004, Russia. Tel: +7 (495) 788 4178/4171; Fax: +7 (495) 788 4179; Email: info@ml.ru; Website: www.ml.ru; www.rent-ml.ru. Managing Director: Vladimir Kolomeyts; Direct Tel: +7 (495) 788 4178 (Ext. 2038); Email: kolomeyts@ml.ru; Vice Director: Michael Trachenko; Direct Tel: +7 (495) 788 4178 (Ext. 2035); Email: mtv@ml.ru.

**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 Director: Farhat F. Fattahetdinov.

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

### NASTA, Insurance Company Ltd

Lva Tolstogo Str., 5/1, bl. 1, Moscow 119992, Russia. Tel: +7 (495) 961 2241; Email: divu@nasta.ru; Website: www.zurich.ru. President: Garri A. Delba.

### Norton Rose

White Square Office Centre, Butyrsky Val Str. 10, BldgA, Moscow 127047, Russia. Tel: +7 (495) 244 3639; Fax: +7 (495) 244 3968; Website: www.nortonrose.com. Contact: Dmitry Gravin; Caroline Hurlay.

**Activities:** Norton Rose Group is a leading international legal practice, offering a full business law service from offices across Europe, the Middle East and Asia.

### OMB Ltd.

Kotelnicheskaya nab., 1/15, bl. A-B, off. 9-8, 109240 Moscow, Russia. Tel: +7 (495) 915 4048; Fax: +7 (495) 915 5492; Email: post@ombfin.ru. General Director: Irina V. Yakusheva.

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

### Orelagroleasing, JSC

Severnaya str. 9, Orel 302009, Russia. Tel/Fax: +7 (4862) 428 169; Email: ore/agropromsnab.ru. Director General: Svetlana N. Kameneva.

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

### Orenburggazpromleasing, Ltd

Donguzskaya, 64 A, Orenburg 460027, Russia. Tel: +7 (3532) 73 4001/3444; Email: orgasliz@mail.esoo.ru; Website: www.gazpromlizing.ru. Director: Sergey Dornostup.

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

### Otkritie KMLC OJSC

20-22 A, Gallernaya Str., room 204, St Petersburg, 190000, Russia. Tel/Fax: +7 (812) 622 1475; Email: info@hmlk.ru; Website: www.hmlk.ru. Director General: Ilya A. Kupriyanov; Financial Director: Alexey V. Kosolapov.

**Activities:** Leasing out equipment and facilities for the power industry; vehicle equipment; telecommunications equipment and facilities; real estate leasing.



In 2009 new lease production volumes in Russia amounted to US\$10.45bn (including VAT) or US\$8.87bn (excluding VAT).

tions involving a Russian lessor there was a fixed coupon rate at 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:

$I_{YC} < I_{SPV}$   
where  $I_{SPV}$  is the yield of the SPV, with,  $I_{SPV} = I_{YC} + I_{IC}$ , where  $I_{IC}$  is 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:

$$I_{YT} < I_{YTM} < I_{Coupon \text{ ABS}} < I_{SPV} < I_{Lease} < I_{Lessee},$$

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

According to our estimates, Russian leasing companies can, every year, be leasing assets through securitisation for US\$1.5bn.

#### 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.

## Leasing services

### Otkritie KMLC OJSC

Bld. 2, Chekhov Str., Khanty-Mansiisk, 628011, Russia. Tel/Fax: +7 (34671) 21 415; Email: info@hmlk.ru; Website: www.hmlk.ru. Director General: Ilya A. Kupriyanov; Financial Director: Alexey V. Kosolapov.

**Activities:** Leasing out equipment and facilities for the power industry; vehicle equipment; telecommunications equipment and facilities; real estate leasing.

### Otkritie KMLC OJSC

Zenith-Plaza, Bld.30, No. 607 str., Moscow, 123458, Russia. Tel: +7 (495) 755 5544; Fax: +7 (495) 755 5544; Email: info@hmlk.ru; Website: www.hmlk.ru. Director General: Ilya A. Kupriyanov; Financial Director: Alexey V. Kosolapov.

**Activities:** Leasing out equipment and facilities for the power industry; vehicle equipment; telecommunications equipment and facilities; real estate leasing.

### Otkrytiye HMLC, JSC

Raspletina str., 3, Moscow 123060 Russia. Tel: +7 (495) 192 9798/198 8176; Fax: +7 (495) 742 5732; Email: tmp@rgk.ru. Director General: Antropov Vladimir.

### Parex Leasing

Kosmonavtov Street 18, Building 2, 3rd Floor, Moscow 129301, Russia. Tel: +7 (495) 789 6969; Fax: +7 (495) 789 9501; Email: info@parexleasing.ru; Website: www.parexleasing.ru. Member of the Supervisory Council: Denis Grigorenko; Direct Tel: +371 (6) 701 0863; Email: deniss.grigorenko@parex.lv.

**Activities:** Leasing.

### Penza Leasing Ltd

Lermontova Str. 3, bl. 3, Penza 440026, Russia. Tel: +7 (8412) 565 656/564 774; Email: penzalizing@sura.ru. Director General: Lev V. Melnikov.

### 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.

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

### Peterburgsky traktorny zavod

Stachek prospekt, 47, Saint Petersburg, 198097, Russia. Tel: +7 (812) 783 6888; Fax: +7 (812) 484 9915; Email: market2@sptz.ru; Website: www.kirovets-ptz.com. Director: Aleksandr N. Krikunov.

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

### PN-Leasing, Ltd

Moskovsky pr-t, 79-A, off.601, St. Petersburg, 196084, Russia. Tel: +7 (812) 331 9009; Fax: +7 (812) 369 0300; Email: office@pn-leasing.ru; Website: www.pn-leasing.ru. General Director: Roman S. Malanin.

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

### Premier-Leasing Nizhny Novgorod, JSC

Nartova Str. 6, Novgorod Nizhny 603104, Russia. Tel: +7 (8312) 645 444/640 670; Email: marina@erco.ru; Website: www.erco.ru. Director: Viktor I. Levkovsky.

### PricewaterhouseCoopers

Butyrsky val, 10, Moscow, 125047, Russia. Tel: +7 (495) 967 6000; Fax: +7 (495) 967 6001; Email: olga.kucheroval@ru.pwc.ru; Website: www.pwc.com. General Director: Peter Gerendashi.

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

### Priroda IC, Ltd

Pyatnitsky per 3/4, bl. 3, Moscow 115184, Russia. Tel: +7 (495) 953 3536; Tel/Fax: +7 (495) 953 3314; Email: dgub@skpriroda.ru. Director General: Mihail I. Senkin.

### Privolgskgroleasing, Ltd

Novo-Sadovaya str, 163, Samara, 443086, Russia. Tel: +7 (896) 372 8984; Fax: +7 (846) 372 8983; Email: info@pvagroleasing.ru; Website: www.pvagroleasing.ru. General Director: Valeriy N. Boryakov.

**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@kmt.ru; Website: www.priz.ru. General Director: Ivan M. Melnikov.

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

### Progress-Neva Leasing, Ltd

Moskovsky pr-t 79-A, off 208/209, St Petersburg 196084, Russia. Tel: +7 (812) 331 9009; Fax: +7 (812) 369 0300; Email: office@pn-leasing.ru; leasing@progress-neva.ru; kim@progress-neva.ru; gorelov@progress-neva.ru; Website: www.pn-leasing.ru. Director General: Stanislav P. Kim.

**Table 12: Financing of leasing operations in Russia in 2006–09**

Source of financing	Share in the total financing of leasing operations, %			
	2006	2007	2008	2009
Bank credits, total	57.5	59.3	57.7	52.2
Incl. Russian banks	47.2	47.9	46.5	39.7
Foreign banks	10.3	11.4	11.2	12.5
Loans from founders and other organisations	6.6	8.6	10.6	10.6
Trade credits provided by suppliers	2.3	1.1	2.3	0.6
Advance payments	16.0	17.3	15.1	19.9
Own funds of leasing companies, total	6.5	6.1	9.0	9.1
Incl. authorised capital	2.0	1.5	5.0	0.4
Profit	4.5	4.7	4.5	8.7
Promissory notes/exchange bills	4.8	2.0	1.1	0.6
Bonds	2.8	3.6	3.6	7.0
Asset securitisation	3.5	1.9	0.0	0.0



In 2009 the top 11 largest companies (top 18 in 2008 and top 12 in 2007) of the survey's list accounted for half of the total new leasing business of 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 interfere in the existing market mechanisms. The need for such interference 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 in 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 indicated that overall in Russia HHI in 2003 was equal to 346; in 2004 – 470; in 2005 – 262; in 2006 – 249; in 2007 – 426; in 2008 – 206; while in 2009 it was 367.

The least concentrated level of HHI was found in such market sectors as: printing equipment – 268; food-processing and refrigerating equipment – 405; motor transport to carry cargoes – 766; metalworking equipment – 788; construction equipment – 863; buses – 1,322; road-building equipment – 1,450; cars – 1,472; and passenger minibuses – 1,489.

The highly concentrated level of HHI was found in such sectors as: railway rolling stock and locomotives – 2,030; aircraft – 4,283; power-generating equipment – 6,778; oil and gas production and processing equipment – 7,035; and sea and river vessels – 9,102.

Therefore, the above data on the HHI value indicate that there is no reason to

draw a conclusion on some monopolisation or excessive concentration of the market. It means that the leasing business in Russia is distributed among a large number of market operators and, consequently, lessees can choose a company to co-operate 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, the amount of down payment; in the development of new leasing products, services and various options; and in special measures taken to promote leasing products in the market; and in the advertisement of leasing services.

**Lease term.** The Russian leasing law was amended seven 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 leasing of new types of property. Our statistics confirmed such a trend (see Table 10).

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.

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.

It is noteworthy that during the financial crisis timeline, leases remain unchanged compared with the previous year. One reason is the increasing share of the state leasing companies, which provided medium- and long-term financing.

**Specialisation and universalisation.** Over several decades of its existence the leasing industry in the Russian Federation has undergone several development stages, each having its own characteristics, including the stage of specialisation and the stage of universalisation.

The results of the annual reviews of Russian leasing companies show that such division of the stages is not quite

## Leasing services

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

### RB-Leasing, Ltd

Schepkina Str., 42/2a, off 701, Moscow 129110, Russia. Tel: +7 (495) 625 1040/580 7812/625 0474; Email: rb-leasing@rb-leasing.ru; Website: www.rb-leasing.ru. Director General: Sergey I. Rekichansky. **Activities:** Member of the Russian Leasing Association (Rosleasing).

### RBC Soft, JSC

Profsoyuznaya Str. 78, Moscow 117393, Russia. Tel: +7 (495) 1111; Fax: +7 (495) 363 1125; Email: alexkuz@rbc.ru. Director General: Aleksey V. Kuzovkin.

### Region-Leasing Ltd

Revolutionnaya Str., 70 liter E, Off. 253, Samara 443080, Russia. Tel: +7 (8462) 655 699/98; Fax: +7 (8462) 792 322; Email: regleaz@rol.ru. Director General: Andrey A. Kruglov.

### Regiongazinform, JSC

Molodogvardeyskaya Str. 2, bl. 1, Moscow 121467, Russia. Tel: +7 (495) 140 6082; Email: e.strelnikova@rginfo.ru; Website: www.rginfo.ru. General Director: Sergey N. Semenov.

### Renaissance Insurance Group Ltd

Derbenevskaya nab., 7, bl. 22, Moscow 115114, Russia. Tel: +7 (495) 725 1050; Fax: +7 (495) 967 3535; Email: vsnopok@renins.com; Website: www.renins.com. Director General: Nikolay I. Klekovkin.

### RK-Garant

Karla Marksa 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 F. Gushel'ik. **Activities:** Member of the Russian Leasing Association (Rosleasing).

### RMB, Leasing

Kutuzovskiy pr., 30/32, Moscow 121165, Russia. Tel: +7 (495) 789 3834/36; Fax: +7 (499) 249 6984; Email: reception@rmb.ru; Website: www.rmb.ru. Chairman: Grigory Afanasev; Marketing Manager: Olga Sorokodumova; Email: so@rmb.ru. **Activities:** Leasing services.

### 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. Director General: Elena Skrynnik.

### Rosagrosnab JSC

Bolshaya Dmitrovka 32, bl. 1, Moscow 127994, Russia. Tel: +7 (495) 650 3015/234 0025; Fax: +7 (495) 650 5225; Email: root@rosagrosnab.ru; Website: www.rosagrosnab.ru.5239. Director General: Nikolay G. Busygin. **Activities:** Director

### Rosagrostrakh JSC

Staroalekseyevskaya Str. 21, bl. 11, off 317, Moscow 129626, Russia. Tel/Fax: +7 (495) 510 5014/16; Email: kokinaev@rosagrostrakh.ru; Website: www.rosagrostrakh.ru. Director General: Michail Kashirin. **Activities:** 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:** 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:** 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. **Activities:** Member of the Russian Leasing Association (Rosleasing).

accurate. The problem is that some companies were established as specialised leasing companies. With time they started to diversify their portfolios. For example, in the past a company may have dealt only with the leasing of telecommunications equipment and then begun to diversify into car and agricultural machinery leasing. It is normal and quite reasonable.

Other companies were not created as specialised leasing companies. However, the legal and economic conditions of the Russian leasing market compelled them to enter into contracts with considerable values in a particular sector, e.g. railway rolling stock. That is why, for the time being at least, the company became a mono-segment company, which allows us to classify such a company as a specialised one.

At the same time, such companies have the skills and experience of work as universal companies and still intend to operate in various market segments. Our classification of the leasing companies, using the Herfindahl-Hirschman index for the structure of leasing contracts, concluded that lessors were included in the following main criteria (level of HHI):

- universal leasing companies – up to and including 2,500;
- universal-orientation leasing companies – from 2,500 to 5,000; and
- specialised leasing companies – from 5,000 to 10,000.

Lease specialisation signifies the concentration of the main business of the lessor on some asset types from specific lease market segments. A large number of

specialised and highly specialised lessors operate in these segments. Their businesses have much in common, but also there are significant distinctions. How do we compare such companies? What is the most correct and precise way to estimate lease specialisation level?

Specialisation coefficient of leasing company (K) in per cent, involved, for example, in construction equipment and road-building machinery, is counted as a specific weight of new lease business cost in this segment of the leasing market.

Based on the figures of 2008 and 2009 it is possible to calculate specialisation dynamics of a construction lease for selected leasing companies.

To analyse and interpret lessors' business results it is important to take into consideration that specialisation coefficient of relatively small lessors may be even higher than the respective level of a big one. Therefore it would not be correct to restrict our analysis to only two factors. In my understanding it makes sense to divide this work into several phases.

It is necessary indeed to know that the counted index of lessors' specialisation has a poor effect on deal size in this market sector. This is when it is necessary to conduct the second phase of my analysis – generating estimation indicators to calculate specialisation coefficient with given significance of lease construction volumes of the lessor in the total volume of the construction lease cluster in Russia.

To fulfil this task let us formalise our aggregated index of lessors' specialisation ( $I_s = K \cdot C$ ), where C, in per cent, is

## Leasing services

### RostovAgroLeasing, Ltd

Sholohova proezd, 27/82, Rostov-na-Donu, 344019, Russia. Tel: +7 (863) 223 7310; Fax: +7 (863) 253 7400; Email: pacc\_admin@aanet.ru; Website: www.rostovagroleasing.ru.

General Director: 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 0340; Fax: +7 (495) 0333; Email: mail@rtc-leasing.ru;

Website: www.rtc-leasing.ru. Director General: Irina V. Golovchenko.

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

### Rus-Leasing, Ltd

Myasitskaya str., 43, buld. 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

Novomaylinskaya 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).

### Russia, JSC

Olimpiskogo 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: Yuriy A. Kolesnikov.

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

### Russian Insurance Centre, IJSC

Leningradsky pr-t 68/1, bl. 24, Moscow 125315, Russia. Tel: +7 (495) 775 4700; Fax: +7 (495) 232 5874; Email: aiv@rusins.ru;

Website: www.rusins.ru/ru/. Chairman of the Board: Dmitry A. Izvekov.

### 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/(495) 984 5086; Email: post@ruscl.ru; Website:

www.ruscl.ru.

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

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

### Saratovagropromkomplekt, Ltd

1 Sokurovsky pr., 2, Saratov, 410080, Russia. Tel: +7 (8452) 623 937; Fax: +7 (8452) 629 271; Email: info@rsm-sapk.ru; Website:

www.rsm-sapk.ru. General Director: Nikolay V. Kostov.

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



In 2003 Russia had only seven leasing companies, whose new business volumes were in excess of US\$100m; in 2004 there were 15; in 2005 – 24; 2006 – 39; 2007 – 50; 2008 – 53; and in 2009 there were only 18 such companies, two of which are over US\$1,000m and two with over US\$500m.

counted as a specific weight of the cost of the newly signed lease contracts for a specific type of equipment in the total newly signed lease contracts for a specific type of equipment, signed in Russia.

Based on the results of my analysis, we may conclude that the aggregated index brings us to the three-factor model of the specialisation index. Two elements of this model reflect in a more solid and accurate way than it is given in (K) the significance of the lessors' business with specific lease asset types.

In 2009 our aggregated index  $I_5$  (significance more than 70) of lessors' specialisation for construction equipment and road-building machinery was as follows: Caterpillar Financial – 814.7 (2008 – 894.6); Promleasing (Perm) – 595.3 (2008 – 30.8); LC “KAMAZ” – 270.6; Universal Leasing Company (Khabarovsk) – 163.2 (2008 – 211.9); Deutsche Leasing Vostok – 104.8 (2008 – 149.8); Group Companies “Interleasing” – 73.5 (2008 – 177.6).

**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 750 people. In total, 9,160 people are engaged in the leasing industry in Russia (2008 – 9,780; 2007 – 10,550; 2006 – 8,500).

“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 2009 was about 64 people (2008 – 67; 2007 – 53), and “output per employee” (for companies who participated in our survey of the leasing market) was approximately US\$1.5m per year (2008 – 2.7m; 2007 – US\$3.1m; 2006 – US\$2.0m).

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 80 employees per leasing company.

**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: 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 2009 total finance of all lessors dropped from US\$17.85bn to US\$7.40bn. The lease industry of Russia 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 process of structural changes in Russian leasing has started to take place. One year ago, I forecast that loan compression may develop by the fourth quarter of 2009. Indeed this did happen.

For the first time, share lending by Russian banks to lessors of leasing declined to below 40%. The ratio between Russian and foreign banks in the credit given to the Russian leasing business was as follows: 2009 – 3.18:1; 2008 – 4.15:1; 2007 – 4.20:1; 2006 – 4.58:1.

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 institutes: the issue by leasing companies of securities, securitisation of leased assets. Soon we are likely to see the elimination of intermediaries (the banks) from the leasing operations.

With each year, the number of Russian leasing companies that can obtain financing directly from foreign banks grows.

## Leasing services

### Scania Leasing, Ltd

Obrycheva 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).

### Shrei Leasing, JSC

Ulofa Palme str., 1, Moscow 119590, Russia. Tel: +7 (495) 221 0124; Fax: +7 (495) 331 3688; Email: leasing@srei.ru; Website: www.srei.ru. General Director: Radzhesh Bhalotia. Activities: 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, Ltd

Kompozitorskaya str. 13, Moscow 121099, Russia. Tel: +7 (495) 662 3244; Fax: +7 (495) 252 8850; Email: slk@ooslk.ru; Website: www.ooslk.ru. Manager: Pavel V. Avdeikin. Activities: Member of Russian Leasing Association (Rosleasing).

### Sistema-Leasing, Ltd

Federativny pr-t 5, bl. 2, Moscow 111399, Russia. Tel: +7 (495) 725 4435/2323; Email: info@systems-leasing.ru; a.schykin@shq.ru. Director: Dmitry A.Bader.

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

### SL Leasing

1 Borodinskaya Str. 5, 121059 Moscow, Russia. Tel: +7 (495) 748 6811; Fax: +7 (495) 748 6816; Email: info.ru@suedleasing.com. Director: Elgar Maehr; Email: elgar.maehr@slleasing.ru. Activities: Lessor.

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

### Soglasie, Insurance Company, Ltd

M. Tolmachevsky per., 8/11, bl. 3, Moscow 119017, Russia. Tel/Fax: +7 (495) 959 4603/(495) 232 3244; Email: info@soglasie.ru; smirnov@soglasie.ru; Website: www.soglasie.ru. Director General: Igor N. Zhuk. Activities: Member of the Russian Leasing Association (Rosleasing).

### Sograz-Agro, Ltd

Bolotnaya, 16, buld. 1, Moscow, 115035, Russia. Tel: +7 (495) 777 4416/730 0003; Fax: +7 (495) 730 0111; Email: info@sograz-agro.ru; Website: www.sograz-agro.ru. General Director: Aleksey E. Spiridonov. Activities: 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@mbk.mari.ru. Director: Valery P. Bychkov. Activities: Member of the Russian Leasing Association (Rosleasing).

### SSB-Leasing, Ltd

Proletarskaya str., 252, Barnaul, Altaysky kray, 656008, Russia. Tel: +7 (3852) 652 083; Email: ssb-lizing@mail.ru. Director: Vladimir F. Smykov. Activities: Member of the Russian Leasing Association (Rosleasing).

### Stone-XXI, Ltd

Nagatinskaya Str., 1, B1., Moscow 117105, Russia. Tel: +7 (495) 783 9007/981 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).

### Strommashealing, Ltd

Novoyasenevsky pr-t 1B, Moscow 117574, Russia. Tel: +7 (495) 799 4122/124 3624; Fax: +7 (495) 719 9022; Email: sml2002@yandex.ru; Website: www.leasing.rus-net.ru. Director General: Vyacheslav V. Anglichaninov. Activities: Leasing services.



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 credit 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, UniCredit Leasing, Volvo Finance Service Vostok, ING Lease (Eurasia), MAN Financial Services, Carcade, Hewlett Packard, DeltaLeasing (Vladivostok), Volkswagen Group Finanz, VR Leasing and Deutsche Leasing Vostok obtained credits from western creditors for terms from three to seven years.

Initially credits were provided for transactions worth up to €6m, then there was a shift towards the leasing of complex production equipment worth €20m and more.

The average debt-to-equity ratio (Capital Leverage) per Russian leasing company was in 2006 – 11.92:1, in 2007 – 12.54:1, in 2008 – 7.96:1; in 2009 only 7.80:1.

**Emission worth.** From April 2001 to the end of 2009, 30 Russian leasing companies (or SPV leasing companies) issued emissions worth a total US\$3.46bn, including US\$940m in 2009.

The first issues were short-term, for half a year or a full year. Then the maturity terms lengthened and finally reached five years, i.e. such terms became compatible with the terms of leasing con-

tracts. The pioneer in the issue of bonds in Russia for financing leasing projects was one of the largest Russian leasing companies – “RTK Leasing”.

Consequently, crisis securitisation deals in 2008 and the first half of 2009 got temporarily suspended. Lessors' activity in the bond market fell significantly. Only six out of the declared 29 issues were actually realised, for a total value of US\$756m. The other 23 issues for approximately US\$1.6bn were delayed.

Yet in July 2008 “VTB-Leasing Finance” (SPV of the company “VTB-Leasing”) had a successful placement of R10bn (or US\$432.4m) at 8.9% per annum and planned to continue borrowing. However, the next two bond tranches were placed only in June 2009, for another R10bn (or US\$319.3m). On July 19, 2010, VEB-Leasing posted bonds for 10 years for R5bn (US\$162m, coupon rate – 8.4% per annum).

I think that this is a good sign of recovery for emissive finance for lease operations and for some optimism that 2010–11 will see positive economic growth.

#### Note:

- 1 David Porter, “European market soars, lifting world volume to record high” from *World Leasing Yearbook 2000* (Edited by Lisa Paul), London, Euromoney, 2000, p. 3; Ed White, “Global leasing business contracts by 15% as industry hunkers down to ride a bigger storm” from *World Leasing Yearbook 2010* (Edited by Lisa Paul), London, Euromoney, 2010, p. 3.

**This article was written by Dr Victor D. Gazman, Professor, State Government University – Higher School of Economics, author of six books on leasing. Email: garantinv@bk.**

## Leasing services

### Svoje Delo-Leasing, JSC

Staraya Basmannaya Str. 21, bl.1, Moscow 105066, Russia. Tel: +7 (495) 363 9481; Tel/Fax: +7 (495) 363 9484; Email: mila@svoe-delo.ru; Website: www.svoe-delo.ru.

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

### Technoleasing, 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.

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

### Techuniversal 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

33/13 Bolshaya Yakimanka st., bld.2, office 115, Moscow, 119017, Russia. Tel: +7 (495) 967 3066/3126/234 9836/956 4947; Email: info@atomleasing.ru; Website: www.atomleasing.ru. General Director: Mikhail V. Gulyako.

**Activities:** 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.

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

### Transinzleasing Ltd

Sadovaya-Spasskaya 21, Moscow 107217, Russia. Tel/Fax: +7 (495) 782 0538/0541/42/40/782 9359; Email: leasing@transstroy.ru. General Director: Andrey V. Saharov.

**Activities:** Leasing services.

### TransLasingCom, Ltd

Baykalskaya 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:** 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 8754/445 3096; Fax: +7 (812) 445 3097; Email: transliz@mail.wplus.net. General Director: Alexander A. Kalinin.

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



A large amount of new leasing business in Russia is represented by the 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 and Sweden.

## Leasing services

### 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:** Member of the Russian Leasing Association (Rosleasing).

### TrasFin-M Ltd

Verhnyaya Krasnoselskaya Str., 11A building1, Moscow 107140, Russia. Tel: +7 (495) 276 0732; Email: tfm@tf-m.ru; Website: www.transfin-m.ru. General Director: Eduard Keretsman. **Activities:** TransFin-M company 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

Vosstaniya 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: azatnr@mail.ru. **Activities:** Trust-leasing is a 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.

### Tulaselkhoztehnika, JSC

Ryazanskaya Str. 20, Tula 300026, Russia. Tel: +7 (4872) 377 165/020; Email: agroses4@tula.net. Director General: Vyacheslav M. Sokolov. **Activities:** Member of the Russian Leasing Association (Rosleasing).

### Tupolev Leasing Company, Ltd

Leninskogo komсомola 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

Avtdorozhnaya Str. 23, Sakha, Yakutsk 677007, Russia. Tel: +7 (4112) 357 128; Tel/Fax: +7 (4112) 357 265; Email: office@tleasing.ru; Website: www.tleasing.ru. Director General: Semen S. Ivanov. **Activities:** Member of the Russian Leasing Association (Rosleasing).

### TVEL, JSC

Bolshaya Ordynka 24/26, Moscow 119017, Russia. Tel: +7 (495) 239 2873/4617; Fax: +7 (495) 239 4404; Email: filin@tvel.ru. President: Alexander N. Nyago. **Activities:** Leasing services.

### Tyumenagromash, JSC

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

### Udmurtagrosnab

Poyma str., 79, Igevs, 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).

### Ugprom-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. **Activities:** Member of the Russian Leasing Association (Rosleasing).

### UniCredit Leasing Russia

24 Timura Frunze Street, 119021 Moscow, Russia. Tel: +7 (495) 2873150; Fax: +7 (495) 2586521; Email: lea@unicreditgroup.ru; Website: www.unicreditleasing.ru. CEO: Mr Fabrizio Rollo; Head of Identity & Communications: Bella Yanibekova; Email: bella.yanibekova@unicreditleasing.ru. **Activities:** Russian subsidiary of the UniCredit Leasing international network.

### Universalny Leasing, JSC

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

### 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 Zinnatulina.

### UralSib Leasing Ufa, Ltd

Revolutsionnaya Str. 41, Ufa 450000, Russia. Tel: +7 (3472) 364 803/519 534; Email: leasing@uralsibbank.ru; Website: www.leasing.accordcard.ru. General Director: Rustam A. Migranov. **Activities:** Leasing services.

### UralSib, Insurance Group, JSC

Profsoyuznaya Str. 56, Moscow 117393, Russia. Tel: +7 (495) 737 6262; Fax: +7 (495) 737 0050; Email: vip@iic.ru. Director General: Niko P. Nikonenko.

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

### VEB-Leasing

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

### Vektol-Leasing, Ltd

Radio, 24, build 1 str., 105005, Moscow, Russia. Tel: +7 (495) 783 3360; Fax: +7 (495) 783 3362; Website: www.vectorleasing.ru. General Director: Stanislav Hvadek. **Activities:** Member of the Russian Leasing Association (Rosleasing).

### Verhovye Dona, GUP

Oboronnyaya Str. 114a, Tula 300045, Russia. Tel/Fax: +7 (4872) 370 797; Email: vd@msx.ru. General Director: Vasilii A. Kubatkin. **Activities:** Member of the Russian Leasing Association (Rosleasing).

### Vesleasing, Ltd

Ivanovskaya Str. 19/21, Moscow 127434, Russia. Tel: +7 (495) 105 6340/41/42; Fax: +7 (495) 290 4250; Email: info@vesleasing.ru; Website: www.vesleasing.ru. Director General: Dmitry N. Sichenkov.

### Vneshttransservice, JSC

Tsvetnoy bulvar 21, bl. 5, Moscow 127051, Russia. Tel: +7 (495) 299 2871; Fax: +7 (495) 299 2863; Email: vts@lozezi.com. General Director: Oleg A. Harlamov. **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@vlink.ru; Website: www.volgogradagrosnab.ru. General Director: Vladimir I. Tokarev. **Activities:** Member of the Russian Leasing Association (Rosleasing).

### Volkswagon 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:** Member of the Russian Leasing Association (Rosleasing).

### Voronezhskaya Zemlya Ltd

s. Parusnoe, Novousmanskyy rayon, Voronezh 396311, Russia. Tel: +7 (47341) 21551. Director General: Andrey M. Rubstov.

### VSP-Leasing Ltd

B. Polyanka Str., 50/1, bl. 1, Moscow 119180, Russia. Tel: +7 (495) 238 0911/230 0326; Fax: +7 (495) 238 0911; Email: office@vsp-leasing.ru; Website: www.vsp-leasing.ru. General Director: Aleshin Dmitry B. **Activities:** VSP-Leasing - 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) 621 547/ 624 019; Fax: +7 (8332) 626 907; Email: disp@agrosnab.kirov.ru. General Director: Nikolay G. Busygin. **Activities:** Member of the Russian Leasing Association (Rosleasing).

### Yakor, Ltd

Podsosensky pereulok, 5-7, bld. 2, Moscow 101990, Russia. Tel: +7 (495) 232 9962; Email: yakor@yakor.ru; Website: www.yakor.ru. General Director: Dmitry L. Vashlaev. **Activities:** 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:** 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. Kalnin. **Activities:** Member of the Russian Leasing Association (Rosleasing).

### 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. Member of the Russian Leasing Association (Rosleasing).

### 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:** Member of the Russian Leasing Association (Rosleasing).

### Yukos-Leasing Ltd

Dubinskaya Str. 17, bl. 2, Moscow 115054, Russia. Tel: +7 (495) 755 5245; Email: ChaschinEl@yukos.ru. General Director: Evgeniy I. Chaschin.

### Zao Srei Leasing

Ulofa Palme Street, House Number 1, Entrance A, Moscow 119590, Russia. Tel: +7 (495) 221 0124; Fax: +7 (495) 143 8481; Email: info@srei.ru; Website: www.srei.ru. General Director: Rajesh Bhalotia; Direct Tel: +7 (495) 774 3387; Email: bhalotia@srei.ru; Director: Arnab Basu; Direct Tel: +91 (98) 3601 1101; Email: arnab.basu@srei.com.

**Activities:** Rendering of leasing services of infrastructure and construction equipments in the Russian Federation.

### Zao Srei Leasing

Office 141, House No. 357, Severnaya Street, Krasnodar 350 002, Russia. Tel: +7 (861) 274 6240; Fax: +7 (861) 274 6240; Email: info@srei.ru; Website: www.srei.ru.

### Zao Srei Leasing

Suvorovsky Avenue, Office 413, House No. 2B, Saint Petersburg 191036, Russia. Tel: +7 (812) 718 2728; Fax: +7 (812) 718 2720; Email: info@srei.ru; Website: www.srei.ru.

### Zumlion Finans and Leasing Ru, Ltd

Selskhozayistvennaya str, 30, build. 1, Moscow, 129226, Russia. Tel: +8 903 273 6212. General Director: Hu Haiun. **Activities:** Member of the Russian Leasing Association (Rosleasing).

### Zurich, Insurance Company, Ltd

5/1, build.1, Lva Tolstogo str., Moscow, 119992, Russia. Tel: +7 (495) 727 0707/258 6766; Email: info@zurich.ru; Website: www.zurich.ru. President: Nikolay I. Klekovkin. **Activities:** Member of the Russian Leasing Association (Rosleasing).