

## Overview

Financial institutions in Russia, CIS and the Caucasus now operate in an altered environment. Recapitalization remains a problem for many, with nonperforming loans having increased after the global financial crisis. Pressure on funding and liquidity persists, particularly with uncertain regulation in many areas. Moreover, as regulatory agencies continue to focus on compliance issues with global implications, knowledge of these issues increasingly carries a premium.

At Dentons, we view these challenges as opportunities to reassess and work smarter. Our Financial Institutions team in Russia, CIS and the Caucasus offers you deep industry knowledge combined with local market insight, capabilities, language fluency and business and political connections. As one of the first global law firms to operate in Russia, CIS and the Caucasus, we have been serving clients for more than three decades.

Rely on lawyers who have experience riding the waves of uncertainty in the region, along with the flexibility to adapt to the changing nature of your business and work with you to find different ways of operating. Many of our lawyers split their time among several jurisdictions, including major financial centers, and they share knowledge and ideas with colleagues throughout Dentons' global Financial Institutions group. This means you benefit from local experience combined with an international perspective.

Turn to our Financial Institutions practice in Russia, CIS and the Caucasus for seamless, commercially directed advice on:

- Advocacy
- Banking litigation
- Capital markets, derivatives and securities
- Regulatory
- Consumer and mortgage finance
- Cards and payments
- Distressed situations
- Finance, including asset, structured, lending and acquisition, project, real estate, trade and commodities
- Fund structuring and compliance
- Lending and acquisition finance
- Private equity
- Reorganization, restructuring and insolvency
- Transactions

# Representative Experience

- **A leading European IFI:** Advising on the joint acquisition with US private equity firm TPG and Russian bank VTB Capital of a 44% stake in Lenta, a Russian food retailer operating a branded chain of large-format discount stores, from a US-based private investor for a total consideration of \$1.1 billion.
- **A leading European international financial institution:** Advising on senior syndicated €320 million loan facility to PCMA Rus, a Peugeot-Citroen / Mitsubishi Motors joint venture, for financing the construction of a €500 million automobile manufacturing plant in Kaluga. The cars produced will be mid-sized passenger cars and SUVs sold under the Peugeot, Citroën and Mitsubishi brands. The size of the plant will foster the growth of the auto parts suppliers' industry in Russia, a development which holds the key to making the local automotive industry competitive as a whole.
- **A major Russian state corporation:** Advising in relation to a RUB 39 billion (US\$1.2 billion) facility for the Ford-Sollers automobile manufacturing joint venture. The Ford-Sollers JV plans to establish and modernise three automobile production facilities in Naberezhnye Chelny, Elabuga and Vsevolzhsk, build an engine production plant and establish a technical research centre in Russia. The JV's total capacity is expected to reach 350,000 automobiles and 180,000 engines per year.
- **Eurasian Development Bank:** Acting as Kazakh, French and English law counsel for Eurasian Development Bank in relation to the financing of an investment project "Production of Electric Locomotives in Kazakhstan". The transaction involved three jurisdictions - Kazakhstan, the UK and France: a French company provided a guarantee under English law in favor of an international organization (Eurasian Development Bank) to secure the borrower's obligations prepared under Kazakh law.
- **European long-term lending institution:** Assisting in the establishment of a €120 million facility to the Development Bank of Kazakhstan (the borrower is a bank with a special status indirectly owned by the Government of the Republic of Kazakhstan).
- **UniCredit and VTB Capital:** Advising on a US\$255 million syndicated commodity facility provided to PJSC Creative of Ukraine. The facility was led and arranged by UniCredit as coordinating mandated lead arranger and bookrunner, and VTB Capital plc as senior lead arranger. The facility follows the company's successful debut US\$150 million transaction of 2011, and is structured as a dual tranche, short-term committed, annually extendable financing. The proceeds will be used to finance the company's sunflower seed purchases, their storage period and their processing period.
- **Prognoz Group:** Assisting a leading Russian software developer for business intelligence (BI), in connection with a US\$30 million convertible loan from the European Bank for Reconstruction and Development (EBRD). BI software is expected to be one of the fastest-growing segments of the global information technology (IT) market, and this six-year loan will support development of the group's BI products and expansion of its international operations. The borrower is Prognoz Systems SPRL, the group's Belgium-registered holding.
- **RBS (Kazakhstan):** Advising RBS (Kazakhstan) on the sale of a retail portfolio to HSBC. The transaction was unique for the Kazakhstan market and involved a number of legal complex and unprecedented issues.
- **Sberbank of Russia JSC (Ukraine):** Advising in connection with financing of €190 million provided to 10 Ukrainian borrowers (legal entities).

## Your Key Contacts

### Russia, CIS and the Caucasus



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