

Case Study – UniCredit Leasing

About UniCredit Leasing:

The UniCredit Group operates in 22 countries, with more than 160,000 employees and roughly 9,600 branches. As an integral part of the Group, UniCredit Leasing consists of an organization of approximately 3,000 professional, a sales network bridging 19 countries, multi-channel distribution capabilities and a balanced product mix. UniCredit Leasing leverages on the Group's far reaching banking network in order to make leasing solutions easily available to SMEs. UniCredit Leasing provides customers with an unparalleled knowledge of diverse industries, ranging from renewable energy to aviation, and other related services including insurance.

UniCredit Leasing and the public sector:

For UniCredit Leasing, leasing to the public sector was marginally utilized until the enactment of Law number 296/2006 - "LEGGE FINANZIARIA 2007" which allowed for financial leasing to be used for the fulfillment of public works.

The main financial benefits that UniCredit Leasing can offer to the public sector include certainty of targets 'turnkey' and of realization costs, the ability to keep current expense's under control and delayed repayments tailored to the lessee's situation. The operational benefits that UniCredit Leasing can offer public sector lessee's includes certainty of timing execution, high level standing of suppliers, a unique tender (joint offer in Raggruppamento Temporaneo d Impresa (RTI) model consisting of financing and supplier).

UniCredit Leasing has been involved in leasing to the public authorities for public transport. In the Sardinia Region 474 buses have been leased with a capital value of EUR 119 million. In the Veneto Region railway rolling stock with a capital value of EUR 130 million has been leased to the public sector. In the Sicily Region 192 ambulances have been leased to the public sector with a capital value of EUR 16 million.

UniCredit Leasing has also been involved in leasing to the public authorities for the purpose of constructing social infrastructure buildings (including hospitals, schools and public offices). UniCredit Leasing provides the financing via a lease with a supplier for the Hospital of S. Bonifacio –Verona - Veneto for a capital value of EUR 50 million, a car park in the Municipality of Lucca – Tuscany for a capital value of EUR 8.2 million and a multipurpose school building in the Municipality of S. Maria de Sala - Venezia - Veneto for a capital value of EUR 1.5 million.

UniCredit Leasing has also been involved in leasing to the public authorities for photovoltaic investments mostly involving the provision of solar panels on public buildings. Two such examples involve a leasing agreement with the Municipality of Verano for a capital value of EUR 3 million and with the Municipality of Apecchio for a capital value of EUR 3.7 million.

Case Study of Provence of Ancona – real estate leasing

In June 2011 the Provence of Ancona published an invitation to tender for the '*turnkey achievement and financing via work in progress leasing contract of the completion of the Cittadella degli Studi de Fabriano*'. This tender would consist of a real estate project covering an area of 21,000 m² and involving the building of four secondary school buildings fully equipped with amenities and services. The cost of the project was approximately EUR 19.1 million, plus VAT.

In order to attain the contract UniCredit Leasing took part in an open tender process. For the purposes of this tender, the participants had to be comprised of financial operators and together with an important supplier as **Consorzio Cooperative Costruttori**. The public sector entity defined the financial structure of the leasing contract as being for a duration of 20 years, a down payment of EUR 1.5 million (trade in of the land offered by the Public Administration) was required, followed by 80 quarterly rental payments and a residual value of 1%.

UniCredit Leasing (providing 50% of the financing), BIIS (Intesa Group) and Consorzio Cooperative Costruzioni CCC, Bologna (the supplier) were awarded the tender in March 2012.

Benefits deriving from Leasing approach

- 1) The Leasing company always chooses for high standing of suppliers;
- 2) With the same tender the Public administration chooses both the construction and financial company;
- 3) Timing and construction costs are pre-defined and certain; and
- 4) The Public administration starts to pay the due rentals from the date of delivery of the asset.