



PRESS RELEASE

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EIB and UniCredit finance new Munich S-Bahn trains with more than €2 billion via an LHI Leasing structure

- **Deutsche Bahn is procuring 90 new trains for the Munich S-Bahn, as part of its transport contract with the Bavarian Railway Company BEG.**
- **LHI has designed a leasing model for the new S-Bahn trains.**
- **The financing is subject to a guarantee from the German state of Bavaria.**

The European Investment Bank (EIB) and the German affiliate of UniCredit, HypoVereinsbank, are providing credit lines totalling up to more than €2 billion to Deutsche Bahn for the procurement of 90 new trains for the Munich S-Bahn. Deutsche Bahn will receive the financing for the new vehicles from Bayerische Eisenbahngesellschaft (BEG), which plans, finances and controls the regional and S-Bahn traffic in Bavaria on behalf of the Bavarian Ministry of Transport.

To finance the trains purchase, BEG selected a lessor, LHI Leasing based in Pullach near Munich, and two investors, EIB and Unicredit, in competitive tendering procedures. The Free State of Bavaria enables very favorable financing conditions through a capital service guarantee.

The financing will go towards Deutsche Bahn AG's procurement of 90 new S-Bahn trains from manufacturer Siemens Mobility.

The first newly developed fully walk-through and 200 metre-long S-Bahn trains are expected to enter service with passengers in late 2028. The more comfortable trains feature modern passenger information equipment and can carry 1 841 people. The increased capacity will allow for passenger growth in the coming decades and pave the way for the mobility transition from road traffic to rail.

Under a leasing structure developed by LHI Leasing GmbH, the loans are transferred to special purpose vehicles (SPVs) and secured by a debt service guarantee from the state of Bavaria.

"We are delighted to support the modernisation of public transport in the metropolitan Munich area," says **EIB Vice-President Ambroise Fayolle**, who is responsible for financing in Germany. "Appealing regional transport solutions are key to fostering the transition to climate-friendly mobility by encouraging commuters to switch from road to rail. This also helps cut the CO₂ emissions and traffic congestion caused by the use of private cars."

"Our participation in the financing of modern S-Bahn trains in Munich is in line with our strategy: "We are actively involved in the sustainable transformation of society and support the local communities in Europe as a banking partner in their development," says **Christian Reusch**, member of the Management Board of **HypoVereinsbank**, responsible for client solutions.

"The funding is one of the largest in this area. It shows what sets us apart as a bank: as a pan-European institution, we are able to offer an innovative financing solution of this size. At the same time, we are deeply rooted in the regions where our customers are based – in this case the Munich region and the Free State of Bavaria," adds **Jan Kupfer**, Corporate Customers Director at **HypoVereinsbank**.

“The lease financing of the new Munich S-Bahn trains is perfectly in line with our purpose: supporting the expansion of sustainable mobility. We are very happy to be able to make a corresponding contribution with this high-volume transaction and to actively use the resource-saving vehicles on our doorstep in the future,” said Head of Structured Finance/Rolling Stock at **LHI Stefan Wildgruber**.

Background information

The **European Investment Bank (EIB)** is the long-term lending institution of the European Union, owned by its Member States. It makes long-term finance available for sound investment in order to further EU policy goals. The EIB’s key priorities are climate and the environment, development, innovation and skills, small and medium-sized businesses, infrastructure and cohesion. It works closely with other EU institutions to foster European integration, promote the European Union’s development and support EU policies in more than 140 countries worldwide.

HypoVereinsbank is part of **UniCredit**, a pan-European commercial bank with a unique service offering in Italy, Germany, and Central and Eastern Europe. Its group-wide purpose is to empower communities to progress, delivering best-in-class services to all stakeholders, unlocking the potential of its customers and its people across Europe. It serves over 15 million customers worldwide. They are at the heart of what it does in all of its markets. UniCredit is organised into four core regions and two product factories: Corporate Solutions and Individual Solutions. This enables the group to work in close proximity to its customers, leveraging its scale to develop and offer the best products across all of its markets. Digitalisation and its commitment to environmental, social and governance principles are key service enablers. They help it deliver excellence to stakeholders and create a sustainable future for its customers, communities and people.

The **LHI Group** consists of LHI Holding GmbH and LHI Leasing GmbH, which was founded in 1973, and their subsidiaries. The product portfolio ranges from the design of structured finance for companies, real estate management and asset management services to the conception of investment products in the asset classes of real estate, renewable energy and aviation. The target group for the investment offer is primarily professional and semi-professional investors. In total, the LHI Group manages a portfolio of over €14 billion. The company headquarters are located in Pullach, near Munich, with international representation in Poland and Luxembourg. The group employs more than 270 people.

Since the 1996 railway reform, regional and S-Bahn suburban rail transport in Germany has been the responsibility of the individual state governments. The state of Bavaria delegates this task to **Bayerische Eisenbahngesellschaft (BEG)**, which plans, finances and manages regional passenger rail transport. As a state public service, it receives financial subsidies from taxpayers’ money transferred from the German federal government to the states. To use these state funds efficiently and offer the best possible service to passengers, Bayerische Eisenbahngesellschaft conducts Europe-wide tender procedures for its transport services contracts. The contract is awarded to the transport company with the best tender in terms of both quality and price.

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