

Update: Air Canada prices \$537m EETC

2 December 2015

AA tranche was more than four times oversubscribed.

Air Canada has priced a **\$537 million** enhanced equipment trust certificate (**EETC**) secured against **five widebodies delivering in 2016**. The offering will be used to finance the purchase of three new 787-9s and two 777-300ERs, which are scheduled for delivery in April and May 2016. [...]

Airfinance Journal understands that the Class AA tranche was oversubscribed more than 4.3 times, and the Class A tranche was more than 3.7 times oversubscribed. [...] The deal is split between three tranches.

- The AA-tranche will be sized at \$295.02 million with a 12-year tenor and a coupon of 3.75%. The initial loan-to-value (LTV) is 39.0%.
- The A-tranche will be sized at \$121.04 million with a 12-year tenor and a coupon of 4.125%. The initial loan-to-value (LTV) is 55.0%.
- The B-tranche will be sized at \$121.04 million with an eight-year tenor and a coupon of 5.00%. The initial loan-to-value (LTV) is 71.0%.

[...]

After financial close, the deal will be the second EETC that Air Canada has issued this year. The first was a **\$1.03 billion** offering secured against **nine 787s** that issued in March.

Video: **An introduction to Aircraft Leasing** by Capital Aviation which provides an overview of finance, leasing and investment within the aviation industry.

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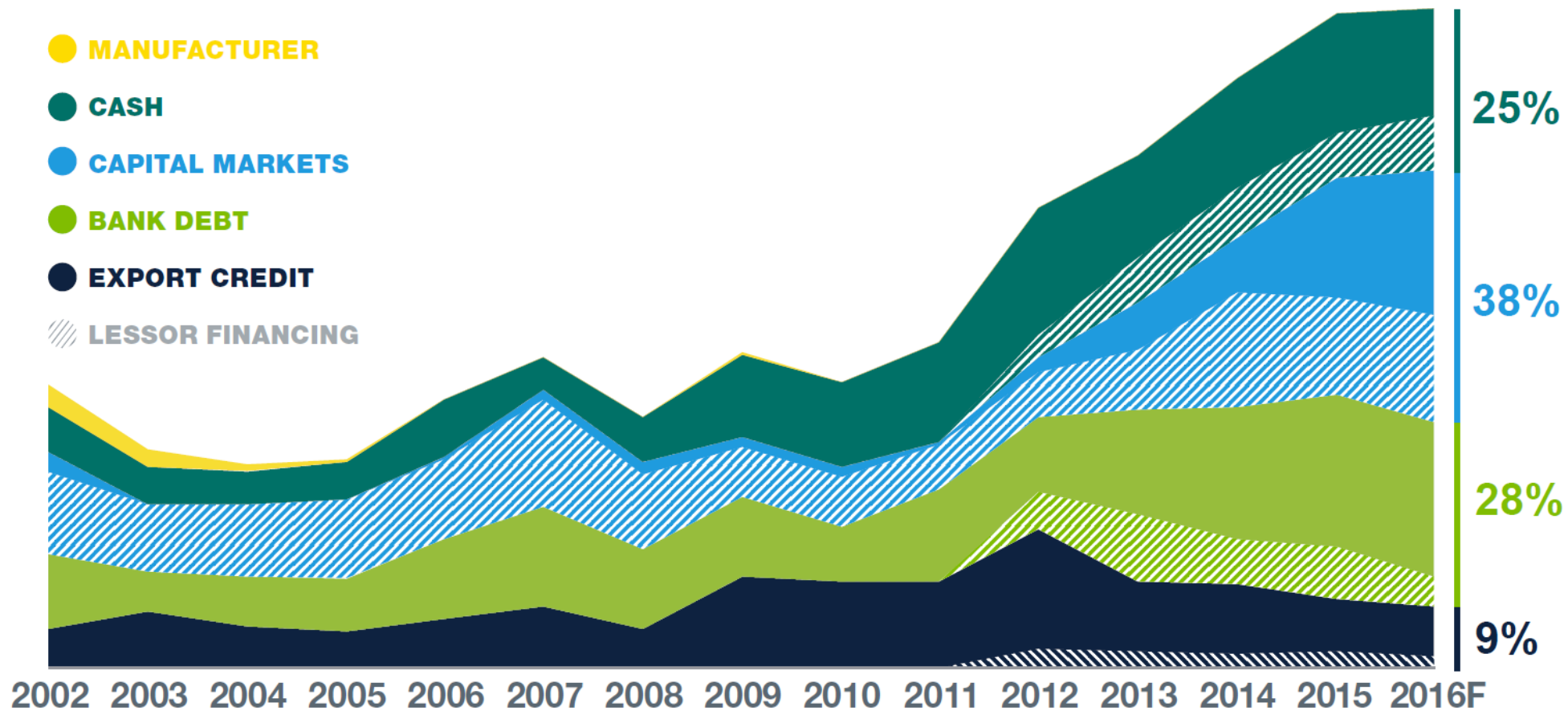
<https://www.youtube.com/watch?v=p0-uemCze3E>

Video: Governments help aircraft manufacturers by offering foreign airlines cheap financing, also known as export credits. A new set of rules, negotiated at the **OECD**, went into effect in February 2011.

24 Feb 2011

<https://www.youtube.com/watch?v=dSNGYxdKJ50>

Diversified Funding for Boeing Aircraft Deliveries



Source: Boeing, Aircraft Finance Market Outlook 2015, http://www.boeing.com/resources/boeingdotcom/company/capital/pdf/2016_BCC_market_report.pdf

