

SUPPORTING YOUR AIRCRAFT FINANCING





Unlocking Funding Options to Support Growing Fleets

Aircraft Finance Insurance Consortium (AFIC) is a groundbreaking collaboration between Marsh and a panel of highly-rated global insurance companies to offer an innovative source of aircraft financing.

Developed with Boeing and available exclusively through Marsh, AFIC's aircraft non-payment insurance (ANPI) fully protects banks or institutional investors from payment default by an airline, leasing company, or other buyer that is purchasing an aircraft from Boeing. AFIC's ANPI can therefore reduce the overall cost of financing.

ANPI offers support to this rapidly expanding industry at a time when financing needs are increasing due to the burgeoning growth in air travel and in the number of commercial aircraft being operated worldwide.

Attractive Features

ANPI offers a number of attractive features:

- Functions in a similar way to an export credit agency (ECA) guarantee, but with no non-commercial constraints on pricing or deal structure.
- Offers a highly flexible solution that is compatible with various financing structures such as:
 - Funding by banks or institutional investors via the capital markets.
 - Fixed or floating interest rates.
 - Funding in a number of widely traded currencies.
 - Straight-line, mortgage-style, and other amortization profiles.
 - Certain specialty financing structures, such as tax advantaged leases.
- Runs for the duration of the financing term.
- Policy contains no warranties by the funding institutions, and no conditions precedent to coverage.





Delivering Benefits to All Transactional Parties

The strength of AFIC's ANPI is in the benefits it is able to provide to both the purchaser and the lender.

ANPI ENABLES THE PURCHASER TO:

- Attract funding at competitive rates due to reduced risk to lenders.
- Choose from a range of financing options due to product flexibility.
- Access financing during market downturns due to AFIC's transaction structuring.

ANPI ENABLES THE LENDER TO:

- Negate the risks associated with lending by insuring against payment default at no additional cost to the lender.
- Transfer all credit, asset, and jurisdictional risks.
- Secure regulatory capital relief, subject to the transaction structure and the applicable regulatory regime.

Simple Process and Smooth Execution

AFIC works directly with airlines or aircraft leasing companies to analyze their creditworthiness, evaluate the risks, structure the transaction, and offer an ANPI term sheet. The airline or leasing company then uses the term sheet to attract offers from lenders, which no longer face credit, asset, or jurisdictional risks associated with the transaction.

AFIC's claim process is straightforward: in the event that the purchaser fails to make a scheduled payment, the lender simply submits a two-page notice that the payment was missed in order to receive a claim payment.





Our Credentials and Expertise

Since closing its first deal in March 2017, AFIC has supported the financing of:

- Over USD3.5 billion of assets.
- Narrowbody, widebody, and cargo aircraft for eight airlines and two aircraft leasing companies.
- Aircraft models from all 4 Boeing passenger aircraft families currently in production.
- Aircraft that were funded in both USD and EUR, through both fixed and floating rate financings.

Our highly experienced team of aircraft finance experts and insurance brokers have specialist knowledge in a variety of areas, including:

- Aircraft finance analysis, structuring, and execution.
- Aviation insurance.
- Financial and credit risk insurance.
- Complex legal and contractual issues.
- Claims.

These figures and statistics are accurate as at January 2019. As this product is experiencing rapid growth, these numbers will continuously change. Speak to your adviser for our latest credentials.



To discuss how ANPI could benefit your business contact one of our experts:

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