

BOC AVIATION SIGNS AGREEMENT TO SELL 24 AIRCRAFT

News / Finance



BOC Aviation signed an agreement to sell a portfolio of 24 aircraft to Shenton Aircraft Investment I Ltd. and affiliates (“SHNTN 2015-1”). To finance a portion of the purchase of the aircraft portfolio, SHNTN 2015-1 has issued two tranches of notes, comprising US\$747.4mn of 4.75% Series A notes (A, Standard & Poor’s / Fitch Ratings) and US\$60.5m of 5.75% Series B notes (BBB, Standard & Poor’s / Fitch Ratings). The source of repayment for the notes will be limited to the aircraft portfolio, the leases and related collateral. A third-party institutional investor acquired 100% of the equity interest via a private placement.

The notes are backed by the 24 aircraft to be acquired from BOC Aviation. These commercial jet aircraft are currently on lease to 21 airlines in 18 countries, including 11 Airbus A320 family aircraft, seven Boeing 737NG aircraft and two Embraer E190 aircraft, two Airbus A330 aircraft and two Boeing 777s. The portfolio has a weighted average age of 4.6 years and weighted average remaining lease term of 5.7 years, based on weighted average appraised values.

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