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## **Etihad Airways and Natixis close the first Aircraft Leasing Transactions in Abu Dhabi Global Market (ADGM)**

Etihad Airways and Natixis have completed a Sale and Leaseback for two 2016 vintage Airbus A380 aircraft. Both aircraft are owned by special purpose companies based in Abu Dhabi Global Market (ADGM), the world's newest international financial centre (IFC), and are leased to Etihad for a period of 12 years.

This marks the first aviation finance transaction in ADGM since the recent enactment of the Cape Town Convention and Aircraft Protocol 2001 into its insolvency framework to support its ambition to be an aviation financing and asset management hub in the UAE and the MENA region. The new set of regulations further augments ADGM's strengths as an international jurisdiction for aviation financing and leasing as well as global financial services.

The milestone achievement also marks Etihad's first operating lease of an Airbus A380. The location of the two special purpose companies that own the aircraft in ADGM reaffirms that it provides a Special Purpose Vehicles regime on par with the best international jurisdictions in terms of features, cost and ease of set-up.

The 12-year operating leases are leveraged with a combination of Islamic and conventional tranches of debt arranged by Natixis, which acted as Sole Lead Arranger, whilst Dubai Islamic Bank (DIB), First Gulf Bank (FGB) and Union National Bank (UNB) acted as co-arrangers.

As a result of this transaction, Natixis and ADGM are in advanced discussions for setting up an aircraft investment platform in ADGM which will target investors looking for high USD yield. This development reinforces ADGM's commitment to provide a dynamic and conducive environment for successful aviation transactions, and to attract more global aviation financing and leasing businesses to establish their operational presence in ADGM to conduct their regional business.

**HE Ahmed Al Sayegh, Chairman of ADGM, said:** "We are pleased to welcome both global industry leader Natixis and our national carrier Etihad Airways to the ADGM family. The civil aviation scene in the UAE and Abu Dhabi has generated significant opportunities and is expected to grow exponentially in the next decade. In addition, the Middle East is a vibrant aviation hub with airports increasing their handling capacity and airlines expanding their fleet to address global demand. These, in turn, fuel further demand for aviation financing."

“The aviation industry can continue to rely on ADGM’s established platform to expand its global presence, at the same time, gain access to unique and tailored financing and services to achieve objectives. We look forward to working closely with Natixis to support their business strategy in Abu Dhabi and globally.”

**James Hogan, Etihad Aviation Group President and Chief Executive Officer, said:** “We are delighted to have worked with Natixis on this landmark transaction in the ADGM. This transaction validates the continued dedication of ADGM’s Board of Directors to support the growth of Etihad Airways and the civil aviation sector by establishing a framework that caters to the aviation industry’s financing needs.”

**Ramki Sundaram, Global Head of Aviation at Natixis, added:** “We’re very pleased to lead this sale and lease back of the A380 aircraft for Etihad. What’s more, we’re delighted to be involved in the first aviation transaction from ADGM and to play a part in supporting ADGM’s ambitions to grow in the aviation sector. It has been a pleasure to work on this transaction with a syndicate of Middle Eastern banks which further underpins the region’s commitment to aviation finance. The success of this transaction also highlights Natixis’ expertise in arranging and efficiently executing a broad range of aviation transactions, and our dedication to providing value-added capital solutions to clients.”

Etihad Airways, the national carrier of the United Arab Emirates, is fully owned by the government of Abu Dhabi. Operating from Abu Dhabi International Airport, Etihad Airways benefits from its strategic geographical location connecting east with west, carrying 17.6 million passengers in 2015 (up 18.9 per cent from 2014). Etihad is the second largest airline in the UAE and the third biggest in the Middle East. It operates one of the youngest fleet of aircraft in the world with an average age of six years.

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### **About Natixis**

*Natixis is the international corporate, investment, insurance and financial services arm of Groupe BPCE, the 2nd-largest banking group in France with 35 million clients spread over two retail banking networks, Banque Populaire and Caisse d'Épargne.*

*With more than 16,000 employees, Natixis has a number of areas of expertise that are organized into three main business lines: Corporate & Investment Banking, Investment Solutions & Insurance, and Specialized Financial Services.*

*A global player, Natixis has its own client base of companies, financial institutions and institutional investors as well as the client base of individuals, professionals and small and medium-size businesses of Groupe BPCE's banking networks.*

*Listed on the Paris stock exchange, it has a solid financial base with a CET1 capital under Basel 3(1) of €12.7 billion, a Basel 3 CET1 Ratio (1) of 11.2 % and quality long-term ratings (Standard & Poor's: A / Moody's: A2 / Fitch Ratings: A).*

*(1) Based on CRR-CRD4 rules as reported on June 26, 2013, including the Danish compromise - without phase-in except for DTAs on tax-loss carryforwards and pro forma of additional phase-in of DTAs following ECB regulation 2016/445.*

*Figures as at September 30, 2016*

### **About Etihad Airways**

*Etihad Aviation Group (EAG) is a diversified global aviation and travel group comprising four business divisions – Etihad Airways, the national airline of the United Arab Emirates, Etihad Airways Engineering, Hala Group and Airline Equity Partners. The group has minority investments in seven airlines: airberlin, Air Serbia, Air Seychelles, Alitalia, Jet Airways, Virgin Australia, and Swiss-based Darwin Airline, trading as Etihad Regional.*

*From its Abu Dhabi base, Etihad Airways flies to, or has announced plans to serve, more than 110 passenger and cargo destinations in the Middle East, Africa, Europe, Asia, Australia and the Americas. The airline has a fleet of over 120 Airbus and Boeing aircraft, with 204 aircraft on firm order, including 71 Boeing 787s, 25 Boeing 777Xs, 62 Airbus A350s and 10 Airbus A380s. For more information, please visit: [etihad.com](http://etihad.com)*

### **About Abu Dhabi Global Market**

*Abu Dhabi Global Market (ADGM), an international financial centre in the capital city of the United Arab Emirates, opened for business on 21st October 2015. In line with the Abu Dhabi's Economic Vision, ADGM is a natural extension of Abu Dhabi's role as a reliable and responsible member of the global financial community. Strategically situated in the heart of one of the world's largest sovereign wealth funds, ADGM plays a pivotal role in positioning Abu Dhabi as a global centre for business and finance that connects the growing economies of the Middle East, Africa and South Asia.*

*ADGM's three independent authorities, the Registration Authority, the Financial Services Regulatory Authority and ADGM Courts, enable registered companies to conduct business in a zero-percent tax environment and operate with confidence within an international regulatory framework with its own independent judicial system and legislative infrastructure based on the Common Law. Established by a UAE Federal Decree as a broad based financial centre, ADGM's foundation is anchored on three of Abu Dhabi's strategic strengths - private banking, wealth management and asset management and will continually expand its financial services in response to the needs of its businesses and marketplace.*

*Abu Dhabi Global Market's jurisdiction extends over the entire 114-hectares of Al Maryah Island, that includes world-class business and lifestyle facilities such as the Rosewood and Four Seasons Hotels and Residences, the first ever specialty Cleveland Clinic Hospital outside of USA, luxury retail at the Galleria Mall, and grade-A offices spaces to meet Abu Dhabi's long-term development and economic needs. All these complement ADGM's international financial centre position as a vibrant destination in the capital city in Abu Dhabi. For more details of ADGM, please visit [www.adgm.com](http://www.adgm.com)*

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