FINNAIR SECURED FINANCING FOR ITS THIRD A350 AIRCRAFT

News / Finance

Finnair has secured financing, arranged by BNP Paribas, for its third Airbus A350-900 XWB, which was delivered on 30 December 2015. The transaction amounts to approximately EUR 135 million, implemented using a Japanese Operating Lease with Call Option (JOLCO) structure, where the transaction amount is treated in Finnair's IFRS accounting as a loan and the aircraft as owned.

"We are pleased to have secured financing at highly competitive rates for the full market value of our latest A350-900 delivery. This transaction, which involves investors in our core markets of Europe and Asia, is further evidence of the continued confidence shared by the financing community in Finnair, and the critical role of the A350 fleet in our growth strategy", states Finnair CFO Pekka Vähähyyppä.

The transaction is part of Finnair's diversified financing plan for its ongoing long-haul fleet renewal program, which currently consists of 19 new Airbus A350-900 XWB aircraft scheduled for delivery between 2015 and 2023. As previously announced, the first two A350s that have already been delivered, and a further two expected to be delivered in 2016 and 2017, have been financed through sale and leaseback agreements with GECAS.

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Finnair’s first A350s have commenced revenue flights from Helsinki to Shanghai, Beijing and Bangkok. The next A350 destinations will be Hong Kong and Singapore.

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