

# ‘Using credit solutions to enhance growth and finance’

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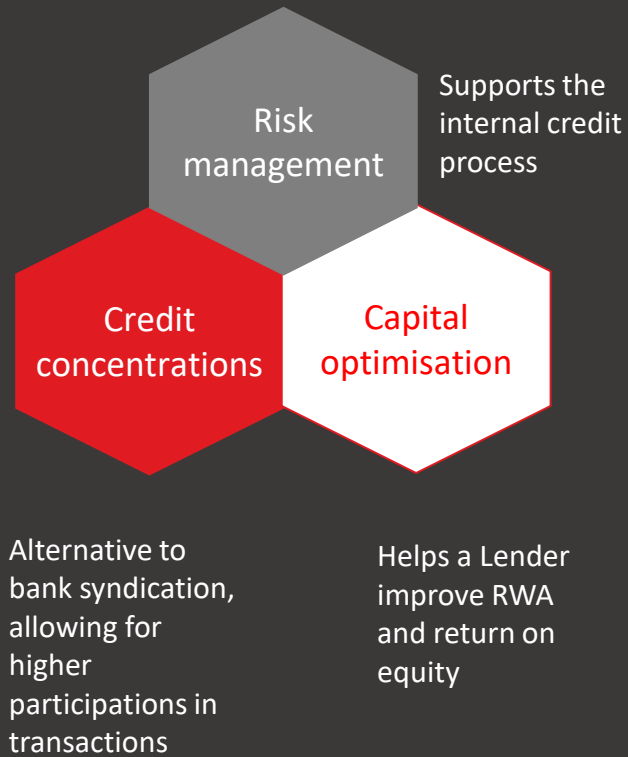
# So what are credit solutions?



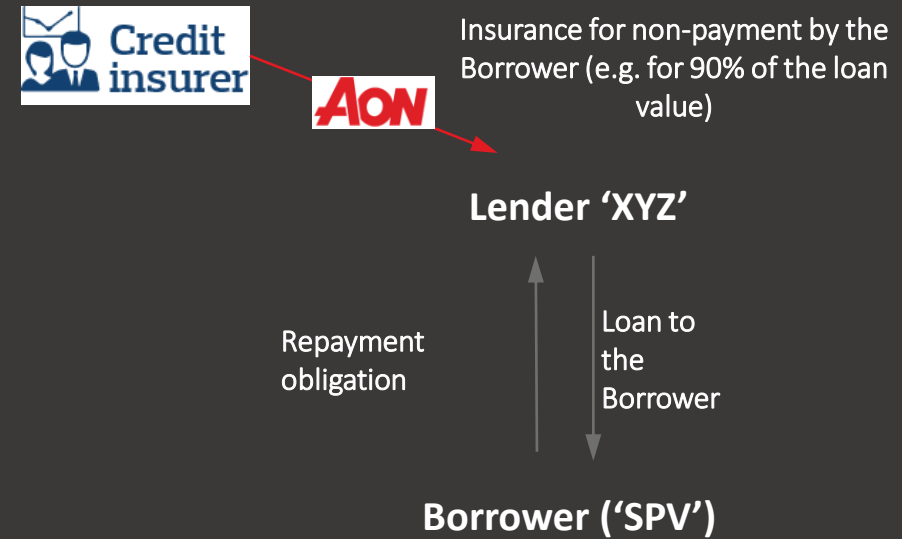
1. **Non-payment insurance to cover** default by the Borrower under a loan agreement or the lessee under a lease agreement.
2. **Aircraft non repossession insurance** – providing protection to the aircraft owner (can be lessor) against government action taken against the aircraft or an inability to repossess. It Protects aircraft financiers in the event of them being unable to enforce their legal title and rights to repossess or repatriate their aircraft following a default under a loan / lease agreement.
3. **Political Risks Insurance**
  - Expropriation
  - Currency Inconvertibility
  - War / Political Violence
  - Arbitration Award Default

# Lenders perspective

## Aviation Finance – Non-Payment Insurance



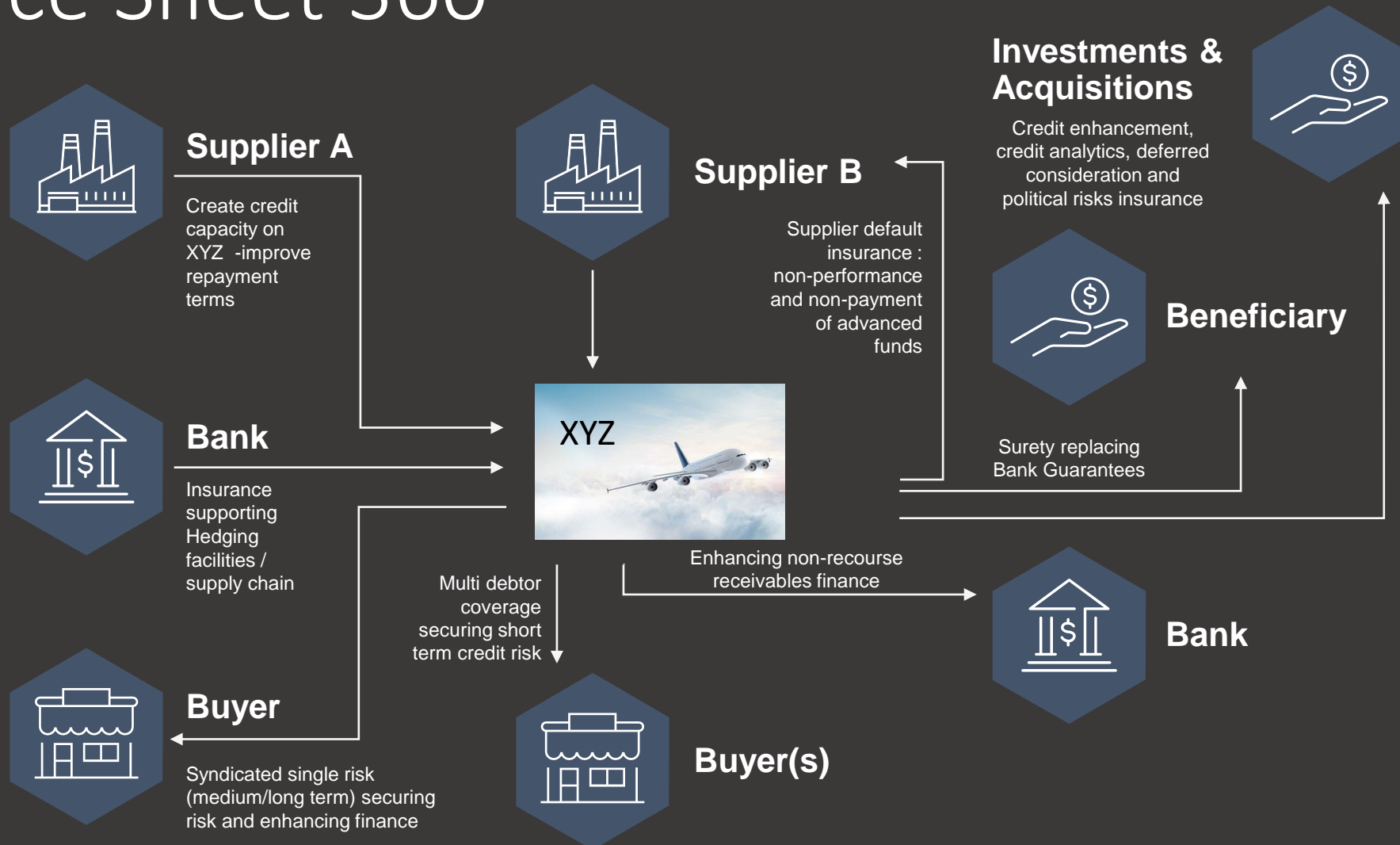
## Example of an insurance backed loan structure



# Case Study (Lenders)

<b>Insured:</b>	Lender XYZ
<b>Buyer &amp; Obligor:</b>	Ethiopian Airlines
<b>Insured Transaction:</b>	USD 170,000,000 loan to purchase Airlines
<b>Country:</b>	Ethiopia
<b>Registration:</b>	British Virgin Islands
<b>Experience:</b>	Good
<b>Tenor:</b>	8 yrs (semi-annual repayments)
<b>Cover Required:</b>	Comprehensive Credit Insurance (non honouring of state owned entity obligations)
<b>Period:</b>	96 months
<b>Maximum Limit:</b>	USD 153,000,000 (90% indemnity) amortizing in line with repayments
<b>Rate:</b>	70% of net margin (per annum on insured exposure)
<b>Waiting Period:</b>	180 days

# Corporate perspective Balance Sheet 360





**Any Questions?**