



NORWEGIAN AIR JOINT VENTURE WITH CHINA CONSTRUCTION BANK LEASING CORPORATION

News / Airlines, Finance



Norwegian Air announced a joint venture with China Leasing International Corporation DAC to finance, own and lease aircraft that Norwegian has on order. The agreement will strengthen Norwegian's financials considerably.

Initially, the JV comprises 27 Airbus A320 NEO aircraft to be delivered from 2020 to 2023. CCBLI will also provide aircraft financing for aircraft within the JV.

CCBLI is a 100% owned subsidiary of China Construction Bank Corporation, an industry leader in banking, financial services and leasing, and the world's second largest bank by asset value. CCBLI will be the majority owner of the JV with a 70% share, with Norwegian, through its wholly owned subsidiary Arctic Aviation Assets DAC, holding the remaining 30%.

In addition to a positive equity effect, the JV will reduce Norwegian's committed capital expenditure by approximately USD 1.5 billion based on the initial 27 aircraft. Aircraft deliveries to the JV will commence in Q1 2020. CCBLI has committed to provide senior debt financing to the JV for the 27

aircraft.

“Following several months of negotiations, I’m very pleased to announce that we have reached an agreement with CCBLI to establish a joint venture for an initial 27 Airbus A320 NEO aircraft. This agreement will contribute significantly to reducing our current and future capital expenditure. The JV is one of many important initiatives that need to be realized to deliver on our strategy of moving from growth to profitability,” said Acting CEO Geir Karlsen of Norwegian.

“I am convinced that CCBLI with its professionalism, financial strength and capabilities will be an excellent partner for Norwegian going forward. This JV is an important first step in building a strong strategic partnership between our two companies,” Karlsen added.

“We have during the past year developed a good relationship to Norwegian, including two already executed transactions and we are very much looking forward to continue to build on this relationship through this JV,” said Kevin MI, head of Aviation, CCBLI.

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