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Islamic Finance Summit

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GE Capital's Aircraft Sukuk

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Overview

- Background on transaction
- Transaction structure
- Buy-back and cancellation

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Background

- “Why” would GE Capital issue a sukuk (already have a significant bond programme)
- Considered a range of assets before selecting aircraft
- Structure allows a non-compliant entity to access Islamic market

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Background (continued)

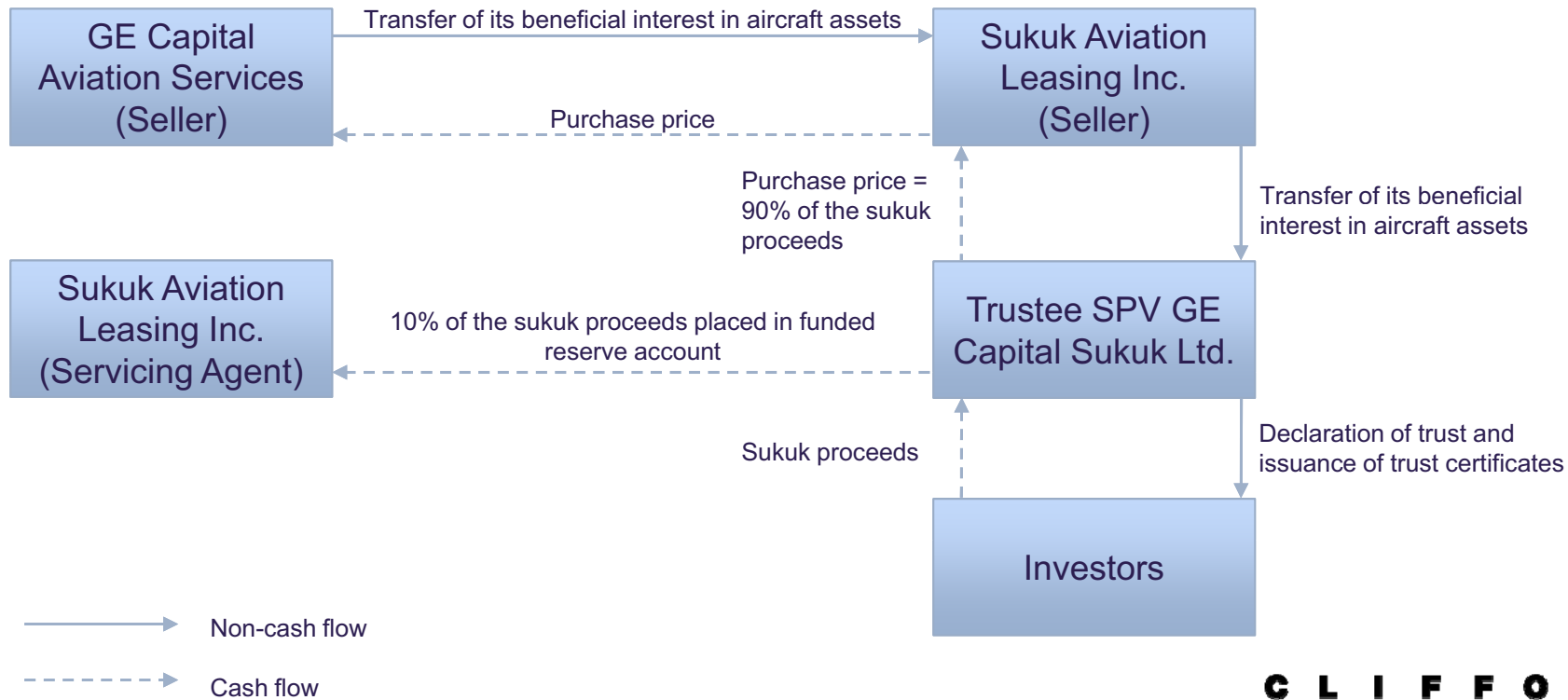
- Newly formed Bermuda SPV issued sukuk backed by aircraft assets
- 90% of assets used to purchase planes
- 10% paid to SAL to invest in a murabaha for the funded reserve account

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GE Capital Sukuk Transaction Structure



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Transaction Structure (continued)

- SAL is a subsidiary of GECC and is the servicing agent
- GECC guaranteed all obligations of SAL including the murabaha arrangements

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Periodic Distributions

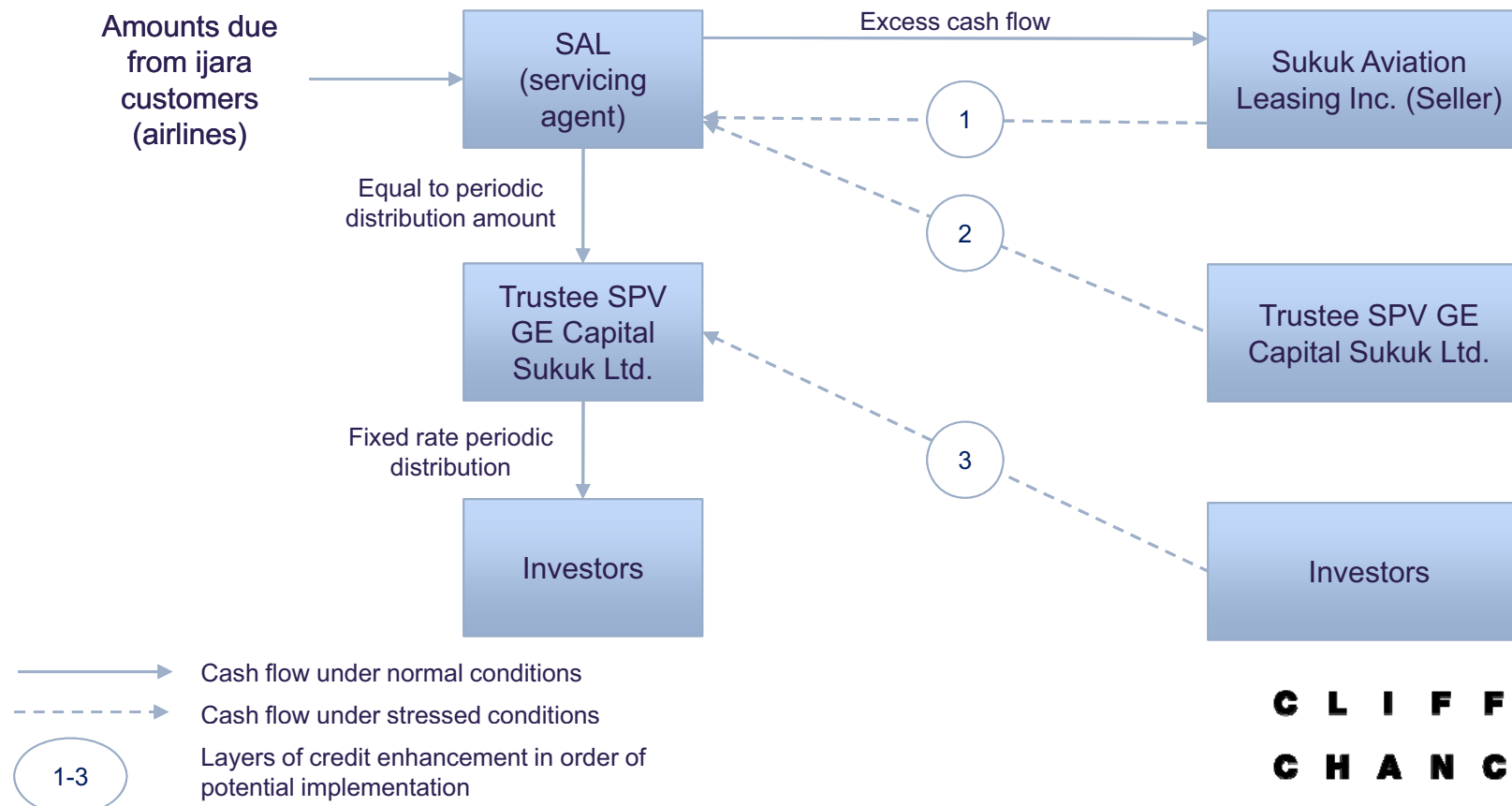
- SAL collects rentals in URA for benefit of issuer Trustee
- The URA will be used to pay an advance incentive fee to SAL
- If rentals fall short then:
 - SAL returns incentive fee to URA and draws down
 - If URA is insufficient, then draw upon FRA

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GE Capital Sukuk Periodic Distribution

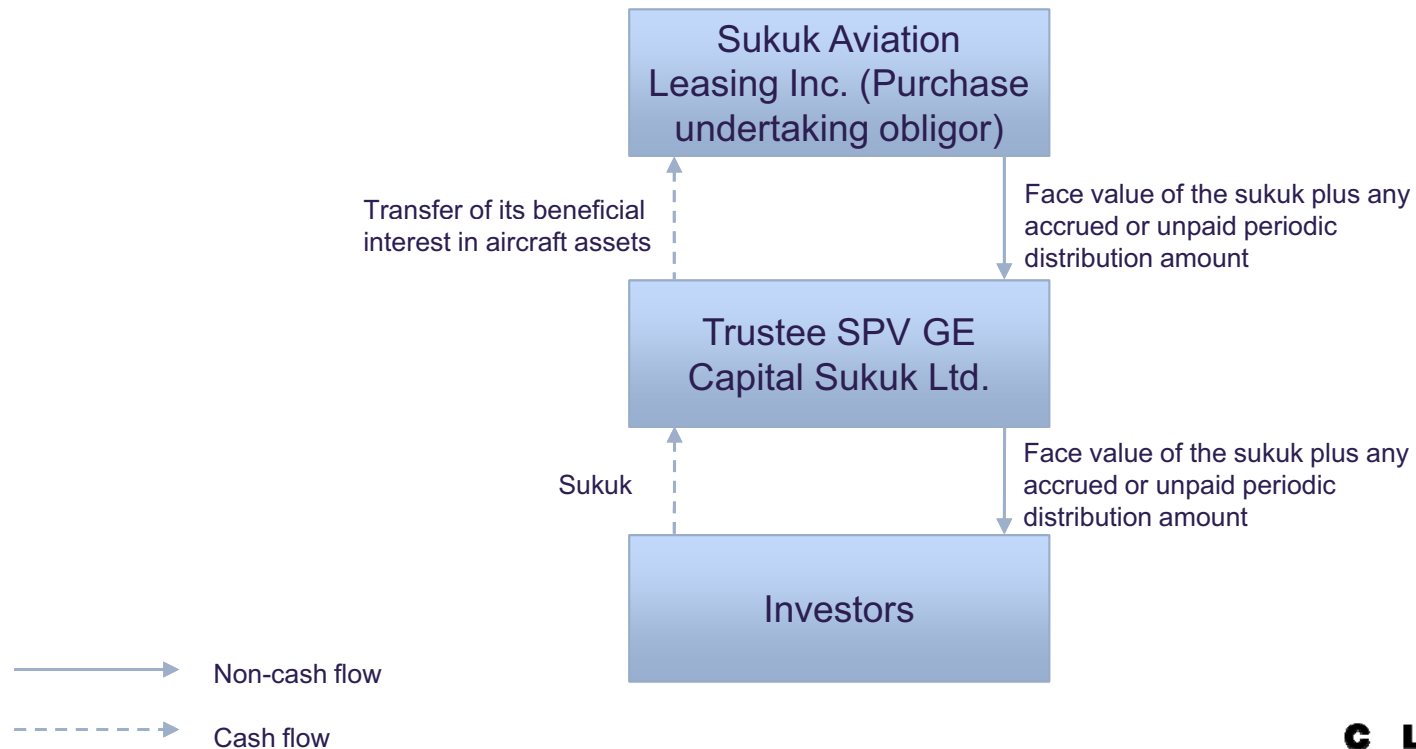


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GE Capital Redemption



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Buyback and Cancellation

- Concept from conventional bonds
- “Who” is buying back?
- “What” is being bought?
- “What” happens to the aircraft?

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