



BANK

Corporate financing for Aerospace



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AIRBUS

Corporate financing for Aerospace

AIRBUS BANK

CHALLENGES
FOR SUPPLIERS

CREDIT
FINANCING



Airbus Bank – A new bank dedicated to aerospace

- **Mid 2014** Acquisition of 100% of a bank located in Munich
- **End 2014** Rebranding as **AIRBUS** BANK
- **As from 2015** Development of new aerospace activities



Airbus Bank – Financing along the aerospace value chain

SUPPLIER FINANCING *CORPORATE FINANCING*



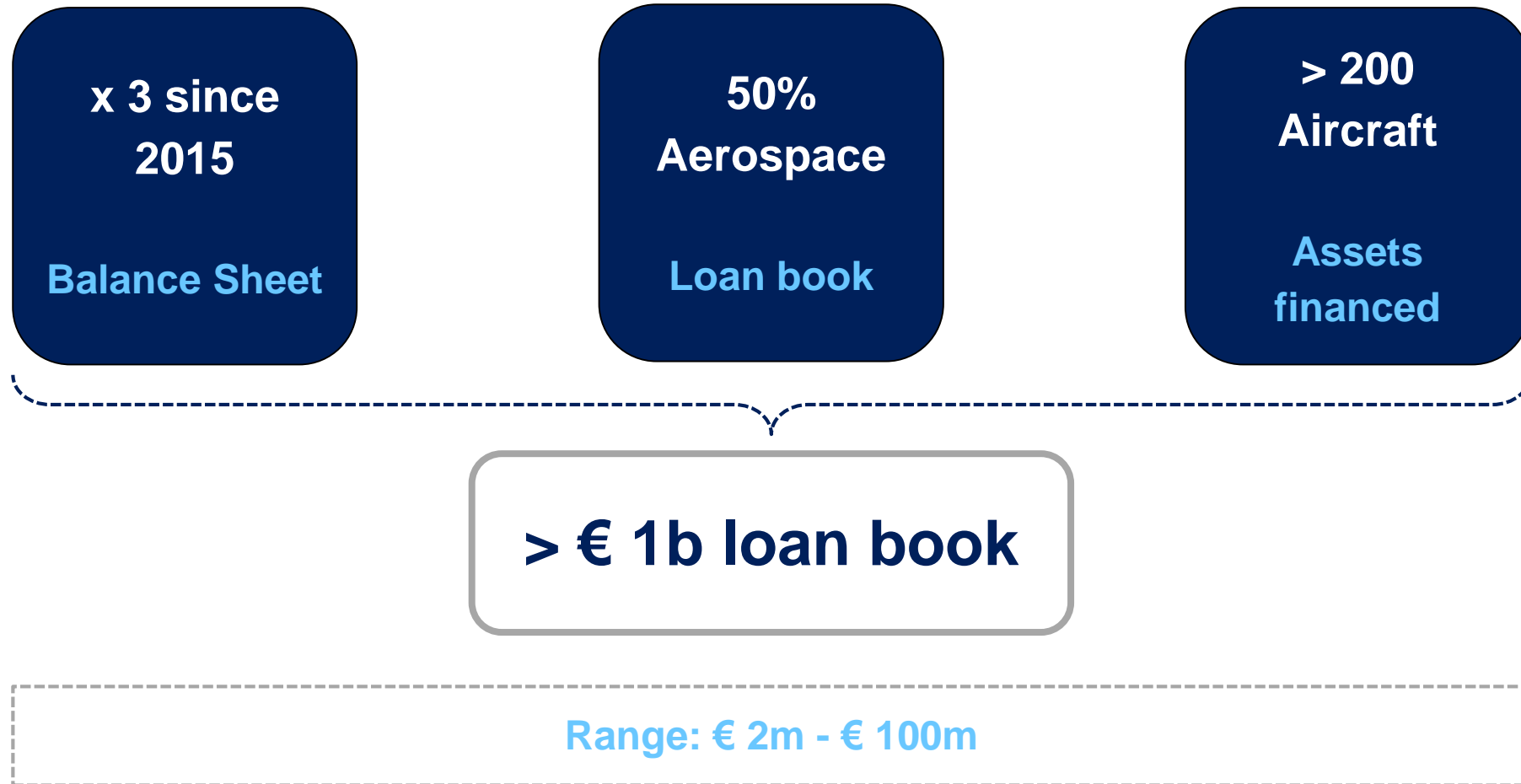
- Focus on small / middle sized companies
- Suppliers part of the aerospace value chain
- Primarily Germany and France

AIRCRAFT, HELICOPTERS *ASSET BASED FINANCE*



- Opportunistic focus on new / mid-age aircraft
- Financing of company airlines, lessors, etc.
- Senior / junior loans, syndications, etc.

Airbus Bank – In numbers



Airbus Bank – Positioning



Operationally driven



Mixed expertise aerospace / bank



Tailored made approach



Complex projects

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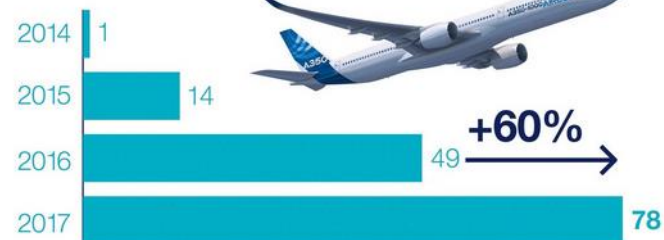


Challenges for suppliers – Comprehensive ongoing transformation

Transformation

A350 XWB Deliveries

On track for rate 10 by end 2018



- Consolidation of the value chain
- From handcrafted to series production
- Best practices and aerospace standards

Aerospace supply chain



- High level of complexity
- International competition
- Challenging context

Challenges for suppliers – From handcrafted to series production

RAMP-UP

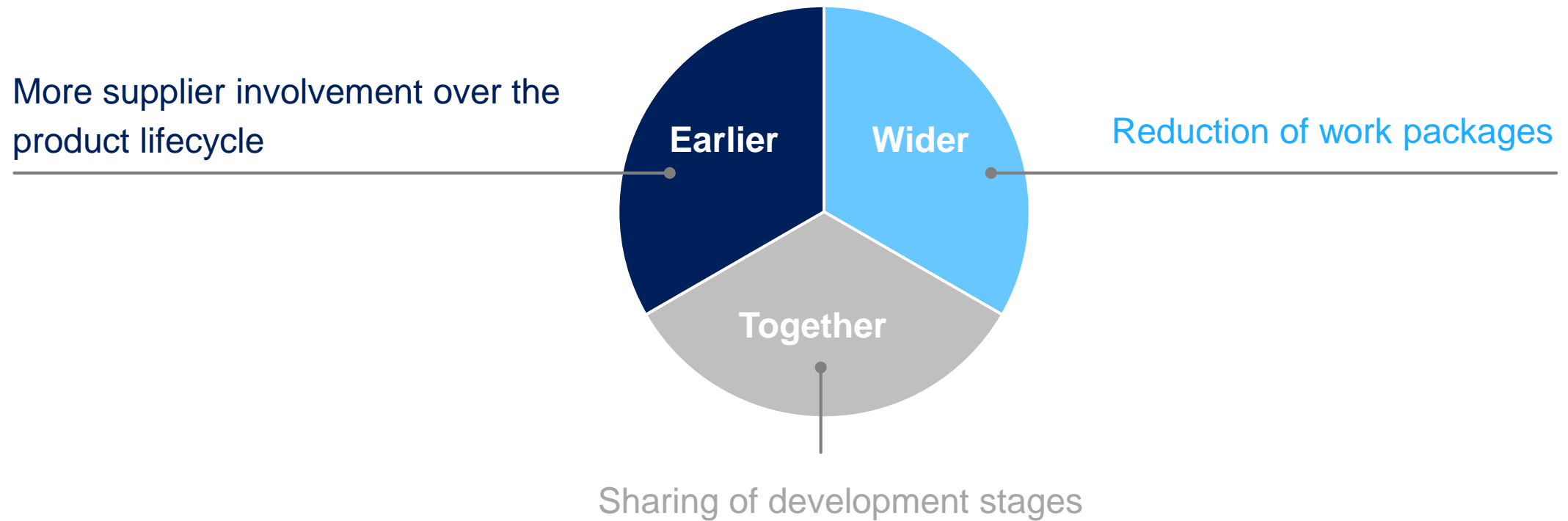
- Significant investment
- Cultural change
- High positive potential

RAMP-DOWN

- Fluctuation of demand
- Market fluctuations
- Level of flexibility



Challenges for suppliers – Consolidation of the value chain



Challenging context for aircraft manufacturers and their suppliers

Aircraft manufacturer challenges



- Strong international competition
- Fuel savings / Economics
- Environmental constraints

Supplier challenges



On quality



On time



On cost

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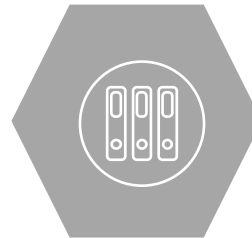
Aerospace credit financing: Support aerospace suppliers in overcoming their challenges - From handcrafted to series production

Business plan



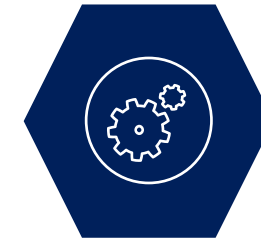
- Operational analysis
- Corporate analysis
- Collateral risk analysis

Contracts



- Client contract term
- Payment condition
- Currency

Dependency



- Aircraft programs
- Raw material
- Key suppliers

Aerospace credit financing: Support aerospace suppliers in overcoming their challenges - Consolidation of the value chain

HORIZONTAL

- Investment credit for new equipment
- Investment credit for additional production capacity

VERTICAL

- Understand the business drivers
- Structure the best solution

Aerospace credit financing: Support aerospace suppliers in overcoming their challenges - Challenging context

- Suppliers to implement aerospace standards and best practices
- Investment can be large compared to company size
- Even after all optimization measures, external financing still required
- Challenging credit context
 - Limited collateral
 - Profitability difficult to assess (high investment, long term breakeven)

Long term view is key to assess aerospace projects.

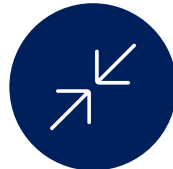
Role of Airbus Bank to support the suppliers of the aerospace to help them overcome their challenges



Provide aerospace expertise



Catalyze credit transactions



Intermediate between banks and supplier



Complement local bank offers

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