

Air New Zealand | Government loan | 03-20 | NZ\$900m

On 19 March, Air NZ entered into a debt funding agreement of up to NZ\$900 million (\$520 million) with the New Zealand Government.

The standby loan facility will provide Air NZ with the ability to draw down funds should its cash reserves drop below a minimum threshold, providing additional cash reserves are not at a satisfactory level.

The two-year facility will be provided in two tranches: a first tranche of NZ\$600 million with an effective interest rate initially expected to be between 7% and 8% per annum; and a second tranche of NZ\$300 million with an effective interest rate initially expected to be about 9% per annum.

The effective interest rates on both tranches will step up by 1% if the facility remains in place after 12 months.

Covid support.

Transaction Overview

Structure

Product category: Government loan
Product type: Government loan
Structure: Government loan
Use of proceeds: General corporate purposes

Transaction Categories

Regions:

[Oceania](#) |
[New Zealand](#) |

Tagged as:

[Unsecured](#) |

Debt

Standby Facility Tranche 1 (NZD 657.45m (USD 364.66m)) 19 Mar 2020

Type: Debt
Tenor: 2 Years 6 Months
Amount: NZD 657.45m (USD 364.66m)
Maturity Date: 18 Sep 2022
Duration: 2 Years 6 Months

Standby Facility Tranche 2 (NZD 328.72m (USD 182.33m)) 19 Mar 2020

Type: Debt
Tenor: 1 Years 11 Months
Amount: NZD 328.72m (USD 182.33m)
Maturity Date: 18 Mar 2022
Duration: 1 Years 11 Months

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Transaction Roles

Borrower/Issuer

Company Name	Role	Client
Air New Zealand	Borrower/Issuer	

Banks

Company Name	Role	Client
Australia and New Zealand Banking Group	Overall Arranger	
Australia and New Zealand Banking Group	Debt Arranger	

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Transaction Timeline

19/03/2020	Financial close	COVID: Air NZ stock leads Asia falls in March
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Coverage

[Air NZ upgrades loss forecast](#)

Flag carrier expects smaller loss after strong booking activity

[Air New Zealand to swap state debt for equity](#)

Government will participate in rights offer that aims to repay state loan

[Air NZ becomes third largest ATR72 operator](#)

Air NZ took delivery of its final ATR72-600 aircraft on 15 December.

[Air NZ accepts aircraft again](#)

Flag carrier accepts first aircraft delivery since 2019.

[Air New Zealand defers 787](#)

The aircraft was due to enter the fleet in the 2023 financial year.

[Air NZ defers capital raise](#)

The flag carrier says that the New Zealand government has agreed to extend and renegotiate its loan facility.

[Air New Zealand reports \\$138m interim loss](#)

Air New Zealand has posted a pre-tax loss of NZD\$185 million for the six months to 31 December 2020.

[New Zealand to underpin equity raise by flag carrier](#)

Air New Zealand is in line for more government investment under its plan for an equity capital raise before 30 June 2021.

[Air NZ names new CFO](#)

The incumbent was previously CFO of listed Metlifecare for the past three years, where he was closely involved in its recent acquisition by APVG.

[Air NZ CFO departs](#)

Air NZ CFO intends to leave the airline towards the middle of 2021, after the completion of the carrier's planned capital raise.

[Air NZ liquidity falls to \\$650m](#)

Air NZ draws on government loan as liquidity burn continues.

[Air NZ stores 777 fleet until late 2021](#)

Air New Zealand (Air NZ) has extended the grounding of its Boeing 777 fleet until at least September 2021 due to the ongoing impact of Covid-19.

[Air NZ loses veteran chief commercial officer](#)

Another of Air New Zealand's (Air NZ's) most senior executives is leaving the Kiwi flag carrier.

[Asia-Pacific recovery stalls](#)

APAC recovery prospects are diminishing quickly; long regarded as a beacon of hope for the industry's recovery, the region is trailing revival forecasts, suggesting that losses this year could be much larger than previously projected.

[Air NZ draws down loan after first loss since 2002](#)

Auckland-based flag carrier Air New Zealand will start tapping a government loan in the coming days to help weather the Covid-19 crisis after posting its first annual loss in 18 years.

[Air New Zealand stores 777-300ERs](#)

The future of the 777 in the Air New Zealand fleet looks increasingly precarious.

[Air NZ slashes Capex, defers deliveries](#)

The carrier is yet to draw from a NZ\$900 million loan facility backed by the government in April.

[Air NZ cuts three executive roles](#)

Air NZ has cut three of the nine roles in its executive team.

[COVID: Air NZ grounds 777s for a year](#)

Airline permanently lays off all 777 crew.

[COVID: Air NZ stock leads Asia falls in March](#)

Air NZ has suffered bigger stock market falls than any other Asia-Pacific airline.

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