CHINESE, JAPANESE SUITORS EYE $4 BILLION SALE OF CIT PLANE LEASING UNIT: SOURCES

News / Finance



U.S. lender CIT Group Inc has kicked off the sale of its aircraft leasing assets by inviting more than a dozen entities to consider bidding, including China's HNA Group, Industrial and Commercial Bank of China's ICBC Leasing, and Japan's Orix Corp, sources familiar with the matter said.

The sale of CIT's Commercial Air unit could fetch between $3 billion to $4 billion, with Century Tokyo Leasing, sovereign wealth fund China Investment Corp, CDB Leasing, plus some global pension funds and insurers, also invited to bid for the assets, the sources added.

The strong line-up of Chinese and Japanese suitors in the auction underscores the growing importance of cashed-up Asian lessors who are pouring billions of dollars into a sector that offers stable, long-term and dollar-based revenue. It also signifies the shifting balance of the global aviation industry to Asia, which is seen as the engine of growth.

First-round bids for CIT's leasing arm, which owns, finances and manages a fleet of more than 350

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planes, are due in June, said the sources, who declined to be named as the information has not been publicly disclosed. CIT Commercial Air has assets valued at around $11 billion.

CIT, among the world's top 10 lessors, has said it is looking to sell or spin-off its Commercial Air unit by the end of the year as it focuses on domestic banking. "We do not comment on price or participants in the process," a CIT spokesman said when asked about the auction.

A spokeswoman from China's HNA Group said the company was not aware of a possible bid. Orix, Century Tokyo Leasing and ICBC Leasing, a unit of ICBC, declined to comment. CIC did not comment. CDB Leasing could not be reached for comment.

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