



# Credit Risk Analysis Refresh

CLIENT SUCCESS



A Global Commercial Aircraft Lessor

ZEEVOCROUP.COM



## THE CHALLENGE

A global aircraft lessor sought to **refresh its credit risk analysis** across a portfolio of airline lessees spanning multiple regions, credit profiles, and reporting currencies.

The client's existing analyses were anchored to a prior analytical cycle, and the methodology required updating to reflect current financial performance, evolving country risk conditions, and fleet-level developments for each counterparty.

The engagement demanded rigorous consistency across dozens of airlines (each with distinct financial reporting standards, fiscal year-ends, and data availability) while preserving the integrity of prior-cycle conventions established by the client's internal analytical team.



## THE APPROACH

Zeevo professionals designed and executed a structured credit risk analysis refresh methodology built around the client's existing framework, working in close coordination with the client's day-to-day analytical professionals to maintain consistency with established conventions.

- ▶ **Conducted a thorough inventory of the lessee portfolio**, segmenting airlines by data availability, financial reporting standard (IFRS vs. local GAAP), reporting currency, and risk tier to sequence delivery in coordinated waves.
- ▶ **Developed structured credit analyses for each airline across several dimensions**, including but not limited to financial and operational performance, country risk, repossession risk, company and management quality, fleet



composition, and summary credit conclusions.

- ▶ **Sourced and validated financial data against audited annual financial statements and interim management accounts**, applying appropriate FX conventions (period-average rates for income statement items and year-end spot rates for balance sheet items) using Bloomberg data as the data source.



## THE APPROACH, cont.

- ▶ **Tied out all financial inputs to source documents**, producing detailed reconciliations for each lessee.
  - ▶ **Integrated country risk assessments, sovereign ratings, and Allianz Trade tier classifications for each operating jurisdiction**, with footnoted rationale for any qualitative overlays.
  - ▶ **Coordinated with client personnel to resolve data gaps**, obtain supplemental financial information for lessees without publicly available statements, and confirm methodology questions before populating client-facing deliverables.
- 
- ▶ **Performed a structured QA review of each analyses prior to delivery**, with documented findings reconciled against source materials before finalization.



## THE OUTCOME

- ▶ Zeevo professionals delivered refreshed, fully documented credit risk reports for the client's airline lessee portfolio across multiple delivery waves.
- ▶ Produced a complete set of updated reports with financial data, fleet statistics, country risk assessments, and credit conclusions tied out to source financials for each lessee.
- ▶ Identified and escalated data quality issues – including misloaded source data, formula errors, and inconsistencies between financial grids and narrative sections – prior to client delivery, preventing downstream analytical errors.
- ▶ Delivered reports in a sequenced, wave-based cadence, enabling the client's risk management team to begin utilizing refreshed data for active counterparties while remaining airlines were in process.





## ZEEVO'S VALUE-ADD.

- ▶ Deep subject matter expertise in aviation finance and airline credit analysis, including nuanced understanding of IFRS 16 impacts on EBITDAR derivation, lease-adjusted leverage, and cross-regional reporting differences across carriers in Africa, the Middle East, Asia-Pacific, Europe, and the Americas.
- ▶ Disciplined adherence to client-established methodology – prior-cycle conventions set by the client's internal analytical team were treated as the floor, with all divergences footnoted rather than overwritten, preserving analytical continuity across the review cycle.
- ▶ Structured QA and tie-out discipline that produced a complete audit trail for each lessee, enabling the client's team to trace every financial input from the scorecard back to a specific line item in the source financial statements.
- ▶ Proactive identification of data issues and methodology implications before delivery – flagging deliverables requiring remediation and routing methodology questions to the appropriate client contacts rather than making unilateral interpretive decisions.
- ▶ Efficient multi-lessee delivery capability, allowing the client to receive high-quality, consistently structured credit risk reports across a geographically and operationally diverse portfolio within a defined engagement window.