



RISK

CLIENT SUCCESS

Real-Time Bank Credit Monitoring Reduces Counterparty Risk Exposure



A Global Commercial Aircraft Lessor



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THE CHALLENGE

A global commercial aircraft lessor held banking relationships with 12+ financial institutions for deposits, credit facilities, and operating accounts. Treasury and finance teams monitored bank credit quality manually—checking rating agency websites monthly, forwarding updates via e-mail, and updating spreadsheets.

The process had three critical gaps:

- ▶ **Visibility Lag** — Rating changes (especially downgrades) weren't visible until someone manually checked. A two-week delay between a downgrade and internal awareness meant exposure continued without mitigation.
- ▶ **Fragmented Data** — Credit ratings from Moody's, S&P, and Fitch lived in separate locations. Reconciling conflicting ratings or identifying trends required cross-referencing multiple sources.
- ▶ **No Trigger for Action** — Without automated alerts or centralized tracking, there was no systematic way to escalate counterparty risk or trigger discussions about reducing exposure to weakening banks.

The lessor's CFO raised the issue during strategic planning: "We're exposed to banks we can't see clearly. If one of our top deposit banks gets downgraded, do we know it?" The answer was no.



THE SOLUTION

The lessor deployed a **Bank Ratings page** within their lease and portfolio management dashboard, integrating live credit rating data from Moody's, S&P, and Fitch alongside their banking relationship inventory.

The page surfaces:

- ▶ **Current Ratings Dashboard** – Each bank's current rating from all three agencies, with month-over-month change indicators (up/down/flat). Visual design makes rating deterioration immediately visible.
- ▶ **Historical Trend Analysis** – Line charts show rating movement over 12+ months, revealing volatility



patterns and stability across the banking portfolio.

- ▶ **Bank-Specific Filtering** – Treasury can drill into individual banking relationships to track rating trajectory and assess risk concentration.
- ▶ **Alerts & Monitoring** – Integration with portfolio infrastructure flags significant downgrades and surfaces them in daily reporting.



THE IMPACT

**▶ Faster Risk Detection:**

Rating changes now appear in the system within 24 hours of public announcement. Treasury caught a Tier-1 bank's downgrade within one business day and initiated a Board-level discussion about exposure reduction before a second-order rating action occurred.

▶ Data Consolidation:

Finance teams eliminated cross-checking three rating agencies. Reconciliation time dropped from ~4 hours/month to zero. Data confidence increased because the system was now the source of record.

▶ Proactive Treasury Management:

With visibility, the lessor reduced deposits at two banks showing rating pressure before downgrades occurred. CFO estimated this repositioning avoided ~\$15M in exposure concentration risk.

▶ Audit Defensibility:

Auditors gained a timestamped, integrated record of bank credit quality monitoring. The lessor could now demonstrate systematic counterparty risk assessment—a control improvement for SOX and covenant compliance.





WHY THIS MATTERS.

Treasury and counterparty risk management in aircraft leasing remains largely manual. Most lessors still manage bank relationships through disconnected tools—email updates, subscribed rating alerts, spreadsheet tracking.

Real-time visibility into banking partner credit quality is not a "nice to have" feature. It's a structural control gap that compounds in volatile markets.

Lessors that move from manual, email-driven bank monitoring to integrated, real-time tracking have two distinct advantages:

- ▶ **Speed** — Days to hours in counterparty risk escalation.
- ▶ **Confidence** — A single source of record eliminates reconciliation burden and improves audit position.

For CFOs and treasurers, the question is no longer "do we have credit monitoring?" but "how quickly can we see and act on changing counterparty risk?"

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