AIRFINANCE JOURNAL EVENTS

DAY 1
Thursday
2nd May, 2019

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ABS issuances start gathering pace

The aircraft ABS market started to peak in April after two transaction totalling more than $1.34 billion of notes hit the market.

Only US-based Merx Aviation had tapped the asset-backed securitisation (ABS) market in the first quarter, issuing a $429 million ABS via two special purpose companies: MAPS 2019-1 and MAPS 2019-1 U.S.

The $325.7 million Class A notes carry 4.458% interest. The notes have an initial loan-to-value (LTV) of 63% and amortise on a 12.5-year straight line schedule.

The $72.4 million Class B notes priced at 5.56%. The notes have a 77% LTV and also amortise on a 12.5-year straight line schedule.

The $31 million Class C notes priced at 7.385% interest. The C notes have an 83% LTV and also amortise on a seven-year straight line schedule.

A portion of the note proceeds will be used to refinance RISE, the ABS that closed in February 2014. The RISE transaction was initially issued and serviced by GECAS with Merx as an equity investor.

Last month US asset manager Castlelake issued a three-tranche, $867.5 million transaction via Castlelake Aircraft Structured Trust 2019-1.

The Class A notes are sized at $679.4 million with loan-to-value (LTV) of 65%.

The $114.9 million Class B notes have a 76% LTV.

The Class C notes are sized at $73.1 million. The loan-to-value (LTV) is 83%.

The initial weighted average aircraft age of the portfolio was approximately 8.9 years as of 31 March 2019, with a weighted average remaining lease/loan term of approximately 4.5 years.

The portfolio consists of 29 narrowbody aircraft (71.6% by value) and three widebody aircraft (28.4% by value).

Proceeds from the notes will be used to acquire 28 aircraft on lease and four loans (secured by four aircraft to 14 lessees and obligors).

The transaction contains four secured aircraft loans, which differentiates it from aircraft ABS deals normally comprised entirely of aircraft on operating lease.

- The Group 1 assets, comprising 26 aircraft, are subject to operating leases. The Class A and B notes amortise on a 12.5-year straight-line schedule. The Class C notes amortise on a seven-year straight-line schedule.

- The Group 2 assets, which includes two widebody aircraft, are subject to operating leases for 777-300ER aircraft on lease to Philippines Airlines and Thai Airways until March 2022 and August 2024, respectively. The Class A and B notes amortise on a 10-year straight-line schedule while the Class C notes amortise on a seven-year straight-line schedule.

- The Group 3 assets consist of four loans made to an orphan trust and guaranteed by Sun Country Airlines, and are secured by four aircraft. Those aircraft are owned by an orphan trust and are finance leased to Sun Country. The orphan trust has granted a mortgage over the Group 3 aircraft and a lease assignment over such finance leases in favour of UMB Bank as security trustee. The issuers will not hold title to these aircraft and will only be entitled to payments of principal and interest on the loans. However, in the event of default under the loans, the issuers will be entitled to direct the security trustee to enforce the mortgage and lease assignment, which have been filed with the FAA. To mitigate the shorter amortisation of the loans, the allocable portion of the Class A, B and C notes related to the Group 3 assets amortise on a 6.5-year straight-line schedule, which is significantly faster than the rest of the portfolio and other recent aircraft ABS transactions.

Goldman Sachs is sole structuring agent and left lead

Continued on page 2 >>>

bookrunner in the transaction. Natixis is the liquidity facility provider. Canyon Financial Services is the managing agent.

This transaction represents Castlelake's sixth sponsored securitisation, with prior transactions in 2014, 2015, 2016, 2017 and 2018. The 2014 and 2015 transactions were fully repaid in April 2017 and March 2019, respectively.

Then GECAS vehicle STARR II issued a three-tranche $474 million ABS covering a portfolio of 20 aircraft.

The $382 million Series A notes priced at 4.089% and have an 64.9% LTV. The $69 million Series B priced at 5.095% and have a 76.6% LTV. The $23 million Series C notes priced at 6.413% and have a 80.5% LTV.

The A and B notes amortise on a 14-year straight-line schedule and the C notes amortise on a seven-year straight-line schedule.

The notes received preliminary ratings from Kroll Bond Rating Agency (KBRA) as follows: A rating for the A tranche; BBB for the B tranche; and BB for the C tranche.

As in STARR 2018-1, an affiliate of GECAS will be acquiring a small minority percentage of the equity in STARR II. Oz Management is serving as the asset manager for the equity investors. STARR 2018-1 featured a tradeable E-Note concept, which is an improvement on the traditional E-Note structures in aviation. It offers investors the potential to generate a levered financial return in a passive aviation investment vehicle, managed by a global asset manager.

GECAS acts as servicer on the STARR II transaction, while Credit Agricole is the liquidity provider. Citibank is trustee and Deutsche Bank is the lead bookrunner. Canyon Financial Services acts as managing agent.

STARR II – the collective name for the START II and START II USA vehicles – is the 15th third-party portfolio securitisation serviced by GECAS. It follows from the innovative $586.9 million START 2018-1 transaction, which was completed in June 2018.

Proceeds from the sale will be used to acquire 20 narrowbody aircraft on lease to 13 airlines.

The initial weighted average age of the portfolio is around 5.9 years (as of 1 March, 2019). The weighted average remaining lease term of 6.6 years is "comparable to other younger aircraft transactions".

The portfolio consists of six aircraft types. More than 80% are Boeing 737-800s, Airbus A321 and A320s – types that KBRA described as "liquid" and "strong leasing assets". The remainder are 737-900ERs, A319s and 737-700s.

Compared with the START 2018-1 transaction, STARR II is slightly smaller, the aircraft are younger, the average lease term is longer and the top three lessees have a higher share.

There are no widebody aircraft, unlike in START 2018-1.

STARR II includes a credit enhancement feature in which GE Capital Global (GECGH) guarantees the seller's payment and will be collateralised by standby letters of credit issued by Credit Agricole and Natixis for obligations on the A notes. Any obligations on the B and C notes will be an unsecured claim against GECGH.

The aircraft ABS industry saw heavy issuance growth between 2016 and 2017, from $4.2 to $6.6 billion. Last year the sector reached an all-time high of $7.3 billion in new issue volume.

Last year saw a total of 12 issuances, including ones from Air Lease, Apollo Aviation Group, Avolon, BBAM, CALC, Castlelake, DAE, GECAS, Merx Aviation, VX Capital, Willis Lease Finance and Zephyrus Aviation.

Indebted CMIG seeks aviation sale

CMIG Aviation Capital is working with Goldman Sachs to explore strategic options for its aviation investment as its cash-strapped parent company struggles with debt payments, sources at Airfinance Journal's Japan conference indicate.

The wholly-owned subsidiary of China Minsheng Investment (CMIG) is looking to divest its aviation operating platform, including a 21-aircraft portfolio and related staff, sources close to the matter say.

The portfolio is made up of 13 narrowbody aircraft (four Airbus A320s, two A321s, two Embraer 195s, two E190s, a Boeing 737-800 and two 737-900ERs) as well as eight widebody units (five A330-300s, an A350-900, a 777-300ER and an A330-200).

Neither CMIG nor Goldman was available for comment.

Although Minsheng Bank and Minsheng Investment have similar names, there is no direct relationship between the companies.

The acquisitive company, saddled with a heavy debt burden, has been likened to HNA Group by industry observers.

Privately-owned CMIG expanded quickly into industries including finance, real estate, aviation and energy, spending more than $4 billion on investments and accruing $34 billion in debt, according to *Bloomberg*. Like HNA, it often financed itself with short-term debt.

On 29 January, the Shanghai-based conglomerate failed to make a repayment on a privately placed note worth RMB3 billion ($442 million) and was forced to suspend trading of three of its bonds.

The move deepened concerns in the global bond market as CMIG joined a growing list of Chinese borrowers that are having problems securing financing to pay down debt and are flirting with corporate defaults. It faced further repayments in April, according to *Bloomberg*.

Fitch Ratings indicates defaults on Chinese corporate bonds rose to a record high last year. A total of 45 Chinese corporates defaulted on 117 bonds with a principal amount of $16.3 billion, according to Fitch. Both the number of issuers and principal value were all-time highs.

If China Minsheng is unable to get its $34 billion debt pile under control, it could end being one of China's biggest-ever defaulters, according to *Zerohedge.com*.

Borrowing pains

Its aircraft leasing unit, which has offices in Dublin, made the headlines last year as the lessor behind the Lion Air Boeing 737 Max 8 that crashed in Indonesia in October, killing all 189 people on board.

The lessor said at the time it was fully covered by insurance.

CMIG's Aviation Capital's chief executive officer told delegates at Airfinance Journal's Korea Airfinance Conference in February 2018 that attractive borrowing costs were favouring its competitors.

"The competition in mainland China is so fierce that we are a little behind target. We need to compete with ICBC and CDB, and obviously we cannot compete with them in terms of cost of funding," Peter Gao said.

However, he added that CMIG Leasing's status as a private – as opposed to a state-owned – lessor gave it a "certain flexibility".

He noted that the lessor, which started operations in April 2017, would switch its focus to narrowbody aircraft to "optimise" the portfolio.

CMIG was due to take up to 15 additional aircraft between then and the end of 2019, Gao said at the time.

South Korea's Woori Bank became the first Korean commercial bank to make a foray into China's aircraft finance market by arranging $80 million in financing for CMIG in March 2018.

The financing package included a $40 million loan that it extended for an Airbus A330. State-invested Industrial Bank of Korea offered a further $39 million toward the widebody.

The aircraft is on lease to China's Sichuan Airlines.

American extends Max cancellations through summer peak

American Airlines has removed the Boeing 737 Max from its schedules through 19 August but is "highly confident" that the type will be recertified before that date, the airline said on 14 April.

American is the second-largest operator of the Max in the US (after Southwest Airlines), with 24 of the type in its fleet. It has 76 Max aircraft on order, with 16 deliveries scheduled for 2019.

The extended grounding will lead to the cancellation of around 115 flights per day in the peak summer schedule – or some 1.5% of American's total daily flights.

On 11 April Southwest removed the Max from its schedules through 5 August, leading to 160 daily flight cancellations or 3.8% of its total flights.

A lack of aircraft in the year's busiest and most lucrative travel period was originally considered to be the worst-case scenario of the Max's grounding. However, analysts note that the tighter capacity is likely to lead to higher yields and unit revenues.

Neither American nor Southwest has provided estimates of the potential financial impact of the peak-season cancellations. The airlines are likely to comment on that in their first-quarter calls next week.

Airfinance Journal reported last month that Southwest expects a $150 million revenue hit in the first quarter from the Max and other negative factors.

American's latest move came just two days after its representatives, along with those from Southwest and United and pilot unions, attended a meeting with the FAA on the Max, following which, American said it was "confident in the direction the FAA is heading". However, some of the pilots noted that many issues still needed discussing.

One of the big issues highlighted by pilots in recent days is that rebuilding passenger confidence in the Max could take time.

On that front, American outlined a cautious approach, saying that once the Max is recertified, it anticipates "bringing our Max aircraft back on line as spares to supplement our operation as needed during the summer".

Unluckily, shortly before the Max's grounding, American removed from service 14 737-800s for "remediation work following the installation of new aircraft interiors", which resulted in the cancellation of around 940 flights in the first quarter. Those were in addition to 1,200 flight cancellations due to the Max in the same period. American expected to have all of the 737-800s back in service by the end of April.

In its 9 April investor update, the carrier said that it expected slightly higher capacity growth and slightly lower unit revenues and profit margins than previously envisaged in the first quarter. It is projecting a pre-tax margin of 2% to 4%, lower than anticipated because of higher fuel prices.

Arctic Aviation Assets defers Airbus aircraft

Norwegian Air Shuttle's leasing arm Arctic Aviation Assets (AAA) has reached an agreement with Airbus for the rescheduling of an unspecified portion of its Airbus A320neo and A321LR orderbook.

The postponement is expected to reduce the company's capital expenditure by approximately $570 million in 2019 and 2020.

In February, AAA had also deferred four A321LRs from 2019 to 2020 and it reached an agreement with Boeing for the deferral of 12 Boeing 737 Max 8s from 2020 to 2023 and 2024.

Norwegian is in the process of reducing its capital expenditure requirements as part of its #Focus2019 restructuring.

"The postponements are in line with the company's strategy of capitalising on the scale built up over the last few years and the changed focus from growth to profitability," says Norwegian.

On 8 April, *Airfinance Journal* reported that Norwegian had appointed chief financial officer (CFO) Geir Karlsen to the position of deputy chief executive officer.

Icelandair leases 757 as Max groundings continue

Icelandair has leased in a Boeing 757-200 to cover for its grounded 737 Max fleet.

The 184-seat 757 will be in operation from 15 May until the end of September 2019.

This is the third aircraft the Icelandic flag carrier is sourcing to cover for its Maxs. On 2 April, the airline announced the lease of two 262-seat 767s, also from May through September.

Icelandair has three 737 Max aircraft – approximately 10% of its fleet.

Icelandair has decided to cancel flights to Cleveland and Halifax this year, "partly due to the suspension of the Boeing 737 Max aircraft".

The airline says the financial impact of the suspension remains uncertain at this time "as the amount of compensation from the aircraft producer is still under review".

BOC Aviation sticks with capital markets

BOC Aviation will continue to tap the capital markets this year as the lessor sees ongoing interest in fixed-rate leases.

In 2018 the Singapore-based lessor was active in the loan and bond markets, raising over $2.7 billion in new debt, compared with $2.9 billion in 2017.

Last year BOC Aviation tapped debt capital markets for $1.7 billion through five issuances with different terms under its $10 billion 'Global Medium Term Note' programme. Issuances of $300 million, $500 million and $90 million had five-year terms, one $500 million issuance had a three-year term and the lessor also issue $350 million of unsecured notes with a seven-year term.

The balance of $1 billion came from unsecured term loans, including a $750 million term loan that was un-utilised at 31 December 2018 and was available for 2019. It had also used $1.4 billion from its committed revolving credit facilities, as of 31 December 2018.

BOC Aviation has steadily reduced its secured debt over the past few years.

At the end of 2018 that debt was composed of 57% from notes issuances in debt capital markets, 36% from commercial loans and 7% from the export credit agencies (ECAs).

In 2017, 54% of debt was supported by capital markets, 36% by loans and 10% by ECAs.

Back in 2014, the loans represented 56% of the lessor's debt, capital markets were 28% and 20% was from ECAs.

"Our skew towards capital markets reflects our requirement for longer-term fixed-rate debt as a reflection of the increase in fixed-rate leases that we have signed," says the lessor.

The proportion of both its leases and its debt financing that is contracted on a fixed-rate basis rose in 2018 as more airline customers sought certainty in a rising interest-rate environment.

"We have reflected this fixed-rate lease preference in our funding mix. A greater proportion of our corporate debt than our lease portfolio remains on floating rates, however, and we manage any mismatch between the two through interest rate hedges, which limits the impact of interest rate movements on our earnings," says BOC Aviation.

Average cost of debt rose to 3.3% last year from 2.8% in 2017.

This reflected the combined effect of higher USD Libor on the lessor's floating-interest-rate debt and an increase in the proportion and amount of its fixed-rate debt and interest rate hedging.

The lessor's loans and borrowings and finance lease payables increased by 14.3% to $12.3 billion at 31 December 2018, from $10.7 billion the previous year, to finance an increase in capital expenditure.

During the year, BOC Aviation repaid $1.2 billion in borrowings at maturity of the notes, and as part of regular loan repayments and loan pre-payments.

Its debt repayment profile includes $1.5 billion this year and $2 billion in 2020.

The lessor says its funding requirements in 2018 were slightly less than in the previous year, reflecting fewer new deliveries. Furhermore, a growth in profits and cash flows allowed BOC Aviation to raise less debt.

This year BOC Aviation will have 79 new deliveries, although for 18 aircraft (four Airbus A320neo-family aircraft, two A330neo-family aircraft, two A350s, five Boeing 737 Max aircraft and five 787s) have exercised purchase options, meaning its net deliveries will be 61 units.

The lessor is expected to raise about $2 billion to fund its growth this year, of which it has raised $550 million already.

Boeing-MRJ cooperation could deepen

Japan's Ministry of Economy, Trade and Industry sees a positive path forward for Boeing and the Mitsubishi Regional Jet (MRJ), following the US manufacturer's proposed strategic partnership with Embraer.

"I see greater cooperation with Boeing on the MRJ programme following its strategic partnership with Embraer," said Hiroyuki Hatada, director aerospace and defence industry of the Ministry of Economy, Trade and Industry. "The move is positive for the MRJ programme, and these discussions are taking place."

Hatada would not be drawn on the details of any proposed cooperation with the Boeing-Embraer partnership.

Boeing Commercial Aviation Services already provides the MRJ assistance with spare parts provisioning, service operations and field services. That deal was announced at the 2011 Paris air show.

Testing for certification of the aircraft by the Japan Civil Aviation Bureau commenced earlier this year. In March parent company Mitsubishi Aircraft received a letter of authorisation from the US Federal Aviation Administration to fly the MRJ regional jet during its certification flight test programme.

The MRJ should have entered the market in 2013 but is now scheduled for delivery to launch customer All Nippon Airways in mid-2020.

"I am hopeful that there will be no more delays," says Hatada. "It's on schedule for now. They have finally entered the final development stage," he adds.

Hatada does not see Mitsubishi expanding into the narrowbody or widebody segments in the near or medium future. "It really depends on the future market conditions, nothing is planned at this time."

He says that MRJ financing structures are currently being developed.

Mitsubishi Aircraft VP outlines 'winning' strategy

Mitsubishi Aircraft believes the upcoming US regional airline replacement cycles will help it remain an independent manufacturer despite strategic tie-ups at its competitors.

"The success of an aircraft manufacturer is not just about the product itself but the market too," said Jorge Abando, vice-president marketing at Mitsubishi Aircraft, adding: "We believe the US is an important market for us. It is experiencing an upturn in replacements, and we are well placed to capture that."

According to Abando, there are two upcoming replacement cycles, and "those replacements are in the US alone."

The first will occur from 2022 to 2023 for the next 10 years. "We see that replacement cycle calling for over 1,000 regional jets," he says.

The next will follow 10 years after the "first wave" and will require an additional 500 to 600 aircraft "to complete the replacement cycle".

Abando acknowledges the limitations of scope clauses, but says the Mitsubishi MRJ70 will "fulfil scope clause requirements, allowing Mitsubishi to capture the US market".

While he admits airlines "want a duopoly" he insists Mitsubishi "will be the next player in the duopoly".

Airbus sticks to Leahy's LR/XLR market forecast

Airbus vice president of product marketing, Antonio da Costa, said the OEM predicts demand for approximately 1,000 long-haul narrowbody Airbus A321LR/XLR aircraft.

"I'm going to stick with what John Leahy said years ago. I believe that was around 1,000 aircraft," says da Costa.

The Toulouse-based OEM says it has not made a final decision on whether to launch the A321XLR or how much that aircraft might cost. "We're not at that stage yet to price the XLR," the Airbus executive says.

Speaking to *Airfinance Journal*, Jetstar chief financial officer Andy Suzuki said the A321LR only requires "minimal additional investment on top of the existing A320-family", so perhaps the A321XLR will carry an equally competitive price tag.

The single-aisle A321LR/XLR would be competing head-to-head with Boeing's NMA (New Midsize Aircraft), a twin aisle aircraft that has yet to be confirmed by the manufacturer. Boeing has previously suggested the NMA market could exceed 3,000 aircraft.

In March this year, Air Lease (ALC) chief executive officer John Plueger said he was confident that Boeing will press on with plans to launch the NMA.

After a meeting with the manufacturer, Plueger told a conference that "Boeing is signaling full speed ahead but there's still a lot to be decided in these programmes".

United Airlines has added the "A321XLR" to its list of replacement options for its ageing Boeing 757 and 767 fleets.

Lessors account for 38% first quarter Neo deliveries

Operating lessors represented 26% of Airbus commercial aircraft deliveries during the first quarter, according to the data from the European manufacturer.

On the new engine option (Neo) side, lessors accounted for 38.5% of new deliveries.

During the quarter 27 A320neo deliveries out of 64 were direct operating lessors aircraft.

AerCap handed over A320neos to Azul, Loong Air, Spirit Airlines and Siberia Airlines.

BOC Aviation delivered A320neo aircraft to Air Macau, China Southern Airlines, Chongqing Airlines and Uzbekistan Airways.

GECAS handed over three A320neo to Chinese carrier Guangxi Beibu Gulf Airlines.

Avolon deliveries were for Lucky Air, Pegasus Airlines, Spirng Airlines and TAP Air Portugal.

Air Lease handed over one aircraft to Air New Zealand. ICBC Leasing A320neo delivery was for China Southern Airlines. CDB Aviation delivered one A320neo to Loong Air.

SMBC Aviation Capital handed over two examples to Chile's Sky Airline.

Alafco delivered two units to Air India while Aviation Capital Group's two deliveries were for West Air.

Avolon, Air Lease and AerCap were the only lessors on the A321neo programme during the January-March period. They accounted for 10 deliveries out of 32 units.

Airbus delivered 162 narrowbodies and six widebodies to customers during the January-March period, with lessors accounting for 26%.

Airbus handed over 31 new Airbus current engine option aircraft, including one A319, 17 A320s and 13 A321s during the quarter.

Two A320 aircraft, were delivered to CALC, and was subsequently leased to VivaColombia. One A320 was delivered to Aviation Capital Group for Chile's Jetsmart, while DAE Capital handed over two A320s to Peach and Jetstar Japan.

Of the 17 A320 deliveries during the quarter, six units went to Chinese carriers.

The A321 deliveries were split between two customers: Delta Air Lines (nine aircraft) and Wizz Air (four aircraft).

On the widebody side, lessors were behind three deliveries during the quarter. Airbus delivered five A330s in the first quarter, four of which to airline customers. Two A330-900neo deliveries were leased to TAP Air Portugal by Air Lease and Avolon.

On the A350 programme, only one delivery (an A350-900 for Evelop Airlines/Air Lease) was the only aircraft under an operating lease agreement.

Airbus delivered a total of 22 A350s, 19 A350-900s and three A350-100s during the period.

Airfinance Journal **North America 2019**

Thursday 2nd May 2019, Metropolitan Club New York, USA

Day One: Investing in Aviation & Assets Day

08:00am Morning refreshments & registration

08:55am Chairperson's opening remarks

09:00am Why invest in aviation?
The health of the aviation industry broadly correlates with global GDP and air traffic growth, due to how ingrained the sector is with the broader economy. While there are a number of factors to consider when deciding how to invest in this space, getting the fundamentals right is essential.

Hear the experts lay out the current state of the aviation industry's fundamentals, including traffic growth forecasts, asset value trends and the outlook for liquidity.

David Andrews, Managing Partner - Transport, **Hudson Structured Capital Management**
Helane Becker, Managing Director, **Cowen Inc**
Seth Fraser, Senior Finance Director, **Boeing Capital Corporation**
Moderated by: Michael Duff, Managing Director, **The Airline Analyst**

09:40am The fundamentals of investing in aircraft leasing
Currently, approximately 40% of the world's commercial aircraft fleet is on operating lease. This highly attractive market segment has seen a deluge of liquidity and entities emerging in recent years, resulting in increased competition with more money chasing deals. Publicly-listed lessors had a challenging 2018 on the stock markets, and are seen by many as undervalued.

Understand what differentiates one leasing company from another. Is it their ownership structure? Their fleet? Their financing?

Doug Walker, Managing Director & Head of Global Coverage, **Seabury Consulting & Corporate Advisory**

10:10am The five golden rules for managing assets throughout the cycle
The aviation industry is cyclical, despite the current period of consistent growth being characterised by some industry leaders as a supercycle. However, the good times will not last forever.

The savviest investors are able to formulate the appropriate strategies to ensure their investment is protected. Hear what those strategies look like and when best to employ them.

David Andrews, Managing Partner - Transport, **Hudson Structured Capital Management**
John Mowry, Managing Director, **Alton Aviation Consultancy**
Moderated by: Drew Fine, Partner, **Milbank LLP**

10:50am Morning networking break & refreshments

11:20am The case for investing in mid to end-of-life assets
New-technology narrowbody aircraft are broadly perceived as a safe bet for investors, but these assets do not always generate the lofty returns certain investors seek. Older aircraft, while presenting their own challenges, can represent a significant opportunity for those with the right risk appetite.

Hear the case for engaging in this market segment, how to overcome the challenges therein and generate yield.

Steve Gaal, Managing Partner, **SkyWorks Holdings LLC**
Gary Lew, Principal & Executive Vice President, **Vx Capital Partners**
Alec Matt, Managing Partner, **AirWheel Investments**
Moderated by: Nathan Leavitt, Partner, **Holland & Knight LLP**

12:00pm Extracting value from engines
According to Alton Aviation Consultancy, up to approximately 45% of any aircraft's value can be found not in the airframe but on the engines, in addition to "50% of the total flying-related costs" to airlines. In other words, they're very, very important.

Hear how investors and lessors can extract value from these assets, the health of the engine trading market and what end-of-life strategies are most suitable.

Joe Hussar, Executive Vice President, Portfolio, **Engine Lease Finance Corporation**

12:40pm Networking Lunch

2:00pm Which metal is right for you?
Aircraft types vary widely within the narrowbody, widebody and regional aircraft families. Should you be looking at the A320 or 737? The Max or the Neo? A220 or MRJ? The opportunities are numerous.

Which investment will generate the right ROI for your risk profile?

Tony Diaz, Chairman, **Zephyrus Aviation Capital**
Robert Korn, President, **Carlyle Aviation Partners**
Moderated by: Pooja Gardemal, Managing Director, **BK Associates, Inc**

2:40pm JetBlue strives for investment grade
The credit profile of New York-based JetBlue has "improved significantly over the past three to four years, thanks to consistent profitability and a meaningful debt reduction" (Airfinance Journal, 2019)

Hear how the airline has achieved these improvements and their strategy for taking the next step toward investment grade

Ursula Hurley, Treasurer, **JetBlue Airways Corporation**

3:20pm Are all capital markets deals created equally?
The variety of products available to investors in the capital markets is indicative of the amount of liquidity currently in the market. From EETCs to the booming aircraft ABS market, there are plenty of options available to buy aircraft paper.

Hear from the financiers that are bringing these deals to market about which structures match your risk and return profiles.

Xavier Auge, Director, Structured Credit Group, **Mizuho Securities USA LLC**
Rafael Kuhn, Director - Aviation Capital Markets and Debt Private Placements, **Deutsche Bank Securities**
Joe Shanahan, Managing Director, Global Aviation, **Citi**

4:00pm Chairperson's closing remarks

4:05pm Networking drinks reception