



AIRFINANCE
JOURNAL

An *Airfinance Journal*

special supplement

Guide to **aviation** **lawyers** 2023

Clifford Chance consolidates top position

Airfinance Journal's legal survey sifts through 1,200 deals reflecting the recovery in 2022.

A*irfinance Journal* received submissions from 17 law firms, compiling 1,196 unique deals overall, including transactions gathered from Deal Tracker.

In 2022, *Airfinance Journal* recorded a similar level of transactions as in the previous year, but still lagging behind the 2019 levels of 1,520 deals from 15 law firms.

Our top law firm showed once again Clifford Chance, Milbank and K&L Gates dominating the sector in terms of transactions. However their year-on-year share dropped to 26.5% from 30.5%, the data shows.

Clifford Chance secured the number one spot among the law firms by many categories. The firm represented 12% of the total transactions recorded by the survey, with 144 eligible deals. This was down from the year 2021 when it accounted for 14.6% (or 175 eligible deals).

Its overall score was 2,051 (vs 2,412 points in 2021).

Second-paced Milbank also recorded less transactions – 99 in 2022 vs 114 in 2021 – but retained the top spot in the capital markets and consolidated its second position in commercial loans, LATAM and North America.

K&L Gates was the only firm, based on the data, that recorded a similar level of activity than in 2021.

Vedder Price and Pillsbury completed the top five. *Airfinance Journal* would like to thank all the law firms which participated in the survey.

Methodology

Airfinance Journal's annual legal survey includes aviation finance deals based on submissions from law firms as well our

own Deal Tracker database. Those are subsequently aggregated to create the winners.

The *Airfinance Journal* data team then reviews the different deals and selects those eligible for Deal Tracker. This list is then used to select the most active law firms, which are then selected by region and product type. The legal survey reviews transactions for calendar year 2022 only.

This is significant because we recognise that markets change, as do law firms; however, we felt this was the only way to offer an accurate snapshot of aviation finance legal activity.

Our aim is to continue being transparent and impartial. All of the deals used to judge the winners are eventually loaded into Deal Tracker and can be reviewed by our readers.

In this sense, our survey is unique. Our research team assesses each deal to verify them and to avoid double counting. The benefit of using Deal Tracker is that we can offer a granular presentation of law firm activity by both product type and region.

There are limitations to the survey. Client confidentiality may be an issue for law firms when submitting deals and some firms opted not to participate. As a consequence, the survey does not necessarily represent all of the deals happening in the marketplace but it remains the most comprehensive survey of its type and crucially offers real insight into the aviation market.

Law firms were asked to self-assess the complexity of each transaction and their role in the transaction according to the following new set of criteria for which the specified points will be awarded:

Complexity:

- Ground-breaking pioneer transaction: 10 points
- Complex transaction, some new parties or jurisdictions: 7 points
- Average complexity, repeat transaction with same players and jurisdictions: 5 points
- Less complex transaction: 3 points
- Low complexity: 1 point

Role:

- Drafting counsel for major transaction documents: 10 points
- Primary counsel to major transaction parties: 7 points
- Secondary counsel to transaction parties: 3 points

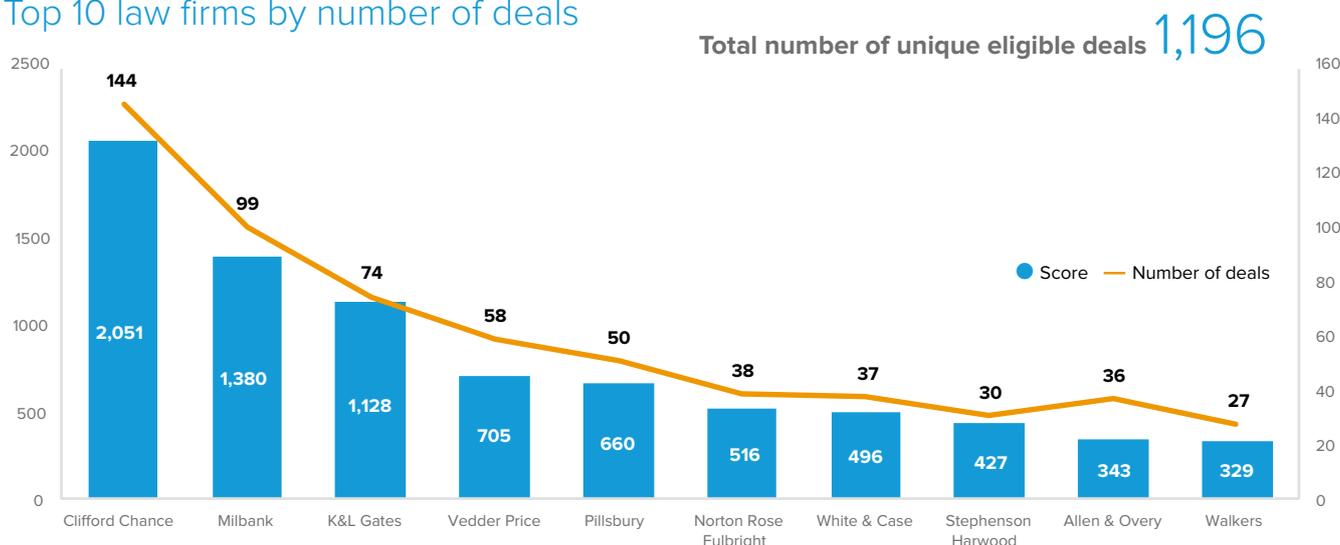
For all Deal Tracker transactions that were not part of the submitted deals, *Airfinance Journal* assigned one point for the complexity of a transaction and three points for the role played by the law firm. This resulted in total score of four that was assigned to all Deal Tracker transactions that were not part of the submitted deals.

Overall rankings like previous years, the survey records the overall number of deals for each law firm. A deal, as defined by the survey, represents one mandate and can include multiple aircraft and lawyers.

In addition to presenting the most active law firms by product and region, the survey also aggregates how law firms have performed to produce an overall ranking.

Law firms secure points based on where they are placed for each region, product and category. ▲

Top 10 law firms by number of deals



Asia-Pacific

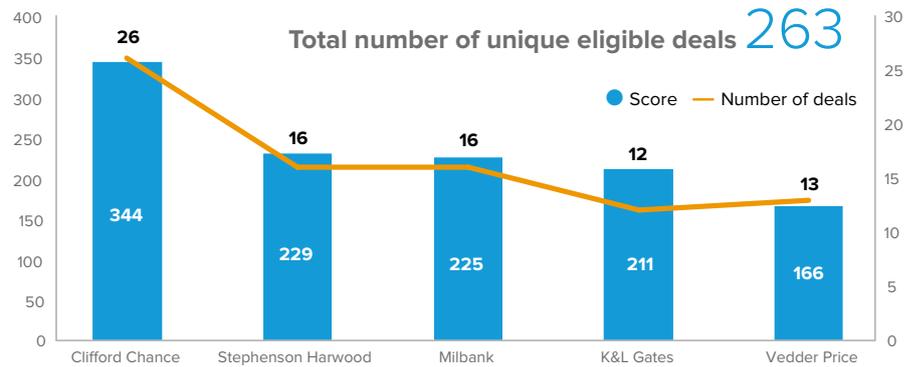
The number of unique eligible transactions in Asia-Pacific declined significantly to 263 last year, almost a third lower than the 281 in 2021.

In 2022, Airbus handed over 663 aircraft and Asian customers represented 21% of Airbus deliveries. Among those, lessors delivered more than 100 aircraft to Asian carriers last year. Asia-Pacific deliveries were up but the airline industry also went through significant restructuring of flag carriers as well as low-cost carriers.

Clifford Chance maintained its lead in the APAC market despite ongoing challenging conditions. The APAC market gradually reopened through 2022, especially via main markets Japan and China in the final quarter.

“We have seen a tailing off of restructurings and a rebound in leasing and financings, although financings are for a smaller list of airlines when compared to pre-pandemic. The APAC sale and leaseback market is also less vigorous than it was in 2019. There is a resumption in trading activity, but volumes remain low,” comments Clifford Chance partner Fergus Evans.

K&L Gates Hong Kong partner Eugene Yeung says: “We remain optimistic on the rebound of the Chinese market post



Source: law firm submissions and AFJ Deal Tracker

reopening, with the deliveries of the first Chinese manufactured COMAC C919 providing impetus for growth. We will continue to support our lessor and financier clients with the critical capabilities in originations and restructuring to properly equip them for growth in the current economic environment.”

Restructurings continued throughout the year in the region. Among those, Hong Kong Airlines’ \$6.2 billion lease restructuring, with all 13 critical lessors voting in favour of the plan presented by the carrier, was voted by *Airfinance Journal* Awards judges as the **Asia-Pacific Deal of the Year**.

The transaction was the first time an insolvency procedure in both Hong Kong

SAR and the UK (Scheme of Arrangement and Restructuring Plan respectively) was invoked to effect a scheme for all creditors (lessors and bondholders) in one. This avoided a lengthy litigation and repossession process and presents an alternative to Chapter 11 or similar proceedings.

Another landmark transaction in the region was the ICBC Financial Leasing \$112 million Jolco for three A320neos, which received the **Editor’s Tax Lease Deal of the Year**.

The transaction was the first US Jolco where the Japanese investors were arranged as TK investors. This was a landmark transaction for the future of Jolco financing in the USA. ▲

Europe

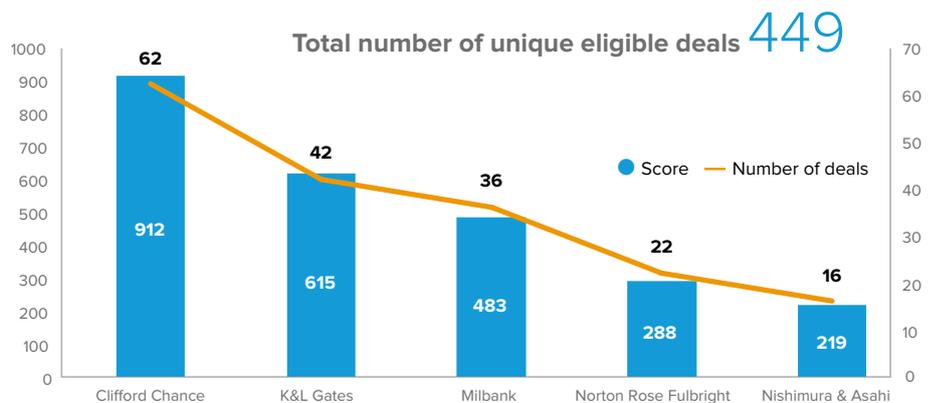
Europe saw a large increase in unique eligible deals in 2022, with 449 versus 362 the previous year.

Clifford Chance, K&L Gates and Milbank remained the top law firms in this region and all saw an increase in activity.

“European airlines have rebounded strongly from Covid, with traffic almost back to pre-pandemic levels. Investor and lender demand remains very strong for the major European flag carriers, which are able to price deals very tightly and which remain attractive to Japanese equity investors. We have also seen a resurgence in lending activity from the European banking community, albeit focused on stronger credit counterparties and certain asset types,” Clifford Chance partner Oliver Hipperson comments.

Airlines continued to finance assets using the debt and Jolco markets in Europe along with operating lease structures, and via sales and leasebacks. Major carriers continued to work on their balance sheet and repaid Covid loans via issuances of debt or bonds.

Last year’s **Europe Deal of the Year** was the Air France-KLM €500 million bond



Source: law firm submissions and AFJ Deal Tracker

issuance, which saw the group sell bonds to Apollo Global Management. The transaction was structured as perpetual bonds, which provides equity treatment for Air France. This was accomplished through an innovative and strategic structure which permitted Air France to redeem its French state aid, lower its financing costs and facilitate the financing of future spare engines.

Pete O’Hare, Partner, K&L Gates says: “Evidently, 2022 was a busy year in London with a marked uptick in activity where

we saw a vast and varied number of new financings, trades and sale and leasebacks, mostly of small-medium sized portfolios. Bilateral facilities were a common flavour and we advised on a number of transactions backed by non-payment insurance. We particularly enjoyed partnering with our clients to advise them on their first green and sustainability-linked loans and leases and we expect to see increased demand for these products as we go forwards along the path to net zero.” ▲

Africa

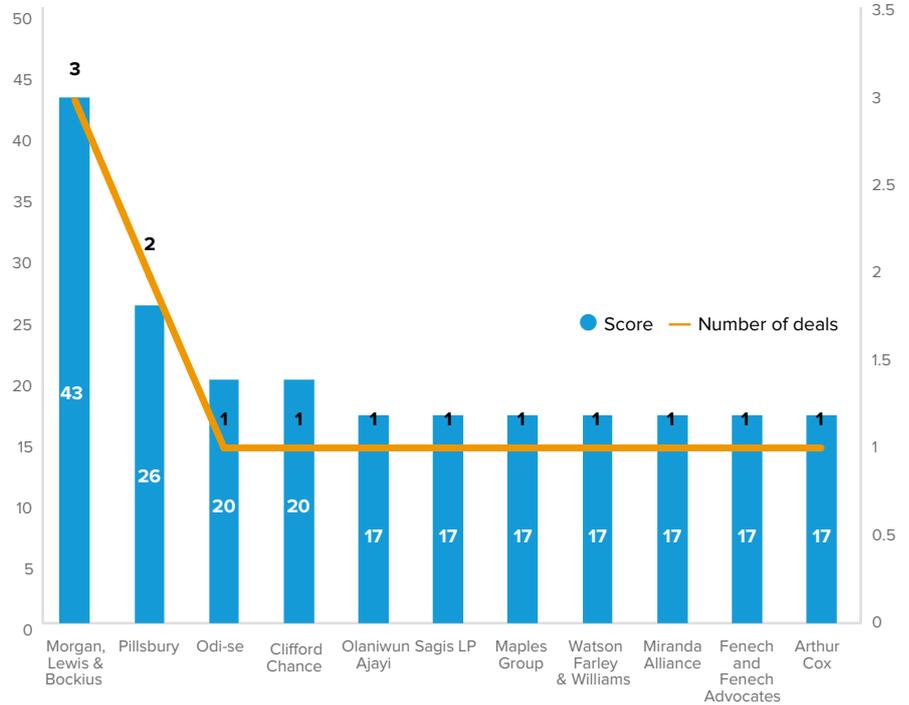
Airfinance Journal's legal survey showed a progression in Africa last year in terms of eligible transactions. The region recorded 49 deals, up from 35 the previous year.

Morgan, Lewis & Bockius topped the rankings ahead of Pillsbury with multiple ATR transaction placements.

Last year operating lease transactions dominated the region, and Ethiopian Airlines also tapped the sale and leaseback market for De Havilland Dash 8 funding. The carrier also sourced funding from the ECA guarantee on the A350 models.

"Africa continues to be a dynamic market with immense potential and growing demand, for both cargo and passenger airlines. The resurgence of a couple of airlines remains the main focus of the lessor community. Many of the old guard continue to tag along with the Middle Eastern airlines who are still the largest beneficiaries of demand at the moment, but others do continue to push through and try to make waves," comments Sidanth Rajagopal, partner at Morgan, Lewis & Bockius. ▲

Total number of unique eligible deals 49



Source: law firm submissions and AFJ Deal Tracker

Middle East

Clifford Chance topped the rankings ahead of Pillsbury in the Middle East region despite recording fewer transactions.

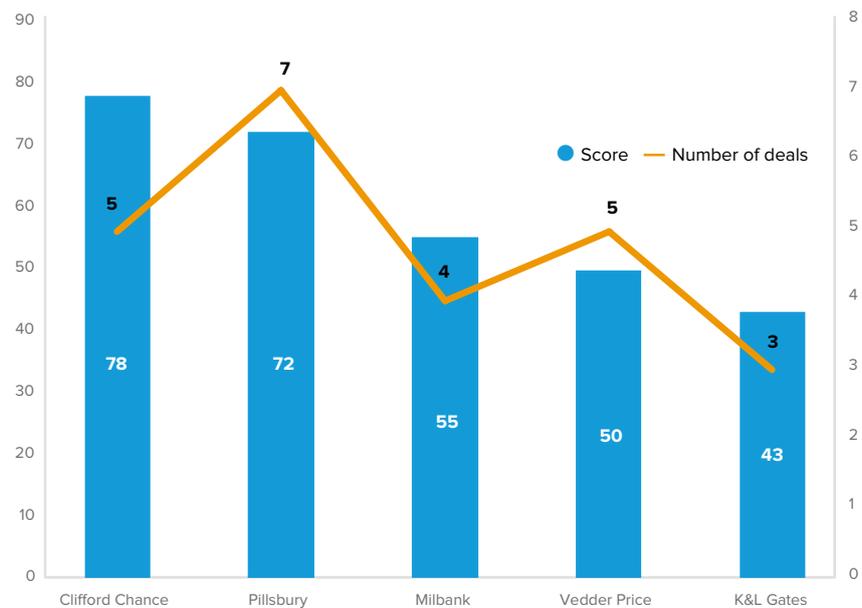
The region recorded a higher level of transactions - 64 deals - up from 42 the previous year.

One of the highlights in the Middle East region was Dubai Aerospace Enterprise (DAE) return to the unsecured market late in 2022. The new senior unsecured term financings totalled \$800 million with a weighted average maturity of 5.5 years across two transactions. Each facility was underwritten by Middle Eastern banks. Prior to the unsecured deal, DAE completed the acquisition of Sky Fund I Irish and its subsidiaries, adding 36 aircraft on lease to 14 airline customers to its portfolio.

Middle East carriers Etihad Airways, Emirates Airline, Flydubai, Gulf Air and Qatar Airways, mainly used the finance lease market last year to finance deliveries.

"Whilst passenger numbers across the Middle East have comfortably returned to pre-pandemic levels, it is the focus on growth in the aviation sector in the Middle East which is of particular note. In addition to the emergence of substantial new players, a number of airlines in the

Total number of unique eligible deals 64



Source: law firm submissions and AFJ Deal Tracker

region have announced plans to expand significantly. This has been borne out by a number of large orders for new aircraft,

driving the prospect of a busy market over the next few years," comments Clifford Chance's partner Stephen Chance. ▲

Latin America

The Latin American aviation market saw an increase in eligible transactions to 77 last year, up from 62 the prior year.

Clifford Chance topped the ranking in Latin America, ending two years of dominance from White & Case.

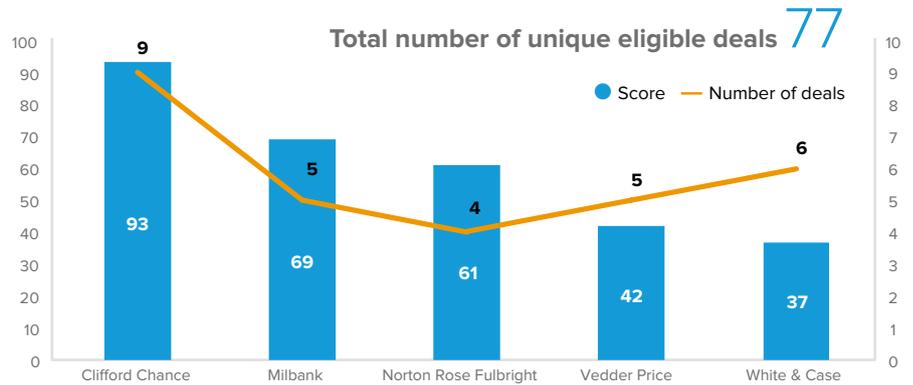
“The last few years saw a huge amount of restructuring work in Latin America. Now that the major airlines in the region have stabilized their fleets, we are seeing more traditional leasing and trading work. We expect to see more new deliveries and an uptick in financing in the second half of 2023 and into 2024,” says Clifford Chance partner Emily Wicker.

Milbank and Norton Rose Fulbright completed the trio.

The market is still dominated by operating lease transactions and the sale and leasebacks. Last year saw a return of the Jolco structures with Volaris and LATAM financing deliveries in this market.

Three airlines, Gol, LATAM and Viva Aerobus issued bonds in 2022 mainly in the final quarter of the year.

The commercial loan market was relatively active and Volaris closed pre-delivery payment facilities with different lenders during the year.



Source: law firm submissions and AFJ Deal Tracker

Avianca announced successfully completed its financial restructuring process and emerged from Chapter 11 in late 2021, but in 2022 Grupo Aeromexico went out of its Chapter 11 bankruptcy proceedings, while after more than two years of negotiation and restructuring, LATAM Airlines left Chapter 11 bankruptcy last November.

LATAM closed, on the back of its restructuring, several transactions in the banking market: a \$275 million engine facility, a \$1.1 billion secured loan along with a \$500 million revolving credit facility.

“Milbank was proud to represent

the lenders on each of a \$500 million revolving credit facility and a \$275 million spare engine-secured financing for LATAM secured by various engine. These restructured facilities were fundamental and a strategic element of LATAM’s plan to emerge from bankruptcy in an operationally-efficient and effective manner,” comments Alexandra Johnson, partner and practice group leader of Milbank’s transportation and space Group. “We value our long-term relationship with the LatAm aviation community and were very excited to collaborate in many ways on LATAM’s restructuring.”

North America

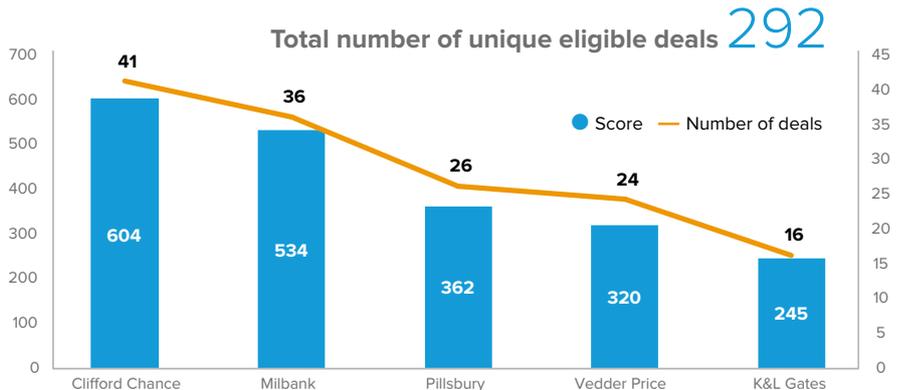
North America represented 292 transaction points in 2022, a slight decrease from the prior year of 313 eligible deals.

The ABS market was quiet in 2022 and only Sun Country Airlines and Jetblue Airways issued EETC papers.

Clifford Chance came top ahead of Milbank in that region.

“While everyone was hoping that 2023 would mean a return of the capital markets, that has not proven to be the case. The headline story in North America continues to be inflation and rising interest rates, which have kept airline and lessor issuers on the sidelines for the most part. Instead of ABS and EETC transactions we are seeing warehouse facilities, aircraft trading and US airline leasing. In particular, US airlines seem to be looking for leasing and financing opportunities with early termination/prepayment rights that would allow for refinancing when interest rates are lower. On the lessor side we have seen some unsecured issuances although with shorter tenors. The secured bond market remains a bit elusive although bankers are optimistic for 2024,” comments Clifford Chance’s Emily Wicker.

Commercial aircraft funding was very active in North America last year especially in the used aircraft market.



Source: law firm submissions and AFJ Deal Tracker

BBAM 15-aircraft funding received the 2022 **Used Aircraft Deal of the Year**. It consisted in a \$245 million senior secured credit facility in respect of 15 midlife narrowbody and widebody passenger aircraft and converted freighter aircraft.

Another noticeable transaction was a conversion facility raised by Altavair for 10 Airbus A330-300 with three stages of financing – acquisition of feedstock, conversion, post conversion operations. The facility has a four-year non-revolving availability period followed by a two-year term-out period.

Milbank’s transportation and space Group Johnson recalls that the law firm has, in the past, assisted North American carriers and their financiers in the

structuring of billions of dollars in financing in both the loan and capital markets, including representing the underwriters on EETCs for United Airlines, Delta Airlines, American Airlines, Jetblue Airways, Alaska Airlines, Air Canada and Hawaiian Airlines.

“In 2022, Milbank advised a syndicate of banks led by Goldman Sachs Bank and Bank of America, in the arrangement of a \$3.5 billion senior secured bridge loan commitment to support Jetblue’s acquisition of Spirit Airlines. This significant loan commitment was fundamental to the decision by the board of Spirit Airlines to accept Jetblue’s offer to acquire the airline rather than proceeding with Spirit’s potential merger with Frontier Airlines.”

Capital markets

The number of unique eligible transactions for our legal survey in the capital markets totalled 63 in 2022, compared with 263 in 2021 and 216 in the previous year.

The capital markets are open for business, with investor liquidity still seeking opportunities in the sector, although a higher interest rate environment has not favoured issuances and coupons have effectively doubled to at least 6% on senior tranches. The inactivity in the capital markets, compared with previous years, is also reflected in the fact that in 2022 sponsors opted not to issue subordinated tranches.

After a strong 2021, the asset-backed securitisation (ABS) market paused again last year. *Airfinance Journal Deal Tracker* shows that two transactions (MAST 2022-1 and AASET 2022-1) closed last year for a total of \$1.25 billion of refinancing across 40 aircraft.

This compared with 15 transactions issued by sponsors the previous year, with more than \$8.65 billion of debt raised in the ABS market, and \$2.4 billion in 2020.

There has been a pipeline of transactions awaiting issuance since late December 2022 and sponsors are constantly re-evaluating the market looking for an opportune window.

Seven sponsors were looking to issue deals in the aviation space earlier this year, with some transactions being held at the marketing stage. But the new ABS deals will involve a significant structural change to protect lenders, sources point out, as lenders are looking to exercise remedies in the event of a default, as well as earlier triggers.

Total number of unique eligible deals 63



Source: law firm submissions and AFJ Deal Tracker

The year 2022 also saw a lack of issuances in the bond market with the exception of Air Lease. This was driven by a lack of supply, rather than insufficient demand.

The Enhanced Equipment Trust Certificates (EETC) market was also down on 2021 figures, with only three issuances recorded. IAG airline members British Airways and Iberia funded some new deliveries using the Jolco and EETC markets while Sun Country Airlines tapped the capital markets to obtain financing secured by 13 used 737-800 aircraft. The \$142.8 million class A certificates have an interest rate of 4.84% while the \$42.4 million class B per have an interest rate of 5.75%.

“When Covid closed down the capital markets for traditional transactions, Milbank assisted its clients in an unprecedented amount of capital markets financings including the innovative airline loyalty financings that resulted in some of the biggest deals in history, such as United

Airlines’ \$6.5 billion loyalty financing, Delta Airlines’ \$9 billion loyalty financing and American Airlines’ \$10 billion loyalty financing, and we advise issuers and investors in the unsecured bond market,” comments partner and practice group leader of Milbank’s transportation and space group Alexandra Johnson.

“Milbank is particularly proud to have advised various investors in connection with LATAM’s DIP-to-Exit financing facility that was critical to the airline’s emergence from bankruptcy in 2022, a transaction that also was shortlisted for restructuring deal of the year.”

The capital markets also remain cautious with limited financings in 2022. The year’s activity was down precipitously from peak times in 2020 and 2021. However, Boeing notes that capital markets activity gravitates towards windows of opportunity as demonstrated by Air Lease’s recent Sukuk transaction in the Middle East. ▲

Export Credit

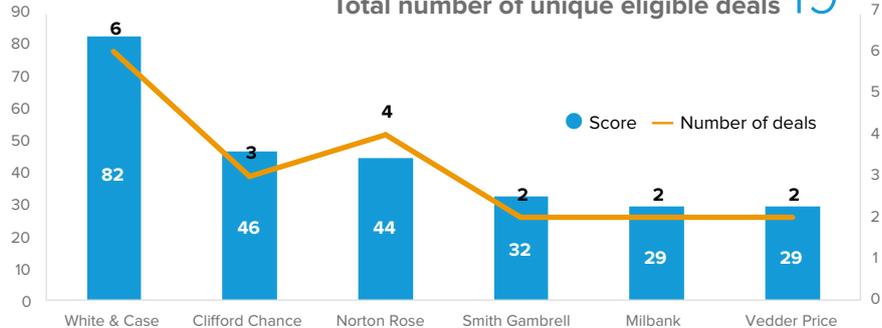
The Export Credit Agency (ECA) market recorded a similar level of activity, with 19 transactions last year, versus 2021.

“This has been a quiet year for ECA-supported financing transactions. There are a number of competing products in the market including insurance-backed products like Balthazar and AFIC, demand for which was and continues to be strong. As the OEMs resolve the production issues and ramp up production we expect to see increased volumes of ECA financing particularly for wide-bodied aircraft,” says Clifford Chance partner Oliver Hipperson.

Airfinance Journal reported earlier this year that lessors were in talks with ECAs to help fill the breach vacated by some banks and the ABS market.

According to *Airfinance Journal’s* Fleet Tracker, roughly 95 lessor deals have been completed with ECA support since the financial crisis of 2008. *Airfinance Journal*

Total number of unique eligible deals 19



Source: law firm submissions and AFJ Deal Tracker

data indicates the years between 2012 and 2017 registered the highest number of ECA deals.

Airlines have continued to tap the market to fund new deliveries for Airbus and Boeing products but the sentiment remains that ECAs are lenders of last resort.

Boeing expects funding sources for \$94 billion worth of deliveries this year

will mirror those in 2022; however, it anticipates an uptick in export credit support as more airlines restore capacity, especially widebody lift. The ECAs supported nearly 4% of Boeing deliveries in 2022 and are expected to play a larger role as deliveries commence outside of the larger markets and as banks focus on better credit airlines. ▲

Commercial loan

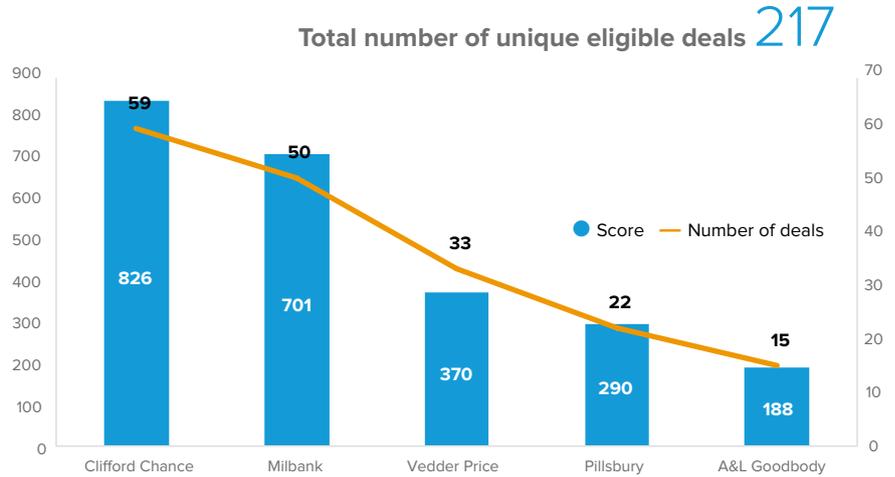
The commercial loan market was active in 2022 with 217 transaction points recorded versus 247 the prior year.

Lending on an asset-based basis was challenging for traditional lenders in the aircraft financing market with new financing platforms more active in the space. Still, banks have provided capital to airlines and lessors in the form of revolving credit facilities and term loans to fund aircraft deliveries and other types of transactions.

Clifford Chance finished the year ahead of Milbank in terms of eligible transactions, with the two firms maintaining a relatively high level of activity versus their peers.

“Activity levels in the commercial aviation lending space have been reassuringly high, notwithstanding the pressures of interest rate rises, the ripple effect of Russian sanctions and continued airline restructurings across the industry, and global economic and trade uncertainties,” comments Clifford Chance partner Peter O’Reilly.

He says key factors include strong passenger demand following the end of Covid travel restrictions, ongoing supply chain issues creating delivery “bottlenecks”, and the soft ABS market, all of which have been capitalised upon by established aviation lenders, arrangers and alternative funding platforms, who are taking a robust and pragmatic approach



Source: law firm submissions and AFJ Deal Tracker

to mandates, while still preferring stronger credits, specific aircraft types and familiar jurisdictions.

“We are seeing a steady stream of warehouse and bridge financings, as well as refinancings, with regulated banks also pushing through remaining USD LIBOR remediations in the fourth quarter of 2022 to the first half of 2023. In parallel, lenders have been open to participating in more structured products, including ever-popular JOLCOs and credit-risk insurance backed programs, such as Balthazar and AFIC,” adds O’Reilly.

“In 2022, with the absence of the capital markets as a viable financing option for many and rapidly rising interest rates, Milbank was pleased to regularly assist both borrowers and lenders craft customised loan facilities that, in many cases, provided a critical financing alternative during challenging market conditions. We look forward to continuing to create innovative solutions that support efficient, longer-term financing in the absence of, or until the return of, friendlier financing conditions,” says Milbank’s Johnson. ▲

Sales and purchases

In line with the overall recovery recorded last year, the sale and purchase market also improved from 2021.

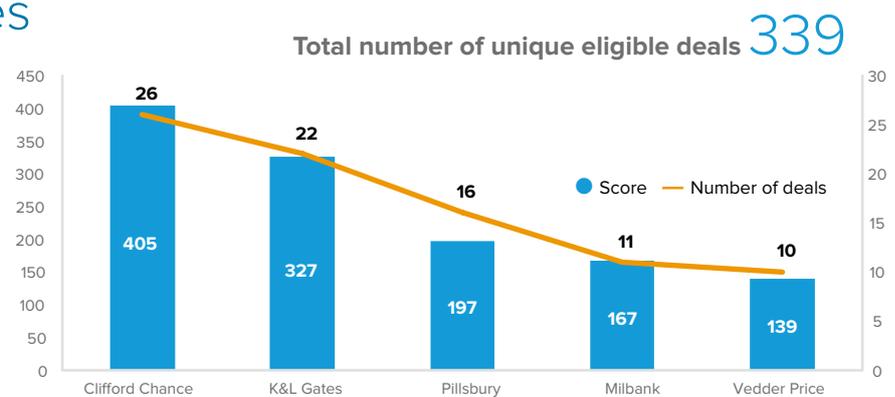
There were 339 transactions recorded, the data shows, up from 261 in the 2021 legal survey, 59 in 2020 and 300 in the 2019 legal survey.

Last year saw a fair level of merger and acquisitions of platforms as well as portfolio transactions as leasing companies continued to expand their footprint in the marketplace by acquiring aircraft on a strategic basis.

Clifford Chance and K&L Gates continue to lead this market but their share was down to 14% of the total eligible deals, versus 32% the prior year.

Clifford Chance was the most active law firm and racked up 26 transaction points, while K&L Gates recorded 22 eligible deals, the data shows.

“Trading volumes have continued their post-pandemic rebound, with many lessors active, and larger sized portfolios returning to the market. OEM delivery bottlenecks have added to the attractiveness of trading as a growth strategy, particularly for new entrants.



Source: law firm submissions and AFJ Deal Tracker

Purchasers appear increasingly focused on lease detail and diligence, looking for certainty on technical matters and pandemic-era rent deferrals, for example. All parties are returning to the faster-paced sale timetables of prior years, aiming for efficient commercial solutions to reach completion – there is a renewed interest in the GATS sale platform in this context. While traffic demand remains robust, we expect the wide field of sellers and buyers to continue, as well as a stable of regularly traded airline names,” comments Clifford

Chance partner Richard Evans.

“The year 2022 continued to be a strong year for aircraft trading, which saw an increasing concentration in North America and Latin America with airline capacity now exceeding 2019 levels. In particular, we saw an uptick in off-lease sales for previous-generation narrowbody aircraft fueled by increasing lease rates, which continue to track towards January 2020 highs and the on-going impacts of lagging new deliveries,” says K&L Gates partner Amanda Darling. ▲

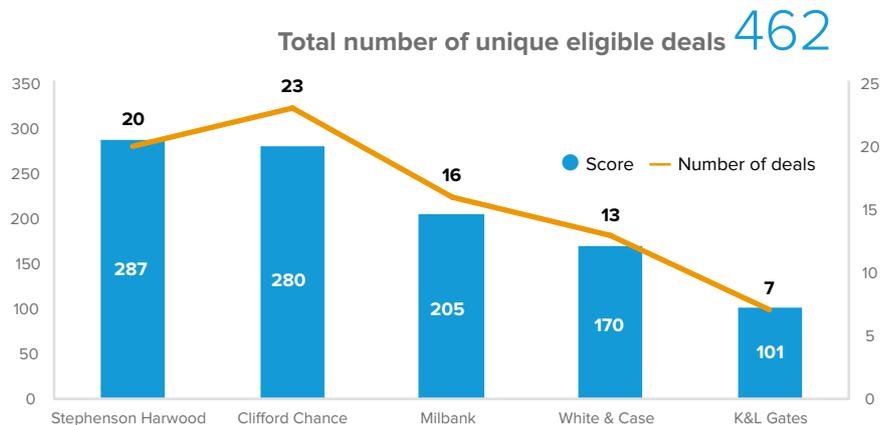
Operating leases

The operating lease market continues its recovery from the pre-pandemic, when 634 transaction points were recorded.

Last year 462 transactions were recorded, the data shows, versus 377 in 2021 and 310 the prior year. Lease extensions have dominated the headlines for the past two years to fill the gap for OEM delays and bridge summertime capacity, despite better production rates.

In the meantime, there has been improved activity in the secondary market through lease placements, while lessors continue to place their orderbooks.

“Continued buoyant passenger demand in many markets has contributed to a busy year for operating leasing. Delivery constraints have tightened the availability of new aircraft, leading to demand for second-lease assets and lease extensions, with redelivery turnaround time a critical point for both lessors and lessees. Lease terms, stress-tested through the past few years, have had renewed negotiation focus, particularly in the areas of insolvency triggers, insurance and sanctions. This has been balanced against the need to make deals happen quickly to take advantage of rapidly changing markets,” comments



Source: law firm submissions and AFJ Deal Tracker

Clifford Chance partner Paul Carrington.

K&L Gates partner Sebastian Smith says: “There has been a welcome recovery of passenger demand and supply-chain delays which were curtailing output of new aircraft from the manufacturers. This has, over the past six to nine months, led to the increasing tendency of airlines to negotiate lease extensions with many operators still trying to benefit from what remains a used rental market at levels below pre-pandemic – yet (for lessors) a more expensive financing environment. Lessors

are generally agreeing to lease extensions rather than undertaking resource-intensive (and often expensive) lease transitions, especially given the unpredictability of redelivery timelines in today’s backdrop of limited MRO capacity. That said, we are seeing lessors readily walking away from transactions with operators over commercial terms and a corresponding correction in the market with the upshot that there will be more equal footing between lessor and operator going forward.”

Structured leases

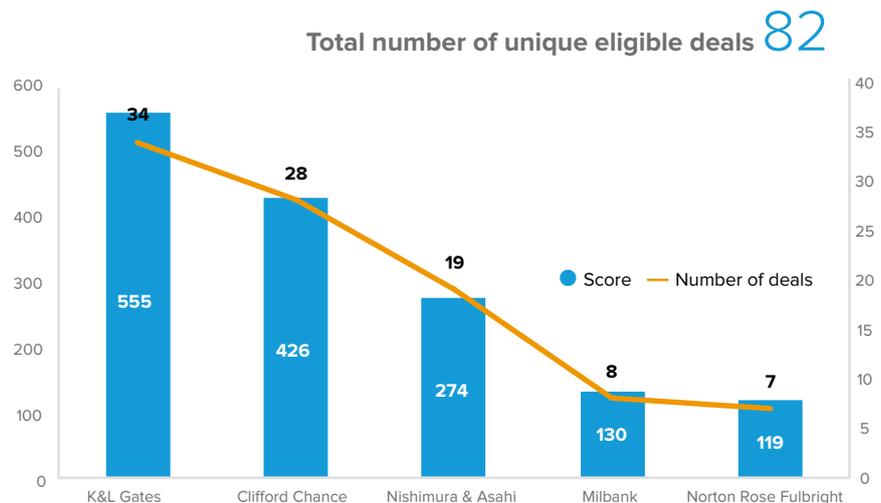
Activity in the structured leases market in 2022 almost tripled from the number of 2021 transaction points.

The data shows 82 eligible deals last year with K&L Gates and Clifford Chance leading the field.

K&L Gates partner Robert Melson says the market saw a strong uptick in Japanese investor demand for Jolcos from mid-2022.

“Many market-leading Japanese leasing companies that have been sitting on the sidelines have returned to the market in full force. Covid-inspired bankruptcies and re-organisations led to fewer Jolcos with carriers in Asia and South America; the majority of investor demand was for Jolcos involving European carriers. We also saw investor demand for Jolcos with some US carriers when deployed with a few unique structures we developed in conjunction with tax advisors to ameliorate tax risks,” Melson comments.

“Before Covid, Jolco investors did not really wish to explore deals with US-based carriers because of tax structuring difficulties, as well as the perceived risk of a US carriers being able to file for Chapter 11 bankruptcy proceedings in the US. Investors have, much to their chagrin, now discovered that non-US-based carriers



Source: law firm submissions and AFJ Deal Tracker

can also easily avail themselves to US Chapter 11 proceedings (as many carriers in Southeast Asia, Latin America and even Europe have). So there has been an increased willingness among these investors to consider and enter into deals with US carriers that have strong financials and good operations.”

Evans at Clifford Chance adds: “The effects of Covid-19 and the resultant restructurings of a number of Jolco transactions has continued to have an

impact on the Jolco equity market. Many equity arrangers continue to be active in aviation, however they have primarily focused on top-tier credits and well-established names, with the relatively smaller number of deals leading to very competitive pricing. On the debt side, this also remains a competitive market, though we have also started to see some innovation, such as the combination of Jolco financings with other risk mitigation techniques such as credit risk insurance.”

Airfinance Journal's 2022 Rising Stars

Airfinance Journal recognises seven of the most promising legal associates for 2023.

Patrick Brophy
Associate, O'Melveny & Myers



Patrick Brophy is an experienced aviation lawyer focusing primarily on cross-border aviation and corporate financing, structured financing and securitisation, syndicated and bilateral lending and aircraft leasing and trading opportunities. He has extensive experience advising banks and lessors on all aspects of aircraft financing, leasing and trading transactions, each involving multiple jurisdictions.

Brophy started his career at A&L Goodbody, qualifying into the aviation and transport finance team in 2016 (where he advised on several award-winning deals such as the Blackbird and Thunderbolt warehouses and ABS' transactions). He was at Orix Aviation in 2018 before joining O'Melveny & Myers in 2021. This combination of private practice and in-house knowledge and capability undoubtedly gives Brophy a rare versatility that separates him from her peers.

Throughout his career, Brophy has had the benefit of working with stalwarts of the aviation industry (Seamus O'Croinin and Marie O'Brien at A&L Goodbody, and Dean Gerber and Helfried Schwarz at Orix) and has gained a diverse aviation expertise.

During his time at Orix he managed all leasing, financing and trading transactions, witnessing first-hand the pre-pandemic super cycle followed by a black swan event. Consequently, he brings to each deal a commercial and outcomes-driven approach as compared with most private practice aviation lawyers, having dealt

first-hand with restructurings/repossessions (Virgin Australia administration and Avianca's Chapter 11), lease transitions and trading deals.

Since joining O'Melveny & Myers, he has advised on and led various transactions and attached is a list of transactions for the past 12 months. Today, Patrick is the lead lawyer on all leasing and trading matters for the London and New York aviation departments. At O'Melveny & Myers, he is renowned for his highly professional approach to transaction management: early identification and resolution of issues, frequently with creative solutions; proactivity and driving the deal forwards.

Away from transactional work, He maintains a strong interest in the aviation sector. Brophy is responsible for the supervision, mentoring and development of trainees and junior lawyers in O'Melveny & Myers' aviation finance team and is also a member of ISTAT. In November 2022, he co-founded the Aviation Legal Association (ALA), which focuses on seminars, networking events and other social gatherings to facilitate the development of business relationships among aviation lawyers and legal professionals.

Patrick holds a bachelor's degree in International Business and Law from the University of Dublin and spent time studying at University of Minnesota Law School. He is admitted as a solicitor of the Courts of Ireland and as a solicitor of the Senior Courts of England and Wales.

"Paddy Brophy is an exceptionally talented aviation finance and leasing attorney who trained and initially qualified at one of the top Irish law firms before spending several years in the legal department of Orix Aviation. In his in-house role, he was exposed to the full range of transactions handled by lessors, including acquisition, dispositions, new leases and restructurings. Having seen the inner workings of a leasing company positions him uniquely for private practice. Paddy not only has great legal skills, he is also very proactive, commercially minded and, most importantly, constructive in achieving results for his clients," says Orix Aviation general counsel Helfried Schwarz.

Natwest's aviation director Shaun Pickering comments: "Patrick is an absolute pleasure to work with. He is full of energy

and tackles problems with positivity providing clear advice and options on ways forward. He has taken the time to really get to know the team and our internal processes which has improved deal process efficiency and experience. It is clear he has a real passion for his work and this sector. Feedback from all levels of the deal team he engages with is all extremely positive."

Grainne Finneran
Senior associate, A&L Goodbody



Grainne Finneran is a high performing senior member of the aviation and transport finance practice of A&L Goodbody and has acted as lead associate on a range of complex, innovative and award-winning transactions for key clients over the past number of years. She is pragmatic and talented and is known for her strong work ethic, technical and legal skills and her commercial approach to transactions.

Finneran has acted for a wide range of aviation clients including leasing companies, airlines, banks, manufacturers, private equity funds and credit support providers.

She has extensive experience acting on a variety of aviation financing and leasing products and structures including operating leases, finance leases, sale and leasebacks, Jolco structures, debt finance (bilateral, syndicated and warehouse facilities), joint ventures, capital market issuances (secured asset-backed

securitisations and unsecured bonds) pre-delivery payment financing and export credit agency supported financing.

Finneran has advised on a number of market-leading and award-winning transactions notably acting for Carlyle Aviation Partners in the purchase of AMCK Aviation for a headline price of \$4.28 billion and acting for SMBC Aviation Capital on the purchase of Goshawk's aviation business.

She has advised on a number of market-leading capital markets transactions including advising on the AASET 2022-1 \$522 million aircraft asset-backed notes offering and on the TBOLT II \$745 million aircraft asset-backed notes offering.

Finneran also has wide-ranging experience advising on warehouse financing structures including advising Griffin Global Asset Management DAC in respect of a five-year senior secured warehouse facility with an initial committed amount of \$1 billion.

She was accepted on and is currently participating in the ISTAT rising executive and ISTAT professional development programme providing important insight into key areas of the aviation industry, the design, manufacturing, maintenance and valuation of commercial aircraft, and the trading and financing thereof.

"Grainne is a great lawyer and someone that is both a pleasure to work with and is technically excellent. She is an inspiration to more junior lawyers on the team and someone we are very proud to have as part of the A&L Goodbody aviation group," says Marie O'Brien, head of finance department and head of aviation and transport finance group at A&L Goodbody.

Rory Coughlan, corporate counsel at Carlyle Aviation Partners comments: "Grainne operates at a high level, bringing the same commitment and enthusiasm to all of her projects, big and small."

Mark Leverkus, Senior associate, Milbank



Mark Leverkus is a senior associate in Milbank's transportation and space group, based in the firm's London office. He has acted on some of Milbank's most innovative and complex transactions in recent years, including extensive experience acting for financiers, equity investors, funds, leasing companies and airlines on a range of international aviation financing, leasing and restructuring transactions.

In the past year, Leverkus acted as lead Milbank associate for a syndicate of secured creditors on the chapter 11 restructuring of Nordic Aviation Capital. The transaction involved the separation from NAC of a sub-group of companies owning 37 aircraft, being transitioned into a new equity structure with Azorra. He also advised on the refinancing of the portfolio under an innovative debt structure, as well as on related aircraft leasing matters.

Leverkus led a team of associates on the transaction, which involved Milbank's aviation finance and restructuring groups in London and New York.

Other recent restructuring experience also includes advising certain secured creditors on the Malaysian law scheme of arrangement of Air Asia X, including the restructuring of related leasing and financing agreements. Since the collapse of Flybe, Leverkus has also advised the Brazilian federal government (as export credit guarantor), initially on the administration of Flybe, and subsequently on the repossession and remarketing of a portfolio of aircraft.

He has a depth of experience in M&A transactions and trading of aircraft portfolios, including recently assisting SMBC Aviation Capital on the acquisition of Goshawk Management Ltd. He has also worked on some of the first Global Aircraft Trading System (GATS) transfers between arm's-length counterparties and has written articles on the practical aspects.

Leverkus advises clients on the full range of aircraft leasing and financing transactions and structures, including operating leases, finance leases, sale and leasebacks, Japanese operating lease with call option (Jolco) structures, syndicated facilities, warehouses, joint ventures, capital market issuances (including ABS), Islamic financing and export credit agency supported financing.

He has also recently acted on a range of bespoke airline lending transactions, including financings secured by spares, rotables and IP, and on the repackaging of airline trade indebtedness.

He joined Milbank upon qualification in 2014 after six months seconded to the legal department of a leading international bank, as well as nine months in 2017-18 seconded to the legal team of Elix Aviation Capital. Leverkus graduated with a Bachelor of

Laws degree from University College, Durham, before completing law school at the College of Law. Between 2018 and 2021, Leverkus completed the Milbank@Harvard programme, taught on campus by the Harvard Business School and Harvard Law School faculties.

"Mark Leverkus is an excellent lawyer. He is sought out as a trusted advisor by clients and colleagues alike, for his exceptional technical ability, knowledge of the market and ability to create innovative solutions. He invests time in mentoring and training junior colleagues, and he has all the attributes to be a future leader in the industry. He is committed to achieving the best outcomes for clients, and we have no doubt that he will continue to practise at the highest level," says James Cameron, a partner at Milbank.

Ryan Wild Senior associate, Clifford Chance



Ryan Wild is a senior associate in the London banking practice and has been a key member of the global asset finance group since joining the practice in 2016.

He has been the lead associate on many of the group's most high-profile, complex and challenging transactions and advisory instructions. Wild has worked on a very broad range of financing structures including Jol, Jolco and French tax leases, operating and finance leasing, portfolio and warehouse financings, borrowing base facilities, secured revolving credit facilities, secured term loan B and US capital markets issuances and export credit agencies-and insurance-backed financings.

In addition to his financing practice, Wild has played key roles on high profile aviation merger and acquisition transactions, the establishment of an aviation investment fund, contentious aircraft repossessions, sanctions and related insurance advice and large aircraft portfolio sales.

He has developed a particular expertise in aviation restructuring and insolvency matters, including through a client secondment to Standard Chartered Bank's distressed assets legal team during the height of the pandemic. Wild combines high level of technical understanding and ability with a pragmatic and innovative approach to help clients achieve their business objectives.

Wild's highlights include acting as lead associate in advising:

- Nordic Aviation Capital on its Chapter 11 case including the issuance of new secured super senior RCF, term loan B and DTC-traded notes.
- Standard Chartered Bank on the auction sale of its operating leasing platform and its entire aviation loan portfolio.
- Several operating lessors in respect of Azul's ongoing consensual restructuring process,
- Airborne Capital as lease manager in respect of the contentious repossession of four aircraft leased to Flair Airlines.
- Nine Jolco lender syndicates in relation to SAS's ongoing Chapter 11 cases.
- Truenoord on the amendment and restatement of its warehouse facility, re-opening the availability period on materially changed commercial terms.
- Balthazar underwriting committee on a variety of financing structures to various airlines.
- Standard Chartered Bank in respect of Virgin Atlantic's part26A restructuring plan.
- Citibank, Royal Bank of Canada and Societe Generale on the restructuring of a large warehouse facility for Truenoord.
- NordLB, Morgan Stanley and Barclays on the warehouse financing of 27 aircraft for Truenoord.
- Credit Agricole-CIB and Bank of America Merrill Lynch in respect of an engine portfolio borrowing base facility for Engine Lease Finance Corporation.
- SMBC Aviation Capital on the launch of its Global Aviation Equipment Leasing (GAEL) fund, a closed-end investment fund raising capital from 17 Japanese institutional investors and arranging financing for the platform.
- Credit Agricole-CIB on the Jolco-financing of a freight aircraft operated by Deutsche Post-DHL Group.
- Amedeo in respect of its strategic partnership and co-investment with Intrepid Aviation (now known as Voyager Aviation). Amedeo Air Four Plus in respect of the purchase, novation, leasing and financing of four Airbus A350 aircraft leased to Thai Airways.
- Large international banking syndicates in respect of four aircraft portfolio facilities for Avolon Aerospace Leasing.

"Ryan is an excellent all-round lawyer.

He has a wealth of technical and industry knowledge, which he applies in a commercial and solutions-focused way to deliver the best outcomes. Ryan is trusted by some of the group's key clients to guide them through their most complex transactions and issues," comments Clifford Chance London head of asset finance Olivier Hipperson.

"Ryan initially acted as the lead associate for our lenders on a series of complex financings and now acts for Truenoord on such financings, as well as advising us on other matters, notably with respect to distressed airlines. Ryan understands aircraft finance inside-out. He always delivers excellent, tailored and commercially-focused advice and has been a highly effective negotiator on both sides of the table," says Joram Lietaert Peerbolte General Counsel and chief commercial officer, Truenoord.

Noelle Boyce

Senior associate, Holland & Knight



Noelle Boyce is a senior level associate in the London office of Holland & Knight and plays an essential role in the firm's globally renowned aviation finance practice.

In her practice at Holland & Knight, Boyce regularly advises a range of clients, including lenders, lessors, borrowers and operators, and works with clients and other lawyers throughout Europe, the USA, Asia and the Middle East on all aspects of commercial and aviation law, including (but not limited to) the lease, financing, purchase and sale of aircraft, engines and parts worldwide, restructurings and complex financing and regularly counsels clients on some of the most complex transactions in the industry.

Boyce regularly advises aircraft leasing companies such as SMBC Aviation Capital, Avolon Aerospace Leasing, Nordic Aviation Capital, Aircraftle, CDB Aviation,

Sumitomo Mitsui Finance & Leasing, Orix Aviation, Investec Bank and BBAM Aircraft Management (BBAM), among others, on all aspects of commercial and aviation law, including (but not limited to) the lease, financing, purchase and sale of aircraft, engines and parts worldwide, restructurings and complex financing.

She has been fundamental in recent significant work, such as the firm's ongoing representation of numerous aircraft leasing companies in connection with both the Avianca and Aeromexico US Chapter 11 bankruptcy cases. Additionally, she has been a key member in counselling various clients with portfolio sale transactions and financings.

Boyce has also been busy over the past year as part of the team representing multiple clients in relation to matters arising from sanctions imposed by the USA, EU and the UK following the invasion of Ukraine by Russia. This work involves multiple jurisdictions and a variety of complex issues including various areas of law such as sanctions, insurance, aircraft finance and leasing and general contractual law.

Recent transactions where she has had leading roles include:

- representing nine clients that collectively leased 46 aircraft to SAS and its subsidiaries, firstly in respect of their rights during the Chapter 11 process including with respect to arrangements relating to the use, maintenance and operation of the aircraft in this period and the claims of each creditor under the Chapter 11 process; and secondly, in relation to restructuring and/or renegotiating the leasing arrangements for their fleet of aircraft;
- representing the purchaser/lessor in pre-delivery payment financing and sale and leaseback of two A320neo-family aircraft with Avianca. This transaction involved a complex structuring of the pre-delivery payment financing in order to accommodate the fund structure;
- representing Orix Aviation in its portfolio sale to Japanese purchasers of three aircraft on lease to Wizz Air, Westjet, and Iberia. This large portfolio sale transaction involved numerous transaction structures to account for the various leasing structures;
- Airfinance Journal's Airline Restructuring Deal of the Year 2021: Boyce was a key team member involved in representing aircraft lessors Avolon, CDB Aviation, SMBC Aviation Capital, Sumitomo Mitsui Finance & Leasing and GECAS in respect of the aircraft on lease to Avianca in connection with Avianca's Chapter 11 bankruptcy;
- representing Avolon and Genesis Aircraft Services, in respect of the aircraft on lease to Aeromexico in connection with

- Aeromexico's Chapter 11 bankruptcy;
- representing Avolon in connection with the negotiation of post-petition leases with Aeromexico related to its Chapter 11 exit. These are for both existing aircraft in the Aeromexico fleet and for new lease arrangements;
- representing Avolon, SMBC Aviation Capital, Sumitomo Mitsui Finance & Leasing, and CDB Aviation in connection with the negotiation of post-petition leases with Avianca related to its Chapter 11 exit. These are for existing aircraft in the Avianca fleet and for new lease arrangements;
- representing BBAM in connection with two aircraft financings with China Postal Airlines;
- representing Maersk in connection with the purchase and lease of three aircraft with Amerijet;
- representing BBAM in connection with the purchase of three aircraft with British Airways for BBAM's cargo conversion programme which Boyce drafted and negotiated all the purchase documentation;
- representing of eight aircraft leasing companies in the LATAM Chapter 11 case;

Prior to joining Holland & Knight, Boyce worked for the European Parliament and a leading litigation-only law firm specialising in aviation.

She is actively involved in Holland & Knight's Women's Initiative and has organised a number of internal and external events as part of her involvement. In 2021 and 2022, Boyce was named a Holland & Knight Pro Bono All-Star for her dedicated work on pro bono matters.

Hugues Hounkpati

Associate, Watson Farley & Williams



Hugues Hounkpati is a senior associate in the assets and structured finance group at Watson Farley & Williams (WFW), based in Paris.

Hounkpati has developed a strong expertise acting for international banks and financial institutions including export credit agencies (ECA), operating lessors and leading airlines on innovative and complex cross-jurisdictional aviation-related transactions.

He has been involved in cutting edge and award-winning deals in the aviation sector, including ECA-backed financings, and restructuring matters, as well as deals arising directly out of specific market conditions, including the Covid-19 pandemic.

Some of his transaction highlights include the following:

- advised a group of lessors, together owning approximately 30 aircraft and/or aircraft engines in Lion Air's fleet, regarding safeguard and receivership proceedings initiated before the French courts relating to the French subsidiaries of Indonesian airline group Lion Air;
- advised a syndicate of lenders comprising Credit Agricole-CIB, Development Bank of Japan and La Banque Postale in the first ever sustainability-linked aircraft non-payment insurance-supported Jolco financing of an Airbus A350-900 aircraft leased to Air France;
- advised US Ex-Im Bank in connection with the US Ex-Im Bank-supported financing with different pools of international banks of six Boeing 737 Max 8s, three 737 Max 9s and three 787-9s for Turkish Airlines;
- advised ICBCIL Aviation as sponsor and fully owned subsidiary Sky High 114 Leasing as stand-by lessor in relation to the French tax lease financing by BNP Paribas of four A321 aircraft delivered to Turkish flag Turkish Airlines;
- advised MUFG Bank on a bridge financing in respect of two 737 Max 8 and two A321neo aircraft;
- advised CALC on the restructuring of the leasing and financing structure in respect of three A320 aircraft and one IAE V2527-A5 engine operated by Jetsmart in Argentina, Chile and Peru;
- advised ASL Aircraft Investment Designated Activity Company as owner and Investec as mortgagee in relation to the refinancing of two 737 aircraft operated by ASL Airlines France;
- assisted Air France on the financing by way of conditional sale of one A350-900 aircraft backed by the Balthazar insurance scheme;
- advised Air Cote d'Ivoire on the financing by the African Development Bank and Investec of the acquisition of their two A320neo aircraft involving a partial guarantee risk mechanism;

- advised the specialised investment fund, FPS PREDIREC ABL-2, managed by Acofi Gestion, as lender and Chetwode as arranger, in respect of their first aircraft financing related to one ATR72-500 aircraft and three ATR42-500 leased to Chalair Aviation.

Hounkpati joined WFW in March 2022. Prior to joining WFW, he worked for another international law firm in Paris on asset finance transactions, with a particular focus on the aviation sector.

Over the last few years, he has developed expertise as a lawyer in the aviation sector, with a strong knowledge of the various players, market practice and products. Most if not all of the transactions he has worked on have been cross-border, thereby calling on the need for cooperation and innovative solutions in the context of complex transactions.

Alexia Russell, assets and structured finance partner, says: "Hugues combines a strong knowledge of the aviation industry with excellent legal and business development skills. He is also very smart, hard-working, pragmatic and collaborative, meaning that he very quickly gains clients' trust. He is a real asset for the firm and our team."

Gareth Lond

Senior associate, Walkers



Gareth Lond is a senior associate in the finance and corporate group at Walkers with particular expertise in aviation finance and other asset finance matters.

His broad range of clients includes major regional and international banks and financial institutions, export credit agencies, leasing companies, investment groups, asset managers, and airlines, across the Middle East, Asia and Europe.

Lond advises on conventional financings, Islamic financings, leasing platform set up and operation and acquisitions and disposals.

- Recent transaction experience includes:
- advising an Asian airline and a European bank on the delivery of two new A321neo aircraft;
 - advising an investment fund on the sale of two 777-300ERs, currently on lease to a Middle Eastern carrier;
 - advising a Middle Eastern aircraft leasing company on the refinancing of 12 A330-300 aircraft;
 - advising a Middle Eastern aircraft leasing company on the refinancing of 20 A320 aircraft;
 - advising a Middle Eastern airline on the refinancing of eight 787-9 aircraft;
 - advising a Middle Eastern airline on the transition from LIBOR to Term SOFR in respect of its financings for 95 aircraft;
 - advising a Middle Eastern airline on the transition from LIBOR to Term SOFR in respect of its financings for 50 aircraft;

- advising a Middle Eastern airline on the transition from LIBOR to Term SOFR in respect of its financings for 18 aircraft;
- advising a Middle Eastern aircraft leasing company on the transition from LIBOR to Term SOFR in respect of its financings for eight A330-300 aircraft and six A320 aircraft;
- advising multiple Asian airlines and their lenders (including ECAs) on the termination and sale of various aircraft;
- advising an asset manager on the establishment and operation of an acquisition, conversion and leasing platform for converted or to be converted freighters.

As well as having strong transactional experience, Lond works closely with corporate services providers on the establishment of special purpose vehicles

(SPV) and their involvement in the financing and leasing process. This gives him involvement throughout the asset and SPV life cycle, from incorporation and acquisition, through leasing and financing stages, to termination, disposal and SPV liquidation.

Kristen Kwok, partner in Walkers' Hong Kong office said: "Gareth is a vital member of Walkers' Asset Finance team with many years' experience as an asset finance lawyer working in leading international firms before joining Walkers in 2020. He is recognised by his clients and peers as a key player in the aviation space and is regarded as the go-to offshore aviation lawyer in the Middle East and Asia. He is technically very strong and is leading on many of the firm's highly complex transactions. I have no doubt that Gareth has a bright future in the industry and he is certainly one to watch." ▲



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