

CONSULTANCY SOLUTIONS

Country and operator risk assessments and analysis

Risk and reward

Two key components of any financial transaction involving the placement of an asset will be the assessment of country risk, and the assessment and understanding of operator/lessee risk.

By understanding country risk, (the risk of investing in a country), the lessor/financier has a clearer appreciation of the environment in which the aircraft is operating or the jurisdiction under which it is operating. An uncertain political and economic outlook for a country, or the influence of leading factors such as volatility in oil or commodity prices, currency controls, or regulatory changes, can have a bearing on the risks associated with leasing or financing aircraft.

Each lessee/operator faces a unique set of challenges and opportunities, depending on its financial robustness, management, operations, marketing, fleet and technical performance.

To understand operator risk requires a significant amount of experience and a sufficiently detailed knowledge of the industry.



How Ascend can help your business

An experienced and independent perspective will provide confirmation or raise issues that may not otherwise surface. An Ascend lessee/operator review will comprehensively reference the lessee's business operations and history.



Ascend: professional advisory services

Quantitative analysis will typically include:

- **Business environment analysis**
- **Reviews of operators market**
- **Corporate governance**
- **Accounting quality**
- **Fleet Planning and current fleet**
- **Network Planning (current and future)**
- **Cape Town Treaty ratification and shareholders profile**

Quantitative analysis will focus on:

1. Ratio analysis - profitability, efficiency, management effectiveness, financial strength
2. Common size analysis - cash flow adequacy, capital structure, balance sheet strength, and income statement strength