

# Fifty years of flight

**GECAS, the Shannon-based subsidiary of General Electric, is celebrating 50 years in the aviation financing sector.**

This year marks the 50th year of business for General Electric Capital Aviation Services (GECAS), the Shannon-based global aircraft financier. With an owned and on-order fleet of over 1,950 narrowbody and widebody passenger aircraft, cargo aircraft, helicopters and regional and turboprop aircraft from manufacturers such as Boeing, Airbus, Embraer, Bombardier and ATR, it is the financier to a number of airlines, and was in fact the initial financier for AirAsia's first aircraft.

Given the cyclicity of the aviation finance sector, 50 years in business is an impressive milestone, as Sean Flannery, General Manager, GECAS Limited, acknowledges. "Fifty years in aviation finance is a very significant achievement," he beams. "GECAS was able to build scale and secure global coverage early in the developing industry, and with that we developed a highly experienced team. There's been a lot of innovation along the way, but due to our scale and experience, we're willing to forward commit to customers' future needs, offer fleet take-outs, and we're able to do very large and complex deals."

Given the time that the company has been operating, it has seen some dramatic changes within the industry. Even in the time since Flannery himself has been a part of the company, the marketplace has gone through many twists and turns. He joined GECAS in 1993 in the role of Vice President, Technical Operations. This coincided with GE's acquisition



Sean Flannery, General Manager, GECAS Limited

of the company Guinness Peat Aviation, where Flannery had been working since 1989. He assumed the role of General Manager at GECAS Limited in 2006, a position which he has since held.

As an industry veteran, Flannery too has witnessed many industry transitions. Firstly, the increased prevalence of competition within the sector has meant that lease rates have been driven significantly down. On top of this, the decades have seen some shocks that have directly impacted the global aviation market. Events like the Gulf War and 9/11 have had a direct bearing on the sector, as well as more general events like the global liquidity crisis. "You get these periods of oversupply undersupply of aircraft as a result of supply and demand from the airlines, and that, in the past, has influenced the market," says Flannery.

In spite of such challenges, GECAS has thrived over the years, and is now the largest commercial airline leasing and financing company in the world, by number of aircraft. Today, about

one in 20 commercial aircraft are financed by GECAS. Flannery believes the company's impressive standing is due to a number of factors, including the talented team that the company has assembled over the years.

2018 will introduce a multi-year phase of GECAS growing its balance sheet by lessening its rate of assets sales, originating \$5 to \$6 billion in aircraft transactions (including sale-and-leaseback deals, senior-secured debt, and aircraft from its order pipeline) and building an off-balance sheet portfolio, as well as increasing its serviced assets.

"In terms of differentiating ourselves in a competitive environment, I think the main influencer we have is very much our team," he says. "GECAS has about about 570 employees in total. They are long-tenured, they have lived through many industry cycles, and if you look at the way our organisation is structured today, our go-to market to always understand the customer's requirements and plans, and to tailor the best solutions to meet their needs."