



A Practical Guide Series to Business Jet Financing in APAC

Edition 2: Choosing the Right Financier

Bank or Non-Bank – An Aircraft Owner’s Decision Framework

April 2026

This edition examines how owners should approach the choice of financier and financing paths, rather than simply comparing structures in isolation.

What this edition does not cover – This edition focuses on owner decision-making, not transaction execution. The next edition covers financing readiness.

I. How Aircraft Owners Typically Fund an Acquisition

Aircraft owners in APAC generally fund a business jet acquisition in one of three ways:

- **Cash purchase**, where the aircraft is acquired outright without third party financing
- **Debt financing**, commonly a senior secured loan
- **Lease financing**, typically structured as a finance lease and less frequently an operating lease

Many aircraft owners choose to finance an aircraft as a deliberate capital-allocation decision, balancing liquidity against the additional obligations that financing introduces.

II. Credit Support: Personal vs Corporate (or Family Office) Guarantees

In APAC business aviation, it is common practice for aircraft to be owned, borrowed or leased through a special purpose company (SPV). The critical decision for owners is therefore not whether an SPV is used, but who stands behind it.

Financiers require credit support in the form of guarantees. For owners, the fundamental choice is whether they are prepared to provide:

- A personal guarantee
- A corporate guarantee (from an operating company or holding entity) or
- In some cases, a family office guarantee

This distinction matters because it directly affects how personal, business and balance sheet exposure are allocated.

From an execution perspective, personal guarantees can also feel more invasive and time-consuming for owners, as they often require extensive disclosure of:

- **Personal assets and liabilities**, including where and how assets are held

- The **structure and composition of personal wealth**, rather than simply headline net worth
- **Recurring income and cashflow streams** such as salaries, dividends or investment distributions

Collating, validating and presenting this information can materially extend timelines, particularly where assets are held across multiple jurisdictions or structures.

By contrast, corporate or group guarantees often rely on audited financial statements, which may be more structured and straightforward to provide.

Owner takeaway: Guarantees should be treated as a strategic decision, not a procedural formality. The form of guarantee will shape both financier selection and execution dynamics.

III. Does the Financing Structure Affect Privacy?

Privacy, safety and discretion have become increasingly important considerations for aircraft owners in recent years.

Publicly available flight-tracking data and increased attention on aircraft movements mean that:

- Personal travel patterns can be widely observed
- Security concerns may arise for owners and their families
- Competitors or counterparties may infer sensitive business activity

While no financing structure eliminates visibility entirely, structure can influence how ownership and control appear in publicly accessible records.

In broad terms:

- Under loan structures, the SPV borrower is the registered owner of the aircraft, with a mortgage granted to the lender
- Under lease structures, the lessor retains legal title to the aircraft during the financing term

Depending on the aircraft registry and jurisdiction, lease structures may introduce an additional layer of separation between the aircraft and the ultimate owner in publicly visible records.

This distinction should not be overstated. Financiers, insurers, regulators and aviation authorities will still require full disclosure of beneficial ownership.

IV. Bank Financiers: What Owners Should Expect

Who can realistically access private bank aircraft financing?

Banks that finance business jets in the Asia-Pacific region typically do so within the context of an **existing private banking** relationship.

In practice, this means that aircraft financing is generally available only to clients who already qualify as private banking clients or who are prepared to establish such a relationship as a prerequisite.

Financing structures

Financing from banks is typically provided in the form of a senior secured loan.

Guarantees

Personal guarantees are almost always required by private banks. While corporate guarantees may be included, they are generally additive rather than a substitute for personal guarantees.

This reflects the nature of private banks, which cater to wealthy individuals and family structures.

Security deposits

Banks typically require security deposits in the form of cash held in a designated borrower bank account with the lender. Such security deposit:

- Is interest-bearing
- Remains in the borrower's name
- Is subject to a charge over such bank account in favour of the lender, effectively restricting its use for the duration of the financing

While this structure preserves interest income for the borrower, the funds are not freely deployable and should be treated as economically restricted cash.

Relationship considerations

Because aircraft financing sits within a broader private banking relationship, owners should also consider the practical implications. These may include:

- Minimum assets under management (AUM) requirements, which are often higher than standard private banking thresholds given the size and complexity of aircraft transactions
- Account opening, onboarding and internal approval processes, particularly where the owner is not already an existing client

Where an owner is new to the bank, these factors can materially affect transaction timing and should be factored in early if private bank financing is being considered.

V. Non-Bank Financiers: How They Differ

Non-bank financiers take a more transaction-focused approach to aircraft financing.

Financing structures

Non-bank financiers in APAC predominantly offer lease-based financing, most commonly finance leases. While loan structures are possible, leases remain the preferred structure.

Guarantees

Non-bank financiers are generally more flexible in terms of credit support and may accept:

- One or more corporate guarantees
- Family office or group guarantees, or
- Combinations of corporate and personal guarantees, depending on the overall credit profile

This flexibility can be attractive for owners seeking to limit personal exposure or align the financing more closely with the business or group that benefits from the aircraft.

Security deposits

Lease structures typically involve security deposits, which are:

- Typically non-interest-bearing, and
- Held by the lessor and generally (but not always) in a bank account commingled with its other funds

Relationship considerations

Non-bank financiers do not require AUM and typically focus on the aircraft transaction itself, with guarantees forming the primary source of credit support.

Owner takeaway: Non-bank financing may offer greater flexibility around guarantee structures and relationship requirements but typically involves non interest-bearing security deposits and higher headline financing costs, without requiring capital (in the form of AUM) to be maintained within a private banking relationship.

VI. Other Non-Bank Financing Options

EXIM and ECA Financing

Export-import (EXIM) or export credit agency (ECA) financing, where available, refers to government-backed financing or support provided to facilitate the purchase of aircraft that meet the manufacturing or export-content requirements of a country operating an export credit programme.

Key features include:

- Financing commonly structured as a finance lease or a senior loan
- Lower interest rates relative to the typical non-bank financing alternatives, and
- Payment of an exposure fee (or premium).

EXIM or ECA support can broaden the range of financing options available to aircraft owners. By introducing government-backed credit into a transaction, it may enable longer tenors or financing in markets where commercial appetite is more limited.

Availability is subject to programme eligibility and approval processes and is not universal.

Non-Recourse Financing

Non-recourse financing refers to structures where the financier's recovery is limited primarily to the aircraft itself and no personal or corporate guarantees are required.

Non-recourse financing is occasionally considered by aircraft owners who prioritise limiting exposure beyond the aircraft itself or whose credit profile does not align with fully-recourse financing requirements.

For aircraft owners, this structure materially limits exposure beyond the aircraft and any required security deposit, ring-fencing the owner's liability rather than maximising leverage.

However, such financing typically comes with trade-offs including:

The exposure fee:

- Reflects sovereign and credit risks of the transaction
- Is payable either upfront or capitalised into the financing amount

Indicative exposure fee ranges (for guidance only):

- Investment-profiles: approximately 3%–6% of the financed amount
- Non-investment-grade profiles: approximately 7%–12% and in some cases higher

While EXIM or ECA financing may offer lower interest margins, owners should consider the exposure fee as part of the overall cost of financing.

- Significantly lower leverage, and
- Higher financing cost, reflecting the financier's primary reliance on the aircraft

Non-recourse financing remains relatively uncommon in the APAC business aviation market and is generally viewed as a specialised option rather than a default route.

Owner takeaway: Reduced recourse usually comes at the cost of financing quantum and headline pricing.

VII. Key Takeaway for Owners

Choosing the right financier is not about identifying a universally “better” option, but about aligning the financing approach with the owner's objectives and constraints.

In particular, aircraft owners should consider upfront:

- What **form of guarantee they are prepared to give** and how personal, corporate or family-office guarantees affect exposure and execution
- How **private banks and non-bank financiers differ** in their approach, including relationship expectations and structuring flexibility
- How much **visibility, discretion and privacy** matter, particularly in light of increased aircraft tracking

- Whether **ongoing banking relationship and AUM requirements are acceptable** and the opportunity cost of capital tied up in those relationships
- How **financing structures, leverage and collateral trade-offs** affect liquidity and flexibility over the life of the financing

Decisions made at this stage shape not only the financing outcome, but also how easily an owner can adapt, refinance or exit the aircraft investment later.

Series Introduction

A Practical Guide to Business Jet Financing in APAC

Business jet ownership in Asia-Pacific presents unique financing, regulatory and operational challenges.

This white paper series is designed to provide aircraft owners, family offices and corporate decision-makers with a practical and grounded overview of how aircraft financing works in the region and where risks most commonly arise.

Each edition addresses a distinct aspect of the aircraft lifecycle, from financing structures and regulatory requirements to buying, selling, operating and exiting an aircraft investment.

This series will be released in editions over the coming months.

Stay with the series through the end, where we look at planning clean exits and clearly defined end-of-term obligations from the outset.

Other Editions in This Series

Edition 1 — How Business Jets Are Financed in APAC

An overview of core financing structures, risk allocation and regulatory realities shaping aircraft financing in the region.

Next Edition 3 — Are You Financing-Ready?

What aircraft owners should prepare before approaching financiers.

View other Editions in this series on our website lendicate-group.com.

For enquiries about the series or financing-related matters, please contact info@lendicate-group.com.