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AerCap Global Aviation Trust

Unaudited Interim Report

For the period ended 30 June 2023

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AerCap Global Aviation Trust

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AerCap Global Aviation Trust

Management responsibility statement

We confirm to the best of our knowledge:

- The unaudited interim report for the period ended 30 June 2023, have been prepared in accordance with applicable accounting standards and give a true and fair view of the assets, liabilities, financial position and income statement of AerCap Global Aviation Trust.
- The interim management report includes a fair review of the information required by Regulations 8 (2) of the Transparency Regulations, being an indication of important events that occurred during the period ended 30 June 2023 and their impact on unaudited interim financial information and a description of the principal risks and uncertainties for the remaining six months of 2023.

Approved and authorised by management on 28 September 2023 and signed on its behalf by:

DocuSigned by:
.....5B90816 79DC74DB.....
S. Crean
Director

DocuSigned by:
.....4412C4A115E044F.....
S. Fitzgerald
Director

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AerCap Global Aviation Trust

Interim management report for the period ended 30 June 2023

Management present their report and the unaudited financial statements for the financial period from 1 January 2023 to 30 June 2023.

Background

The principal activity of AerCap Global Aviation Trust (the "Trust") continues to be the leasing of commercial jet aircraft. While the Trust continues to borrow funds externally and lends these onwards to group entities, this is not its principal activity and therefore the Officers of the Trust have concluded that it is not a financial institution. The Trust did not earn net interest margin in the current period from lending to subsidiaries and is not exposed to any additional significant risk in this respect that is not already disclosed in the interim report.

The Trust is an indirect wholly-owned subsidiary of AerCap Holdings N.V ("AerCap"), a global leader in aircraft leasing. AerCap Group and it subsidiaires ("AerCap Group") is the global leader in aircraft leasing with a portfolio of over 1,700 aircraft, over 1,000 engines and over 300 helicopters, together with an order book of approximately 400 of the most in-demand new technology aircraft in the world. AerCap serves approximately 300 customers around the world with comprehensive fleet solutions.

The Trust operates its business on a global basis, leasing aircraft to customers in every major geographical region.

AerCap is incorporated in the Netherlands and is listed on the New York Stock Exchange under the ticker symbol AER. The Group has its headquarters in Dublin with offices in Shannon, Miami, Singapore, Memphis, Amsterdam, Shanghai, Dubai and other locations. AerCap also have representative offices at the world's largest aircraft manufacturers, The Boeing ompany ("Boeing") in Seattle and Airbus S.A.S. ("Airbus") in Toulouse.

AerCap Holdings N.V. and AerCap Ireland Designated Activity Company ("AICDC") entered into an agreement with American International Group Inc. ("AIG") for the purchase of 100% of International Lease Finance Corporation ("ILFC"), AIG's aircraft leasing business in late 2013.

The Trust, a statutory Trust in the State of Delaware, United States, was formed on 05 February 2014, with its principal office in Ireland. AICDC is the principal beneficiary of AerCap Global Aviation Trust. On the Closing Date, immediately after completing the ILFC Transaction, substantially all of ILFC's assets were transferred as an entirety to, and substantially all of ILFC's liabilities were assumed by, the Trust (the ''Reorganisation'').

In connection with the Reorganisation, the Trust agreed to assume ILFC's obligations under its debt agreements and AerCap and certain of its subsidiaries agreed to guarantee such obligations. Accordingly, the Trust became the successor obligor in respect of the notes issued under ILFC's various indentures ("ILFC Legacy Notes"). These ILFC Legacy Notes were listed on the Main Securities Market of the Irish Stock Exchange and repaid in June 2022. In addition, the Trust has $1bn ECAPS subordinated notes listed on the Main Securities Market of the Irish Stock Exchange. Since the closing of the ILFC transaction, AICDC and the Trust have co-issued a series of notes which are jointly and severely, and fully unconditionally guaranteed by AerCap Holdings N.V.

Business review

The significant events that ocurred during the period ended 30 June 2023 and their impact on the financial statements are described below:

The Trust realised a profit of $933.4m during the period ended 30 June 2023 with a turnover of $301.7m. During the period ended 30 June 2022 the Trust realised a loss of $143.4m with a turnover of $323.4m We would like to draw your attention to the following movements:

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- Turnover decreased by $21.7m to $301.7m for the period ended 30 June 2023 compared to the prior period. The decrease was primarily as a result of the reduction of aircraft from the comparable period.
- Other operating income decreased by $24.6m for the period ended 30 June 2023 to $0.3m. The decrease is primarily due to the gain from changes in provisions in the prior period with no corresponding gain in the current period.
- Profit on sale of tangible fixed assets for the period ended 30 June 2023 was $71.3m. This compared with a profit of $23.2m on sale of tangible fixed assets during the equivalent period in 2022. This was primarily due to the higher volume and composition of asset sales during the period ended 30 June 2023.
- Net charges of $304.2m related to the Ukraine conflict were recognised in the prior period.
- The Trust realised an impairment on its investment in subsidiaries of $236.5m following on from the dividend income receipt as noted below.
- Interest receivable and similar income increased by $516.9m to $1.1bn for the period ended 30 June 2023. This is due to a rise in interest rates and a change in the mix of Loans to Group Undertakings.
- Interest payable and similar expenses increased by $18.3m to $638.7m for the period ended 30 June 2023. This primarily relates to the increase in interest payable on loans from Group Undertakings of $44.2m offset by a reduction in external debt interest of $23.3m from the comparable period in 2022.
- Dividend Income of $521.1m was received from subsidiary entities during six months ending June 2023.

The most significant movement in the statement of financial position between 30 June 2023 and 31 December 2022 were the decreases in investments, the changes in loans and borrowings and the net book value of tangible assets.

- The Trust's investments decreased by $231.0m primarily as a result of an impairment to its investment in subsidiaries following on from dividend income received in the period.
- The net book value of the tangible assets increased by $28.0m. This was driven by the sale of 32 aircraft with a net book value of $1,058.9m and depreciation and impairment of $130.3m, partially offset by new acquisitions of $1,217.3m. Of the 32 aircraft sold during the period ended 30 June 2023, 21 were intercompany sales.
- In February 2023, AerCap Trust and AICDC completed the redemption of all $600 million outstanding aggregate principal amount of their 4.125% Senior Notes due 2023.
- In June 2023, AerCap Trust and AICDC co-issued $1 billion aggregate principal amount of 5.75% senior unsecured notes due 2028.
- In June 2023, AerCap Trust and AICDC redeemed $1 billion aggregate principal amount of their then-outstanding $1.25 billion aggregate principal amount of 4.50% Senior Notes due 2023.
- In the six months ended 30 June 2023 the Trust made dividend payments of US$1.03bn to AerCap Ireland Capital Designated Activity Company.

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On 24 February 2022, Russia launched a large-scale military invasion of Ukraine and has since been engaged in a broad military conflict with Ukraine (the "Ukraine Conflict"). In response to the Ukraine Conflict and ongoing related hostilities, the United States, the European Union, the United Kingdom and other countries have imposed broad, far-reaching sanctions against Russia, certain Russian persons and certain activities involving Russia or Russian persons. These sanctions include prohibitions regarding the supply of aircraft and aircraft components to Russian persons or for use in Russia (the "Sanctions").

In compliance with all applicable Sanctions in March 2022, AerCap Holdings N.V. and its subsidiary undertakings (the "Group") terminated the leasing of all aircraft and engines with Russian airlines. These terminations have resulted in reduced revenues and operating cash flows in the Group.

The Ukraine Conflict, the Sanctions and the actions of our former Russian lessees and the Russian government together represent an unusual and infrequent event and therefore the related net charges are classified separately on our Income Statement as "Net Charges related to Ukraine". During the six months ended June 2022, we recognised a pre-tax net charge of $304.2m to our earnings, comprised of write-offs and impairments of flight equipment, which were partially offset by the derecognition of lease-related assets and liabilities (including maintenance rights and lease premium intangible assets, maintenance liabilities, lessor contributions, security deposits and other balances) and the collection of letter of credit proceeds. We recognised a total loss write-off with respect to our assets that remain in Russia and Ukraine, and impairment losses with respect to the assets we have recovered from Russian and Ukrainian airlines. The impairments recognised with respect to assets recovered from Russian and Ukrainian airlines were based on the expected commercial strategy and corresponding cash flow estimates for each asset.

The lessees are required to provide insurance coverage with respect to leased aircraft and the Trust is named as insured under those policies in the event of a total loss of an aircraft or engine. The Aercap Group also purchase contingent and possessed insurance ("C&P Policy") which provides us with coverage when flight equipment is not subject to a lease or where a lessee's policy fails to indemnify us. In March 2022, the AerCap Group submitted an insurance claim under the C&P Policy with respect to all aircraft and engines remaining in Russia. In June 2022, the AerCap Group commenced legal proceedings in London, England, to recover these insurance claims in connection with the previously submitted claim under the C&P Policy.

In parallel, during the year ended December 31, 2022, the AerCap Group submitted claims as an additional insured under the Russian airlines' insurance policies. Efforts to recover from the airlines' Russian insurers and their reinsurers continue and in June 2023, the AerCap Group commenced legal proceedings in London, England against various reinsurers of the Russian airlines' insurance policies in the aggregate amount of approximately $4.1 billion with respect to the aircraft and engines lost in Russia.

The collection, timing and amount of any potential recoveries under the C&P Policy and under the airlines' insurance and reinsurance policies are uncertain. The AerCap Group have not recognised any claim receivables in respect of the claims under the C&P Policy and under the Russian airlines' insurance and reinsurance policies as of June 30, 2023. After the end of the reporting period, the Trust received proceeds in relation to these insurance claims - please refer to post balance sheet events.

In November 2022, the Group submitted an insurance claim under a Ukrainian airline's insurance and reinsurance policies for approximately $97 million for the loss of one aircraft which remains in Ukraine. In January 2023, an insurance claim under the C&P Policy for the same aircraft was also submitted. We intend to continue to vigorously pursue this insurance claim in respect of the aircraft that remain in Ukraine. However, the collection, timing and amount of any potential recoveries are uncertain and the AerCap Group have not recognised any claim receivables as of June 30, 2023.

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Principal risks and uncertainties

There have been no material changes in our risks and uncertainties from those disclosed in our Annual Report for the year ended 31 December 2022. Management expects the nature of the risks and uncertainties to which AerCap Trust will be exposed in the remaining months of 2023 to be similar to those to which it was exposed during the first six months of 2023.

Post balance sheet events

The Trust received a capital contribution of $9.9bn from AerCap Ireland Capital Designated Activity Company in July 2023, the proceeds of which were used to acquire the shares in AerCap Aviation Leasing Limited.

In September 2023 AerCap Trust and AICDC co-issued $900 million aggregate principal amount of 6.1% Senior Notes due 2027 at a price to the public of 99.540%. Also in September 2023, AerCap Trust and AICDC co-issued $850 million aggregate principal amount of 6.15% Senior Notes due 2030 at a price to the public of 99.371%. The Notes will be fully and unconditionally guaranteed on a senior unsecured basis by AerCap and certain other subsidiaries of AerCap.

After the end of the reporting period, a number of the Trust's subsidiaries received cash insurance settlement proceeds in the total amount of $533.3 million in full settlement of their insurance claims under a Russian airline's insurance policies. The claims were in respect of twelve aircraft and five engines the Trust's subsidiaries leased to that Russian airline at the time of Russia's invasion of Ukraine in February 2022.

Approved and authorised by the Board on 28 September 2023 and signed on its behalf by:

DocuSigned by:

5B90816779DC74DB.....

S. Crean
Director

DocuSigned by:

4412C4A115E044F.....

S. Fitzgerald
Director

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AerCap Global Aviation Trust

Income statement
for the period ended 30 June 2023

	Note	2023 $ 000	2022 $ 000
Turnover	4	301,692	323,370
Depreciation and impairment	12	(130,447)	(128,369)
Gross profit		171,245	195,001
Other operating income	5	332	24,921
Operating expenses	7	(62,014)	(51,676)
Profit on sale of tangible fixed assets		71,344	23,215
Operating profit		180,907	191,461
Net charges related to Ukraine Conflict	6	-	(304,216)
Impairment provision on investment	13	(236,524)	-
Interest receivable and similar income	9	1,106,577	589,690
Interest payable and similar expenses	10	(638,648)	(620,376)
Dividend income	11	521,081	-
Profit/(loss) before taxation		933,393	(143,441)
Tax on profit/(loss)		-	-
Profit/(loss) for the financial period		933,393	(143,441)

The above results were derived from continuing operations.

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AerCap Global Aviation Trust

Statement of comprehensive income for the period ended 30 June 2023

	Note	2023 $ 000	2022 $ 000
Profit/(loss) for the period		933,393	(143,441)
Other comprehensive income		-	-
Total comprehensive income/(loss) for the period		933,393	(143,441)

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AerCap Global Aviation Trust

Statement of financial position as at 30 June 2023

	Note	June 30 2023 $ 000	December 31 2022 $ 000
Fixed assets			
Tangible assets	12	4,496,911	4,468,889
Prepayments on aircraft purchase		469,373	655,926
Investments	13	791,870	1,022,788
		5,758,154	6,147,603
Current assets			
Inventory	15	596	437
Debtors: (including $148.6m due after more than one year 2022: $213.8m)	16, 14	38,792,333	39,127,884
Cash and cash equivalents	18	187,457	220,930
		38,980,386	39,349,251
Creditors: Amounts falling due within one year	19	(6,637,859)	(6,445,349)
Net current assets		32,342,527	32,903,902
Creditors: Amounts falling due after more than one year	20	(29,551,055)	(30,405,701)
Net assets		8,549,626	8,645,804
Capital and reserves			
Share capital		-	-
Beneficial ownership interest	25	4,544,018	4,544,018
Other reserves		201,843	201,843
Retained earnings		3,803,765	3,899,943
Total equity		8,549,626	8,645,804

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AerCap Global Aviation Trust

Statement of changes in equity
for the financial period ended 30 June 2023

	Beneficial ownership interest $ 000	Other reserves $ 000	Retained earnings $ 000	Total $ 000
At 1 January 2023	4,544,018	201,843	3,899,943	8,645,804
Profit for the financial period	-	-	933,393	933,393
Dividends	-	-	(1,029,571)	(1,029,571)
At 30 June 2023	4,544,018	201,843	3,803,765	8,549,626

	Beneficial ownership interest $ 000	Other reserves $ 000	Retained earnings $ 000	Total $ 000
At 1 January 2022	4,544,018	4,899,765	3,750,938	13,194,721
Profit for the financial year	-	-	149,005	149,005
Distributions	-	(4,697,922)	-	(4,697,922)
At 31 December 2022	4,544,018	201,843	3,899,943	8,645,804

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AerCap Global Aviation Trust

Notes to the financial statements for the period ended 30 June 2023

1 General information

AerCap Global Aviation Trust ("AerCap Trust") is a Delaware Statutory Trust, formed on 05 February 2014, with its principal offices in Ireland. The address of its registered office is Aviation House, Shannon, Co. Clare, Ireland.

AerCap Ireland Designated Activity Company owns 100% of AerCap Global Aviation Trust.

AerCap Trust's ultimate parent and ultimate controlling party is AerCap Holdings N.V. AerCap Holdings N.V. prepares group financial statements and is both the smallest and largest group for which group financial statements are drawn up and of which AerCap Trust is a member. Copies of the AerCap Holdings N.V. group financial statements are publicly available from the Trade Register in the city of Amsterdam under the number 34251954.

2 Accounting policies

Summary of significant accounting policies
The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the financial years presented, unless otherwise stated.

Basis of preparation
These financial statements have been prepared on the going concern basis in accordance with Generally Accepted Accounting Standards in the Republic of Ireland, including Financial Reporting Standards 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' ('FRS 102') and present AerCap Trust on an entity basis only. Were AerCap Trust to prepare consolidated financial statements, the consolidated statement of financial position, consolidated income statement and consolidated statement of comprehensive income would be materially different from that presented in these accounts.

These financial statements have been prepared using the historical cost convention and are stated in US Dollars, which is the principal operating currency of the Trust and of the aviation industry.

Where relevant to the understanding of the financial performance of the Trust, certain transactions have been accounted for on a net basis and disclosed separately in the notes to the financial statements.

Consolidated financial statements have not been prepared as the Trust is a subsidiary of AerCap Holdings N.V. for which consolidated financial statements are prepared and publicly available. The results of the Trust are included in the consolidated financial statements of AerCap Holdings N.V.. These financial statements are available upon request from the Trade Register in the city of Amsterdam under the number 34251954.

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2 Accounting policies (continued)

Going concern

For the period ended 30 June 2023, the Trust recognised a net profit and as at 30 June 2023 it is in a net current asset position. The Management have a reasonable expectation that the Trust will continue in operational existence for the twelve months from the date of approval of the financial statements ("the period of assessment") and have prepared the financial statements on a going concern basis. In making the assessment the Management considered the potential impact on the Trust's results including:

• the continued impacts of the Ukraine Conflict, including the resulting sanctions by the United States, the European Union, the United Kingdom and other countries, on our business and results of operations, financial condition and cash flows;
• the rate of recovery in air travel in certain jurisdictions related to the Covid-19 pandemic;
• aviation industry market conditions, including general economic and political conditions;
• the Trust's funding and liquidity position;
• cashflow forecasts;
• the Trust's capital commitments;
• the Trust's capital commitments;
• the Trust's debt maturity profile and covenants headroom; and
• the ability and intent of the ultimate parent, AerCap Holdings N.V. to provide support to the Trust.

The principal activity of the Trust continues to be the procurement, sale and leasing of aircraft together with associated services. While the Trust continues to borrow funds externally and lends these onwards to group entities, this is not its principal activity and therefore the Directors have concluded that it is not a financial institution. The Trust did not earn net interest margin in the current year from lending to subsidiaries and is not exposed to any additional significant risk in this respect that is not already disclosed in the financial statements.

Summary of disclosure exemptions

As a qualifying entity, AerCap Trust has availed of a number of exemptions from the disclosure requirements of FRS 102 in the preparation of the entity financial statements. In accordance with FRS 102, the Trust has availed of the following exemptions:

• The requirements of paragraph 4.12(a)(iv) to disclose a reconciliation of the number of shares outstanding at the beginning and at the end of the period;
• The requirements of section 7 and paragraph 3.17(d) to present a statement of cash flows;
• The requirements of paragraphs 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b), 11.48(c), 12.26 (in relation to those cross-referenced paragraphs from which a disclosure exemption is available), 12.27, 12.29(a), 12.29(b), and 12.29A to disclose information about financial instruments;
• The requirements of paragraphs 26.18(b), 26.19 to 26.21 and 26.23 to disclose certain information about share based payment arrangements; and
• The requirements of paragraph 33.7 to disclose the Trust's key management personnel compensation.

Our significant accounting policies are described in our financial statements as filed for the year ended December 31, 2022.

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3 Critical accounting judgements and key sources of estimation uncertainty

The significant judgements made by management in applying accounting policies and the key sources of estimation uncertainty were the same as those that were applied in the Annual Report as filed for the year ended December 31, 2022.

4 Turnover

	Six months ended 30 June	
	2023	2022
	$ 000	$ 000
Operating lease income	243,173	250,565
Finance lease income	2,288	10,005
Supplemental rent	56,231	62,800
	301,692	323,370

Included in operating lease income is an amount of $56.2m (2022: $62.8m) for the period representing the release of maintenance reserves on lease terminations and redeliveries.

Management have overall responsibility for the Trust's activities and are therefore considered the chief operating decision maker. Management are of the opinion that the Trust is engaged in a single segment of business, being leasing of commercial jet aircraft. Management consider this appropriate due to the nature of the revenue earned for the business as a whole from its aircraft, being lease income from lessees.

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4 Turnover (continued)

Income arising from the leasing of flight equipment under operating leases and finance leases is derived from the following regions where the customers are based:

	Six months ended 30 June			
	2023 $ 000	2023 %	2022 $ 000	2022 %
China	37,909	13.00%	33,415	10.00%
United States of America	31,094	10.00%	41,947	13.00%
France	28,060	9.00%	52,645	16.00%
Netherlands	21,741	7.00%	22,738	7.00%
Israel	18,081	6.00%	18,094	6.00%
Hong Kong	16,158	5.00%	2,503	1.00%
Canada	15,305	5.00%	25,822	8.00%
United Kingdom	9,063	3.00%	11,785	4.00%
Ethiopia	2,344	1.00%	13,985	4.00%
Indonesia	-	-%	11,099	3.00%
Other	121,937	41.00%	89,337	28.00%
	301,692	100.00%	323,370	100.00%

One customer has a concentration of greater than 10% in 2023 (2022: One greater than 10%).

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4 Turnover (continued)

Minimum operating lease rentals receivable under non-cancellable leases:

	Six months ended 30 June	
	2023	2022
	$ 000	$ 000
Less than one year	468,542	220,454
One to two years	407,502	416,975
Two to three years	347,235	353,599
Three to four years	307,408	283,409
Four to five years	263,631	240,449
More than five years	826,383	782,683
	2,620,701	2,297,569

The total operating lease payments to which the Trust is committed and the periods in which they expire are as follows:

	Six months ended 30 June	
	2023	2022
	$ 000	$ 000
Minimum operating lease payments under non-cancellable leases:		
Not later than one year	1,525	1,860
Later than one year and not later than five years	1,663	1,612
Later than five years	970	-
	4,158	3,472

5 Other operating income

The analysis of the Trust's other operating income for the period is as follows:

	Six months ended 30 June	
	2023	2022
	$ 000	$ 000
Lease termination income	-	436
Other income (i)	332	4,462
Gain from changes in provisions	-	20,023
	332	24,921

(i) Other income primarily relates to proceeds from legal settlements

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6 Net Charges related to Ukraine Conflict

	Six months ended 30 June	
	2023	2022
	$ 000	$ 000
Write-offs and impairment related to Ukraine Conflict	-	404,195
Derecognition of lease-related assets and liabilities	-	(105,431)
Provision for impairment in subsidiaries	-	6,252
Letter of credit receipt	-	(800)
	-	304,216

The Ukraine conflict, including the Sanctions and the actions of our former Russian leesees and the Russian government, represents an unusual and infrequent event that is classified separately on our income statement. During the first six months of 2023 we recognised a net charge of $nil to our earnings (2022: $304.2m).

7 Operating expenses

The analysis of the Trust's operating expenses for the period are as follows:

	Six months ended 30 June	
	2023	2022
	$ 000	$ 000
Maintenance expense	9,094	324
Repairs maintenance and technical costs	23,207	515
Group recharges	19,709	29,051
Other operating expenses	1,225	20,978
Loss from changes in provisions (i)	8,779	-
Foreign exchange	-	808
	62,014	51,676

(i) Included in the loss from change in provisions is a debtors provison of $9.7m offset by a gain in finance lease provision $0.9m.

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8 Expenses and auditor's remuneration

The operating profit/(loss) is stated after charging/(crediting):

	2023 $ 000	2022 $ 000
Depreciation on flight equipment	130,447	128,369
Impairment provision on investment	236,524	-
Auditors' remuneration	-	-
Tax advisory services	-	-

Management and support services are provided to the Trust by AerCap Ireland Limited. The related costs were borne by AerCap Ireland Limited on behalf of the Trust. The Trust has not paid any fees or other remuneration to Management of the Trust in relation to their directorship role. These form part of their group-wide executive management role. A theoretical charge of $15,000 (2022: $15,000) per director would have been charged if costs were borne by the Trust.

9 Interest receivable and similar income

	Six months ended 30 June 2023 $ 000	 2022 $ 000
Interest on amounts due from group companies	1,100,386	585,164
Other finance income	6,191	4,526
	1,106,577	589,690

10 Interest payable and similar expenses

	Six months ended 30 June 2023 $ 000	 2022 $ 000
Interest payable to group undertakings (i)	68,601	24,367
External debt interest (ii)	569,891	593,150
Other finance costs	156	2,859
	638,648	620,376

(i) Interest is payable in respect of loans from group undertakings and are repayable on demand.

(ii) External debt interest is shown net of capitalised interest of $7.9m(2022: $6.8m).

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11 Dividend income

	Six months ended 30 June	
	2023	2022
	$ 000	$ 000
Dividend income	521,081	-

Dividend income amounting to $521.1m (2022:$nil) was received from subsidiary entities during the period.

12 Tangible assets

	June 30, 2023	December 31 2022
	Flight equipment	Flight equipment
	$ 000	$ 000
Cost		
Opening balance at 1 January	6,886,124	7,698,851
Additions	1,217,327	1,218,286
Disposals	(1,236,598)	(1,398,542)
Write-offs and impairment related to Ukraine Conflict	-	(632,471)
At end of the period	6,866,853	6,886,124
Depreciation		
Opening balance at 1 January	2,417,235	2,791,075
Depreciation charge for the period	130,350	238,601
Amortisation charge for the period	97	-
Disposals	(177,740)	(435,567)
Impairment	-	51,391
Write-offs and impairment related to Ukraine Conflict	-	(228,265)
At end of the period	2,369,942	2,417,235
Carrying amount		
At end of the period	4,496,911	4,468,889
At beginning of the period	4,468,889	4,907,776

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12 Tangible assets (continued)

Aircraft may be analysed as follows based on the remaining term outstanding on the associated operating leases for a further period of:

	June 30 2023 $ 000	31 December 2022 $ 000
Aircraft not on lease	47,516	134,145
Less than one year	426,233	277,704
From one to two years	419,589	654,729
From two to five years	927,814	1,014,668
After five years	2,675,759	2,387,643
	4,496,911	4,468,889

In accordance with the Trust's stated accounting policy, an impairment review was performed. The impairment provision was calculated by comparing the net carrying value of the aircraft to the higher of their net realisable value and value in use, based on anticipated future cash flows, discounted at 7.5% (2022: 6.5%). As a result of this review, an impairment provision of $nil was recognised during the period ended June 30, 2023 (six months ended June 30, 2022: $nil). We also recognised write offs and impairment of flight equipment of $nil (2022: $404.2m) related to the Ukraine Conflict. Please refer to note 6 for further details.

The following table presents our aircraft portfolio by type of aircraft:

	June 30, 2023 Number of aircraft	June 30, 2023 % of total net book value	December 31, 2022 Number of aircraft	December 31, 2022 % of total net book value
Passenger aircraft				
Airbus A320 family	46	14.68%	53	16.73%
Airbus A320neo family	14	14.95%	17	17.74%
Airbus A330	7	2.77%	7	2.98%
Airbus A350	2	3.85%	2	3.94%
Boeing 737NG	33	14.99%	36	16.39%
Beoing 767	2	0.14%	5	0.34%
Boeing 777-200ER	-	0.00%	1	0.03%
Boeing 777-300 / 300ER	7	6.48%	7	6.81%
Boeing 787	19	40.12%	16	34.99%
Embraer E190 / E195 / E2	2	1.52%	-	0.00%
Other	2	0.50%	1	0.05%
	134	100.00%	145	100.00%

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13 Investments

	30 June 2023 $ 000	31 December 2022 $ 000
Opening balance at the start of period	1,022,788	5,720,710
Additions during the period	5,606	-
Disposals during the period	-	(4,697,922)
Impairments	(236,524)	-
Closing balance at the end of period	791,870	1,022,788

14 Debtors: Amounts falling due after more than one year

	30 June 2023 $ 000	31 December 2022 $ 000
Finance lease receivables (see note 17)	99,095	103,523
Lease incentives	49,530	76,608
Accrued income	-	33,646
	148,625	213,777

15 Inventory

	30 June 2023 $ 000	31 December 2022 $ 000
Other inventories	596	437

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16 Debtors: Amounts falling due within one year

	30 June 2023 $ 000	31 December 2022 $ 000
Trade debtors (i)	43,457	34,543
Provision for impairment of trade debtors	(10,261)	(536)
Net trade debtors	33,196	34,007
Amounts due from group companies (ii)	38,525,139	38,816,282
Other debtors and prepayments	45,642	27,582
Accrued income	18,672	-
Finance lease receivables (see note 17)	21,059	36,236
	38,643,708	38,914,107

(i) Included in trade debtors, the Trust has a contractually deferred balance of $42.7m (2022: $31.9m).

(ii) Included within amounts due from group companies are amounts under sublease arrangements of $11.3m (2022: $1.9m). There is $nil provision with respect of amounts due from group companies at the period ended 30 June 2023 (2022: $8.4m). Interest on amounts due from group companies is charged at a composite rate of 6.4% (2022: 3.6%).

The Trust is managing the credit risk by monitoring the quality of assets of the group companies and initiating additional capital contribution to be provided by the ultimate parents company to the relevant group company as necessary. All amounts due from group companies are unsecured and are repayable on demand; therefore, there is no amount considered past due as of financial year end. Management of the Trust assess all outstanding balances as recoverable.

17 Finance lease receivables

	30 June 2023 $ 000	31 December 2022 $ 000
Present value of minimum lease payments		
Not later than one year	21,059	35,289
Later than one year and not later than five years	89,559	87,676
Later than five years	9,536	16,793
	120,154	139,758

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17 Finance lease receivables (continued)

	30 June 2023 $ 000	31 December 2022 $ 000
Gross investment in finance lease		
Not later than one year	27,475	42,524
Later than one year and not later than five years	100,971	101,298
Later than five years	11,643	19,001
	140,089	162,823

The total unearned finance lease income as at 30 June 2023 was $19.9m (2022: $23.0m). Unguaranteed residual value accruing to the benefit of the lessor amounted to $59.6m (2022: $90.1m). An allowance of $nil (2022: $0.9m) was recognised in the period.

18 Cash and cash equivalents

	30 June 2023 $ 000	31 December 2022 $ 000
Cash at bank	187,457	220,930

There are no restrictions on the cash at bank.

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19 Creditors: Amounts falling due within one year

	30 June 2023 $ 000	31 December 2022 $ 000
Trade payables (i)	55,471	24,131
Accrued expenses	2,656	7,813
Amounts due to Group companies	1,955,017	1,992,670
Loans and borrowings (see note 20)	4,260,233	4,058,969
Accrued interest	279,433	300,689
Security deposits	9,023	12,187
Maintenance reserves	72,680	44,742
Lessor contributions	3,346	4,148
	6,637,859	6,445,349

(i) Trade payables include $5.6m (2022: $21.7m) of initial instalment payments received under CSA.

20 Creditors: Amounts falling due after more than one year

	30 June 2023 $ 000	31 December 2022 $ 000
Loans and borrowings	29,197,839	30,006,778
Security deposits	59,555	76,847
Maintenance reserves	210,682	199,973
Lessor contributions	82,979	82,177
Vendor credit allocations	-	39,926
	29,551,055	30,405,701

Included in security deposits are amounts of $40.0m greater than 5 years (2022: $55.6m). Included in maintenance reserves are amounts of $79.5m greater than 5 years (2022: $66.3m).

The increase in maintenance reserves during the period is primarily due to billings of $36.3m, transfers of $9.8m and top ups of $3.6m. This increase is offset by releases of $9.0m and claims of $2.1m

The lessees of the Trust's aircraft have provided letters of credit totalling $24.9m (2022: $27.6m) as security against their rental and maintenance obligations under the lease agreements.

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21 Loans and borrowings

	30 June 2023 $ 000 Nominal value	30 June 2023 $ 000 Book value	31 December 2022 $ 000 Nominal Value	31 December 2022 $ 000 Book Value
Unsecured Notes				
AerCap Trust & AICDC	10,100,000	10,039,469	10,700,000	10,643,563
GE notes	1,000,000	1,000,000	1,000,000	1,000,000
GE acquisition notes	21,000,000	20,889,119	21,000,000	20,877,849
Total unsecured notes	32,100,000	31,928,588	32,700,000	32,521,412
ECAPS subordinated debt	1,000,000	1,000,000	999,788	999,788
Junior subordinated debt	500,000	496,421	500,000	496,387
Other secured debt	33,063	33,063	47,801	47,801
Balance at 30 June	33,633,063	33,458,072	34,247,589	34,065,388

Analysis of the maturity of loans is given below:

	30 June 2023 $ 000	31 December 2022 $ 000
Loan Maturity		
Amounts falling due within one year	4,260,233	4,058,969
Amounts falling due within one to two years	6,266,622	6,765,634
Amounts falling due within two to five years	11,193,637	10,945,477
Amounts falling due after more than five years	11,737,580	12,295,308
	33,458,072	34,065,388

Interest rate benchmarks, including the London Interbank Offered Rates ("LIBOR"), are the subject of ongoing reform and, in some cases, discontinuation. On 27 July 2017, the Chief Executive of the U.K. Financial Conduct Authority (the "FCA"), which regulates LIBOR, announced that the FCA will no longer persuade or compel banks to submit rates for the calculation of LIBOR after 2021. This has subsequently been extended to June 2023 for the major USD LIBOR tenors. The $450m loan outstanding Dec 31st 2022 was amended (to SOFR) in February of this year. There are no more LIBOR linked loans outstanding where the Trust is a guarantor as at 30 June 2023.

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21 Loans and borrowings (continued)

A reconciliation of the movement in class of debt for the period ended 30 June 2023 is set out below:

	Opening Balance 2023 $ 000	Issued $ 000	Repaid $ 000	Amortised $ 000	30 June 2023 $ 000
AerCap Trust and AICDC	10,643,563	1,000,000	(1,600,000)	(4,093)	10,039,470
GECAS notes	1,000,000	-	-	-	1,000,000
GECAS acquisition notes	20,877,850	-	-	11,269	20,889,119
	32,521,413	1,000,000	(1,600,000)	7,176	31,928,589
ECAPS subordinated debt	999,788	-	-	212	1,000,000
Junior subordinated debt	496,387	-	-	34	496,421
Other secured debt	47,801	-	(14,738)	-	33,063
	34,065,389	1,000,000	(1,614,738)	7,422	33,458,073

A reconciliation of the movement in class of debt for the year ended 31 December 2022 is set out below:

	Opening Balance 2022 $ 000	Issued 2022 $ 000	Repaid 2022 $ 000	Amortised 2022 $ 000	Closing Balance 2022 $ 000
ILFC legacy notes	1,038,485	-	(1,034,274)	(4,211)	-
AerCap Trust and AICDC	12,087,834	-	(1,467,202)	22,930	10,643,562
GECAS notes	999,990	-	-	10	1,000,000
GECAS acquisition notes	20,856,270	-	-	21,580	20,877,850
	34,982,579	-	(2,501,476)	40,309	32,521,412
ECAPS subordinated debt	999,846	-	-	(58)	999,788
Junior subordinated debt	496,260	-	-	127	496,387
Other secured debt	48,916	-	(1,115)	-	47,801
	36,527,601	-	(2,502,591)	40,378	34,065,388

Additional details of the principal terms of our Loans and borrowings can be found in our Annual Report as filed for the year ended December 31, 2022. There have been no material changes to our Loans and borrowings as of the date of this report except for scheduled repayments.

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22 Commitments

Prepayments of aircraft purchases
As at 30 June 2023 the Trust had commitments to purchase 129 new aircraft scheduled for delivery through 2027. Our contractual commitments for the purchase of flight equipment amount to an estimated total of $6.1bn (including adjustments for certain contractual escalation provisions). These commitments are based upon purchase agreements with Boeing, Airbus and Embraer.

These agreements establish the pricing formulae and various other terms with respect to the purchase of aircraft. Under certain circumstances the Trust have the right to alter the mix of aircraft types ultimately acquired. As at 30 June 2023 the Trust had made non-refundable deposits on these purchase commitments (exclusive of capitalised interest) of approximately $398.6m.

The amounts of borrowing costs capitalised in the period ended 30 June 2023 was $7.9m (2022: $6.8m) at a capitalisation rate of 3.6% (2022: 3.4%).

Managment anticipates that a portion of the aggregate purchase price for the acquisition of aircarf will be funded by incurring additional debt. The amount of indebtedness to be incurred will depend upon the final purchase price of the aircraft, which can vary due to a number of factors, including inflation.

Legal proceedings
In the ordinary course of business, the Trust are a party to various legal actions, which management believe are incidental to the operations of our business. The Trust regularly reviews the possible outcome of such legal actions, and accrues for legal actions at the time a loss is probable and the amount of the loss can be estimated. In addition, the Trust also reviews the applicable indemnities and insurance coverage. Based on the information currently available, we believe the potential outcome of these cases, and our estimates of the reasonably possible losses exceeding amounts already recognised on an aggregated basis and is immaterial to the Trust's financial condition, results of operations or cash flows.

23 Related party transactions

Under FRS102, the Trust is exempt from the requirement to disclose related party transactions with other group companies on the grounds that it is a wholly owned indirect subsidiary of AerCap Holdings NV, which prepares consolidated financial statements that are available to the public.

24 Ultimate parent undertaking

The Trust's ultimate parent is AerCap Holdings N.V., incorporated in the Netherlands, into which the results of the AerCap Global Aviation Trust are consolidated. The consolidated accounts of AerCap Holdings N.V. are publicly available from the Trade Register in the city of Amsterdam under the number 34251954.

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25 Beneficial ownership interest

Prior to the closing date of the ILFC Transaction on 14 May 2014, AICDC, as beneficial owner of the Trust, made a contribution of $4,500m to the Trust to acquire all of ILFC's assets and substantially all of ILFC's liabilities in line with the reorganisation.

In return for this contribution, the Trust issued ownership interests ("Interests") in the Trust, the rights of which are set out in the AerCap Trust Deed. These Interests include (i) rights to profits, losses, allocations and distributions, (ii) rights to vote or grant or withhold consents with respect to the Trust and (iii) beneficial interest in the property of the Trust.

The Interests are a single class of beneficial ownership interest with no differences between the rights, preferences and restrictions of each interest.

26 Post balance sheet events

The Trust received a capital contribution of $9.9bn from AerCap Ireland Capital Designated Activity Company in July 2023, the proceeds of which were used to acquire the shares in AerCap Aviation Leasing Limited.

In September 2023 AerCap Trust and AICDC co-issued $900 million aggregate principal amount of 6.1% Senior Notes due 2027 at a price to the public of 99.540%. Also in September 2023, AerCap Trust and AICDC co-issued $850 million aggregate principal amount of 6.15% Senior Notes due 2030 at a price to the public of 99.371%. The Notes will be fully and unconditionally guaranteed on a senior unsecured basis by AerCap and certain other subsidiaries of AerCap.

After the end of the reporting period, a number of the Trust's subsidiaries received cash insurance settlement proceeds in the total amount of $533.3 million in full settlement of their insurance claims under a Russian airline’s insurance policies. The claims were in respect of twelve aircraft and five engines the Trust's subsidiaries leased to that Russian airline at the time of Russia’s invasion of Ukraine in February 2022.

27 Approval of financial statements

The board of Directors approved these financial statements for issue on 28 September 2023.