AerCap Holdings N.V. Dutch GAAP Annual Report
for the year ended December 31, 2015

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AerCap Holdings N.V. Annual Report 2015

TABLE OF DEFINITIONS

ACSAL	ACSAL HOLDCO, LLC
AeroTurbine	AeroTurbine, Inc.
AerCap, We or the Company	AerCap Holdings N.V. and its subsidiaries
AerCap Trust	AerCap Global Aviation Trust
AerLift	AerLift Leasing Ltd.
AerLift Jet	AerLift Leasing Jet Ltd.
AIG	American International Group, Inc.
Airbus	Airbus S.A.S.
ALS II	Aircraft Lease Securitisation II Limited
ALS Transaction	The sale of our equity interest (E-Notes) in Aircraft Lease Securitisation Limited to Guggenheim Partners, LLC on November 14, 2012.
Boeing	The Boeing Company
ECA	Export Credit Agency
ECAPS	Enhanced Capital Advantaged Preferred Securities
Embraer	Embraer S.A.
EOL	End of lease
Ex-Im	Export-Import Bank of the United States
FASB	Financial Accounting Standards Board
GECC	General Electric Capital Corporation
GFL	Genesis Funding Limited
GFL Transaction	The sale by AerCap of 100% of the class A common shares in GFL to GFL Holdings, LLC, an affiliate of Wood Creek Capital Management, LLC, on April 22, 2014.
ILFC	International Lease Finance Corporation
ILFC Transaction	The purchase by AerCap and AerCap Ireland Limited, a wholly-owned subsidiary of AerCap, of 100% of ILFC's common stock from AIG on May 14, 2014.
IRS	Internal Revenue Service
Junior Subordinated Notes	$500 million of junior subordinated notes due 2045 to AIG.
LIBOR	London Interbank Offered Rates
MR	Maintenance reserved
Part-out	Disassembly of an aircraft for the sale of its parts
PB	Primary beneficiary—when the Company controls and has the ability to affect returns through its power over the investee.

Reorganization	The transfer of substantially all of ILFC's assets to AerCap Trust and AerCap Trust's assumption of substantially all of ILFC's liabilities on May 14, 2014.
SEC	U.S. Securities and Exchange Commission
Share Repurchase	The repurchase by AerCap of 15,698,588 of its ordinary shares from AIG for consideration consisting of the Junior Subordinated Notes and $250 million of cash on hand on June 9, 2015.
SPE	Special purpose entity
Waha	Waha Capital PJSC

BOARD REPORT

History and development of the company

AerCap Holdings N.V. is incorporated in the Netherlands as a public limited liability company ("*naamloze vennootschap" or* "N.V.") on July 10, 2006. On November 27, 2006, we completed the initial public offering of 26.1 million of our ordinary shares on the New York Stock Exchange (the "NYSE"). On August 6, 2007, we completed the secondary offering of 20.0 million additional ordinary shares on the NYSE. Pursuant to our recent migration from the Netherlands to Ireland, we moved our headquarters and executive officers from Amsterdam to Dublin, effective as of February 1, 2016. We continue to have offices in Amsterdam, Los Angeles, Shannon, Fort Lauderdale, Miami, Singapore, Shanghai and Abu Dhabi. We also have representation offices at the world's largest aircraft manufacturers, Boeing in Seattle and Airbus in Toulouse.

On May 14, 2014 (the "Closing Date"), we issued 97,560,976 new ordinary shares and paid $2.4 billion in cash to AIG to successfully complete the ILFC Transaction. Immediately following the ILFC Transaction, AIG owned approximately 46% of AerCap. Following the ILFC Transaction, we effected a reorganization of ILFC's corporate structure and assets, pursuant to which ILFC transferred its assets substantially as an entirety to AerCap Trust, a legal entity formed on February 5, 2014, and AerCap Trust assumed substantially all the liabilities of ILFC, including liabilities in respect of ILFC's indebtedness.

On June 9, 2015, AIG sold 71,184,686 of its AerCap ordinary shares in a secondary public offering and AerCap completed the Share Repurchase of 15,698,588 ordinary shares.

On August 24, 2015, AIG sold 10,677,702 of its AerCap ordinary shares in a secondary public offering. Following this sale, AIG no longer owns any of our outstanding ordinary shares or has any designees on our Board of Directors.

During the fourth quarter of 2015, we made the decision to downsize the AeroTurbine business. After completion of the downsizing, AeroTurbine will only provide services to support AerCap's aircraft leasing business, including aircraft maintenance, engine leasing and engine trading. Please refer to Note 25—*AeroTurbine restructuring* to our Consolidated Financial Statements included in this Annual Report for detail of the AeroTurbine related restructuring expenses we recorded during the fourth quarter of 2015. We expect to complete the downsizing during the next two years and do not expect the remaining restructuring related expenses to be material.

As of December 31, 2015, we had 203,411,207 ordinary shares issued including 200,342,204 ordinary shares issued and outstanding and 3,069,003 ordinary shares held as treasury shares. Our issued and outstanding ordinary shares included 3,030,724 unvested restricted stock.

Description of business

We are the world's largest independent aircraft leasing company. We focus on acquiring in-demand aircraft at attractive prices, funding them efficiently, hedging interest rate risk conservatively and using our platform to deploy these assets with the objective of delivering superior risk adjusted returns. We believe that by applying our expertise, we will be able to identify and execute on a broad range of market opportunities that we expect will generate attractive returns for our shareholders. We are an independent aircraft lessor, and, as such, we are not affiliated with any airframe or engine manufacturer. This independence provides us with purchasing flexibility to acquire aircraft or engine models regardless of the manufacturer.

We lease most of our aircraft to airlines under operating leases. Under an operating lease, the lessee is responsible for the maintenance and servicing of the equipment during the lease term and the lessor receives the benefit, and assumes the risk of the residual value of the equipment at the end of the lease.

We have the infrastructure, expertise and resources to execute a large number of diverse aircraft transactions in a variety of market conditions. During the year ended December 31, 2015, we executed 405 aircraft transactions. Our teams of dedicated marketing and asset trading professionals have been successful in leasing and managing our aircraft portfolio. During the year ended December 31, 2015, our weighted average owned aircraft utilization rate was 99.5%, calculated based on the average number of months the aircraft are on lease during the year. The utilization rate is weighted proportionately to the net book value of the aircraft as of December 31, 2015.

Our business strategy

We develop our aircraft leasing business by executing on our focused business strategy, the key components of which are as follows:

Manage the profitability of our aircraft portfolio

Manage the profitability of our aircraft portfolio by selectively:

- purchasing aircraft directly from manufacturers;
- entering into purchase and leaseback transactions with aircraft operators;
- using our global customer relationships to obtain favorable lease terms for aircraft and maximizing aircraft utilization;
- maintaining diverse sources of global funding;
- optimizing our portfolio by selling select aircraft; and
- providing management services to securitization vehicles, our joint ventures and other aircraft owners at limited incremental cost to us.

Our ability to profitably manage aircraft throughout their lifecycle depends in part on our ability to successfully source acquisition opportunities of new and used aircraft at favorable terms, as well as secure long-term funding for such acquisitions, lease aircraft at profitable rates, minimize downtime between leases and associated technical expenses and opportunistically sell aircraft.

Efficiently manage our liquidity

Our management analyzes sources of financing based on pricing and other terms and conditions in order to optimize the return on our investments. We have the ability to access a broad range of liquidity sources globally, and since 2010, we have raised in excess of $26 billion of financing, including through bank debt, governmental secured debt, securitization and note issuances in the debt capital markets.

We have access to liquidity in the form of our revolving credit facilities and our term loan facilities, which provides us with flexibility in raising capital and enables us to deploy capital rapidly to accretive purchasing opportunities that arise in the market. As of December 31, 2015, we had approximately $6.7 billion of undrawn lines of credit available under our credit and term loan facilities and $2.4 billion of unrestricted cash. We strive to maintain a diverse financing strategy, both in terms of capital providers and structure, through the use of bank debt, securitization structures, note issuance and export credit, including ECA guaranteed loans, in order to maximize our financial flexibility. We also leverage our long-standing relationships with the major aircraft financers and lenders to secure access to capital. In addition, we attempt to maximize the cash flows and continue to pursue the sale of aircraft to generate additional cash flows. Please refer to Note 15—*Debt* to our Consolidated Financial Statements included in this Annual Report for a detailed description of our outstanding indebtedness.

Manage our aircraft portfolio

We intend to maintain an attractive portfolio of in-demand aircraft by acquiring new aircraft directly from aircraft manufacturers, executing purchase and leasebacks through the airlines, assisting airlines with refleetings, and through other opportunistic transactions. We will rely on our experienced team of portfolio management professionals to identify and purchase assets we believe are being sold at attractive prices or that we believe will increase in demand and value. In addition, we intend to continue to rebalance our aircraft portfolio through sales to maintain the appropriate mix of aviation assets by customer concentration, age and aircraft type.

Maintain a diversified and satisfied customer base

We currently lease our owned and managed aircraft to over 200 commercial airline and cargo operator customers in approximately 80 countries. We monitor our exposure concentrations by both lessee and country jurisdiction and intend to maintain a well-diversified customer base. We believe we offer a quality product, both in terms of asset and customer service, to all of our customers. We have successfully worked with many airlines to find mutually beneficial solutions to operational and financial challenges. We believe we maintain excellent relations with our customers. We have been able to achieve a high utilization rate on our aircraft assets as a result of our customer reach, quality product offering and strong portfolio management capabilities.

Joint ventures

We conduct some of our business through joint ventures. The joint venture arrangements allow us to:

- order new aircraft in larger quantities to increase our buying power and economic leverage;
- increase the geographical and product diversity of our portfolio;
- obtain stable servicing revenues; and
- diversify our exposure to the economic risks related to aircraft.

Please refer to Note 27—*Special purpose entities* to our Consolidated Financial Statements included in this Annual Report for a detailed description of our joint ventures.

Relationship with Airbus and Boeing and other manufacturers

We are one of the largest customers of Airbus and Boeing measured by deliveries of aircraft through 2015 and our order backlog. We are also the launch customer of the Embraer E2 program, with an order for 50 E-Jets E2 aircraft which are scheduled for entry into service in 2018. We are also among the largest purchasers of engines from each of CFM International, GE Aviation, International Aero Engines, Pratt & Whitney and Rolls-Royce. These extensive manufacturer relationships and the scale of our business enable us to place large orders with favorable terms and conditions, including pricing and delivery terms. In addition, these strategic relationships with manufacturers and market knowledge allow us to participate in new aircraft designs, which gives us increased confidence in our airframe and engine selections. AerCap cooperates broadly with manufacturers seeking mutually beneficial opportunities, including additional orders, purchasing selective new aircraft on short notice, and facilitating manufacturer targets by purchasing used aircraft from airlines seeking to renew their fleets.

Risk management and control framework

Our management is responsible for designing, implementing and operating an adequate functioning internal risk management and control framework. The purpose of this framework is to identify and manage the strategic, operational, financial and compliance risks to which we are exposed, to promote effectiveness and efficiency of our operations, to promote reliable financial reporting and to promote compliance with laws and regulations. Supervision is exercised by our Audit Committee, as described in the "Committees of the Board of Directors" section included in this Annual Report. Our internal risk management and control framework is based on the COSO framework developed by the Committee of Sponsoring Organizations of the Treadway Commission (2013). The COSO framework aims to provide reasonable assurance regarding effectiveness and efficiency of an entity's operations, reliability of financial reporting, prevention of fraud and compliance with laws and regulations.

Risk appetite

Pursuing business strategy objectives inevitably leads to taking risks. Risks can jeopardize those objectives in various ways. Each type of risk encountered is addressed in a manner and with the intensity that matches the nature and size of the risk in relation to the Company's risk appetite. The risk appetite is the total residual impact of risks that we are willing to accept in the pursuit of our objectives. Effective risk management is a key success factor for realizing the Company's strategic objectives. Risk areas with a low-risk appetite and thus a low acceptable residual risk require strong risk management and strong internal controls. Risk areas with a high-risk appetite require relatively less risk management and internal control effort.

Primary risks and mitigating measures

Our business is subject to various risks relating to changing competitive, economic, political, regulatory, legal, social, industrial, business and financial conditions. The following table includes our primary risks which could harm the realization of our strategic business objectives, our financial condition and operating results, adversely affect our revenues and profitability, and possibly impact our share price, and their mitigation measures. For other risks that may affect us, we refer to our filings with the SEC which are accessible through our website www.aercap.com.

Risks	Mitigating Measures
Industry Specific Risks	
Cyclical movements in the aircraft leasing industry and lease rates	• Highly diversified customer base • Security deposit and maintenance reserves • Proactive risk management
Aircraft valuation	• Focus on in-demand liquid aircraft types • Continually optimize portfolio through aircraft acquisitions and disposals
Funding / Capital Structure Risks	
Availability of cost effective funds	• Focus on highly diversified, long-term funding to match long-term assets • Appropriate mix of funding in capital markets and secured debt markets • Long-standing relationships with the major aircraft financiers and lenders • Flexible repayment profiles • Conservative leverage
Interest Rate Exposure	
Increased cost of borrowing and changes in interest rates	• Hedge through a mix of interest rate caps, swaps and fixed-rate loans to benefit from decreasing interest rates, while protecting against increasing interest rates

Risk that materialized in 2015

We believe that our primary risks are sufficiently mitigated based on above countermeasures. None of these risks materialized in such a way that it had a material impact on our 2015 results.

Other elements of our internal risk management and control framework include:

Planning and control cycle

The planning and control cycle consists of an annual budget and business plan prepared by management and approved by our Board of Directors, quarterly forecasts and operational reviews and monthly financial reporting.

Risk management and internal controls

We have developed policies and procedures for all areas of our operations, both financial and non-financial, that constitutes a broad system of internal control. This system of internal control has been developed through a risk-based approach and enhanced with a view to achieving and maintaining full compliance with the requirements of Section 404 of the Sarbanes-Oxley Act. Our system of internal control is embedded in our standard business practices and is validated through audits performed by our internal auditors and through management testing of Sarbanes-Oxley Act controls, which is performed with the assistance of external advisors. In addition, senior management personnel and finance managers of our main operating subsidiaries annually sign a detailed letter of representation with regard to financial reporting, internal controls and ethical principles. All of our employees working in finance or accounting functions are subject to a separate Finance Code of Ethics.

Controls and procedures statement under the Sarbanes-Oxley Act

As of December 31, 2015, our management (with the participation of our Chief Executive Officer and Chief Financial Officer) conducted an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures pursuant to section 302 of the Sarbanes-Oxley Act and Rule 13a-15 of the Exchange Act of 1934, as amended (the "Exchange Act"). Based on this evaluation, our Chief Executive Officer and Chief Financial Officer concluded that as of December 31, 2015, such disclosure controls and procedures were effective to provide reasonable assurance that information required to be disclosed by us in reports we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the SEC.

Disclosure controls and procedures

The Disclosure Committee assists our Chief Executive Officer and Chief Financial Officer in overseeing our financial and non-financial disclosure activities and to ensure compliance with applicable disclosure requirements arising under U.S. and Dutch law and regulatory requirements. The Disclosure Committee obtains information for its recommendations from the operational and financial reviews, letters of representation, which include a risk and internal controls self-assessment, input from the documentation and assessment of our internal controls over financial reporting and input from risk management activities during the year along with various business reports. The Disclosure Committee comprises various members of senior management.

Code of Conduct and Whistleblower Policy

Our Code of Conduct is applicable to all our employees, including the Chief Executive Officer, Chief Financial Officer and controllers. It is designed to promote honest and ethical conduct and timely and accurate disclosure in our periodic financial results. Our Whistleblower Policy provides for the reporting, if so wished on an anonymous basis, of alleged violations of the Code of Conduct, alleged irregularities of a financial nature by our employees, directors or other stakeholders, alleged violations of our compliance procedures and other alleged irregularities without any fear of reprisal against the individual that reports the violation or irregularity.

Compliance procedures

AerCap has various procedures and programs in place to ensure compliance with relevant laws and regulations, including anti-insider trading procedures, anti-bribery procedures, anti-fraud procedures, economic sanctions and export control compliance procedures, anti-money laundering procedures and anti-trust procedures. AerCap's compliance officer is responsible for the design and effective operation of the compliance procedures and programs. The procedures are subject to regular audits by the internal audit function.

2015 financial and operating review

Results of operations

Net income attributable to AerCap Holdings N.V. during the year ended December 31, 2015 was $1,078.5 million, as compared to $763.6 million during the year ended December 31, 2014. Our total revenues and other income increased by $1.7 billion, or 47%, to $5.3 billion during the year ended December 31, 2015 from $3.6 billion during the year ended December 31, 2014. For the year ended December 31, 2015, total basic earnings per share was $5.29. The average number of outstanding basic shares was approximately 204 million for the year ended December 31, 2015.

Aviation assets

We acquired $3.6 billion of aviation assets, including 46 aircraft during the year ended December 31, 2015. Total assets were $43.8 billion as of December 31, 2015. As of December 31, 2015, we owned 1,109 aircraft, including 1,067 aircraft under operating leases, 37 aircraft under finance and sales-type leases, five aircraft that met the criteria for being classified as held for sale but excluding four aircraft that were owned by AeroTurbine. In addition, we managed 141 aircraft, including AerDragon, a non-consolidated joint venture, which owned or had on order 30 aircraft. The average age of our 1,109 owned aircraft fleet, weighted by net book value, was 7.7 years as of December 31, 2015. We operate our business on a global basis and as of December 31, 2015, our 1,109 owned aircraft were on lease to 187 customers in 76 countries, with no lessee accounting for more than 10% of total lease revenue for the year ended December 31, 2015. As of December 31, 2015, our operating lease portfolio included nine aircraft that were off-lease. As of March 11, 2016, all nine of these off-lease aircraft have been re-leased.

As of December 31, 2015, we also had 447 new aircraft on order, which included 209 Airbus A320neo family aircraft, 109 Boeing 737MAX aircraft, 51 Boeing 787 aircraft, 50 Embraer E-Jets E2 aircraft, 27 Airbus A350 aircraft and one Boeing 737NG aircraft.

Liquidity and capital resources

Our cash balance as of December 31, 2015 was $2.8 billion, including restricted cash of $0.4 billion. Our unused lines of credit as of December 31, 2015 were $6.7 billion. Our total liquidity, including undrawn lines of credit and unrestricted cash and contracted asset sales, was $9.2 billion as of December 31, 2015. Our debt, including fair value adjustments of $0.8 billion but excluding capitalized debt issuance cost of $0.2 billion, as of December 31, 2015 was $29.8 billion and our average interest cost of debt, excluding the effect of mark-to-market movements on our interest rate caps and swaps during the year ended December 31, 2015 was 3.6%. Our debt to equity ratio was 3.0 to 1 as of December 31, 2015. Debt to equity ratio is obtained by dividing adjusted debt by adjusted equity. Adjusted debt means consolidated total debt less cash and cash equivalents, and less 50% equity credit with respect to $1.5 billion of subordinated debt. Adjusted equity means total equity, plus the 50% equity credit.

We believe our existing sources of liquidity will be sufficient to operate our business and cover at least 1.2x of our debt maturities and contracted capital expenditures for the next 12 months. Our sources of liquidity include available revolving credit facilities, unrestricted cash, estimated operating cash flows and cash flows from contracted asset sales.

Interest rate risk

The following tables present the average notional amounts and weighted average interest rates which are contracted for the specified year for our derivative financial instruments that are sensitive to changes in interest rates, including our interest rate caps and swaps, as of December 31, 2015. Notional amounts are used to calculate the contractual payments to be exchanged under the contract. Under our interest rate caps, we will receive the excess, if any, of LIBOR, reset monthly or quarterly on an actual/360 adjusted basis, over the strike rate of the relevant cap. For our interest rate swaps, pay rates are based on the fixed rate which we are contracted to pay to our swap counterparty.

	2016	2017	2018	2019	2020	Thereafter	Fair value
			(U.S. dollar amounts in millions)				
Interest rate caps							
Average notional amounts . . .	$2,572.7	$2,521.7	$1,782.3	$1,115.4	$438.0	$47.7	$19.0
Weighted average strike rate .	2.1%	2.2%	2.4%	2.3%	2.3%	3.1%	

	2016	2017	2018	2019	2020	Thereafter	Fair value
			(U.S. dollar amounts in millions)				
Interest rate swaps							
Average notional amounts . . .	$ 23.1	$ 21.5	$ 19.9	$ 18.3	$ 15.4	$ —	$ —
Weighted average pay rate . . .	1.5%	1.5%	1.5%	1.5%	1.5%	—%	

The variable benchmark interest rates associated with these instruments ranged from one- to three-month U.S. dollar LIBOR.

Personnel and financial outlook

As of December 31, 2015, we had 374 permanent employees relating to our aircraft leasing business, and 11 employees on short-term contracts. In addition, AeroTurbine, which is in the process of a downsizing, had 411 employees as of December 31, 2015. As of December 31, 2014, we had 332 permanent employees relating to our aircraft leasing business, and 104 employees on short-term contracts, most of which were terminated during the year ended December 31, 2015, who assisted with the integration of ILFC as of December 31, 2014.

Our financial outlook, which could be subject to change, in light of highly fluid market conditions and other factors, is a 7-9% core EPS growth per annum through 2018. For 2016, we had already committed to $3.9 billion of aircraft purchases.

Corporate governance

As we are listed on the NYSE and incorporated in the Netherlands as a public limited company ("*naamloze vennootschap*" or "N.V."), we are required to comply with the Sarbanes-Oxley Act of 2002, as amended (the "Sarbanes-Oxley Act") and certain corporate governance requirements and best practices set out by the NYSE, the SEC and the Dutch Corporate Governance Code (the "Code"). We have elected to be exempt from the NYSE rules on directors independence as a foreign private issuer. For further information and the full text of the Code please refer to: *www.commissiecorporategovernance.nl*.

At AerCap, we are committed to upholding the highest standard in corporate governance and ethic practices. We believe our numerous internal policies and procedures provide a structure for the operation of the Company that is consistent with the best interests of our shareholders and customers, as well as requirements of applicable law and modern standards of corporate governance. We endeavor to ensure our policies and procedures comply with both U.S. and Dutch corporate governance requirements, to the extent possible and desirable. The Code contains principles and best practices for Dutch companies with listed shares, and requires companies to either comply with the best practice provisions of the Code or to explain why they deviate from these best practice provisions.

Corporate governance related documents, including our articles of association, the Rules for the Board of Directors including its Committees (also referred to herein as the "Board Rules"), the Code of Conduct, the Whistleblower Procedure and our Insider Trading Rules, are available on our website.

Board of Directors

Responsibilities

Under our articles of association, the Board Rules, and Dutch corporate law, the members of the Board of Directors are collectively responsible for the management, general and financial affairs, policy, and strategy of our Company.

Our Board of Directors has a one-tier structure and currently consists of nine directors, including one executive director. The executive director is our Chief Executive Officer, who is primarily responsible for managing our day-to-day affairs as well as other responsibilities that have been delegated to the executive director in accordance with our articles of association and Board Rules. The non-executive directors supervise the Chief Executive Officer and our general affairs and provide general advice to our Chief Executive Officer. In performing their duties, the non-executive directors are guided by the interests of the Company and shall, within the boundaries set by relevant Dutch law, take into account the relevant interests of our shareholders and other stakeholders in AerCap. The Board has appointed from among its non-executive directors the Chairman and the Vice Chairman of the Board of Directors.

The Chairman of the Board of Directors is obligated to ensure, among other things, that *(i)* each director receives all information about matters that he or she may deem useful or necessary in connection with the proper performance of his or her duties; *(ii)* each director has sufficient time for consultation and decision making; and *(iii)* the Board of Directors and the Board Committees are properly constituted and functioning. The Vice Chairman of the Board of Directors shall be charged with the Chairman's tasks, should the latter become temporarily or permanently incapacitated or prevented from acting. The internal affairs of the Board of Directors are governed by our Board Rules.

Our current directors are:

Name	Age	Nationality	Gender	Position	Initial Appointment	End of Current Term(a)
Pieter Korteweg	74	The Netherlands	M	Non-Executive Chairman of the Board of Directors	2006	2018
Aengus Kelly	42	Ireland	M	Executive Director and Chief Executive Officer	2011	2019
Salem Al Noaimi . . .	40	United Arab Emirates	M	Non-Executive Director	2011	2017
Homaid Al Shimmari	48	United Arab Emirates	M	Non-Executive Director	2011	2017
James (Jim) Chapman	53	United States of America	M	Non-Executive Director	2006	2017
Paul Dacier	58	United States of America	M	Non-Executive Director and Vice Chairman	2010	2018
Richard (Michael) Gradon	56	United Kingdom	M	Non-Executive Director	2010	2018
Marius Jonkhart	66	The Netherlands	M	Non-Executive Director	2006	2017
Robert (Bob) Warden	43	United States of America	M	Non-Executive Director	2006	2018

(a) The term for each director ends at the Annual General Meeting typically held in April or May of each year.

Pieter Korteweg. Mr. Korteweg has been a Director of AerCap since September 27, 2006. He serves as Vice Chairman of Cerberus Global Investment Advisors, LLC, and Director of Cerberus entities in the Netherlands. In addition, he serves as Member of the Supervisory Board of Bawag PSK Bank (Vienna), Member of the Board of Bawag Holding GmbH (Vienna), Chairman of the Board of Capital Home Loans Limited and Non-Executive Member of the Board of Haya Real Estate S.L.U. (Madrid). He currently also serves as senior advisor to Anthos B.V. Mr. Korteweg previously served, amongst others, as Member of the Supervisory Board of Mercedes Benz Nederland BV, as Non-Executive Member of the Board of Aozora Bank Ltd. (Tokyo), Chairman of the Supervisory Board of Pensions and Insurance Supervisory Authority of the Netherlands, Chairman of the Supervisory Board of the Dutch Central Bureau of Statistics and Vice Chairman of the Supervisory Board of De Nederlandsche Bank. From 1987 to 2001, Mr. Korteweg was President and Chief Executive Officer of Robeco Group in Rotterdam. From 1981 to 1986, he was Treasurer General at the Dutch Ministry of Finance. Mr. Korteweg was a professor of economics from 1971 to 1998 at Erasmus University Rotterdam in the Netherlands. He holds a PhD in Economics from Erasmus University Rotterdam.

Aengus Kelly. Mr. Kelly was appointed Executive Director and Chief Executive Officer of AerCap on May 18, 2011. Previously he served as Chief Executive Officer of AerCap's U.S. operations since January 2008 and was AerCap's Group Treasurer from 2005 through December 31, 2007. He started his career in the aviation leasing and financing business with Guinness Peat Aviation in 1998 and has continued working with its successors AerFi in Ireland and debis AirFinance and AerCap in Amsterdam. Prior to joining GPA in 1998, he spent three years with KPMG in Dublin. Mr. Kelly is a

Chartered Accountant and holds a Bachelor's degree in Commerce and a Master's degree in Accounting from University College Dublin.

Salem Al Noaimi. Mr. Al Noaimi has been a Director of AerCap since May 18, 2011. Mr. Al Noaimi is also Waha Capital's Chief Executive Officer and Managing Director, responsible for leading the company's overall strategy across its business lines. Mr. Al Noaimi has served as Waha's CEO over the past seven years, with previous roles including Deputy CEO of Waha, and CEO of Waha Leasing. Earlier in his career, Mr. Al Noaimi held various positions at Dubai Islamic Bank, the UAE Central Bank, the Abu Dhabi Fund for Development and Kraft Foods. He chairs and sits on the Board of a number of companies, including Abu Dhabi Ship Building, Dunia Finance, Anglo Arabian Healthcare and Bahrain's ADDAX Bank. Mr. Al Noaimi is a UAE national with a degree in Finance and International Business from Northeastern University in Boston.

Homaid Al Shimmari. Mr. Al Shimmari has been a Director of AerCap since May 18, 2011. Mr. Al Shimmari is also the Chief Executive Officer of Mubadala Aerospace & Engineering Services, acting Chief Executive Officer of Energy at Mubadala and member of the Investment Committee at Mubadala. He holds prominent roles with key aerospace, communications technology, defense and energy companies and organizations, including Chairman of Emirates Defence Industries Company ("EDIC"), Maximus Air Cargo, Abu Dhabi Autonomous Systems Investment (ADASI), and Abu Dhabi Ship Building and currently holds board positions with Mubadala Petroleum, Masdar, Global Foundries, Piaggio Aero Industries, Abu Dhabi Aviation, Royal Jet and du-Emirates Integrated Telecommunications Company PJSC. Before joining Mubadala, Mr. Al Shimmari was a Lieutenant Colonel in the UAE Armed Forces serving in the areas of military aviation, maintenance, procurement and logistics. Mr. Al Shimmari holds a Bachelor of Science in Aeronautical Engineering from Embry Riddle Aeronautical University in Daytona Beach, Florida, and holds a black belt in six sigma from General Electric, a highly disciplined leadership program.

James (Jim) Chapman. Mr. Chapman has been a Director of AerCap since July 26, 2006. Mr. Chapman serves as a Non-Executive Advisory Director of SkyWorks Capital, LLC, an aviation and aerospace management consulting services company based in Greenwich, Connecticut, which he joined in December 2004. Prior to SkyWorks, Mr. Chapman joined Regiment Capital Advisors, an investment advisor based in Boston specializing in high yield investments, which he joined in January 2003. Prior to Regiment, Mr. Chapman was a capital markets and strategic planning consultant and worked with private and public companies as well as hedge funds (including Regiment) across a range of industries. Mr. Chapman was affiliated with The Renco Group, Inc. from December 1996 to December 2001. Presently, Mr. Chapman serves as a member of the Board of Directors of Tembec Inc. and Tower International, Inc., as well as a number of private companies. Mr. Chapman received an MBA with distinction from Dartmouth College and was elected as an Edward Tuck Scholar. He received his BA, with distinction, magna cum laude, from Dartmouth College and was elected to Phi Beta Kappa, in addition to being a Rufus Choate Scholar.

Paul Dacier. Mr. Dacier has been a Director of AerCap since May 27, 2010. He is also currently Executive Vice President and General Counsel of EMC Corporation (an information infrastructure technology and solutions company). He served as Senior Vice President and General Counsel of EMC from February 2000 to May 2006 and joined that company in 1990 as Corporate Counsel. He was a Non-Executive Director of Genesis from November 2007 until the date of the amalgamation with AerCap International Bermuda Limited. Prior to joining EMC, Mr. Dacier was an attorney with Apollo Computer Inc. (a computer work station company) from 1984 to 1990. Mr. Dacier received a BA in history and a JD in 1983 from Marquette University. He is admitted to practice law in the Commonwealth of Massachusetts and the state of Wisconsin.

Richard (Michael) Gradon. Mr. Gradon has been a Director of AerCap since May 27, 2010. He is also currently a Non-Executive Director of Exclusive Hotels and is on the Board of Directors of

The All England Lawn Tennis Ground PLC, The All England Lawn Tennis Club and The Wimbledon Championships. He was a Non-Executive Director of Genesis from November 2007 until the date of the amalgamation with AerCap International Bermuda Limited. He practiced law at Slaughter & May before joining the UK FTSE 100 company The Peninsular & Oriental Steam Navigation Company (“P&O”) where he was a main Board Director from 1998 until its takeover in 2006. His roles at P&O included the group commercial & legal director function and he served as Chairman of P&O’s property division. In addition, Mr. Gradon served as Chairman of La Manga Club, Spain, and Chief Executive Officer of the London Gateway projects. Mr. Gradon holds an MA degree in law from Cambridge University.

Marius Jonkhart. Mr. Jonkhart has been a Director of AerCap since July 26, 2006. He is currently also a member of the Supervisory Boards of Ecorys Holding, Orco Banking Group and Tata Steel Nederland. Mr. Jonkhart is an independent financial consultant for various companies. He was previously the Chief Executive Officer of De Nationale Investeringsbank (NIBC) and the Chief Executive Officer of NOB Holding. He also served as the Director of monetary affairs of the Dutch Ministry of Finance. In addition, he has been a professor of finance at Erasmus University Rotterdam. He has served as a member of a number of Supervisory Boards, including the Supervisory Boards of BAWAG PSK Bank, Staatsbosbeheer, Connexxion Holding, European Investment Bank, Bank Nederlandse Gemeenten, Postbank, NPM Capital, Kema, AM Holding and De Nederlandsche Bank. He has also served as a Non-Executive Director of Aozora Bank, Chairman of the Investment Board of ABP Pension Fund and several other funds. Mr. Jonkhart holds a Master’s degree in Business Administration, a Master’s degree in Business Economics and a PhD in Economics from Erasmus University Rotterdam.

Robert (Bob)Warden. Mr. Warden has been a Director of AerCap since July 26, 2006. He is also currently a Partner at Pamplona Capital Management, a private equity investment firm, which he joined in August 2012. Mr. Warden serves as a director for several private companies affiliated with Pamplona. Prior to joining Pamplona, Mr. Warden was Managing Director at Cerberus Capital Management, L.P. from February 2003 to August 2012, a Vice President at J.H. Whitney from May 2000 to February 2003, a Principal at Cornerstone Equity Investors LLC from July 1998 to May 2000 and an Associate at Donaldson, Lufkin & Jenrette from July 1995 to July 1998. Mr. Warden received his A.B. from Brown University.

Board meetings

Each director has the right to cast one vote and may be represented at a meeting of the Board of Directors by a fellow director. The Board of Directors may pass resolutions only if a quorum of four directors, including our Chief Executive Officer and the Chairman, or, in his absence, the Vice Chairman, are present at the meeting. If there is a tie, the matter will be decided by the Chairman of our Board of Directors, or in his absence, the Vice Chairman. Subject to Dutch law, resolutions of the Board of Directors may be passed in writing by a majority of the directors in office. Pursuant to Dutch laws and the Board Rules, a director may not participate in discussions or the decision making process on a transaction or subject in relation to which he or she has a conflict of interest with us. Resolutions to enter into such transactions must be approved by a majority of our Board of Directors, excluding such interested director or directors.

In 2015, the Board of Directors met on nine occasions. Throughout the year, the Chairman of the Board and individual non-executive directors were in close contact with our Chief Executive Officer and the other Group Executive Committee members. During its meetings and contacts with the Chief Executive Officer and the other Group Executive Committee members, the Board discussed such topics as AerCap’s Annual Report and annual accounts for the financial year 2014, topics for the Annual General Meeting 2015, secured and unsecured financing transactions and AerCap’s liquidity position, AerCap’s hedging policies, optimization of AerCap’s portfolio of aircraft, global and regional macroeconomic, monetary and political developments and impact on the industry, AerCap key customer developments, emerging market risks and opportunities, aircraft valuations, order of new Boeing 737MAX aircraft, AerCap's backlog of new technology orders with aircraft and engine manufacturers, AerCap shareholder value, AerCap key shareholder developments, capital allocation strategies and share repurchases, AerCap's corporate and tax structure, relocation of the Company's principal place of business to Dublin, AeroTurbine strategy, reports from the various Board committees, the budget for 2016, remuneration and compensation, Board rotation, directors and officers succession planning, regulatory compliance, governance and risk management and control, including but not limited to compliance with the Sarbanes-Oxley Act of 2002, as amended (the "Sarbanes-Oxley Act").

The non-executive directors of the Board also met to perform a self-assessment of the Board's performance. It assessed its own functioning and that of its individual members. The outcome of the self-assessment was that Board and its individual members functioned and continue to function satisfactorily. The Board maintains an introduction program for new non-executive directors with the purpose to familiarize them with the relevant AerCap business, governance and compliance aspects. The Board has determined a profile for its non-executive directors which has been made available on the Company's website.

Conflicts of interest

As per best practice provision II.3.2 of the Code, each director shall immediately report any potential conflict of interest concerning a director to the Chairman of the Board of Directors. The director with such conflict of interests shall in such case provide the Chairman with all information relevant to the conflict. Also, under Dutch Corporate Law, a director may not participate in the discussions and/or the decision making process on a transaction or subject in relation to which he or she has a conflict of interest with the Company and its enterprise. In 2015, our former non-executive directors affiliated with AIG did not participate in the discussions and decision making with respect to the Share Repurchase from AIG and our executive director did not participate in discussion and decision making with respect to his remuneration.

Appointment, suspension and dismissal

The directors are appointed by the General Meeting of Shareholders. Our directors may be elected by the vote of a majority of votes cast at a General Meeting of Shareholders provided that our Board of Directors has proposed the appointment. Without a Board of Directors proposal, directors may also be appointed by the vote of a majority of the votes cast at a General Meeting of Shareholders if the majority represents at least one-third of our issued capital.

Shareholders may remove or suspend a director by the vote of a majority of the votes cast at a General Meeting of Shareholders provided that our Board of Directors has proposed the removal or suspension. Our shareholders may also remove or suspend a director, without there being a proposal by the Board of Directors, by the vote of a majority of the votes cast at a General Meeting of Shareholders if the majority represents at least one-third of our issued capital.

The Company does not apply provision IV.1.1 of the Code in so far it deals with the lifting of quorum requirements related to proposed directors' dismissals, since this provision is written for general meetings with a high degree of absenteeism, whereas absenteeism at the Company's shareholders' meetings is relatively low.

Board independence

In 2015, our Board of Directors has assessed its independence under the provisions III.2.2 and III.8.4 of the Code and has concluded that it meets the applicable independence requirements.

Committees of the Board of Directors

In order to more efficiently fulfill its role, and in compliance with the Code, the Board has established committees including: a Group Executive Committee, a Group Portfolio and Investment Committee, a Group Treasury and Accounting Committee, an Audit Committee and a Nomination and Compensation Committee.

Audit Committee

Our Audit Committee assists the Board of Directors in fulfilling its responsibilities relating to the integrity of our financial statements, our risk management and internal control arrangements, our compliance with legal and regulatory requirements, the performance, qualifications and independence of external auditors, and the performance of the internal audit function, among others. The Audit Committee is chaired by a person with the necessary qualifications who is appointed by the Board of Directors and is comprised of three non-executive directors who are "independent" as defined by Rule 10A-3 of the Exchange Act of 1934, as amended (the "Exchange Act") as well as under The Dutch Corporate Governance Code. The current members of our Audit Committee are James (Jim) Chapman (Chairman), Marius Jonkhart and Richard (Michael) Gradon.

As recommended by the Sarbanes-Oxley Act and the Code, the Audit Committee includes at least one financial expert, who must have in-depth experience and knowledge of financial statements, international accounting principles and internal controls and procedures for financial reporting. The Board has concluded that James (Jim) Chapman and Marius Jonkhart meet these requirements.

In 2015, the Audit Committee met on seven occasions. Throughout the year, the members of the Audit Committee were in close contact with our Chief Executive Officer, our Chief Financial Officer, internal auditors as well as the external auditors. Principal items discussed and reviewed during these Audit Committee meetings and with our Chief Executive Officer and our Chief Financial Officer included the annual and quarterly financial statements and disclosures, external auditor's reports, activities and results in respect of our continued compliance with the Sarbanes-Oxley Act, the external auditor's audit plan for 2015, internal audit reports, the internal auditor's audit plan for 2016, the Company's compliance, risk management policies and integrity and fraud, the expenses incurred by the Company's most senior officers in carrying out their duties, the Company's tax planning policies, the functioning of the Audit Committee, the audit committee charter and the audit committee cycle. The Audit Committee had several separate sessions with the external auditor without management being present.

The Audit Committee meets periodically to nominate a firm to be appointed as independent auditors to audit the financial statements and to perform services related to the audit, review the scope and results of the audit with the independent auditors, review with management and the independent auditors our annual operating results and consider the adequacy of the internal accounting procedures and the effect of the procedures relating to the auditor's independence.

Nomination and Compensation Committee

Our Nomination and Compensation Committee selects and recruits candidates for the positions of Chief Executive Officer, non-executive director and Chairman of the Board of Directors and recommends their remuneration, bonuses and other terms of employment, or engagement to the Board of Directors. In addition, our Nomination and Compensation Committee approves the remuneration, bonuses and other terms of employment of the Group Executive Committee and certain other officers and appoints members of the Group Executive Committee, the Group Portfolio and Investment Committee, the Group Treasury and Accounting Committee and recommends candidates for the Audit Committee and plans the succession within the Board of Directors and committees. It is chaired by the Chairman of our Board of Directors and is further comprised of up to three non-executive directors appointed by the Board of Directors. The current members of our Nomination and Compensation Committee are Pieter Korteweg (Chairman), Salem Al Noaimi, Paul Dacier and Robert (Bob) Warden.

The Code requires the Board to have three committees: an audit committee, a compensation committee and a nomination committee. For efficiency reasons, including the fact that we have only one executive director, we have combined the functions of the compensation committee with those of the nomination committee into one Nomination and Compensation Committee. Under the Code, the Chairman of the Board shall not chair the compensation committee; he may, however, chair the nomination committee. Given the fact that we have combined both committees and also having regard to the fact that the Chairman of the Board is very familiar with international executive compensation, we believe that the Chairman of the Board is the best person to chair our Nomination and Compensation Committee.

In 2015, the Nomination and Compensation Committee met on four occasions. At these meetings it discussed and approved salaries and bonuses of senior members of management, relocation of key staff members to our Dublin office, succession planning and other compensation related occurrences and developments within the framework of the Board and Committee Rules and our remuneration policy. In line with the Dutch Corporate Governance Code, the Company provided the 2015 Remuneration Report in this Annual Report. In addition, various resolutions were adopted outside of these meetings.

None of our Nomination and Compensation Committee members or our officers have a relationship that would constitute an interlocking relationship with officers or directors of another entity or insider participation in compensation decisions.

Profile of the Board

Our Board of Directors maintains a profile of the non-executive directors containing guidance and requirements with respect to composition of the Board and competences and experience of its non-executive directors. The profile is available on the website of the Company. In 2015, the Board has carried out an assessment on the basis of which it has determined that the requirements of the profile of the non-executive directors continue to be met. In addition, any (re)appointment of the non-executive director to the Board shall be based on consistency with the profile. With respect to the composition of the Board of Directors, it is noted that the directors have been and will continue to be selected on the basis of their professional backgrounds and skills in line with the global nature and identity of the Company and its business. Within these parameters, the Board of Directors pays attention to gender diversity in accordance with article 2:166 of the Dutch Civil Code, although so far this has not resulted in increased gender diversity in the Board.

Officers

As described above, the Chief Executive Officer is primarily responsible for managing our day-to-day affairs as well as other duties that have been delegated to the executive director in accordance with our articles of association and the Board Rules.

Our Group Executive Committee assists the Chief Executive Officer with regards to the operational management of the company, subject to the Chief Executive Officer's ultimate responsibility. It is chaired by our Chief Executive Officer and is comprised of Officers appointed by the Nomination and Compensation Committee. The current members of our Group Executive Committee are Aengus Kelly (Chief Executive Officer), Wouter (Erwin) den Dikken (Chief Operating Officer), Keith Helming (Chief Financial Officer) and Philip Scruggs (President & Chief Commercial Officer). The members of the Group Executive Committee assist the Chief Executive Officer in performing his duties and as such have managerial and policy making functions within the company in their respective areas of responsibility.

The current officers (in addition to Aengus Kelly who is our executive director and Chief Executive Officer, as described above) are:

Name	Age	Nationality	Gender	Position
Wouter (Erwin) den Dikken	48	The Netherlands	M	Chief Operating Officer and Chief Legal Officer
Keith Helming	57	United States of America	M	Chief Financial Officer
Philip G. Scruggs	51	United States of America	M	Chief Commercial Officer and President
Peter Anderson	40	Australia	M	Head of Asia Pacific
Peter Juhas	44	United States of America	M	Deputy Chief Financial Officer
Tom Kelly	52	Ireland	M	Chief Executive Officer, AerCap Ireland Limited
Edward (Ted) O'Byrne	44	France	M	Chief Investment Officer
Martin Olson	54	United States of America	M	Head of OEM Relations
Paul Rofe	56	United Kingdom	M	Group Treasurer
Sean Sullivan	47	United States of America	M	Head of Americas
Joe Venuto	58	United States of America	M	Chief Technical Officer
Kenneth Wigmore	47	United States of America	M	Head of EMEA

Wouter (Erwin) den Dikken. Mr. den Dikken was appointed Chief Operating Officer of AerCap in 2010 in addition to his role as Chief Legal Officer to which role he was appointed in 2005. Mr. den Dikken also previously served as the Chief Executive Officer of AerCap's Irish operations. He joined AerCap's legal department in 1998. Prior to joining AerCap, Mr. den Dikken worked for an international packaging company in Germany as Senior Legal Counsel where he focused on mergers and acquisitions. Mr. den Dikken holds a law degree from Utrecht University.

Keith Helming. Mr. Helming assumed the position of Chief Financial Officer of AerCap in 2006. Prior to joining AerCap, he was a long standing executive at GE Capital Corporation, including serving for five years as Chief Financial Officer at aircraft lessor GECAS. He was with General Electric Company for over 25 years, beginning with their Financial Management Program in 1981. In addition to the GECAS role, Mr. Helming served as the Chief Financial Officer of GE Corporate Financial Services, GE Fleet Services and GE Consumer Finance in the United Kingdom, and also held a variety of other financial positions throughout his career at GECC. Mr. Helming holds a Bachelor of Science degree in Finance from Indiana University.

Philip Scruggs. Mr. Scruggs assumed the position of President and Chief Commercial Officer of AerCap upon the consummation of the ILFC Transaction, previously serving in the role of Executive Vice President and Chief Marketing Officer at ILFC where he has had a 20 year career. As Chief Marketing Officer of ILFC, Mr. Scruggs oversaw ILFC's worldwide leasing business, including the marketing, pricing, credit, commercial execution, and contracts functions within the company, together with ILFC's fleet management services to third party investors. Prior to joining ILFC, Mr. Scruggs was an attorney at the Los Angeles based law firm Paul, Hastings, Janofsky and Walker, where he specialized in leasing and asset based finance. Mr. Scruggs received his B.A. from the University of California, Berkeley, and his J.D. from The George Washington University. Mr. Scruggs is an instrument rated private pilot.

Peter Anderson. Mr. Anderson assumed the position of Senior Vice President Marketing and Head of Asia Pacific upon the consummation of the ILFC Transaction, previously serving in the role of Vice President Marketing and Deputy Head of APAC at ILFC. Mr. Anderson was responsible for managing ILFC's relationships with key airline customers in South East Asia, Japan and Korea.

Prior to ILFC, Mr. Anderson was Asia Pacific Director of Sales and Marketing for Hong Kong Aviation Capital (HKAC), transitioning the Allco Finance Group Ltd. aviation assets into the HKAC business and managing those assets across Asia. Prior to HKAC, Mr. Anderson spent 8 years at Allco Finance Group Ltd. in both Sydney and London, specializing in aircraft leasing, structured finance (for aviation assets) and mortgage and equipment lease securitization. Mr. Anderson earned his Master of Applied Finance and Investment from the Securities Institute of Australia, and his B.A. from the University of Technology Sydney.

Peter Juhas. Mr. Juhas was appointed Deputy Chief Financial Officer of AerCap in September 2015. Prior to joining AerCap, Mr. Juhas was the Global Head of Strategic Planning at AIG, where he led the development of the company's strategic and capital plans as well as mergers, acquisitions and other transactions, including the sale of ILFC to AerCap. Prior to joining AIG in 2011, Mr. Juhas was a Managing Director in the Investment Banking Division of Morgan Stanley from 2000 to 2011. While at Morgan Stanley, he led the IPO of AerCap in 2006 and was the lead advisor to the Federal Reserve Bank and the U.S. Treasury on the AIG restructuring and the placement of the U.S. government-sponsored enterprises Fannie Mae and Freddie Mac into conservatorship in 2008. Prior to joining Morgan Stanley, Mr. Juhas was an attorney in the Mergers and Acquisitions group at Sullivan & Cromwell LLP, the New York law firm. Mr. Juhas received his A.B. from Harvard College and his J.D. from Harvard Law School.

Tom Kelly. Mr. Kelly was appointed Chief Executive Officer of AerCap Ireland in 2010. Mr. Kelly previously served as Chief Financial Officer of AerCap's Irish operations and has a substantial aircraft leasing and financial services background. Previously, Mr. Kelly spent 10 years with GECAS where his last roles were as Chief Financial Officer and director of GECAS Limited, GECAS's Irish operation. Mr. Kelly also served as global controller for GECAS in his role as Senior Vice President & Controller. Prior to joining GECAS in 1997, Mr. Kelly spent over eight years with KPMG in their London office, acting as a Senior Manager in their financial services practice. Mr. Kelly is a Chartered Accountant and holds a Bachelor of Commerce degree from University College Dublin.

Edward (Ted) O'Byrne. Mr. O'Byrne was appointed Chief Investment Officer of AerCap in January 2011. Previously he held the position of Head of Portfolio Management overseeing aircraft trading, OEM relationships and portfolio management activities. Mr. O'Byrne joined AerCap in July 2007 as Vice President of Portfolio Management and Trading. Prior to joining AerCap, he worked as Airline Marketing Manager at Airbus North America and later as Director, Sales Contracts for Airbus Leasing Markets in Toulouse, France. Mr. O'Byrne received his MBA from the University of Chicago Booth School of Business and his B.A. from EuroMed in France.

Martin Olson. Mr. Olson assumed the position of Head of OEM Relations upon the consummation of the ILFC Transaction, previously serving in the role of Senior Vice President at ILFC. Mr. Olson headed ILFC's Aircraft Sales and Acquisitions Department, responsible for purchasing new aircraft and engines. Mr. Olson joined ILFC in 1995 after ten years with McDonnell Douglas Aircraft Corporation. Mr. Olson is a graduate of California State University, Fullerton. He also received a Master's Degree in Business Administration from the University of Southern California.

Paul Rofe. Mr. Rofe was appointed Group Treasurer of AerCap in January 2008, previously serving in the role of Vice President Corporate Group Treasury, since joining the company in September of 2006. He began his career in the aviation leasing and financing business with a Kleinwort Benson subsidiary in 1995, and then moved to BAE Systems for seven years, where he held the positions of Director Asset Management and General Manager—Portfolio Management. Mr. Rofe qualified as an accountant in 1986 in the United Kingdom.

Sean Sullivan. Mr. Sullivan assumed the position of Head of Americas from the Closing Date of the ILFC acquisition, previously serving in the role of Senior Vice President and Head of ILFC Americas. In this role, Mr. Sullivan was involved in ILFC's purchase and leaseback business, including strategic direction of the business, pricing and analysis tools, critical support, and customer evaluation and processes. Mr. Sullivan has more than 20 years of experience in negotiating and managing complicated transactions. Prior to ILFC, Mr. Sullivan was Director of Allco Aviation, where he oversaw strategic direction and creation of the business plan, focused on growth through purchase and leaseback transactions. Previously, Mr. Sullivan also held the position of Vice President at the Bank of America in the Leasing and Capital group, focused on aviation finance.

Joe Venuto. Mr. Venuto was appointed Chief Technical Officer of AerCap in February 2012. He previously served in the role of Senior Vice President Operations for the Americas at AerCap for four years. From 2004 to 2008, he was the Senior Vice President Operations at AeroTurbine responsible for all technical related issues. Prior to joining AeroTurbine, Mr. Venuto held the role of Senior Director Maintenance at several airlines including Trump Shuttle, Laker Airways and Amerijet International. He has over 30 years' experience in the aviation industry and he commenced his aviation career as an Airplane & Powerplant technician for Eastern Airlines. Mr. Venuto is a graduate of the College of Aeronautics and a licensed FAA Airframe and Powerplant Technician.

Kenneth Wigmore. Mr. Wigmore assumed the position of Head of Europe, Middle East and Africa ("EMEA") upon the consummation of the ILFC Transaction. Previously he held the positions in AerCap of Chief Marketing Officer and Head of Marketing for the Americas, overseeing customer relationships in North and South America for AerCap since January 2008. Mr. Wigmore joined AerCap in April 2003 as Vice President, Airline Marketing. Prior to joining AerCap, he worked as an Airline Analyst and later as Sales Director, China over a nine year period with the aircraft manufacturer Fairchild Dornier. Mr. Wigmore holds a Bachelor of Science degree from Mount Saint Mary's University in Maryland.

Officer compensation

The aircraft leasing business is highly competitive. As the world's largest independent company in this industry, we seek to attract and retain the most talented and successful officers to manage our business and to motivate them with appropriate incentives to execute on our strategy and deliver attractive returns for our shareholders. We have designed our compensation plans to meet these objectives.

Compensation goal	How goal is accomplished
Attract and retain leading executive talent	• Design compensation elements to enable us to compete effectively for executive talent • Selectively retain executives acquired through business transactions considering industry and functional knowledge, leadership abilities and fit with Company culture • Perform market analysis to stay informed of compensation trends and practices
Align executive pay with shareholder interest	• Concentrate executive pay heavily in equity compensation • Require robust equity ownership and retention • Motivate senior executives with meaningful incentives to generate long-term returns
Pay for performance	• Pay annual bonuses based on performance against one-year budgeted target set by the Nomination and Compensation Committee • Tie long-term incentive program awards to the achievement of multi-year economic profit targets approved by the Nomination and Compensation Committee • Reward high-performers with above-target pay when predetermined goals are exceeded • Evaluate and adjust, if considered appropriate, for the impact of unanticipated favorable or unfavorable transactions/events on compensation payouts
Manage risk	• Prohibit hedging of Company securities and pledging of AerCap equity prior to vesting • Emphasize long-term performance by designing equity award opportunities to minimize short-term focus and influence on compensation payouts • Subject incentive compensation to clawback provisions for the executive director in place for Netherlands-based companies

During the year ended December 31, 2015, we paid an aggregate of approximately $7.8 million in cash (base salary and bonuses) and benefits as compensation to our Group Executive Committee members, including $0.5 million as part of their retirement and pension plans. Due to changes in the Dutch pension system as of January 1, 2015, amounts paid by the Company to fund retirement annuities for annual salary amounts in excess of €100,000 were paid directly to our Dutch tax resident officers (and other Dutch tax resident employees) as a separate component of salary instead of paid to a third party and applied towards a supplemental premium.

The compensation packages of our Group Executive Committee members (Aengus Kelly, Wouter (Erwin) den Dikken, Keith Helming and Philip Scruggs) and certain other officers, consisting of base salary, annual bonus and, for some officers, annual grants of AerCap equity instruments ("Annual Equity Awards"), along with other benefits, are determined by the Nomination and Compensation Committee upon recommendation of the Chief Executive Officer on an annual basis. The annual compensation package of our Chief Executive Officer, consisting of base salary, bonus and Annual Equity Awards, along with other benefits, is determined by the Board of Directors, upon recommendation of the Nomination and Compensation Committee. In addition, the Nomination and Compensation Committee (or, in the case of our Chief Executive Officer, the Board of Directors, upon recommendation of the Nomination and Compensation Committee) may grant AerCap equity incentive awards to our officers on a non-recurring basis ("Other Equity Awards") under our equity incentive plans, as further outlined below.

The amount of the annual bonus and, if applicable, the number of Annual Equity Awards granted to our Group Executive Committee members and other participating officers are dependent on the target bonus level and, if applicable, the target Annual Equity Awards level, established before the performance period begins by the Nomination and Compensation Committee (or, in the case of our Chief Executive Officer, the Board of Directors, upon recommendation of the Nomination and Compensation Committee), in combination with our actual performance relative to our internal budget for the past financial year, as approved by the Board of Directors each year, and the personal performance of the individual Group Executive Committee member or other officer involved. The annual bonuses are paid in arrears. Actual bonuses will not exceed target bonus levels as long as our budget for the relevant year has not been met, subject to exceptions and approval by the Nomination and Compensation Committee (or, in the case of our Chief Executive Officer, the Board of Directors upon recommendation of the Nomination and Compensation Committee) which, if so, will be disclosed in this Annual Report. As a matter of policy, actual bonuses will be determined below target level in years that our budget is not met, unless specific circumstances require otherwise. The Annual Equity Awards are granted in arrears. The Annual Equity Awards are time-based with a three-year vesting period, subject to certain exceptions.

The Other Equity Awards granted to our officers during 2014 and 2015 have vesting periods ranging between three years and five years and are subject to vesting criteria based on our average performance, relative to our internal budget, over a number of years in order to promote and encourage good performance over a prolonged period of time. All equity awards contain change of control provisions causing immediate vesting of all equity awards, to the extent not yet forfeited, in the case of a change of control as defined in the respective equity award agreements as per customary practice.

Severance payments are part of the employment agreements with our Group Executive Committee members. The amount of the pre-agreed severance is based upon calculations in accordance with their respective age and years of service.

The Company is subject to the Netherlands' Clawback of Bonuses Act that went into effect as of January 1, 2014. Pursuant to this legislation, bonuses paid to the executive director (and other directors, as defined under the articles of association, provided they are in charge of day to day management) may be clawed back if awarded on the basis of incorrect information. In addition, any bonus that has been awarded to the executive director (and other directors, as defined under the articles of association, provided they are in charge of day to day management) may be reduced if, under the circumstances, payment of the bonus would be unacceptable. As of December 31, 2015, we did not have any directors other than the executive director who were in charge of day to day management.

AerCap equity incentive plans

Under our equity incentive plans, we have granted restricted stock units, restricted stock and stock options to directors, officers and employees in order to enable us to attract, retain and motivate such people and to align their interests with ours, including but not limited to retention and motivation in relation to the implementation of the ILFC Transaction.

On December 14, 2015, the restricted stock units held by some of our officers and non-executive directors were converted into restricted stock on a one-to-one basis. The converted restricted stock is subject to restrictions and conditions identical to the restricted stock units, including vesting conditions. Part of the restricted stock was withheld by the Company to pay taxes incurred in connection with the conversion. The conversions were consummated in order to avoid double taxation upon vesting of the restricted stock units following the migration of the Company's headquarters to Ireland in early 2016. For the same reason, the 2015 Annual Equity Awards were granted to the officers involved in December 2015 in lieu of the first quarter of 2016.

We require our Group Executive Committee members to own Company shares having a value equal to at least ten times their annual base salary, in order to further align their interests with the long-term interests of our shareholders. This threshold amount includes shares owned outright, vested stock-based equity awards, and time-based restricted stock units or restricted stock (whether or not vested). New Group Executive Committee members have a five year grace period to meet this threshold. In addition, each Group Executive Committee member is required to hold 50% of the net shares (after satisfaction of any exercise price or tax withholding obligations) delivered to him or her pursuant to Company equity awards since January 1, 2007, for so long as such member remains employed by the Company (or if earlier, until such member reaches 65 years of age). Sales of Company shares are conducted with a view to avoiding undue impact on the Company share price and in compliance with laws and regulations. Each executive must consult with the Chairman before executing any sale of the Company's shares.

Our policies prohibit our directors, officers and employees from trading in Company securities while aware of material non-public information, or engaging in hedging and other "short" transactions involving Company securities. In addition, our directors, officers and employees are prohibited from pledging equity incentive awards prior to vesting.

Please refer to Note 18—*Share-based compensation* to our Consolidated Financial Statements included in this Annual Report for more details on our equity incentive plans.

Corporate social responsibility

During 2015, the Board discussed and reviewed our corporate social responsibility ("CSR") objectives and activities. Although it is acknowledged that our aircraft are generally used for high impact activities when it comes to the environment, we maintain a fleet of young and fuel efficient aircraft and engines that are relatively less pollutive in comparison with other, older aircraft and engines that use more fuel and produce higher noise levels. In addition, the Board discussed and reviewed our activities and conduct as they relate to ethics, labor environment, citizenship and transparency and financial reporting.

External auditors

Our external auditor is responsible for auditing the financial statements. Following the recommendation by the Audit Committee and upon proposal by the Board of Directors, the General Meeting of Shareholders appoints each year the auditor to audit the financial statements of the current financial year. The external auditor reports to our Board of Directors and the Audit Committee of our Board of Directors. The external auditor is present at the meetings of the Audit Committee when our quarterly and annual results are discussed.

At the request of the Board of Directors and the Audit Committee, the Chief Financial Officer and the Internal Audit department review, in advance, each service to be provided by the auditor to identify any possible breaches of the auditor's independence. The Audit Committee pre-approves every engagement of our external auditor. In accordance with applicable regulations, the partner of the external audit firm in charge of the audit activities is subject to rotation requirements. The current signing partner will rotate off after 2017.

Internal auditors

We have an internal audit function in place to provide assurance, to the Audit Committee, on behalf of the Board of Directors, and AerCap's executive officers, with respect to AerCap's key processes. The internal audit function independently and objectively carries out audit assignments in accordance with the annual internal audit plan, as approved by the Audit Committee. The head of the internal audit function reports, in line with professional standards of the Institute of Internal Auditors, to the Audit Committee (functional reporting line) and to our Chief Executive Officer (administrative reporting line). The work of the internal audit department is fully endorsed by the Audit Committee and AerCap's executive officers and is considered a valuable part of the AerCap's system of control and risk management.

Ordinary share capital

Pursuant to our articles of association, our ordinary shares may only be held in registered form. All of our ordinary shares are registered in a register kept by us or on our behalf by our transfer agent. Transfer of registered shares requires a written deed of transfer and the acknowledgment by AerCap, subject to provisions stemming from private international law. Our ordinary shares are, in general, freely transferable.

Regulatory obligations regarding certain share transactions

AerCap Cash Manager Limited and AerCap Cash Manager II Limited which are members of the AerCap group, are subject to regulation by the Central Bank of Ireland. As a result, the acquisition or disposal directly or indirectly of interests in AerCap shares or similar interests may be subject to regulatory requirements involving the Central Bank of Ireland as set out below. The following disclosure is for information purposes only and AerCap cannot provide Irish legal advice to actual or potential investors. Actual or potential investors in AerCap must obtain their own legal advice in relation to their position. Under the European Communities (Markets in Financial Instruments) Regulations 2007 (as amended) (the "MiFID Regulations"), a person or a group of persons acting in concert proposing to acquire a direct or indirect holding of ordinary shares or other similar interests in AerCap must give the Central Bank of Ireland prior written notice of such proposed acquisition if the acquisition would directly or indirectly *(i)* represent 10% or more of the capital or voting rights in AerCap; *(ii)* result in the proportion of capital or voting rights in AerCap held by such person or persons reaching or exceeding 10%, 20%, 33% or 50% of the capital or voting rights in AerCap; or *(iii)* in the opinion of the Central Bank of Ireland, make it possible for that person or those persons to control or exercise a significant influence over the management of either or both of our Irish regulated entities.

Any such proposed acquisition shall not proceed until *(a)* the Central Bank of Ireland has informed such proposed acquirer or acquirers that it approves such acquisition or *(b)* the period prescribed in section 181 of the MiFID Regulations has elapsed without the Central Bank of Ireland having given notice in writing that it opposes such acquisition. It is important in this regard to note that the validity as a matter of Irish law of affected transactions, if completed without prior notification to, or assessment by, the Central Bank of Ireland will not be recognized in Ireland. Corresponding provisions apply to the disposition of ordinary shares in AerCap except that, in such case, no approval is required, but prior notice of the disposition must be given to the Central Bank of Ireland. The relevant regulated entities of the AerCap group are required under Irish law to notify the Central Bank of Ireland of relevant acquisitions or disposals of which they become aware.

Issuance of ordinary shares

The General Meeting of Shareholders can resolve upon the issuance of ordinary shares or the granting of rights to subscribe for ordinary shares, but only upon a proposal by the Board of Directors specifying the price and further terms and conditions. The General Meeting of Shareholders may designate our Board of Directors as the authorized corporate body for this purpose. Such designation may be for any period of up to five years and must specify the maximum number of ordinary shares that may be issued.

At the Annual General Meeting held in 2011, pursuant to our articles of association, our Board of Directors has been authorized to issue ordinary shares or grant rights to subscribe for ordinary shares up to the maximum amount of our authorized share capital from time to time, which authorization is valid for a period of five years.

Preemptive rights

Unless limited or excluded by the General Meeting of Shareholders or Board of Directors as described below, holders of ordinary shares have a pro rata preemptive right to subscribe for ordinary shares that we issue, except for ordinary shares issued for non-cash consideration (contribution in kind) or ordinary shares issued to our employees.

The General Meeting of Shareholders may limit or exclude preemptive rights and also designate our Board of Directors as the authorized corporate body for this purpose. At the Annual General Meeting held in 2011, pursuant to our articles of association, our Board of Directors has been authorized to limit or exclude preemptive rights, which authorization is valid for a period of five years.

Repurchase of our ordinary shares

We may acquire our ordinary shares, subject to certain provisions of the laws of the Netherlands and of our articles of association, if the following conditions are met:

- the General Meeting of Shareholders has authorized our Board of Directors to acquire the ordinary shares, which authorization may be valid for no more than 18 months;
- our equity, after deduction of the price of acquisition, is not less than the sum of the paid-in and called-up portion of the share capital and the reserves that the laws of the Netherlands or our articles of association require us to maintain; and
- we would not hold after such purchase, or hold as pledgee, ordinary shares with an aggregate par value exceeding such part of our issued share capital as set by law from time to time.

At the Annual General Meeting held in 2015, our shareholders resolved to authorize the Board for a period of 18 months *(i)* to repurchase shares up to ten percent of the Company's issued capital; and *(ii)* to repurchase ordinary shares up to an additional ten percent of the Company's issued capital, subject to the condition that the number of ordinary shares which the Company may at any time hold in its own capital will not exceed ten percent, and certain other conditions described in these resolutions. As per best practice provision III.6.4 of the Code, the Share Repurchase was approved by the Board of Directors.

Capital reduction and cancellation

The General Meeting of Shareholders may reduce our issued share capital either by cancelling ordinary shares held in treasury or by amending our articles of association to reduce the par value of the ordinary shares. A resolution to reduce our capital requires the approval of at least an absolute majority of the votes cast and, if less than one half of the share capital is represented at a meeting at which a vote is taken, the approval of at least two-thirds of the votes cast.

At the Annual General Meeting held in 2015, our shareholders resolved to cancel the Company's ordinary shares that may be acquired under the repurchase authorizations described above, or otherwise, subject to determination by our Board of Directors of the exact number of ordinary shares to be cancelled. During 2015, we cancelled 9,698,588 ordinary shares that were repurchased from AIG on June 9, 2015.

General Meetings of Shareholders

At least one General Meeting of Shareholders must be held every year. Shareholders can exercise their voting rights by submitting their proxy forms or equivalent means prior to a set date in accordance with the procedures indicated in the notice and agenda of the applicable general meeting of shareholders. Shareholders may exercise their meeting rights in person after notifying us prior to a set date and providing us with appropriate evidence of ownership of the shares and authority to vote prior to a set date in accordance with the procedures indicated in the notice and agenda of the applicable general meeting of shareholders.

The rights of shareholders may only be changed by amending our articles of association. A resolution to amend our articles of association is valid if the Board of Directors makes a proposal amending the articles of association and such proposal is adopted by a simple majority of votes cast.

The following resolutions require a two thirds majority vote if less than half of the issued share capital is present or represented at the general meeting of shareholders:

- capital reduction;
- exclusion or restriction of preemptive rights, or designation of the Board of Directors as the authorized corporate body for this purpose; and
- legal merger or legal demerger within the meaning of Title 7 of Book 2 of The Dutch Civil Code ("*Boek 2 van het Burgerlijk Wetboek"*).

If a proposal to amend the articles of association will be considered at the meeting, we will make available a copy of that proposal, in which the proposed amendments will be stated verbatim.

An agreement of AerCap to enter into a *(i)* statutory merger whereby AerCap is the acquiring entity; or *(ii)* a legal demerger, with certain limited exceptions, must be approved by the shareholders.

The Annual General Meeting of shareholders was held on May 13, 2015. The Annual General Meeting of shareholders adopted the 2014 annual accounts and voted for all other items which required a vote.

Voting rights

Each ordinary share represents the right to cast one vote at a general meeting of shareholders. All resolutions must be passed with an absolute majority of the votes validly cast except as set forth above. We are not allowed to exercise voting rights for ordinary shares we hold directly or indirectly.

Any major change in the identity or character of AerCap or its business must be approved by our shareholders, including:

- the sale or transfer of substantially all our business or assets;
- the commencement or termination of certain major joint ventures and our participation as a general partner with full liability in a limited partnership ("*commanditaire vennootschap*") or general partnership ("*vennootschap onder firma*"); and
- the acquisition or disposal by us of a participating interest in a company's share capital, the value of which amounts to at least one third of the value of our assets.

Liquidation rights

If we are dissolved or wound up, the assets remaining after payment of our liabilities will be first applied to pay back the amounts paid up on the ordinary shares. Any remaining assets will be distributed among our shareholders, in proportion to the par value of their shareholdings. All distributions referred to in this paragraph shall be made in accordance with the relevant provisions of the laws of the Netherlands.

Dutch statutory squeeze-out proceedings

If a person or a company or two or more group companies within the meaning of Article 2:24b of the Dutch Civil Code acting in concert holds in total 95% of a Dutch public limited liability company's issued share capital by par value for their own account, the laws of the Netherlands permit that person or company or those group companies acting in concert to acquire the remaining ordinary shares in the company by initiating statutory squeeze out proceedings against the holders of the remaining shares. The price to be paid for such shares will be determined by the Enterprise Chamber of the Amsterdam Court of Appeal.

Adoption of annual accounts and discharge of management liability

Each year, our Board of Directors must prepare annual accounts within four months after the end of our financial year. The annual accounts must be made available for inspection by shareholders at our offices within the same period. The annual accounts must be accompanied by an auditor's certificate, an annual report and certain other mandatory information. The shareholders shall appoint an accountant, as referred to in Article 393 of Book 2 of the Dutch Civil Code, to audit the annual accounts. The annual accounts are adopted by our shareholders.

The adoption of the annual accounts by our shareholders does not release the members of our Board of Directors from liability for acts reflected in those documents. Any such release from liability requires a separate shareholders' resolution.

Disclosure of insider transactions

Members of our Board of Directors and our reporting officers report their transactions in AerCap equity interests to the SEC on a voluntary basis and to the Dutch Securities Regulator, AFM (*"Autoriteit Financiele Markten"*).

Registrar and transfer agent

A register of holders of the ordinary shares will be maintained by Broadridge in the United States who also serves as our transfer agent. The telephone number of Broadridge is 1-800-733-1121.

Protective measures

There are no protective devices against takeovers in place.

Remuneration Report

This Remuneration Report is based on the remuneration policy for members of our Board of Directors, as adopted by the General Meeting of Shareholders on May 2, 2013. The remuneration policy is posted on our website.

The objective of the remuneration policy is to recruit and retain highly qualified members of our Board of Directors, who possess the required core competencies, professional backgrounds and skill sets in line with the global nature and identity of the Company and its business.

The remuneration policy is determined by the General Meeting of Shareholders upon proposal by the Board of Directors. The remuneration of directors is determined by our Board of Directors in accordance with the general remuneration policy upon proposal by the Nomination and Compensation Committee.

Our Equity Incentive Plan 2014, which was approved by the General Meeting of Shareholders on February 13, 2014, provides for the grant of equity awards in the form of shares, share options, restricted stocks, restricted stock units or other equity instruments to our directors and other potential participants. The Equity Incentive Plan 2014 states the maximum number of shares, stock options, restricted stocks, restricted stock units or other equity instruments available under the plan and the criteria that apply to the granting or alterning of such arrangements.

For further details regarding the remuneration of our directors, reference is made to the remuneration policy as referred to above (available on our website), to the paragraph AerCap Equity Incentive Plans earlier in this Annual Report, to Note 18—*Share-based compensation* to our Consolidated Financial Statements included in this Annual Report and to Note 31—*Directors' Remuneration* to our Consolidated Financial Statements included in this Annual Report.

Non-executive directors

We currently pay each non-executive director an annual fee of €95,000 (€200,000 for the Chairman of our Board of Directors and €115,000 for the Vice Chairman) and pay each of these directors an additional €4,000 per meeting attended in person or €1,000 per meeting attended by phone. In addition, we pay the chair of the Audit Committee an annual fee of €25,000 and each Audit Committee member will receive an annual fee of €15,000 and a fee of €4,000 per committee meeting attended in person or €1,000 per committee meeting attended by phone. We further pay the non-executive chair of each of the Nomination and Compensation Committee, the Group Treasury and Accounting Committee and the Group Portfolio and Investment Committee an annual fee of €15,000 and each such committee member will receive an annual fee of €10,000 and a fee of €4,000 per committee meeting attended in person or €1,000 per committee meeting attended by phone. All members of the Board of Directors are reimbursed for reasonable costs and expenses incurred in attending meetings of our Board of Directors.

In addition, our non-executive directors receive an annual equity award as provided for in the remuneration policy for members of the Board of Directors and in accordance with the terms of the Equity Incentive Plan 2014. The size of the annual equity award to our non-executive directors increased, effective as of December 31, 2015, following market compensation analysis conducted by an independent benefits advisory firm, and in accordance with the terms of the Equity Incentive Plan 2014. As of December 31, 2015, our non-executive directors hold options to acquire a total of 28,350 AerCap ordinary shares and 27,810 shares of restricted stock, which equity awards have been granted under the AerCap equity incentive plans.

Although strictly not in line with the best practice provisions of the Code, we believe these numbers of equity awards are an effective means to further complement our non-executive directors' remuneration in accordance with the conducted market compensation analysis, whereas they do not go against the spirit of the corresponding provision in the Code. In addition, it should be noted that granting equity to non-executive directors is consistent with corporate practice in the United States, the jurisdiction where our shares are publicly listed which, to a certain extent, drives our corporate governance in addition to Dutch corporate governance rules.

Executive director

During 2015, we paid Mr. Aengus Kelly, our only executive director, an annual compensation consisting of base salary, cash bonus and annual equity award. Mr. Aengus Kelly's compensation package was derived based on our understanding of comparable compensation packages for competitors of similar size and profitability in the aircraft leasing industry and the overall financial services industry. The annual bonuses are paid in arrears. The actual bonus amounts will not exceed target bonus levels as long as our budget for the relevant year has not been met, subject to exceptions and approval by the Board of Directors upon recommendation of the Nomination and Compensation Committee which, if so, will be disclosed in this Annual Report. As a matter of policy, the actual bonuses will be determined below target level in years that our budget is not met, unless specific circumstances require otherwise which, if so, will be disclosed in this Annual Report. The annual equity bonus is time based with a three-year vesting period. The bonus targets are based on earnings per share. We believe that the ratio of fixed and variable/incentive compensation is reasonable and provides an appropriate level of incentive compensation to promote the achievement of established targets.

In addition to annual compensation, Mr. Aengus Kelly participates in a long term incentive scheme that is partially subject to vesting criteria related to our average performance over a number of years in order to promote and encourage good performance over a prolonged period of time. All equity awards contain change of control provisions causing immediate vesting of all equity awards, to the extent not yet forfeited, in case of a change of control as defined in the respective equity award agreements as per customary practice.

In addition, Mr. Aengus Kelly participates in the Company's defined benefit pension plan. Mr. Aengus Kelly also receives other employment benefits such as tax advice and certain costs incurred for his family members. Mr. Aengus Kelly's employment contract expires on the day following the 2019 General Meeting of Shareholders, scheduled to be held in May 2019. His employment contract includes a severance clause with a pre-agreed severance amount, which is deemed reasonable in view of his long term employment history with the Company. The severance will be paid in the event that his employment is not renewed at expiration or is terminated without cause or in case of voluntarily leave for good reason (as such terms are defined in the employment agreement).

AerCap Equity Incentive Plans

Please refer to AerCap Equity Incentive Plans earlier in this report, and to Note 18—*Share-based compensation* to our Consolidated Financial Statements included in this Annual Report for more details on our equity incentive plans.

Dublin, March 23, 2016

Pieter Korteweg
Aengus Kelly
Salem Al Noaimi
Homaid Al Shimmari
James (Jim) Chapman
Paul Dacier
Richard (Michael) Gradon
Marius Jonkhart
Robert (Bob) Warden

AerCap Holdings N.V. and Subsidiaries

Consolidated Balance Sheets

As of December 31, 2015 and 2014

(After proposed profit appropriation)

	Note	As of December 31, 2015	As of December 31, 2014
		(U.S. dollar amounts in thousands, except share data)	
Assets			
Cash and cash equivalents		$ 2,403,098	$ 1,490,369
Restricted cash	5	419,447	717,388
Trade receivables		106,794	160,412
Flight equipment held for operating leases, net	6	32,211,353	32,007,819
Maintenance rights intangible and lease premium, net	8	3,139,045	3,906,026
Flight equipment held for sale		71,055	14,082
Net investment in finance and sales-type leases	7	469,198	347,091
Prepayments on flight equipment	29	3,300,426	3,486,514
Other intangibles, net	9	483,560	551,509
Deferred income tax assets	16	195,349	239,796
Other assets	10	953,219	843,127
Total Assets		**$43,752,544**	**$43,764,133**
Liabilities and Equity			
Accounts payable, accrued expenses and other liabilities	13	$ 1,239,199	$ 1,195,880
Accrued maintenance liability	14	3,475,567	3,396,153
Lessee deposit liability		891,454	848,332
Debt	15	29,596,339	30,198,427
Deferred income tax liabilities	16	328,028	283,863
Negative goodwill	35	26,540	29,090
Total Liabilities		35,557,127	35,951,745
Ordinary share capital, €0.01 par value (350,000,000 ordinary shares authorized, 203,411,207 ordinary shares issued and 200,342,204 ordinary shares outstanding as of December 31, 2015 and 350,000,000 ordinary shares authorized, 212,318,291 ordinary shares issued and outstanding as of December 31, 2014)	17, 26	2,457	2,559
Additional paid-in capital	17	4,959,861	5,434,328
Treasury shares, at cost (3,069,003 ordinary shares)	17	(146,312)	—
Revaluation reserves	17	(6,307)	(6,895)
Accumulated retained earnings(a)	17	3,308,872	2,303,625
Total AerCap Holdings N.V. shareholders' equity		8,118,571	7,733,617
Non-controlling interest	17	76,846	78,771
Total Group Equity		8,195,417	7,812,388
Total Liabilities and Equity		**$43,752,544**	**$43,764,133**

(a) Included $34.4 million and $35.2 million of legal reserves as of December 31, 2015 and 2014, respectively, which are not free to distribute.

The accompanying notes are an integral part of these Consolidated Financial Statements.

AerCap Holdings N.V. and Subsidiaries

Consolidated Income Statements

For the Years Ended December 31, 2015 and 2014

	Note	Year Ended December 31, 2015	Year Ended December 31, 2014
		(U.S. dollar amounts in thousands, except share data)	
Revenues and other income			
Lease revenue	20, 23	$ 4,991,551	$ 3,449,571
Net gain on sale of assets		197,249	37,497
Other income	22	112,676	104,491
Total Revenues and other income		**5,301,476**	**3,591,559**
Expenses			
Depreciation and amortization	6, 9	1,848,248	1,285,506
Asset impairment and reversal	24	44,333	(19,890)
Interest expense	15	1,099,884	780,349
Leasing expenses		624,319	259,941
Selling, general and administrative expenses	4, 18, 19, 21, 25	440,221	417,606
Total Expenses		**4,057,005**	**2,723,512**
Income before income taxes and income of investments accounted for at net asset value		**1,244,471**	**868,047**
Provision for income taxes	16	(168,809)	(135,350)
Equity in net earnings of investments accounted for at net asset value		1,278	28,973
Net income		**1,076,940**	**761,670**
Net loss attributable to non-controlling interest, net of taxes		1,558	1,949
Net income attributable to equity holders of AerCap Holdings N.V.		**$ 1,078,498**	**$ 763,619**
Basic earnings per share	26	$ 5.29	$ 4.34
Diluted earnings per share	26	$ 5.23	$ 4.27
Weighted average shares outstanding—basic		203,850,828	175,912,662
Weighted average shares outstanding—diluted		206,224,135	178,684,989

The accompanying notes are an integral part of these Consolidated Financial Statements.

AerCap Holdings N.V. and Subsidiaries

Statements of Total Results of the Group

For the Years Ended December 31, 2015 and 2014

	Year Ended December 31,	
	2015	2014
	(U.S. dollar amounts in thousands)	
Net income attributable to equity holders of AerCap Holdings N.V.	**$1,078,498**	**$763,619**
Net change of fair value of derivatives (Note 12), net of tax of $(47) and $(649), respectively, and net of reclassification adjustments(a)	338	4,542
Actuarial gain (loss) on pension obligations (Note 19), net of tax of $(4) and $(81), respectively	250	(1,547)
Total direct movements in group equity	588	2,995
Total result of the group	**$1,079,086**	**$766,614**

(a) During the year ended December 31, 2015, we did not reclassify any amounts from revaluation reserves to our Consolidated Income Statement. During the year ended December 31, 2014, we reclassified $3.1 million from revaluation reserves to interest expense in our Consolidated Income Statement.

The accompanying notes are an integral part of these Consolidated Financial Statements.

AerCap Holdings N.V. and Subsidiaries

Consolidated Statements of Cash Flows

For the Years Ended December 31, 2015 and 2014

	Note	Year Ended December 31, 2015	2014
		(U.S. dollar amounts in thousands)	
Net income		$ 1,076,940	$ 761,670
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	6, 9	1,848,248	1,285,506
Asset impairment	24	44,333	(19,890)
Amortization of debt issuance costs and debt discount	15	45,582	86,184
Amortization of lease premium intangibles	8	23,042	17,967
Amortization of fair value adjustments on debt		(442,972)	(330,924)
Accretion of fair value adjustments on deposits and maintenance liabilities		76,246	71,806
Maintenance rights write off(a)		628,643	130,806
Maintenance liability release to income		(243,809)	(92,296)
Net gain on sale of assets		(197,249)	(37,497)
Deferred income taxes	16	89,357	113,836
Restructuring expenses	21	49,311	—
Other		90,074	102,139
Changes in operating assets and liabilities:			
Trade receivables		48,468	102,547
Other assets	10	88,418	(18,374)
Accounts payable, accrued expenses and other liabilities	13	135,408	140,194
Net cash provided by operating activities		**3,360,040**	**2,313,674**
Purchase of flight equipment	6	(2,772,110)	(2,088,444)
Proceeds from sale or disposal of assets	6	1,568,235	569,633
Prepayments on flight equipment	29	(791,546)	(458,174)
Acquisition of ILFC, net of cash acquired	4	—	(195,311)
Collections of finance and sales-type leases	7	54,975	40,983
Movement in restricted cash		297,941	282,523
Other(b)		(73,400)	—
Net cash used in investing activities		**(1,715,905)**	**(1,848,790)**
Issuance of debt	15	3,913,840	5,411,602
Repayment of debt	15	(4,043,743)	(4,826,775)
Debt issuance costs paid	15	(49,417)	(134,963)
Maintenance payments received		776,488	561,558
Maintenance payments returned		(558,477)	(286,041)
Security deposits received		171,408	107,332
Security deposits returned		(144,445)	(98,656)
Repurchase of shares and tax withholdings on share-based compensation(c)		(793,945)	—
Net cash (used in) provided by financing activities		**(728,291)**	**734,057**
Net increase in cash and cash equivalents		915,844	1,198,941
Effect of exchange rate changes		(3,115)	(4,086)
Cash and cash equivalents at beginning of period		1,490,369	295,514
Cash and cash equivalents at end of period		**$ 2,403,098**	**$ 1,490,369**

AerCap Holdings N.V. and Subsidiaries

Consolidated Statements of Cash Flows (Continued)

For the Years Ended December 31, 2015 and 2014

	Note	Year Ended December 31, 2015	Year Ended December 31, 2014
		(U.S. dollar amounts in thousands)	
Supplemental cash flow information:(d)			
Interest paid, net of amounts capitalized		$ 1,409,860	$ 1,103,512
Income taxes paid, net		20,178	37,630

(a) Maintenance rights write off consisted of the following:

	2015	2014
EOL and MR contract maintenance rights expense	$ 348,366	$ 54,507
EOL contract maintenance rights write off due to cash receipt	118,438	27,570
MR contract maintenance rights write off due to maintenance liability release	161,839	48,729
Maintenance rights write off	**$ 628,643**	**$ 130,806**

(b) Relates to the settlement of three asset value guarantees during the year ended December 31, 2015. Refer to Note 29—*Commitments and contingencies*.

(c) Includes the Share Repurchase of $750.0 million from AIG and $11.2 million of related expenses. Refer to Note 17—*Equity* and Note 28—*Related party transactions* for further details.

(d) These cash flows are part of net cash provided by operating activities.

Non-Cash Investing and Financing Activities

Year ended December 31, 2015:

Flight equipment in the amount of $152.2 million was reclassified to net investment in finance and sales-type leases.

Flight equipment in the amount of $49.6 million was reclassified to inventory, which is included in other assets.

Year ended December 31, 2014:

Flight equipment in the amount of $108.3 million was reclassified to net investment in finance and sales-type leases.

Flight equipment in the amount of $51.6 million was reclassified to inventory, which is included in other assets.

AerCap Holdings N.V. and Subsidiaries

Consolidated Statements of Equity

For the Years Ended December 31, 2015 and 2014

	Number of ordinary shares issued	Ordinary share capital	Additional paid-in capital	Treasury shares	Revaluation reserves	Accumulated retained earnings	AerCap Holdings N.V. shareholders' equity
		(U.S. dollar amounts in thousands, except share data)					
Balance as of December 31, 2013	**113,783,799**	**$1,199**	**$ 878,034**	**$ —**	**$(9,890)**	**$1,472,697**	**$2,342,040**
Total direct movements in group equity	—	—	—	—	2,995	—	2,995
Share-based compensation (Notes 18, 21)	973,516	13		—	—	67,309	67,322
ILFC Transaction	97,560,976	1,347	4,556,294	—	—		4,557,641
Net income attributable to equity holders of AerCap Holdings N.V.	—	—	—	—	—	763,619	763,619
Balance as of December 31, 2014	**212,318,291**	**$2,559**	**$5,434,328**	**$ —**	**$(6,895)**	**$2,303,625**	**$7,733,617**
Repurchase of shares (Note 17)	—	—	—	(761,228)	—	—	(761,228)
Share cancellation (Note 17)	(9,698,588)	(111)	(474,467)	474,578	—	—	—
Total direct movements in group equity	—	—	—	—	588	—	588
Share-based compensation (Notes 18, 21)	791,504	9	—	140,338	—	(73,251)	67,096
Net income attributable to equity holders of AerCap Holdings N.V.	—	—	—	—	—	1,078,498	1,078,498
Balance as of December 31, 2015	**203,411,207**	**$2,457**	**$4,959,861**	**$(146,312)**	**$(6,307)**	**$3,308,872**	**$8,118,571**

The accompanying notes are an integral part of these Consolidated Financial Statements.

AerCap Holdings N.V. and Subsidiaries

Notes to the Consolidated Financial Statements

(U.S. dollar amounts in thousands or as otherwise stated, except share data)

1. General

The Company

We are an independent aircraft leasing company with total assets of $43.8 billion, primarily consisting of 1,109 owned aircraft as of December 31, 2015. Our ordinary shares are listed on the New York Stock Exchange (AER) and as of December 31, 2015, our headquarters were located in Amsterdam. Pursuant to our recent migration from the Netherlands to Ireland, we moved our headquarters and executive officers from Amsterdam to Dublin, effective as of February 1, 2016. We continue to have offices in Amsterdam, Los Angeles, Shannon, Fort Lauderdale, Miami, Singapore, Shanghai and Abu Dhabi. We also have representation offices at the world's largest aircraft manufacturers, Boeing in Seattle and Airbus in Toulouse.

These Consolidated Financial Statements presented herein include the accounts of AerCap Holdings N.V. and its subsidiaries. AerCap Holdings N.V. is a public limited liability company ("*naamloze vennootschap" or "N.V.*") incorporated in the Netherlands on July 10, 2006.

ILFC Transaction

On May 14, 2014, we successfully completed the ILFC Transaction, as further described in Note 4—*ILFC Transaction*.

AIG offering and the Share Repurchase

On June 9, 2015, AIG sold 71,184,686 of its AerCap ordinary shares in a secondary public offering and AerCap completed the Share Repurchase of 15,698,588 ordinary shares. On August 24, 2015, AIG sold 10,677,702 of its AerCap ordinary shares in a secondary public offering. Following this sale, AIG no longer owns any of our outstanding ordinary shares or has any designees on our Board of Directors.

GFL Transaction

On April 22, 2014, we completed the sale of 100% of the class A common shares in Genesis Funding Limited to GFL Holdings, LLC, an affiliate of Wood Creek Capital Management, LLC. GFL had 37 aircraft in its portfolio with a net book value of $727 million.

Risks and uncertainties

Aircraft leasing is a capital intensive business and we have significant capital requirements. In order to meet our forward purchase commitments, we will need to access committed debt facilities, secure additional financing for pre-delivery payment obligations, use our existing available cash balances, cash generated from aircraft leasing and sales, and, if necessary, the proceeds from potential capital market transactions. If we cannot meet our obligations under our forward purchase commitments, we will not recover the value of prepayments on flight equipment on our Consolidated Balance Sheets and may be subject to other contract breach damages.

We are dependent upon the viability of the commercial aviation industry, which determines our ability to service existing and future operating leases of our aircraft. Although the aviation market recovered significantly from late 2009, a deterioration of economic conditions could cause our lessees to default under their leases with us, which could negatively impact our cash flows and results of operations. Furthermore, the value of the largest asset in our Consolidated Balance Sheets, flight equipment held for operating leases, is subject to fluctuations in values of commercial aircraft

1. General (Continued)

worldwide. A material decrease in aircraft values could have a downward effect on lease rentals and residual values and may require that the carrying value of our flight equipment be materially reduced.

The values of trade receivables, notes receivables and intangible lease premium assets are dependent upon the financial viability of related lessees, which is directly tied to the health of the commercial aviation market worldwide.

We have significant tax losses carried forward in some of our subsidiaries, which are recognized as tax assets in our Consolidated Balance Sheets. The recoverability of these assets is dependent upon the ability of the related entities to generate a certain level of taxable income in the future. If those entities cannot generate such taxable income, we will not realize the value of those tax assets and a corresponding valuation allowance and tax charge will be required.

We periodically perform reviews of the carrying values of our aircraft and customer receivables, inventory, the recoverable value of deferred tax assets and the sufficiency of accruals and provisions, substantially all of which are sensitive to the above risks and uncertainties.

Related parties

All group companies and related parties mentioned in Note 11—*Investments,* Note 22—*Other income*, Note 27—*Special purpose entities* and Note 28—*Related party transactions* are considered to be related parties. Transactions between group companies are eliminated upon consolidation.

Note to the Consolidated Statements of Cash Flows

The Consolidated Statements of Cash Flows have been prepared using the indirect method. The cash and cash equivalents in our Consolidated Statements of Cash Flows comprise the Consolidated Balance Sheet item cash and cash equivalents. Cash flows denominated in currencies other than U.S. dollars are translated at average exchange rates.

Receipts and payments of interest, dividends received and income taxes paid are included in cash flow provided by operating activities.

Investments in group companies are recognized at acquisition cost less cash and cash equivalents available in the company acquired at the time of acquisition.

2. Basis of presentation

General

The Consolidated Financial Statements were prepared in accordance with the statutory provisions of Part 9, Book 2, of the Dutch Civil Code and the firm pronouncements in the Dutch Accounting Standards as issued by the Dutch Accounting Standards Board. The annual accounts are denominated in U.S. dollars, which is our functional and reporting currency.

Based on Part 9 Book 2 Art. 362.4 of the Dutch Civil Code, the Company did not adopt the model formats for the balance sheets, the income statements or the statements of cash flows as prescribed by the Dutch Civil Code. The current presentation of primary statements is applied by our peers and we believe the use of these primary statements is necessary to provide sound judgment on the financial position and results of the Company. This presentation has no impact on the net income or equity of the Company.

2. Basis of presentation (Continued)

In general, assets and liabilities (except for group equity) are stated at the amounts at which they were acquired or incurred, with exception of derivatives which are measured at fair value. The Consolidated Balance Sheets, Consolidated Income Statements and Consolidated Statements of Cash Flows include references to the notes.

The principles of valuation and determination of result remain unchanged compared to the prior year.

Use of estimates

The preparation of Consolidated Financial Statements in conformity with generally accepted accounting principles ("GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. For us, the use of estimates is or could be a significant factor affecting acquisition accounting in a business combination, the reported carrying values of flight equipment, intangibles, investments, trade and notes receivables, deferred income tax assets and accruals and reserves. Management considers information available from professional appraisers, where possible, to support estimates, particularly with respect to flight equipment. Actual results may differ from our estimates under different conditions, sometimes materially.

In the years ended December 31, 2015 and 2014, we changed our estimates of useful lives and residual values of certain aircraft. The changes in estimates are a result of the current market conditions that have negatively affected the useful lives and residual values for such aircraft. The effect for the years ended December 31, 2015 and 2014 was to reduce net income by $35.8 million and $4.4 million, or $0.18 basic earnings per share and $0.17 diluted earnings per share, and $0.02 basic and diluted earnings per share, respectively.

Prior period comparative information

Our Consolidated Income Statement for the year ended December 31, 2014 includes a reclassification, as compared to the financial statements contained in our 2014 Dutch GAAP Annual Report, of $48.7 million to reduce lease revenue and leasing expenses. Commencing in 2015, for MR contracts, the release of maintenance rights intangible and accrued maintenance liability at lease termination are presented on a net basis in our Consolidated Income Statement. Previously, these amounts were presented on a gross basis. There were no changes to our Consolidated Balance Sheets, net income or total equity as a result of this reclassification in the period.

Our Consolidated Statement of Cash Flows for the year ended December 31, 2014 includes a reclassification, as compared to the financial statements contained in our 2014 Dutch GAAP Annual Report, of $17.0 million to reduce investing cash flows related to the collection for finance and sales-type leases and increase net cash provided by operating activities for the interest income received associated with the collections for finance and sales-type leases. There were no changes to our Consolidated Balance Sheets, net income or total equity as a result of this reclassification in the period.

2. Basis of presentation (Continued)

Out of period adjustment

Our Consolidated Income Statement for the year ended December 31, 2015 includes an out of period adjustment of $16.9 million which decreased net income by $14.4 million, net of tax, or $0.07 basic and diluted earnings per share. This adjustment corrects the capitalized interest on prepayments on flight equipment during the year ended December 31, 2014. Management has determined, after evaluating the quantitative and qualitative aspects of this out of period adjustment, that our current and prior period financial statements taken as a whole are not materially misstated.

3. Summary of significant accounting policies

Foreign currencies

Foreign currency transactions are translated into U.S. dollars, which is the currency of the primary economic environment in which the group operates, at the exchange rate prevailing at the time the transaction took place or at the rates of exchange under related forward contracts where such contracts exist. Monetary items denominated in foreign currency are translated into U.S. dollars at the exchange rate prevailing at each balance sheet date. Translation differences on non-monetary items held at cost are recognized using the exchange rates prevailing at the dates of the transactions (or the approximated rates). All resulting exchange gains and losses are recognized in our Consolidated Income Statements under selling, general and administrative expenses. All group companies have the U.S. dollar as their functional currency, given the nature of the business.

Consolidation

The consolidation includes the financial information of AerCap Holdings N.V., its group companies and other entities in which it exercises control or whose central management it conducts. Group companies are entities in which AerCap Holdings N.V. exercises direct or indirect dominant control based on a shareholding of more than one half of the voting rights, or whose financial and operating policies it otherwise has the power to govern. Potential voting rights that can directly be exercised at the balance sheet date are also taken into account.

Group companies and other entities in which AerCap Holdings N.V. exercises control or whose central management it conducts are consolidated in full. Companies are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases. Non-controlling interests in group equity and group profit are disclosed separately.

Intercompany transactions, profits and balances among group companies and other consolidated legal persons are eliminated. Unrealized losses on intercompany transactions are eliminated as well, unless such a loss qualifies as impairment. The accounting policies of group companies and other consolidated legal entities were changed where necessary, in order to align them to the prevailing group accounting policies.

Since the income statement for year ended December 31, 2015 of AerCap Holdings N.V. is included in our Consolidated Financial Statements, an abridged income statement has been disclosed (in the company financial statements) in accordance with Section 402, Book 2, of the Dutch Civil Code.

For a listing of consolidated companies, please refer to Note 32—*Subsidiary undertakings*.

3. Summary of significant accounting policies (Continued)

Non-controlling interest

The non-controlling interest in group equity is carried at the amount of the net interest in the group companies concerned. Insofar as the group company concerned has a negative net asset value, the negative value and other future losses are not allocated to the non-controlling interest, unless the third party shareholders have a constructive actual obligation, and are capable, to clear the losses. As soon as the net asset value of the group company is positive again, profits are again allocated to the non-controlling interest. Transactions between the AerCap and its non-controlling interests are eliminated. Gains and losses arising from acquisitions and disposals of non-controlling interests are recognized through shareholder's equity.

Cash and cash equivalents

Cash and cash equivalents include cash and highly liquid investments with an original maturity of three months or less.

Restricted cash

Restricted cash includes cash held by banks that is subject to withdrawal restrictions. Such amounts are typically restricted under secured debt agreements and can be used only to service the aircraft securing the debt and to make principal and interest payments on the debt.

Trade receivables

Trade receivables represent unpaid, current lessee obligations under existing lease contracts or receivables relating to inventory sales. An allowance for credit losses on trade receivables is established when the risk of non-recovery is probable. The risk of non-recovery is primarily based on the extent to which amounts outstanding exceed the value of security held, together with an assessment of the financial strength and condition of a debtor and the economic conditions persisting in the debtor's operating environment.

Flight equipment held for operating leases, net

Flight equipment held for operating leases is stated at cost less accumulated depreciation and impairment. Flight equipment is depreciated to its estimated residual value using the straight-line method over the useful life of the aircraft, generally 25 years from the date of manufacture, or a different period depending on the disposition strategy. The costs of improvements to flight equipment are normally expensed unless the improvement increases the long-term value or extends the useful life of the flight equipment. The capitalized cost is depreciated over the estimated remaining useful life of the aircraft. The residual value of our aircraft is generally 15% of industry standard price, except where more recent industry information indicates a different value is appropriate.

We periodically review the estimated useful lives and residual values of our aircraft based on our knowledge and external factors coupled with market conditions to determine if they are appropriate, and record adjustments to depreciation prospectively on an aircraft by aircraft basis as necessary.

Annually, we evaluate the need to perform recoverability assessments of our long-lived assets when events or changes in circumstances indicate that the carrying value of such assets may not be recoverable. The review of recoverability includes an assessment of the estimated future cash flows

3. Summary of significant accounting policies (Continued)

associated with the use of an asset and its eventual disposal. The assets are grouped at the lowest level for which identifiable cash flows are largely independent of other groups of assets, which includes the individual aircraft and the lease-related assets and liabilities of that aircraft (the "Cash Generating Unit"). If the sum of the expected discounted future cash flows is less than the aggregate net book value of the Cash Generating Unit, an impairment loss is recognized. The loss is measured as the excess of the carrying amount of the impaired Cash Generating Unit over its realizable value.

Realizable value reflects the present value of cash expected to be generated from the aircraft in the future, including its expected residual value, discounted at a rate commensurate with the associated risk. Future cash flows are assumed to occur under then current market conditions and assume adequate time for a sale between a willing buyer and a willing seller. Expected future lease rates are based on all relevant information available, including current contracted rates for similar aircraft, appraisal data and industry trends. Annually, we perform an impairment assessment for all of our aircraft, including a review of the discounted cash flows for aircraft 15 years of age or older, as the cash flows supporting the carrying value of such older aircraft are more dependent upon current lease contracts, and these leases are more sensitive to weaknesses in the global economic environment. Deterioration of the global economic environment and a decrease of aircraft values might have a negative effect on the discounted cash flows of older aircraft and might trigger impairments.

Capitalization of interest

We capitalize interest on prepayments on flight equipment in respect of flight equipment on forward order and add such amount to prepayments on flight equipment. The amount of interest capitalized is the actual interest costs incurred on funding specific to the prepayments, if any, or the amount of interest costs which could have been avoided in the absence of such prepayments.

Net investment in finance and sales-type leases

We recognize the lease in net investment in finance and sales-type leases in our Consolidated Balance Sheets and de-recognize the aircraft from flight equipment held for operating leases. For sales-type leases, we recognize the difference between the aircraft carrying value and the amount recognized in net investment in finance and sales-type leases as a gain on sale of assets or an impairment. The amounts recognized for finance and sales-type leases consist of lease receivables and the estimated unguaranteed residual value of the leased flight equipment on the lease termination date, less the unearned income. Expected unguaranteed residual values of leased flight equipment are based on our assessment of the values of the leased flight equipment at expiration of the lease. The unearned income is recognized in lease revenue in our Consolidated Income Statements over the lease term, in a manner that produces a constant rate of return on the lease.

Definite-lived intangible assets

We recognize intangible assets acquired in a business combination at fair value on the date of acquisition. The rate of amortization of definite-lived intangible assets is calculated based on the period over which we expect to derive economic benefits from such assets.

3. Summary of significant accounting policies (Continued)

Maintenance rights intangible and lease premium, net

The maintenance rights intangible asset represents the contractual right under our leases acquired as part of the ILFC Transaction to receive the aircraft in a specified maintenance condition at the end of the lease (EOL contracts) or our right to receive an aircraft in better maintenance condition due to our obligation to contribute towards the cost of the maintenance events performed by the lessee either through reimbursement of maintenance deposit rents held (MR contracts), or through a lessor contribution to the lessee.

For EOL contracts, to the extent the lease end cash compensation paid to us is less than the maintenance rights intangible asset, we recognize maintenance rights expense upon lease termination. Maintenance rights expense is included in leasing expenses in our Consolidated Income Statements. To the extent the lease end cash compensation paid to us is more than the maintenance rights intangible asset, we recognize lease revenue in our Consolidated Income Statements, upon lease termination. For MR contracts, we recognize maintenance rights expense at the time the lessee submits a reimbursement claim and provides the required documentation related to the cost of a qualifying maintenance event that relates to pre-acquisition usage.

The lease premium represents the value of an acquired lease where the contractual rent payments are above the market rate. We amortize the lease premium on a straight-line basis over the term of the lease as a reduction of lease revenue in our Consolidated Income Statements.

Other definite-lived intangible assets (including goodwill)

Other definite-lived intangible assets primarily consist of customer relationships recorded at fair value and goodwill as a result of the ILFC Transaction. These definite-lived intangible assets including goodwill are amortized on a straight-line basis over the period which we expect to derive economic benefits from such assets. The associated benefit from goodwill is expected to be realized over a 17 year period based upon forecasted cash flows and is as such amortized over 17 years. The amortization expense is recorded in depreciation and amortization in our Consolidated Income Statements. We evaluate all definite-lived intangible assets for impairment when events or changes in circumstances indicate that the carrying value of the asset may not be recoverable.

Other assets

Other assets consist of inventory, notes receivables, investments, derivative financial instruments, lease incentives, other tangible fixed assets, prepaid expenses, and other receivables.

Inventory

Inventory consists primarily of engine and airframe parts and rotable and consumable parts we sell through our subsidiary AeroTurbine. We value our inventory at the lower of cost or market value. Cost is primarily determined using the specific identification method for individual part purchases and on an allocated basis for engines and aircraft purchased for disassembly and for bulk purchases. Costs are allocated using the relationship of the cost of the engine, aircraft, or bulk inventory purchase to the estimated retail sales value at the time of purchase. At the time of sale this ratio is applied to the sales price of each individual part to determine its cost. We periodically evaluate this ratio and, if necessary,

3. Summary of significant accounting policies (Continued)

update sales estimates and make adjustments to this ratio. Generally, inventory that is held for more than four years is considered excess inventory and its carrying value is reduced to zero.

Notes receivables

Notes receivables represent amounts advanced in the normal course of our operations and also arise from the restructuring and deferral of trade receivables from lessees experiencing financial difficulties. An allowance for credit losses on notes receivables is established when the risk of non-recovery is probable. The assessment of the risk of non-recovery where lessees are experiencing financial difficulties is primarily based on the extent to which amounts outstanding exceed the value of security held, together with an assessment of the financial strength and condition of the debtor and the economic conditions persisting in the debtor's operating environment. The note receivable as a result of the ALS Transaction was recorded at fair value and is subsequently measured at amortized cost using the retrospective effective interest method.

Investments

Investments over which we have significant influence but not a controlling interest, joint ventures or SPEs for which we are not the PB are reported using net asset value. Under net asset value, we include our share of earnings and losses of such investments in equity in net earnings (losses) of investments accounted for at net asset value.

Derivative financial instruments

We use derivative financial instruments to manage our exposure to interest rate risks and foreign currency risks. We recognize derivatives in our Consolidated Balance Sheets at fair value.

When cash flow hedge accounting treatment is applied, the changes in fair values related to the effective portion of the derivatives are recorded in revaluation reserves, and the ineffective portion is recognized immediately in interest expense. Amounts reflected in revaluation reserves related to the effective portion are reclassified into interest expense in the same period or periods during which the hedged transaction affects interest expense.

We discontinue hedge accounting prospectively when *(i)* we determine that the derivative is no longer effective in offsetting changes in the fair value or cash flows of the hedged item; *(ii)* the derivative expires or is sold, terminated, or exercised; or *(iii)* management determines that designating the derivative as a hedging instrument is no longer appropriate. In all situations in which hedge accounting is discontinued and the derivative remains outstanding, we recognize the changes in the fair value in current-period earnings. The remaining balance in revaluation reserves at the time we discontinue hedge accounting is not recognized in our Consolidated Income Statements unless it is probable that the forecasted transaction will not occur. Such amounts are recognized in interest expense when the hedged transaction affects interest expense.

When cash flow hedge accounting treatment is not applied, the changes in fair values related to interest derivatives between periods are recognized in interest expense and changes in fair value relating to currency derivatives are recognized as a reduction or increase in selling, general and administrative expenses in our Consolidated Income Statements.

3. Summary of significant accounting policies (Continued)

Net cash received or paid under derivative contracts in any reporting period is classified as operating cash flows in our Consolidated Statements of Cash Flows.

Lease incentives

We capitalize amounts paid or value provided to lessees as lease incentives. We amortize lease incentives on a straight-line basis over the term of the related lease as a reduction in lease revenue in our Consolidated Income Statements.

Other tangible fixed assets

Other tangible fixed assets consist primarily of computer equipment, leasehold improvements and office furniture, and are valued at acquisition cost and depreciated at various rates over the asset's estimated useful life using the straight-line method. Depreciation expense on other tangible fixed assets is recorded in depreciation and amortization in our Consolidated Income Statements.

Fair value measurements

Fair value is defined as the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 30—*Fair value of financial instruments*.

Income taxes

Tax on the results is calculated based on the result before tax in the income statement, taking account of the losses available for set-off from previous financial years (to the extent that they have not already been included in the deferred tax assets) and exempt profit components and after the addition of non-deductible costs. We recognize an uncertain tax benefit only to the extent that it is more likely than not that the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position.

Deferred income tax assets and liabilities

We report deferred income taxes resulting from the temporary differences between the book values and the tax values of assets and liabilities using the liability method. The differences are calculated at nominal value using the enacted tax rate applicable at the time the temporary difference is expected to reverse. Deferred income tax assets attributable to unutilized losses carried forward or other timing differences are reduced by a valuation allowance if it is more likely than not that such losses will not be utilized to offset future taxable income.

Accounts payable, accrued expenses and other liabilities

On initial recognition accounts payable, accrued expenses and other liabilities are recognized at fair value. After initial recognition they are recognized at amortized cost price. This usually is the nominal value.

3. Summary of significant accounting policies (Continued)

Guarantees

As a result of the ILFC Transaction, we have contracts that guarantee the residual values of aircraft owned by third parties. We also entered into an agreement to guarantee the future re-lease or extension rates and other cost of four aircraft. When it becomes probable that we will be required to perform under a guarantee, we accrue a liability based on an estimate of the loss we will incur to perform under the guarantee. The estimate of the loss is generally measured as the amount by which the contractual guaranteed value exceeds the fair market value or future lease cashflows of the underlying aircraft.

Accrued maintenance liability

Under our aircraft leases, the lessee is responsible for maintenance and repairs and other operating expenses related to our flight equipment during the term of the lease. In certain instances, such as when an aircraft is not subject to a lease, we may incur maintenance and repair expenses for our aircraft. Maintenance and repair expenses are recorded in leasing expenses in our Consolidated Income Statements, to the extent such expenses are incurred by us.

We may be obligated to make additional payments to the lessee for maintenance related expenses, primarily related to usage of major life-limited components existing at the inception of the lease ("lessor maintenance contributions" and "top ups"). For all lease contracts, we expense planned major maintenance activities, such as lessor maintenance contributions, when incurred. The charge is recorded in leasing expenses in our Consolidated Income Statements. In the case we have established an accrual as an assumed liability for such payment in connection with the purchase of an aircraft with a lease attached, such payments are charged against the existing accrual.

For all contracts acquired as part of the ILFC Transaction, we determined the fair value of our maintenance liability, including lessor maintenance contributions, using the present value of the expected cash outflows. The discounted amounts are accreted in subsequent periods to their respective nominal values up until the expected maintenance event dates using the effective interest method. The accretion is recorded as an increase in interest expense in our Consolidated Income Statements.

Debt and deferred debt issuance costs

Long-term debt is carried at the principal amount borrowed, including unamortized discounts and premiums and fair value adjustments, where applicable. The fair value adjustments reflect the application of the acquisition method of accounting to the debt assumed as part of the ILFC Transaction. We amortize the amount of discount or premium and fair value adjustments over the period the debt is outstanding using the effective interest method. The costs we incur for issuing debt are capitalized and amortized as an increase to interest expense over the life of the debt using the effective interest method. The coupon liability as a result of the ALS Transaction was recorded at fair value and is subsequently measured at amortized cost using the retrospective effective interest method.

Lessee security deposits

For all lessee deposits assumed as part of the ILFC Transaction, we discounted our lessee security deposits to their respective present values. We accrete these discounted amounts to their respective

3. Summary of significant accounting policies (Continued)

nominal values, over the period we expect to refund the security deposits to each lessee, using the effective interest method, recognizing an increase in interest expense.

Revenue recognition

We lease flight equipment principally under operating leases and recognize rental income on a straight-line basis over the life of the lease. At lease inception, we review all necessary criteria to determine proper lease classification. We account for lease agreements that include uneven rental payments on a straight-line basis. The difference between rental revenue recognized and cash received is included in our Consolidated Balance Sheets in other assets, or in the event it is a liability in accounts payable, accrued expenses and other liabilities. In certain cases, leases provide for rentals contingent on usage. The usage may be calculated based on hourly usage or on the number of cycles operated, depending on the lease contract. Revenue contingent on usage is recognized at the time the lessee reports the usage to us.

Lease agreements for which base rent is based on floating interest rates are included in minimum lease payments based on the floating interest rate existing at the inception of the lease; any increases or decreases in lease payments that result from subsequent changes in the floating interest rate are contingent rentals and are recorded as increases or decreases in lease revenue in the period of the interest rate change.

Our lease contracts normally include default covenants, which generally obligate the lessee to pay us damages to put us in the position we would have been in had the lessee performed under the lease in full. There are no additional payments required which would increase the minimum lease payments. We cease revenue recognition on a lease contract when the collectability of such rentals is no longer reasonably assured. For past-due rentals that exceed related security deposits held, which have been recognized as revenue, we establish provisions on the basis of management's assessment of collectability. Such provisions are recorded in leasing expenses in our Consolidated Income Statements.

Revenues from net investment in finance and sales-type leases are included in lease revenue in our Consolidated Income Statements and are recognized using the interest method to produce a constant yield over the life of the lease.

Most of our lease contracts require payment in advance. Rentals received but unearned under these lease agreements are recorded as deferred revenue in our Consolidated Balance Sheets.

Under our aircraft leases, the lessee is responsible for maintenance, repairs and other operating expenses related to our flight equipment during the term of the lease. Under the provisions of many of our leases, the lessee is required to make payments of supplemental maintenance rents which are calculated with reference to the utilization of the airframe, engines and other major life-limited components during the lease. We record as lease revenue all supplemental maintenance rent receipts not expected to be reimbursed to lessees. We estimate the total amount of maintenance reimbursements for the entire lease and only record revenue after we have received enough maintenance rents under a particular lease to cover the total amount of estimated maintenance reimbursements during the remaining lease term.

3. Summary of significant accounting policies (Continued)

In most lease contracts not requiring the payment of supplemental maintenance rents, and to the extent that the aircraft is redelivered in a different condition than at acceptance, we generally receive EOL cash compensation for the difference at redelivery. We recognize receipts of EOL cash compensation as lease revenue when received to the extent those receipts exceed the EOL contract maintenance rights intangible asset, and we recognize leasing expenses when the EOL contract maintenance rights intangible asset exceeds the EOL cash receipts.

Accrued maintenance liability existing at the end of a lease is released and recognized as lease revenue at lease termination to the extent that the maintenance liability exceeds the MR contract maintenance rights intangible asset. If the maintenance liability does not exceed the MR contract maintenance rights intangible asset, we recognize the difference as a leasing expense. When flight equipment is sold, the portion of the accrued maintenance liability which is not specifically assigned to the buyer is released from our Consolidated Balance Sheets, net of any maintenance rights intangible asset balance, and recognized as part of the sale of the flight equipment as gain or loss in net gain on sale of assets in our Consolidated Income Statements.

Net gain or loss on sale of assets originates primarily from the sale of aircraft and engines. The sale is recognized when the relevant asset is delivered, the risk of loss has transferred to the buyer, and we no longer have significant ownership risk in the asset sold.

Other income consists of interest income, management fees, lease termination penalties, inventory part sales and net gain on sale of equity interest in investments accounted for under the equity method. Income from secured loans, notes receivables and other interest bearing instruments is recognized using the effective yield method as interest accrues under the associated contracts. Lease management fees are recognized as income as they accrue over the life of the contract. Income from the receipt of lease termination penalties is recorded at the time cash is received or when the lease is terminated, if revenue recognition criteria are met.

Pension

We operate a defined benefit pension plan for our Dutch employees and some of our Irish employees. As required by ASC 715 under U.S. GAAP, we recognize net periodic pension costs associated with these plans in selling, general and administrative expenses and recognize the unfunded status of the plan, if any, in accounts payable, accrued expenses and other liabilities. The change in fair value of the funded pension liability that is not related to the net periodic pension cost is recorded in revaluation reserves. The projection of benefit obligation and fair value of plan assets require the use of assumptions and estimates, including discount rates. Actual results could differ from those estimates. Furthermore, we operate defined contribution plans for the employees who do not fall under the defined benefit pension plans. We recognize an expense for contributions to the defined contribution plans in selling, general and administrative expenses in the period the contributions are made.

Share-based compensation

Certain employees receive AerCap share-based awards, consisting of restricted stock units and restricted stock. The share-based compensation expense is determined by reference to the fair value of the restricted stock units or restricted stock on the grant date and is recognized over the vesting period

3. Summary of significant accounting policies (Continued)

using the straight-line method, classified in selling, general and administrative expenses in our Consolidated Income Statements.

Earnings per share

Basic earnings per share is computed by dividing income available to ordinary shareholders by the weighted-average number of ordinary shares outstanding during the period. For the purposes of calculating diluted earnings per share, the denominator includes both the weighted average number of ordinary shares outstanding during the period and the weighted average number of potentially dilutive ordinary shares, such as restricted stock units, restricted stock and stock options.

Reportable segments

We manage our business and analyze and report our results of operations on the basis of one business segment: leasing, financing, sales and management of commercial aircraft and engines.

Negative goodwill

Negative goodwill arising from the acquisition of subsidiaries is recognized as a liability in our Consolidated Balance Sheets. Negative goodwill is released to income in accordance with the weighted average remaining life of the depreciable or amortizable assets acquired. In the event of a disposal of an asset a relative portion of the negative goodwill based on the weighted average book value of the acquired asset is released to our Consolidated Income Statements.

Shareholders' equity

Expenses directly related to the purchase, sale and/or issue of new shares, net of tax, are directly charged against shareholders' equity. Other direct changes in shareholders' equity are also recognized after processing of the relevant profit tax effects.

Provisions

Provisions are recognized for legally enforceable or constructive obligations existing on the balance sheet date, the settlement of which is probable to require an outflow of resources whose extent can be reliably estimated. Provisions are measured on the basis of the best estimate of the amounts required to settle the obligations as of the balance sheet date.

Provisions are stated at the present value of the expenditure expected to be required to settle the obligations. If the expenditure to settle obligations is expected to be recovered from third parties, the recovery is carried as an asset in our Consolidated Balance Sheets if it is likely to be received upon settlement of the obligation.

Financial instruments and risk management

Our primary market risk exposure is interest rate risk associated with short and long-term borrowings bearing variable interest rates and lease payments under leases tied to floating interest rates. To manage this interest rate exposure, from time to time, we enter into interest rate swap and

3. Summary of significant accounting policies (Continued)

cap agreements. We are also exposed to foreign currency risk, which can adversely affect our operating profits. To manage this risk, from time to time, we enter into forward exchange contracts.

The following discussion should be read in conjunction with Note 12—*Derivative assets and liabilities* and Note 15—*Debt* which provide further information on our derivative financial instruments and debt.

Interest rate risk

Interest rate risk is the exposure to changes in the level of interest rates and the spread between different interest rates. Interest rate risk is highly sensitive to many factors, including government monetary policies, global economic factors and other factors beyond our control.

We enter into leases with rents that are based on fixed and variable interest rates, and we fund our operations primarily with a mixture of fixed and floating rate debt. Interest rate exposure arises to the extent that the mix of our floating rate debt is not matched with our interest earning assets or rents we receive on leases that are based on variable interest rates. We manage this exposure primarily through the use of interest rate caps, interest rate swaps and interest rate floors using a cash flow-based risk management model. This model takes the expected cash flows generated by our assets and liabilities and then calculates by how much the value of these cash flows will change for a given movement in interest rates.

Under our interest rate caps, we will receive the excess, if any, of LIBOR, reset monthly or quarterly on an actual/360 adjusted basis, over the strike rate of the relevant cap. For our interest rate swaps, pay rates are based on the fixed rate which we are contracted to pay to our swap counterparty.

Our Board of Directors is responsible for reviewing and approving our overall interest rate management policies and transaction authority limits. Specific hedging contracts are approved by the Group Treasury and Accounting Committee acting within the overall policies and limits. Our counterparty risk is monitored on an ongoing basis, but is mitigated by the fact that the majority of our interest rate derivative counterparties are required to cash collateralize in the event of their downgrade by the rating agencies below a certain level. Our counterparties are subject to the prior approval of the Group Treasury and Accounting Committee.

Foreign currency risk and foreign operations

Our functional currency is U.S. dollars. Foreign exchange risk arises from our and our lessees' operations in multiple jurisdictions. All of our aircraft purchase agreements are negotiated in U.S. dollars, we currently receive substantially all of our revenue in U.S. dollars and we pay our expenses primarily in U.S. dollars. We currently have a limited number of leases denominated in foreign currencies, maintain part of our cash in foreign currencies, pay taxes in foreign currencies, and incur some of our expenses in foreign currencies, primarily the Euro. A decrease in the U.S. dollar in relation to foreign currencies increases our lease revenue received from foreign currency denominated leases and our expenses paid in foreign currencies. An increase in the U.S. dollar in relation to foreign currencies decreases our lease revenue received from foreign currency denominated leases and our expenses paid in foreign currencies. Because we currently receive most of our revenues in U.S. dollars and pay most of our expenses in U.S. dollars, a change in foreign exchange rates would not have a

3. Summary of significant accounting policies (Continued)

material impact on our results of operations or cash flows. We do not have any restrictions or repatriation issues associated with our foreign cash accounts.

Credit risk

The values of trade receivables and notes receivables are dependent upon the financial viability of related lessees, which is directly tied to the health of the commercial aviation market worldwide. We perform a credit evaluation on all lease counterparties with whom we conduct material business. We also actively monitor the creditworthiness of significant lessees to minimize the cost to us of lessee defaults.

Inflation

Inflation generally affects our costs, including selling, general and administrative expenses and other expenses. We do not believe that our financial results have been, or will be in the near future, materially and adversely affected by inflation.

Liquidity

Our cash balance as of December 31, 2015 was $2.8 billion, including unrestricted cash of $2.4 billion. As of December 31, 2015, we had approximately $6.7 billion of undrawn lines of credit available under our credit and term loan facilities. Our total liquidity, including undrawn lines of credit, unrestricted cash and contracted asset sales, was $9.2 billion as of December 31, 2015. As of December 31, 2015, the principal amount of our outstanding indebtedness, which excludes fair value adjustments of $0.8 billion, totaled $29.0 billion and primarily consisted of senior unsecured, subordinated and senior secured notes, export credit facilities, commercial bank debt, revolving credit debt, securitization debt and capital lease structures.

Our existing sources of liquidity are sufficient to operate our business and cover at least 1.2x of our debt maturities and contracted capital requirements for the next 12 months. Our sources of liquidity include available revolving credit facilities, unrestricted cash, estimated operating cash flows and cash flows from contracted asset sales.

4. ILFC Transaction

On May 14, 2014, AerCap issued 97,560,976 new ordinary shares and paid $2.4 billion in cash to AIG to successfully complete the ILFC Transaction. Prior to the consummation of the ILFC Transaction, ILFC paid a special distribution to AIG in the amount of $600.0 million.

The total consideration paid to AIG, excluding the special distribution of $600.0 million paid by ILFC to AIG on May 13, 2014, had a value of approximately $7.0 billion based on AerCap's closing price per share of $46.59 on May 14, 2014. On the Closing Date, immediately after completing the ILFC Transaction, all of ILFC's assets were transferred substantially as an entirety to AerCap Trust, a legal entity formed on February 5, 2014, and AerCap Trust assumed substantially all of the liabilities of ILFC. AerCap Ireland Capital Limited, a wholly-owned subsidiary of AerCap Ireland Limited, and ILFC, an indirect subsidiary of AerCap Trust, are the sole beneficiaries of AerCap Trust.

(U.S. dollar amounts in thousands or as otherwise stated, except share data)

4. ILFC Transaction (Continued)

On June 9, 2015, AIG sold 71,184,686 of its AerCap ordinary shares in a secondary public offering and AerCap completed the Share Repurchase of 15,698,588 ordinary shares.

On August 24, 2015, AIG sold 10,677,702 of its AerCap ordinary shares in a secondary public offering. Following this sale, AIG no longer owns any of our outstanding ordinary shares or has any designees on our Board of Directors.

The consideration transferred to effect the ILFC Transaction consisted of the following:

Cash consideration(a)	$2,400,000
97,560,976 AerCap common shares issued multiplied by AerCap closing share price per share of $46.59 on May 14, 2014	4,545,366
Share compensation	12,275
Consideration transferred	**$6,957,641**

(a) Excludes the $600.0 million special distribution paid by ILFC to AIG prior to the Closing Date.

As of December 31, 2014, we had finalized all known measurement period adjustments. The following is a summary of the estimated fair values of the identifiable assets acquired, the liabilities assumed and non-controlling interest at the Closing Date.

	Final amounts recognized as of the Closing Date
Cash and cash equivalents and restricted cash(a)	$ 2,958,809
Flight equipment held for operating leases, net	24,038,423
Prepayments on flight equipment	3,176,322
Maintenance rights intangible and lease premium(b)	4,082,029
Other intangibles	489,805
Accrued maintenance liability	(2,575,118)
Debt	(24,339,842)
Other assets and liabilities	(853,834)
Non-controlling interest	(77,047)
Estimate of fair value of net assets acquired	6,899,547
Transaction expenses directly related to the ILFC Transaction	31,078
Consideration transferred	6,957,641
Goodwill	**$ 89,172**

(a) Includes $0.8 billion of restricted cash.

(b) Includes $4.0 billion maintenance rights intangible, and the remaining amount relates to lease premium.

(U.S. dollar amounts in thousands or as otherwise stated, except share data)

5. Restricted cash

Our restricted cash balance was $419.4 million and $717.4 million as of December 31, 2015 and 2014, respectively. It is primarily related to our ECA financings, our Ex-Im financings, our AerFunding revolving credit facility and other debt. See Note 15—*Debt*.

6. Flight equipment held for operating leases, net

Movements in flight equipment held for operating leases during the years ended December 31, 2015 and 2014 were as follows:

	Year Ended December 31,	
	2015	2014
Net book value at beginning of period	$32,007,819	$ 8,068,585
ILFC Transaction	—	24,038,423
GFL Transaction	—	(726,985)
Additions	3,604,122	2,314,908
Depreciation	(1,806,419)	(1,256,619)
Impairment and reversal (Note 24)	(44,320)	21,979
AeroTurbine restructuring (Note 25)	(22,402)	—
Disposals/Transfers to held for sale	(1,325,626)	(306,985)
Transfers to net investment in finance and sales-type leases/inventory	(201,821)	(145,487)
Net book value at end of period	**$32,211,353**	**$32,007,819**
Accumulated depreciation as of December 31, 2015 and 2014, respectively	$(3,969,274)	$(2,622,295)

7. Net investment in finance and sales-type leases

Components of net investment in finance and sales-type leases as of December 31, 2015 and 2014 were as follows:

	As of December 31,	
	2015	2014
Future minimum lease payments to be received	$ 533,879	$ 409,282
Estimated residual values of leased flight equipment (unguaranteed)	164,123	98,994
Less: Unearned income	(228,804)	(161,185)
	$ 469,198	$ 347,091
Less: Allowance for credit losses	—	—
	$ 469,198	**$ 347,091**

(U.S. dollar amounts in thousands or as otherwise stated, except share data)

7. Net investment in finance and sales-type leases (Continued)

As of December 31, 2015, future minimum lease payments to be received on finance and sales-type leases were as follows:

	Future minimum lease payments to be received
2016	$ 93,726
2017	85,143
2018	83,656
2019	75,255
2020	60,865
Thereafter	135,234
	$533,879

8. Maintenance rights intangible and lease premium, net

Maintenance rights intangible and lease premium consisted of the following as of December 31, 2015 and 2014:

	As of December 31,	
	2015	2014
Maintenance rights intangible	$3,068,318	$3,812,259
Lease premium	70,727	93,767
	$3,139,045	**$3,906,026**

Movements in maintenance rights intangible during the years ended December 31, 2015 and 2014 were as follows:

	Year Ended December 31,	
	2015	2014
Maintenance rights intangible, net at beginning of period	$3,812,259	$ —
ILFC Transaction	—	3,975,286
EOL and MR contract maintenance rights expense	(348,366)	(54,507)
MR contract maintenance rights write off due to maintenance liability release	(161,839)	(48,729)
EOL contract maintenance rights write off due to cash receipt	(118,438)	(27,570)
EOL and MR contract intangible write off due to sale of aircraft	(115,298)	—
Transfer to lease incentives	—	(32,221)
Maintenance rights intangible, net at end of period	**$3,068,318**	**$3,812,259**

(U.S. dollar amounts in thousands or as otherwise stated, except share data)

8. Maintenance rights intangible and lease premium, net (Continued)

The following tables present details of lease premium and related accumulated amortization as of December 31, 2015 and 2014:

	As of December 31, 2015			
	Remaining weighted-average amortization period (in years)	Gross carrying amount	Accumulated amortization	Net carrying amount
Lease premium	5.0	$107,140	$(36,413)	$70,727

	As of December 31, 2014			
	Remaining weighted-average amortization period (in years)	Gross carrying amount	Accumulated amortization	Net carrying amount
Lease premium	5.6	$119,763	$(25,996)	$93,767

Lease premiums that are fully amortized are removed from the gross carrying amount and accumulated amortization columns in the tables above.

During the years ended December 31, 2015 and 2014, we recorded amortization expense for lease premium of $23.0 million and $18.0 million, respectively.

As of December 31, 2015, the estimated future amortization expense for lease premium was as follows:

	Estimated amortization expense
2016	$19,835
2017	13,632
2018	11,219
2019	10,466
2020	7,727
Thereafter	7,848
	$70,727

(U.S. dollar amounts in thousands or as otherwise stated, except share data)

9. Other intangibles, net

Other intangibles consisted of the following as of December 31, 2015 and 2014:

	As of December 31, 2015	As of December 31, 2014
Goodwill	$ 80,648	$ 85,894
Customer relationships	325,471	346,647
Contractual vendor intangible assets	38,775	47,580
Tradename and other intangible assets	38,666	71,388
	$483,560	**$551,509**

The following tables present details of goodwill, customer relationships and tradename and other intangible assets and related accumulated amortization as of December 31, 2015 and 2014:

	As of December 31, 2015			
	Remaining weighted-average amortization period (in years)	Gross carrying amount	Accumulated amortization	Net carrying amount
Goodwill	15.4	$ 89,172	$ (8,524)	$ 80,648
Customer relationships	15.4	360,000	(34,529)	325,471
Tradename and other intangible assets	8.1	56,465	(17,799)	38,666
		$505,637	**$(60,852)**	**$444,785**

	As of December 31, 2014			
	Remaining weighted-average amortization period (in years)	Gross carrying amount	Accumulated amortization	Net carrying amount
Goodwill	16.4	$ 89,172	$ (3,278)	$ 85,894
Customer relationships	16.4	360,000	(13,353)	346,647
Tradename and other intangible assets	9.9	79,365	(7,977)	71,388
		$528,537	**$(24,608)**	**$503,929**

During the years ended December 31, 2015 and 2014, we recorded amortization expense for goodwill, customer relationships and tradename and other intangible assets of $38.9 million and $24.6 million, respectively.

During the year ended December 31, 2015, we recorded a $4.6 million addition to other intangible assets, and recognized impairment charges of $24.8 million of tradename and other intangible assets related to the downsizing of AeroTurbine. The impairment was recorded in selling, general and administrative expenses in our Consolidated Income Statement. Please refer to Note 25—*AeroTurbine restructuring* for further details.

During the year ended December 31, 2015, we utilized $8.8 million of contractual vendor intangible assets to reduce the cash outlay related to purchases of goods and services from our vendors.

(U.S. dollar amounts in thousands or as otherwise stated, except share data)

9. Other intangibles, net (Continued)

As of December 31, 2015, the estimated future amortization expense for goodwill, customer relationships and tradename and other intangible assets was as follows:

	Estimated amortization expense
2016	$ 37,337
2017	37,337
2018	31,031
2019	27,337
2020	27,337
Thereafter	284,406
	$444,785

10. Other assets

Other assets consisted of the following as of December 31, 2015 and 2014:

	As of December 31,	
	2015	2014
Inventory (Note 22)	$260,269	$315,532
Lease incentives	162,277	116,061
Other receivables	174,841	75,819
Investments (Note 11)	114,711	115,554
Notes receivables	116,197(a)	135,154(b)
Derivative assets (Note 12)	18,965	24,549
Other tangible fixed assets	20,845	21,028
Straight-line rents, prepaid expenses and other	85,114	39,430
	$953,219	**$843,127**

(a) As of December 31, 2015, we did not have an allowance for credit losses on notes receivables. We recognized a $2.0 million provision during the year ended December 31, 2015, which was used upon termination of the related leases.

(b) As of December 31, 2014, we did not have an allowance for credit losses on notes receivables and there was no activity recorded for credit losses during the year ended December 31, 2014.

(U.S. dollar amounts in thousands or as otherwise stated, except share data)

11. Investments

Investments consisted of the following as of December 31, 2015 and 2014:

	As of December 31,		
	Ownership as of December 31, 2015 (%)	2015	2014
Equity investment in unconsolidated entity (AerDragon)(a)	17	$ 55,430	$ 51,450
Equity investment in unconsolidated entity (AerLift)	39	47,352	53,639
Equity investment in unconsolidated entity (ACSAL)(a)	19	11,923	10,459
Other investments at cost	NA	6	6
		$114,711	**$115,554**

(a) AerDragon and ACSAL are SPEs for which we are not the PB but do have significant influence. Therefore they are accounted for at net asset value.

Movements in investments during the years ended December 31, 2015 and 2014 were as follows:

	Year Ended December 31,	
	2015	2014
Equity investment in unconsolidated entities at beginning of period	$115,554	$112,380
Share in undistributed earnings	1,808	30,076
Dividend	(2,651)	(25,158)
ILFC Transaction	—	6
Disposals	—	(1,750)
Equity investment in unconsolidated entities at end of period	**$114,711**	**$115,554**

Our share of undistributed earnings of investments in which our ownership interest is less than 50% was $34.4 million and $35.2 million as of December 31, 2015 and 2014, respectively. Our equity investments in our unconsolidated entities, AerDragon, AerLift and ACSAL, are accounted for at net asset value.

12. Derivative assets and liabilities

We have entered into interest rate derivatives to hedge the current and future interest rate payments on our variable rate debt. These derivative financial instruments can include interest rate swaps, caps, floors, options and forward contracts.

As of December 31, 2015, we had interest rate caps and swaps outstanding, with underlying variable benchmark interest rates ranging from one to three-month U.S. dollar LIBOR.

All of our interest rate swaps acquired as part of the ILFC Transaction expired during the year ended December 31, 2015. None of our derivatives that were outstanding as of December 31, 2015

(U.S. dollar amounts in thousands or as otherwise stated, except share data)

12. Derivative assets and liabilities (Continued)

were subject to master netting agreements, which allow the netting of derivative assets and liabilities in the case of default under any one contract.

Some of our agreements with derivative counterparties require a two-way cash collateralization of derivative fair values. As of December 31, 2015 and 2014, we had cash collateral of $4.5 million and $8.1 million, respectively, from various counterparties and the obligation to return such collateral was recorded in accounts payable, accrued expenses and other liabilities. The Company had not advanced any cash collateral to counterparties as of December 31, 2015 and 2014.

The counterparties to our interest rate derivatives are major international financial institutions. We continually monitor our positions and the credit ratings of the counterparties involved and limit the amount of credit exposure to any one party. We could be exposed to potential losses due to the credit risk of non-performance by these counterparties. We have not experienced any material losses to date.

Our derivative assets are recorded in other assets and our derivative liabilities are recorded in accounts payable, accrued expenses and other liabilities in our Consolidated Balance Sheets. The following tables present notional amounts and fair values of derivatives outstanding as of December 31, 2015 and 2014:

	As of December 31,			
	2015		2014	
	Notional amount	Fair value	Notional amount	Fair value
Derivative assets not designated as hedges:				
Interest rate caps	$2,194,210	$18,965	$1,715,002	$24,549
Total derivative assets		**$18,965**		**$24,549**

	As of December 31,			
	2015		2014	
	Notional amount	Fair value	Notional amount	Fair value
Derivative liabilities not designated as hedges:				
Interest rate floors	$ —	$—	$35,440	$ 253
Interest rate swaps	—	—	51,630	1,549
Derivative liabilities designated as cash flow hedges:				
Interest rate swaps	23,223	21	39,000	406
Total derivative liabilities		**$21**		**$2,208**

(U.S. dollar amounts in thousands or as otherwise stated, except share data)

12. Derivative assets and liabilities (Continued)

We recorded the following in revaluation reserves related to derivative financial instruments for the years ended December 31, 2015 and 2014:

	Year Ended December 31,	
	2015	2014
Gain (Loss)		
Effective portion of change in fair market value of derivatives designated as cash flow hedges:		
Interest rate swaps	$386	$2,065
Reclassification of derivative loss to interest expense	—	3,126
Income tax effect	(48)	(649)
Net changes in cash flow hedges, net of tax	**$338**	**$4,542**

The following table presents the effect of derivatives recorded in interest expense in our Consolidated Income Statements:

	Year Ended December 31,	
	2015	2014
Loss (Gain)		
Derivatives not designated as hedges:		
Interest rate caps, floors and swaps	$18,118	$13,569
Reclassification to Consolidated Income Statements:		
Reclassification of amounts previously recorded in revaluation reserves	—	3,126
Effect from derivatives	**$18,118**	**$16,695**

13. Accounts payable, accrued expenses and other liabilities

Accounts payable, accrued expenses and other liabilities consisted of the following as of December 31, 2015 and 2014:

	As of December 31,	
	2015	2014
Accounts payable and accrued expenses	$ 417,892	$ 349,632
Deferred revenue	463,167	391,573
Accrued interest	310,739	318,967
Guarantees (Note 29)	47,380	133,500
Derivative liabilities (Note 12)	21	2,208
	$1,239,199	**$1,195,880**

(U.S. dollar amounts in thousands or as otherwise stated, except share data)

14. Accrued maintenance liability

Movements in accrued maintenance liability during the years ended December 31, 2015 and 2014 were as follows:

	Year Ended December 31,	
	2015	2014
Accrued maintenance liability at beginning of period	$3,396,153	$ 549,712
ILFC Transaction	—	2,575,118
GFL Transaction	—	(88,523)
Maintenance payments received	776,488	561,558
Maintenance payments returned	(558,477)	(286,041)
Release to income upon redelivery	(243,809)	(92,296)
Release to income upon sale	(49,077)	—
Lessor contribution and top ups	106,388	123,939
Interest accretion	47,901	52,686
Accrued maintenance liability at end of period	**$3,475,567**	**$3,396,153**

15. Debt

As of December 31, 2015, the principal amount of our outstanding indebtedness totaled $29.0 billion, which excludes fair value adjustments relating to prior years' purchase price allocations of $0.8 billion. As of December 31, 2015, our undrawn lines of credit were approximately $6.7 billion, subject to certain conditions, including compliance with certain financial covenants.

As of December 31, 2015, we remain in compliance with the financial covenants contained in our various debt obligations.

(U.S. dollar amounts in thousands or as otherwise stated, except share data)

15. Debt (Continued)

The following table provides a summary of our indebtedness, including capitalized debt issuance costs, as of December 31, 2015 and 2014:

	As of December 31,						
	2015						2014
Debt Obligation	**Collateral (Number of aircraft)**	**Commitment**	**Undrawn amounts**	**Outstanding**	**Weighted average interest rate(a)**	**Maturity**	**Outstanding**
Unsecured							
ILFC Legacy Notes		$ 9,220,000	$ —	$ 9,220,000	6.56%	2016 - 2022	$11,230,020
AerCap Aviation Notes		300,000	—	300,000	6.38%	2017	300,000
AerCap Trust & AerCap Ireland Capital Limited Notes		5,399,864	—	5,399,864	4.30%	2017 - 2022	3,400,000
Asia revolving credit facility		575,000	575,000	—	NA	2020	—
Citi revolving credit facility		3,000,000	3,000,000	—	NA	2018	—
AIG revolving credit facility		500,000	500,000	—	NA	2019	—
Other unsecured debt		27,959	—	27,959	10.67%	2016	53,101
Fair value adjustment		NA	NA	671,687	NA	NA	999,869
TOTAL UNSECURED		**19,022,823**	**4,075,000**	**15,619,510**			**15,982,990**
Secured							
Export credit facilities	104	2,292,686	—	2,292,686	2.39%	2016 - 2027	2,691,316
Senior Secured Notes	150	2,550,000	—	2,550,000	6.94%	2016 - 2018	2,550,000
Institutional secured term loans	195	4,554,114	1,284,292	3,269,822	3.21%	2020 - 2021	3,355,263
ALS II debt	30	210,557	—	210,557	2.18%	2038	325,920
AerFunding revolving credit facility	32	2,160,000	1,101,706	1,058,294	2.54%	2019	887,385
AeroTurbine revolving credit agreement(b)		550,000	228,397	321,603	2.92%	2019	302,142
Other secured debt	106	2,745,423	—	2,745,423	3.39%	2016 - 2026	2,781,801
Boeing 737 800 pre-delivery payment facility		—	—	—	NA	NA	174,306
Fair value adjustment		NA	NA	174,903	NA	NA	287,227
TOTAL SECURED		**15,062,780**	**2,614,395**	**12,623,288**			**13,355,360**
Subordinated							
ECAPS subordinated notes		1,000,000	—	1,000,000	4.49%	2065	1,000,000
Junior Subordinated Notes		500,000	—	500,000	6.50%	2045	—
Subordinated debt joint ventures partners		64,280	—	64,280	1.96%	2022	64,280
Fair value adjustment		NA	NA	(235)	NA	NA	(238)
TOTAL SUBORDINATED		**1,564,280**	**—**	**1,564,045**			**1,064,042**
Debt issuance costs		NA	NA	(210,504)			(203,965)
	617	**$35,649,883**	**$6,689,395**	**$29,596,339**			**$30,198,427**

(a) The weighted average interest rate for our floating rate debt is calculated based on the U.S. dollar LIBOR rate as of the last interest payment date of the respective debt, and excludes the impact of related derivative financial instruments which we hold to hedge our exposure to floating interest rates as well as any amortization of debt issuance costs.

(b) AeroTurbine's assets serve as collateral for the AeroTurbine revolving credit agreement.

(U.S. dollar amounts in thousands or as otherwise stated, except share data)

15. Debt (Continued)

As of December 31, 2015, all debt was guaranteed by us with the exception of the ALS II debt, the AerFunding revolving credit facility, the Glide Funding term loan facility and $35.2 million included in export credit facilities. A further $193.4 million included in other secured debt is limited recourse in nature.

Maturities of debt financing (excluding fair value adjustments and capitalized debt issuance costs) as of December 31, 2015 were as follows:

	Maturities of debt financing
2016	$ 3,976,547
2017	3,763,180
2018	3,142,810
2019	4,925,514
2020	3,942,839
Thereafter	9,209,598
	$28,960,488

ILFC Legacy Notes

As of December 31, 2015, we had an aggregate outstanding principal amount of senior unsecured notes of $9.2 billion issued by ILFC prior to the ILFC Transaction (the "ILFC Legacy Notes"). The ILFC Legacy Notes have maturities ranging through 2022. The fixed rate notes bear interest at rates ranging from 3.875% to 8.875%, and the floating rate notes bear interest at three-month LIBOR plus a margin of 1.95%, with the interest rate resetting quarterly. The notes are not subject to redemption prior to their stated maturity and there are no sinking fund requirements.

The indentures governing the ILFC Legacy Notes contain customary covenants that, among other things, restrict our, and our restricted subsidiaries', ability to *(i)* incur liens on assets; *(ii)* declare or pay dividends or acquire or retire shares of our capital stock during certain events of default; *(iii)* designate restricted subsidiaries as unrestricted subsidiaries or designate unrestricted subsidiaries; *(iv)* make investments in or transfer assets to unrestricted subsidiaries; and *(v)* consolidate, merge, sell, or otherwise dispose of all or substantially all of our assets. The indentures also provide for customary events of default, including, but not limited to, the failure to pay scheduled principal and interest payments on the notes, the failure to comply with covenants and agreements specified in the indentures, the acceleration of certain other indebtedness resulting from non-payment of that indebtedness and certain events of insolvency. If any event of default occurs, any amount then outstanding under the indentures may immediately become due and payable.

Upon consummation of the ILFC Transaction, AerCap Trust became the successor issuer under the ILFC Legacy Notes indentures. ILFC also agreed to continue to be co-obligor. In addition, AerCap Holdings N.V. and certain of its subsidiaries became guarantors of the ILFC Legacy Notes.

15. Debt (Continued)

AerCap Aviation Notes

In May 2012, AerCap Aviation Solutions B.V. issued $300.0 million of 6.375% senior unsecured notes due 2017 (the "AerCap Aviation Notes"). The proceeds from the offering were used for general corporate purposes. The AerCap Aviation Notes are guaranteed by AerCap Holdings N.V. and AerCap Ireland Limited.

The AerCap Aviation Notes contain customary covenants that, among other things, limit our, and our restricted subsidiaries', ability to incur additional indebtedness, enter into certain mergers or consolidations, incur certain liens and engage in certain transactions with our affiliates. In addition, the indenture governing the AerCap Aviation Notes restricts our, and our restricted subsidiaries', ability to pay dividends or make certain restricted payments, subject to certain exceptions, unless certain conditions are met.

AerCap Trust & AerCap Ireland Capital Limited Notes

In May 2014, AerCap Trust and AerCap Ireland Capital Limited co-issued $2.6 billion aggregate principal amount of senior unsecured notes, consisting of $400.0 million of 2.75% notes due 2017, $1.1 billion of 3.75% notes due 2019, and $1.1 billion of 4.50% notes due 2021 (collectively, the "Acquisition Notes"). The proceeds from the offering were used to finance in part the consideration payable in connection with the ILFC Transaction.

In September 2014, AerCap Trust and AerCap Ireland Capital Limited co-issued $800.0 million aggregate principal amount of 5.00% senior notes due 2021 (the "September 2014 Notes"). The proceeds from the offering were used for general corporate purposes.

In June 2015, AerCap Trust and AerCap Ireland Capital Limited co-issued $1.0 billion aggregate principal amount of senior unsecured notes, consisting of $500.0 million of 4.25% notes due 2020 and $500.0 million of 4.625% notes due 2022 (collectively, the "June 2015 Notes"). The proceeds from the offering were used for general corporate purposes.

In October 2015, AerCap Trust and AerCap Ireland Capital Limited co-issued $1.0 billion aggregate principal amount of 4.625% senior unsecured notes due 2020 (the "October 2015 Notes", and together with the Acquisition Notes, the September 2014 Notes and the June 2015 Notes, the "AGAT/AICL Notes"). The proceeds from the offering were used for general corporate purposes.

The AGAT/AICL Notes are jointly and severally and fully and unconditionally guaranteed by AerCap Holdings N.V. and certain of its subsidiaries. Except as described below, the AGAT/AICL Notes are not subject to redemption prior to their stated maturity and there are no sinking fund requirements. We may redeem each series of the AGAT/AICL Notes in whole or in part, at any time, at a price equal to 100% of the aggregate principal amount plus the applicable "make-whole" premium plus accrued and unpaid interest, if any, to the redemption date. The "make-whole" premium is the excess of:

(i) the sum of the present value at such redemption date of all remaining scheduled payments of principal and interest on such note through the stated maturity date of the notes (excluding accrued but unpaid interest to the redemption date), discounted to the date of redemption using a discount rate equal to the treasury rate plus 50 basis points; over

(ii) the principal amount of the notes to be redeemed.

15. Debt (Continued)

The indentures governing the AGAT/AICL Notes contain customary covenants that, among other things, restrict our, and our restricted subsidiaries', ability to *(i)* incur liens on assets; *(ii)* declare or pay dividends or acquire or retire shares of our capital stock during certain events of default; *(iii)* designate restricted subsidiaries as unrestricted subsidiaries or designate unrestricted subsidiaries; *(iv)* make investments in or transfer assets to unrestricted subsidiaries; and *(v)* consolidate, merge, sell, or otherwise dispose of all or substantially all of our assets. The indentures also provide for customary events of default, including, but not limited to, the failure to pay scheduled principal and interest payments on the AGAT/AICL Notes, the failure to comply with covenants and agreements specified in the indentures, the acceleration of certain other indebtedness resulting from non-payment of that indebtedness and certain events of insolvency. If any event of default occurs, any amount then outstanding under the indentures may immediately become due and payable.

Asia revolving credit facility

In October 2013, AerCap Holdings N.V. entered into a $180.0 million unsecured revolving credit facility (the "DBS Revolver"), with an accordion feature to permit increases to a maximum size of $250.0 million. In October 2014, we increased the size of the facility to $300.0 million.

In December 2015, AerCap Holdings N.V. entered into a $575.0 million unsecured revolving and term loan agreement (the "Asia Revolver") and at the same time, the DBS Revolver was cancelled. The Asia Revolver is effectively an amendment, upsize and extension of the DBS Revolver. The Asia Revolver is a five year facility, split between a three year revolving period followed by a two year term loan. The interest rate for borrowings under the Asia Revolver is LIBOR plus a margin of 1.95% during the revolving period, with the margin increasing to 2.25% during the first year of the term loan and increasing to 2.50% during the second year of the term loan.

The outstanding principal amount of any loans under the Asia Revolver at the end of the three-year revolving period will be amortized over the remaining two-year term out period of the facility. One-third of the balance is to be repaid in December 2019 and the remaining two-thirds must be repaid in December 2020.

All borrowings under the Asia Revolver are subject to the satisfaction of customary conditions precedent. We have the right to terminate or cancel, in whole or in part, the unused portion of the commitment amount.

The Asia Revolver contains covenants customary for unsecured financings, including financial covenants that require us to maintain compliance with a maximum ratio of consolidated indebtedness to shareholders' equity, a minimum fixed charges coverage ratio and a maximum ratio of unencumbered assets to certain financial indebtedness.

Citi revolving credit facility

In March 2014, AerCap Ireland Capital Limited entered into a $2.75 billion four-year senior unsecured revolving credit facility (the "Citi Revolver"), which became effective upon completion of the ILFC Transaction. The facility has an accordion feature permitting increases to a maximum size of $4.0 billion. The interest rates for borrowings under the Citi Revolver are based on a base rate or LIBOR plus a margin that was 2.25% as of December 31, 2015. The facility matures in 2018.

15. Debt (Continued)

The obligations under the Citi Revolver are guaranteed by AerCap Holdings N.V. and certain of its subsidiaries.

In September 2014, we increased the size of the facility to $2.925 billion, and in October 2014, we further increased the size of the facility to $2.955 billion.

In March 2015, we further increased the size of the facility to $3.0 billion. All borrowings under the facility are subject to the satisfaction of customary conditions precedent. We have the right to terminate or cancel, in whole or in part, the unused portion of the commitment amount.

The Citi Revolver contains covenants customary for unsecured financings, including financial covenants that require us to maintain compliance with a maximum ratio of consolidated indebtedness to shareholders' equity, a minimum interest coverage ratio and a maximum ratio of unencumbered assets to certain financial indebtedness. The facility also contains covenants that, among other things, restrict, subject to certain exceptions, the ability of AerCap to sell assets, make certain restricted payments and incur certain liens.

AIG revolving credit facility

In December 2013, AerCap Ireland Capital Limited entered into a $1.0 billion five-year senior unsecured revolving credit facility (the "AIG Revolver"), with AIG as lender and administrative agent, which became effective upon completion of the ILFC Transaction. The interest rate for borrowings under the facility is, at our option, either *(i)* LIBOR plus 3.75%; or *(ii)* 2.75% plus the greatest of *(x)* the U.S. federal funds rate plus 0.50%; *(y)* the rate of interest publicly announced from time to time by Citibank, N.A. as its "base rate"; and *(z)* one-month LIBOR plus 1.00%. The facility matures in May 2019. The obligations under the AIG Revolver are guaranteed by AerCap Holdings N.V. and certain of its subsidiaries.

In June 2015, the amount available under the AIG revolving credit facility was reduced from $1.0 billion to $500.0 million upon the issuance of the Junior Subordinated Notes.

All borrowings under the facility are subject to the satisfaction of customary conditions precedent. We have the right to terminate or cancel, in whole or in part, the unused portion of the commitment amount.

The AIG Revolver contains covenants customary for unsecured financings, including financial covenants that require us to maintain compliance with a maximum ratio of consolidated indebtedness to shareholders' equity, a minimum interest coverage ratio and a maximum ratio of unencumbered assets to certain financial indebtedness. The facility also contains covenants that, among other things, restrict, subject to certain exceptions, the ability of AerCap to sell assets, make certain restricted payments and incur certain liens.

Export credit facilities

The net book value of aircraft pledged under the export credit facilities was approximately $4.3 billion as of December 31, 2015.

(U.S. dollar amounts in thousands or as otherwise stated, except share data)

15. Debt (Continued)

The following table provides details regarding the terms of our outstanding ECA debt:

	As of December 31, 2015				
	Collateral (Number of aircraft)	Amount outstanding	Tranche	Weighted average interest rate	Maturity
2003 Airbus ECA facility	17	$ 201,982	Floating Rate	Three-month LIBOR + 0.35%	2016 - 2020
2004 Airbus ECA facility	41	559,467	Floating Rate	Six-month LIBOR + 1.28%	2016 - 2019
	8	140,101	Fixed Rate	4.08%	2018 - 2020
2008 Airbus ECA facility	4	102,476	Floating Rate	Three-month LIBOR + 1.35%	2022
	13	418,402	Fixed Rate	3.18%	2021 - 2023
2009 Airbus ECA facility	2	42,394	Floating Rate	Three-month LIBOR + 1.11%	2022
	3	63,860	Fixed Rate	4.22%	2021 - 2022
Airbus ECA capital markets facilities	3	130,044	Fixed Rate	3.60%	2021
Other Airbus ECA facilities	5	344,649	Fixed Rate	2.38%	2024 - 2027
2012 Ex-Im capital markets facility	2	220,584	Fixed Rate	1.49%	2025
2010 Ex-Im facilities	2	33,562	Fixed Rate	2.95%	2022
EDC facilities	4	35,165	Fixed Rate	4.50%	2020
Total	**104**	**$2,292,686**			

General

The principal amounts under the ECA debt facilities amortize over ten- to 12-year terms. The ECA debt facilities require that SPEs controlled by the respective lenders hold legal title to the financed aircraft. The ECA debt obligations are secured by, among other things, a pledge of the shares of the SPEs.

The ECA debt facilities contain affirmative covenants customary for secured financings, in addition to customary events of default and restrictive covenants. The facilities also contain net worth financial covenants. As of December 31, 2015, AerCap was in compliance with its covenants under the ECA debt facilities.

The obligations under ECA debt facilities are guaranteed by AerCap Holdings N.V. and certain of its subsidiaries, as well as various export credit agencies.

2004 Airbus ECA facility

In 2004, ILFC entered into an ECA facility agreement through a wholly-owned subsidiary. Each aircraft purchased was financed by a ten-year fully amortizing loan. New financings are no longer

15. Debt (Continued)

available under the ECA facility. The obligations of the subsidiary borrower are guaranteed by AerCap Holdings N.V. and certain of its subsidiaries.

In February 2015, we entered into an amendment to the 2004 ECA facility allowing funds that previously were required to be segregated to be replaced by letters of credit, and releasing the security interest in respect of certain aircraft for which the associated loans had been repaid. Prior to entering into this amendment, we were required to segregate security deposits and overhaul rentals received under the leases related to the aircraft funded under the facility to the extent amounts remained outstanding under the relevant aircraft loan. The segregated funds were deposited into separate accounts pledged to and controlled by the security trustee of the 2004 ECA facility.

We must register mortgages on certain aircraft funded under the 2004 ECA facility in the local jurisdictions in which the respective aircraft are registered. The mortgages are required to be filed only with respect to aircraft that have outstanding loan balances.

Senior Secured Notes

In August 2010, ILFC issued $3.9 billion of senior secured notes (the "Senior Secured Notes"), with $1.35 billion that matured in September 2014 and bore interest of 6.5%, $1.275 billion maturing in September 2016 and bearing interest of 6.75%, and $1.275 billion maturing in September 2018 and bearing interest of 7.125%. Upon consummation of the ILFC Transaction, AerCap Trust became the successor issuer under the indenture governing the Senior Secured Notes. ILFC also agreed to continue to be a co-obligor. We can redeem the Senior Secured Notes at any time prior to their maturity, subject to a penalty of the greater of 1.00% of the outstanding principal amount and a "make-whole" premium. There is no sinking fund for the Senior Secured Notes.

The obligations of the subsidiary borrower are guaranteed by AerCap Holdings N.V. and certain of its subsidiaries.

The Senior Secured Notes are secured by a designated pool of aircraft and cash collateral when required. In addition, two of our subsidiaries, which either own or hold leases attached to the aircraft included in the pool securing the Senior Secured Notes, have guaranteed the notes.

The indenture and the aircraft mortgage and security agreement governing the Senior Secured Notes contain customary covenants that, among other things, restrict our, and our restricted subsidiaries', ability to *(i)* create liens; *(ii)* sell, transfer or otherwise dispose of the assets serving as collateral for the Senior Secured Notes; *(iii)* declare or pay dividends or acquire or retire shares of our capital stock during certain events of default; *(iv)* designate restricted subsidiaries as unrestricted subsidiaries or designate unrestricted subsidiaries; and *(v)* make investments in or transfer assets to unrestricted subsidiaries.

The indenture restricts our, and the subsidiary guarantors', ability to consolidate, merge, sell or otherwise dispose of all, or substantially all, of our assets. The indenture also provides for customary events of default, including, but not limited to, the failure to pay scheduled principal and interest payments on the Senior Secured Notes, the failure to comply with covenants and agreements specified in the indenture, the acceleration of certain other indebtedness resulting from non-payment of that

15. Debt (Continued)

indebtedness, and certain events of insolvency. If any event of default occurs, any amount then outstanding under the Senior Secured Notes may immediately become due and payable.

Institutional secured term loans

Hyperion facility

In March 2014, one of ILFC's indirect wholly-owned subsidiaries entered into a secured term loan agreement in the amount of $1.5 billion. The loan bears interest at LIBOR plus a margin of 2.75% with a 0.75% LIBOR floor, or, if applicable, a base rate plus a margin of 1.75%. The loan matures in March 2021. We can voluntarily prepay the loan at any time, subject to certain conditions.

The obligations of the subsidiary borrower are guaranteed by AerCap Holdings N.V. and certain of its subsidiaries.

The loan is secured by the equity interests in the borrower and certain SPE subsidiaries of the borrower. The SPEs hold title to 83 aircraft with an appraised value of approximately $2.25 billion as of December 31, 2015, representing a loan-to-value ratio of approximately 66.7%. The loan requires a loan-to-value ratio of no more than 70%. If the maximum loan-to-value ratio is exceeded, we will be required to prepay portions of the outstanding loans, deposit an amount in the cash collateral account or transfer additional aircraft to SPEs, subject to certain concentration criteria, so that the ratio is equal to or less than 70%.

The loan contains customary covenants and events of default, including covenants that limit the ability of the subsidiary borrower and its subsidiaries to incur additional indebtedness and create liens, and covenants that limit the ability of the guarantors, the subsidiary borrower and its subsidiaries to consolidate, merge or dispose of all or substantially all of their assets and enter into transactions with affiliates.

Vancouver facility

In February 2012, one of ILFC's indirect wholly-owned subsidiaries entered into a secured term loan agreement in the amount of $900.0 million. In April 2013, ILFC amended the agreement and simultaneously prepaid $150.0 million of the outstanding principal amount. The remaining outstanding principal amount of $750.0 million bears interest at an annual rate of LIBOR plus 2.75%, with a LIBOR floor of 0.75%, or, if applicable, a base rate plus a margin of 1.75%. In May 2015, we entered into an amendment to our Vancouver secured term loan facility to extend the maturity date from June 2017 to April 2020. We can voluntarily prepay the loan at any time, subject to certain conditions.

The obligations of the subsidiary borrower are guaranteed by AerCap Holdings N.V. and certain of its subsidiaries.

The loan is secured by the equity interests in certain SPEs of the subsidiary borrower. As of December 31, 2015, the SPEs collectively own a portfolio of 57 aircraft with an appraised value of approximately $1.36 billion, equaling a loan-to-value ratio of approximately 55.0%. The loan requires a loan-to-value ratio of no more than 63%. If the maximum loan-to-value ratio is exceeded, we will be required to prepay a portion of the outstanding loan, deposit an amount in the cash collateral account

15. Debt (Continued)

or transfer additional aircraft to SPEs, subject to certain concentration criteria, so that the ratio is equal to or less than 63%.

The loan contains customary covenants and events of default, including covenants that limit the ability of the subsidiary borrower and its subsidiaries to incur additional indebtedness and create liens, and covenants that limit the ability of the guarantors, the subsidiary borrower and its subsidiaries to consolidate, merge or dispose of all or substantially all of their assets and enter into transactions with affiliates.

Temescal facility

In March 2011, one of ILFC's indirect wholly-owned subsidiaries entered into a secured term loan agreement with lender commitments in the amount of approximately $1.3 billion, which was subsequently increased to approximately $1.5 billion. As of December 31, 2015, approximately $1.0 billion was outstanding. The loan bore interest at LIBOR plus a margin of 2.75%, or, if applicable, a base rate plus a margin of 1.75%. We can voluntarily prepay the loan at any time, subject to certain conditions. In March 2015, we entered into an amendment to our Temescal secured term loan facility. The LIBOR margin on the loan was reduced from 2.75% to 2.00%, and the base rate margin was reduced from 1.75% to 1.00%. The final maturity on the loan was extended from March 2018 to March 2021.

The obligations of the subsidiary borrower are guaranteed by AerCap Holdings N.V. and certain of its subsidiaries.

The loan is secured by a portfolio of 54 aircraft and the equity interests in certain SPEs that own the pledged aircraft. As of the latest loan-to-value ratio determination date, the appraised value of the pledged aircraft was $1.76 billion, resulting in a loan-to-value ratio of approximately 60.8%. The subsidiary borrower is required to maintain compliance with a maximum loan-to-value ratio, which was 62.4% as of the latest loan-to-value ratio determination date. The maximum loan-to value ratio declines over time, as set forth in the term loan agreement. If the maximum loan-to-value ratio is exceeded, we will be required to prepay portions of the outstanding loans, deposit an amount in the cash collateral account or transfer additional aircraft to the SPEs, subject to certain concentration criteria, so that the ratio is equal to or less than the maximum loan-to-value ratio. As of December 31, 2015, we were in compliance with this ratio.

The loan facility contains customary covenants and events of default, including covenants that limit the ability of the subsidiary borrower and its subsidiaries to incur additional indebtedness and create liens, and covenants that limit the ability of the guarantors, the subsidiary borrower and its subsidiaries to consolidate, merge or dispose of all or substantially all of their assets and enter into transactions with affiliates.

Glide Funding term loan facility

Glide Funding Limited ("Glide Funding") is a SPE that is a wholly-owned subsidiary of AerCap Ireland Limited. Glide Funding is a consolidated subsidiary formed for the purpose of acquiring and financing aircraft assets. In December 2015, Glide Funding entered into a non-recourse term loan

15. Debt (Continued)

credit facility in the aggregate amount of up to $500.0 million and a term of five years, which is intended to be used to finance the acquisition of up to nine specified aircraft under the facility.

As of December 31, 2015, Glide Funding had $32.7 million of loans outstanding, relating to one aircraft. Borrowings under the Glide Funding term loan facility bear interest at a rate equal to one-month LIBOR plus 1.60%. Principal may be prepaid without penalty upon notice, subject to certain conditions. Mandatory partial prepayments of borrowings under the facility are required in certain circumstances, including upon removal of an aircraft from the facility, unless an acceptable substitute aircraft is added to the facility. The loan obligations are secured by, among other things, security interests in the equity ownership and beneficial interest in all of the subsidiaries of Glide Funding that own or lease its financed aircraft, and their interests in the leases of the financed aircraft.

The facility contains customary covenants and events of default, including covenants that limit the ability of Glide Funding and its subsidiaries to incur additional indebtedness and create liens, to consolidate, merge or dispose of all or substantially all of their assets and to enter into transactions with affiliates.

Celtago facility

Celtago Funding Limited ("Celtago") is a wholly-owned subsidiary of AerCap Ireland Limited. Celtago was formed for the purpose of acquiring and financing aircraft assets. In December 2015, Celtago entered into a secured term loan agreement with lender commitments in the amount of $817.0 million.

Borrowings under the term loan facility bear interest at three-month LIBOR plus a margin of 1.50%, or, if applicable, a base rate plus a margin of 1.50%. The term loan facility matures in December 2024. The loans can be voluntarily prepaid at any time, subject to certain conditions. Celtago's obligations under the term loan facility are guaranteed by AerCap Holdings N.V. and certain of its subsidiaries. As of December 31, 2015, there were no loans outstanding.

The term loan facility contains customary covenants and events of default, including covenants that limit the ability of Celtago and its subsidiaries to incur additional indebtedness and create liens, and covenants that limit the ability of the guarantors and Celtago and its subsidiaries to consolidate, merge or dispose of all or substantially all of their assets, or enter into transactions with affiliates.

ALS II debt

In June 2008, we completed a securitization in which ALS II, a SPE formed for the purpose of the securitization, issued securitized class A-1 notes and class A-2 notes, representing interests in certain lease receivables, to holders who committed to advance funds in connection with the purchase of certain aircraft. Advances made by the commitment holders were used to purchase 30 Airbus A320 family aircraft. The net book value of the 30 aircraft, which are pledged as collateral for the securitization debt, was $895.2 million as of December 31, 2015. ALS II also issued class E-1 notes. The final maturity date of the notes will be June 15, 2038. ALS II's financial results are consolidated into our Consolidated Financial Statements.

(U.S. dollar amounts in thousands or as otherwise stated, except share data)

15. Debt (Continued)

AerFunding revolving credit facility

AerFunding 1 Limited ("AerFunding") is a SPE whose share capital is owned 95% by a charitable trust and 5% by AerCap Ireland Limited. AerFunding is a consolidated subsidiary formed for the purpose of acquiring new and used aircraft assets. In April 2006, AerFunding entered into a non-recourse senior secured revolving credit facility in the aggregate amount of up to $1.0 billion. The facility was subsequently amended in 2010, 2011, 2013 and 2014.

In December 2014, the facility was increased to $2.16 billion and was amended to allow for a three-year revolving period to December 2017, and a two year term-out period to December 2019.

The net book value of aircraft pledged to lenders under the credit facility was $1.4 billion as of December 31, 2015.

Borrowings under the AerFunding revolving credit facility can be used to finance between 73.5% and 80.0% of the lower of the purchase price and the appraised value of the eligible aircraft. Eligible aircraft include Airbus A320 family aircraft, Boeing 737-700, −800 and 900ER aircraft, Boeing 777 aircraft, Boeing 787 aircraft and Airbus A330 aircraft. In addition, value enhancing expenditures and required liquidity reserves are also funded by the lenders. All borrowings under the AerFunding revolving credit facility are subject to the satisfaction of customary conditions and restrictions on the purchase of aircraft that would result in our portfolio becoming too highly concentrated, with regard to both aircraft type and geographical location. The borrowing period during which new advances may be made under the facility will expire in December 2017.

Borrowings under the AerFunding revolving credit facility bear interest based on the Eurodollar rate plus the applicable margin. The following table presents the applicable margin for the borrowings under the AerFunding revolving credit facility during the periods specified:

	Applicable margin
Borrowing period(a)	2.25%
Period from December 10, 2017 to December 9, 2018	3.25%
Period from December 10, 2018 to December 9, 2019	3.75%

(a) The borrowing period is until December 9, 2017, after which the loan converts to a term loan.

15. Debt (Continued)

Additionally, we are subject to *(i)* a 0.375% fee on any portion of the unused loan commitment if the average facility utilization is greater than 50% during a period; or *(ii)* a 0.50% fee on any unused portion of the unused loan commitment if the average facility utilization is less than 50% during a period.

Interest on the loans is due on a monthly basis. Principal on the loans amortizes on a monthly basis to the extent funds are available. All outstanding principal not paid during the term is due on the maturity date.

Advances under the AerFunding revolving credit facility may be prepaid without penalty upon notice, subject to certain conditions. Mandatory partial prepayments of borrowings under the AerFunding revolving credit facility are required:

- Upon the sale of certain assets by the borrower, including any aircraft or aircraft engines financed or refinanced with proceeds from the AerFunding revolving credit facility;
- Upon the occurrence of an event of loss with respect to an aircraft or aircraft engine financed with proceeds from the AerFunding revolving credit facility from the proceeds of insurance claims; and
- Upon the securitization of any interests or leases with respect to aircraft or aircraft engines financed with proceeds from the AerFunding revolving credit facility.

The maturity date of the AerFunding revolving credit facility is December 9, 2019.

AerFunding is required to maintain up to 5.0% of the borrowing value of the aircraft in reserve for the benefit of the lenders. Amounts held in reserve for the benefit of the lenders are available to the extent that there are insufficient funds to pay required expenses, hedge payments, or principal of or interest on the loans on any payment date. The amounts on reserve are funded by the lenders. Borrowings under the AerFunding revolving credit facility are secured by, among other things, security interests in and pledges or assignments of equity ownership and beneficial interests in all of the subsidiaries of AerFunding, as well as by AerFunding's interests in the leases of its assets.

AeroTurbine revolving credit agreement

In November 2014, AeroTurbine entered into an amended and restated credit facility providing for a maximum aggregate available amount of $550.0 million, subject to availability determined by a calculation utilizing AeroTurbine's aircraft assets and accounts receivable. Borrowings under the facility bear interest determined, with certain exceptions, based on LIBOR plus a margin of 2.50%. The facility will expire in December 2019.

AeroTurbine's obligations under the facility are guaranteed by AerCap Holdings N.V. and certain of its subsidiaries, including AeroTurbine's subsidiaries (subject to certain exclusions). AeroTurbine's obligations are secured by substantially all of the assets of AeroTurbine and its subsidiary guarantors.

The credit agreement contains customary events of default and covenants, including certain financial covenants. Additionally, the credit agreement imposes limitations on AeroTurbine's ability to pay dividends to us (other than dividends payable solely in the form of common shares).

(U.S. dollar amounts in thousands or as otherwise stated, except share data)

15. Debt (Continued)

Other secured debt

AerCap Holdings N.V. has entered into various other commercial bank financings to fund the purchase of aircraft and for general corporate purposes. The following table provides details regarding the terms of these financings:

	As of December 31, 2015				
	Collateral (Number of aircraft)	Amount outstanding	Tranche	Weighted average interest rate	Maturity
SkyFunding I facility	6	$ 143,758	Floating rate	Three-month LIBOR plus 2.85%	2021 - 2022
	6	142,650	Fixed rate	4.43%	2021 - 2022
SkyFunding II facility	6	156,285	Floating rate	Three-month LIBOR plus 3.15%	2022 - 2023
	3	74,490	Fixed rate	4.43%	2022 - 2023
Camden facility	7	135,978	Fixed rate	4.74%	2018
AerCap Partners I facility	11	126,956	Floating rate	Three-month LIBOR plus 1.65%	2018
StratusFunding facility	2	166,514	Floating rate	Three-month LIBOR plus 1.95%	2026
	2	166,331	Fixed rate	3.93%	2026
CieloFunding facility	3	126,038	Fixed rate	3.48%	2020
CieloFunding II facility	2	71,655	Fixed rate	2.80%	2020
CloudFunding facilities	16	270,118	Fixed rate	3.95%	2022 - 2026
LimelightFunding facility	2	168,646	Fixed rate	4.70%	2026
Secured commercial bank financings	8	175,789	Fixed rate	3.71%	2016 - 2021
	32(a)	820,215	Floating rate	LIBOR plus 2.30%	2017 - 2025
Total	**106**	**$2,745,423**			

(a) Four engines are pledged as collateral in addition to the aircraft.

The majority of the financings are secured by, among other things, a pledge of the shares of the subsidiaries owning the related aircraft, a guarantee from AerCap Holdings N.V. and, in certain cases, a mortgage on the applicable aircraft. All of our financings contain affirmative covenants customary for secured financings.

ECAPS subordinated notes

In December 2005, ILFC issued two tranches of subordinated notes in an aggregate principal amount of $1.0 billion. The $400.0 million tranche had a call option date of December 21, 2015 and had a fixed interest rate of 6.25% until the 2015 call option date. We did not exercise the call option. After the call option date, the interest rate changed to a floating rate, reset quarterly, based on a margin of 1.80% plus the highest of three-month LIBOR, ten-year constant maturity treasury, and 30-year constant maturity treasury. We can call the $600.0 million tranche at any time. The interest rate on the $600.0 million tranche is a floating rate with a margin of 1.55% plus the highest of three-month LIBOR, ten-year constant maturity treasury, and 30-year constant maturity treasury. The interest rate resets quarterly.

15. Debt (Continued)

In July 2013, ILFC amended the financial tests in both tranches of notes by changing the method of calculating the ratio of equity to total managed assets and the minimum fixed charge coverage ratio. Failure to comply with these financial tests will result in a "mandatory trigger event". If a mandatory trigger event occurs and we are unable to raise sufficient capital in a manner permitted by the terms of the subordinated debt to cover the next interest payment on the subordinated debt, a "mandatory deferral event" will occur, requiring us to defer all interest payments and prohibiting the payment of cash dividends on AerCap Trust's or ILFC's capital stock or its equivalent until both financial tests are met or we have raised sufficient capital to pay all accumulated and unpaid interest on the subordinated debt. Mandatory trigger events and mandatory deferral events are not events of default under the indenture governing the subordinated debt.

Upon consummation of the ILFC Transaction, the subordinated notes were assumed by AerCap Trust, and AerCap Holdings N.V. and certain of its subsidiaries became guarantors. ILFC remains a co-obligor under the indentures governing the subordinated notes.

Junior Subordinated Notes

In June 2015, AerCap Trust issued $500.0 million of junior subordinated notes due 2045 to AIG. The Junior Subordinated Notes initially bear interest at a fixed interest rate of 6.50%, and beginning in June 2025, will bear interest at a floating rate of three-month LIBOR plus 4.30%. The notes were issued to AIG as payment for a portion of the Share Repurchase. The amount available under the AIG revolving credit facility was reduced from $1.0 billion to $500.0 million upon the issuance of the Junior Subordinated Notes.

We may defer any interest payments on the Junior Subordinated Notes for up to five consecutive years for one or more deferral periods. At the end of five years following the commencement of any deferral period, we must pay all accrued and unpaid deferred interest, including compounded interest. During a deferral period, interest will continue to accrue on the Junior Subordinated Notes and deferred interest will bear additional interest, compounded on each interest payment date. If we have paid all deferred interest (including compounded interest thereon) on the Junior Subordinated Notes, then we may again defer interest payments.

The Junior Subordinated Notes are guaranteed by AerCap Holdings N.V. and certain of its subsidiaries.

We may at our option redeem the Junior Subordinated Notes before their maturity *(i)* in whole or in part, at any time and from time to time, on or after June 15, 2025 at 100% of their principal amount plus any accrued and unpaid interest thereon; *(ii)* in whole, but not in part, before June 15, 2025 at the make-whole redemption price, if an applicable rating agency makes certain changes to the equity credit criteria for securities such as the Junior Subordinated Notes; *(iii)* in whole, but not in part, at any time at 100% of their principal amount plus any accrued and unpaid interest thereon in the event that we become or would become obligated to pay any additional amounts as a result of a change in tax laws, regulations or official interpretations; or *(iv)* in whole, but not in part, at 101% of their principal amount plus any accrued and unpaid interest thereon within 60 days after the occurrence of a "change of control triggering event" consisting of a change of control and a decline in the rating of our senior unsecured debt securities by two applicable rating agencies. In the event that we do not redeem the

15. Debt (Continued)

Junior Subordinated Notes in connection with a change of control triggering event, the then-applicable annual interest rate borne by the Junior Subordinated Notes will increase by 5.00%.

The Junior Subordinated Notes are junior subordinated unsecured obligations, rank equally with all of AerCap Trust's future equally ranking junior subordinated indebtedness, if any, and are subordinate and junior in right of payment to all of AerCap Trust's existing and future senior indebtedness.

We are required to register the Junior Subordinated Notes for resale under the Securities Act upon noteholder request pursuant to a registration rights agreement, which includes an obligation for us to file a Form F-3 to cover resales of the Junior Subordinated Notes from time to time.

Subordinated debt in joint venture partners

In 2008 and 2010, AerCap Holdings N.V. and our joint venture partners each subscribed a total of approximately $64.3 million of subordinated loan notes. The subordinated debt held by AerCap Holdings N.V. is eliminated in consolidation of the joint ventures. Interest on the subordinated loan notes accrues at a rate of 15.00% per annum in the case of the AerCap Partners II joint venture. In the case of the AerCap Partners I and AerCap Partners 767 joint ventures, interest originally accrued on the subordinated loan notes at a rate of 20.00% per annum, and following an amendment entered into in June 2013, the interest rate was reduced to 0% effective as of January 1, 2013. Where *(i)* the amount which, pursuant to the terms of the senior facility, is available to the joint ventures to make payments in respect of, amongst other things, the subordinated loan notes is insufficient to meet the interest payments; or *(ii)* the terms of the senior facility prohibit the payment in full of interest on the relevant payment date, then the joint venture partners must pay the maximum amount of interest that can properly be paid to the note holders on the relevant interest payment date and the unpaid interest carries interest at a rate of 19.50% per annum until paid.

The collateral granted in respect of the subordinated loan notes also secures the senior facility. The rights of the holders of subordinated loan notes in respect of this security are subordinated to the rights of the senior facility lenders, amongst others. The subordinated loan notes are fully subordinated in all respects including in priority of payment to, amongst other debts of the joint ventures, a senior debt facility. As is the case in respect of the senior facility, the obligation of the joint ventures to make payments in respect of the subordinated loan notes is limited in recourse to certain amounts actually received by the joint ventures.

Subject to certain conditions, including (while the senior facility security remains outstanding) the consent of the collateral trustee, the joint venture partners may at any time redeem all or any of the outstanding subordinated loan notes.

16. Income taxes

Our subsidiaries are subject to taxation in a number of tax jurisdictions, principally, the Netherlands, Ireland and the United States of America.

(U.S. dollar amounts in thousands or as otherwise stated, except share data)

16. Income taxes (Continued)

The following table presents our provision for income taxes by tax jurisdiction for the years ended December 31, 2015 and 2014:

	Year Ended December 31, 2015	Year Ended December 31, 2014
Deferred tax expense (benefit)		
The Netherlands	$ (5,205)	$ 3,587
Ireland	128,379	82,876
United States of America	(65,341)	26,267
Other	22,130	(5,744)
	79,963	106,986
Deferred tax expense (benefit) related to an increase (decrease) in changes in valuation allowance of deferred tax assets		
The Netherlands	13,915	—
United States of America	10,074	—
Other	(13,922)	6,850
	10,067	6,850
Current tax expense (benefit)		
The Netherlands	37,512	5,290
Ireland	(99)	229
United States of America	39,358	15,553
Other	2,008	442
	78,779	21,514
Provision for income taxes	**$168,809**	**$135,350**

The following table provides a reconciliation of the statutory income tax expense to provision for income taxes for the years ended December 31, 2015 and 2014:

	Year Ended December 31, 2015	Year Ended December 31, 2014
Income tax expense at statutory income tax rate of 25%	$ 311,118	$ 217,012
Non-deductible expenditures (permanent differences)(a)	59,094	24,426
Foreign rate differential	(201,403)	(106,088)
	(142,309)	(81,662)
Provision for income taxes	**$ 168,809**	**$ 135,350**

(a) The 2015 non-deductible expenditures included the non-deductible intercompany interest allocated to the United States of America, non-deductible share-based compensation in

(U.S. dollar amounts in thousands or as otherwise stated, except share data)

16. Income taxes (Continued)

the Netherlands, non-deductible costs relating to the transfer of certain functions from the Netherlands to Ireland, and a valuation allowance taken in respect of U.S. and Dutch tax losses. In the United States of America, due to the restructuring of certain entities, previously disallowed tax assets can now be utilized against additional projected taxable income, resulting in the release of $25.0 million of valuation allowance from the opening balance sheet. It also included the non-taxable income arising from aircraft with a higher tax basis in general. The 2014 non-deductible expenditures included the non-deductible intercompany interest allocated to the United States of America, non-deductible share-based compensation in the Netherlands and the non-deductible transaction costs from the ILFC Transaction.

The calculation of income for tax purposes differs significantly from book income. Deferred income tax is provided to reflect the impact of temporary differences between the amounts of assets and liabilities for financial reporting purposes and such amounts as measured under tax law in the various jurisdictions. Tax loss carry forwards and accelerated tax depreciation on flight equipment held for operating leases give rise to the most significant timing differences.

The following tables provide details regarding the principal components of our deferred income tax assets and liabilities by jurisdiction as of December 31, 2015 and 2014:

	As of December 31, 2015				
	The Netherlands	Ireland	United States of America	Other	Total
Depreciation/Impairment	$ 5,093	$(832,757)	$ 5,393	$ 963	$(821,308)
Intangibles	—	(12,890)	(18,763)	—	(31,653)
Interest expense	—	—	(5,435)	—	(5,435)
Accrued maintenance liability	—	(11,663)	11,880	—	217
Obligations under capital leases and debt obligations	—	(3,411)	—	—	(3,411)
Investments	—	—	(10,155)	—	(10,155)
Losses and credits forward	13,915	630,302	32,342	39,282	715,841
Deferred losses	—	—	66,543	—	66,543
Accrued expenses	—	—	14,554	—	14,554
Other	1,724	16,705	7,350	(11,651)	14,128
Valuation allowance	(13,915)	—	(35,074)	(23,011)	(72,000)
Net deferred income tax assets (liabilities)	**$ 6,817**	**$(213,714)**	**$ 68,635**	**$ 5,583**	**$(132,679)**

(U.S. dollar amounts in thousands or as otherwise stated, except share data)

16. Income taxes (Continued)

	As of December 31, 2014				
	The Netherlands	Ireland	United States of America	Other	Total
Depreciation/Impairment	$5,328	$(576,576)	$(28,964)	$ (3,189)	$(603,401)
Debt	—	(355)	1,681	—	1,326
Intangibles	—	(3,548)	(36,960)	—	(40,508)
Interest expense	—	—	6,008	—	6,008
Accrued maintenance liability	—	(7,673)	19,816	—	12,143
Obligations under capital leases and debt obligations	—	(3,725)	—	—	(3,725)
Investments	—	2,500	(5,446)	—	(2,946)
Losses and credits forward	—	514,757	3,586	43,949	562,292
Deferred losses	—	—	49,787	—	49,787
Accrued expenses	—	—	26,532	—	26,532
Other	3,210	17,519	2,870	(13,241)	10,358
Valuation allowance	—	—	(25,000)	(36,933)	(61,933)
Net deferred income tax assets (liabilities)	**$8,538**	**$ (57,101)**	**$ 13,910**	**$ (9,414)**	**$ (44,067)**

The net deferred income tax liabilities as of December 31, 2015 of $132.7 million were recognized in our Consolidated Balance Sheet as deferred income tax assets of $195.3 million and as deferred income tax liabilities of $328.0 million.

The net deferred income tax liabilities as of December 31, 2014 of $44.1 million were recognized in our Consolidated Balance Sheet as deferred income tax assets of $239.8 million and deferred income tax liabilities of $283.9 million.

The following table presents the movements in the valuation allowance for deferred income tax assets during the years ended December 31, 2015 and 2014:

	Year Ended December 31,	
	2015	2014
Valuation allowance at beginning of period	$61,933	$ —
ILFC Transaction	—	55,083
Increase of allowance to income tax provision	10,067	6,850
Valuation allowance at end of period	**$72,000**	**$61,933**

The valuation allowance as of December 31, 2015 of $72.0 million included $23.0 million related to losses and credit forwards in Australia, $35.1 million related to having insufficient sources of projected taxable income to fully realize the deferred tax asset in the United States of America, and $13.9 million related to loss carry forwards in the Netherlands. In the United States of America, due to the restructuring of certain entities, previously disallowed tax assets can now be utilized against additional projected taxable income, resulting in the release of $25.0 million of valuation allowance from the opening balance sheet.

16. Income taxes (Continued)

The valuation allowance as of December 31, 2014 of $61.9 million included $36.9 million related to losses and credit forwards in Australia and $25.0 million related to deferred losses in the United States of America.

As of December 31, 2015 and December 31, 2014, we had $15.5 million and $12.4 million, respectively of unrecognized tax benefits. As of the Closing Date of the ILFC Transaction, we had $5.4 million of unrecognized tax benefits. Substantially all of the unrecognized tax benefits as of December 31, 2015, if recognized, would affect our effective tax rate. Although it is reasonably possible that a change in the balance of unrecognized tax benefits may occur within the next 12 months, based on the information currently available, we do not expect any change to be material to our consolidated financial condition.

Our primary tax jurisdictions are the Netherlands, Ireland, and the United States of America. Our tax returns in the Netherlands are open for examination from 2010 forward, in Ireland from 2011 forward, and in the United States of America for 2012 and 2014 forward. In the United States of America, the 2013 federal income tax return for AerCap, Inc. and its subsidiaries was subject to examination. This closed without adjustment in early 2016. None of our other tax returns are currently subject to examination.

Our policy is to recognize accrued interest on the underpayment of income taxes as a component of interest expense and penalties associated with tax liabilities as a component of provision for income taxes.

The Netherlands

The majority of our Dutch subsidiaries are part of a single Dutch fiscal unity and are included in a consolidated tax filing. Aside from the one-time current tax expense related to the transfer of certain functions from the Netherlands to Ireland, current tax expenses are limited with respect to the Dutch subsidiaries due to the existence of interest bearing intercompany liabilities. Deferred income tax is calculated using the Dutch corporate income tax rate (25.0%). Tax losses in the Netherlands can generally be carried back one year and carried forward nine years before expiry.

Ireland

Since 2006, the enacted Irish corporate income tax rate has been 12.5%. Some of our Irish tax-resident operating subsidiaries have significant losses carry forward as of December 31, 2015 which give rise to deferred income tax assets. The availability of these losses does not expire with time. In addition, the vast majority of all of our Irish tax-resident subsidiaries are entitled to accelerated aircraft depreciation for tax purposes and shelter net taxable income with the surrender of losses on a current year basis within the Irish tax group. Accordingly, no Irish tax charge arose during the year. Based on projected taxable profits in our Irish subsidiaries, we expect to recover the full value of our Irish tax assets and have not recognized a valuation allowance against such assets as of December 31, 2015.

16. Income taxes (Continued)

United States of America

Our U.S. subsidiaries are assessable to federal and state U.S. taxes. Since the ILFC Transaction, we no longer file one consolidated federal income tax return. We have two distinct groups of U.S. companies that each file a consolidated return and various individual subsidiaries that file single company returns. The blended federal and state tax rate applicable to our combined U.S. group was 36.3% for the year ended December 31, 2015. Due to an intragroup restructuring within the U.S., we are able to generate additional sources of taxable income to fully realize our deferred income tax asset in our U.S. ILFC group. As a result, we have fully released the existing valuation allowance against our U.S. ILFC deferred income tax asset of $25.0 million as of December 31, 2015. Due to a restructuring of activities in the U.S. AeroTurbine group, we do not expect to generate sufficient sources of taxable income to realize our deferred income tax asset in the U.S. AeroTurbine group. Thus, we have recorded a full valuation allowance against our U.S. AeroTurbine group deferred income tax asset of $33.3 million as of December 31, 2015. We had $91.7 million U.S. federal net operating losses as of December 31, 2015, which expire between 2025 and 2035.

17. Equity

On May 14, 2014, AerCap issued 97,560,976 new ordinary shares and paid $2.4 billion in cash to AIG to successfully complete the ILFC Transaction, pursuant to which AerCap acquired, through a wholly-owned subsidiary, 100% of the common stock of ILFC, a wholly-owned subsidiary of AIG.

In February 2015, our Board of Directors approved a share repurchase program authorizing total repurchases of up to $250 million of AerCap ordinary shares. In May 2015, the Board of Directors authorized an additional $500 million of share repurchases, increasing the total authorization under the program to $750 million.

On June 9, 2015, we completed the Share Repurchase with AIG, at an approximate price per share of $47.77. Consideration for the Share Repurchase consisted of the issuance of the Junior Subordinated Notes to AIG and $250 million of cash on hand. In relation to the Share Repurchase, we incurred $11.2 million of expenses.

In October 2015, our Board of Directors cancelled 9,698,588 ordinary shares which were acquired through the Share Repurchase in accordance with the authorizations obtained from the Company's shareholders.

In February 2016, our Board of Directors approved a share repurchase program authorizing total repurchases of up to $400 million of AerCap ordinary shares through June 30, 2016. See Note 41—*Subsequent events*.

(U.S. dollar amounts in thousands or as otherwise stated, except share data)

17. Equity (Continued)

Movements in non-controlling interest during the years ended December 31, 2015 and 2014 were as follows:

	Year ended December 31,	
	2015	2014
Balance at beginning of period	$78,771	$ 3,860
Net income (loss) attributable to non-controlling interest	(1,558)	(1,949)
ILFC Transaction	—	77,047
Dividends paid	(367)	(187)
Balance at end of period	**$76,846**	**$78,771**

18. Share-based compensation

Under our equity incentive plans we have granted restricted stock units, restricted stock and stock options, to directors, officers and employees in order to enable us to attract, retain and motivate such people and to align their interests with ours, including but not limited to retention and motivation in relation to the implementation of the ILFC Transaction.

Cerberus Funds Equity Grants

Effective June 30, 2005, companies controlled by Cerberus (“Cerberus Funds”) which, at the time, indirectly owned 100% of our equity interests, put into place an Equity Incentive Plan (the “Cerberus Funds Equity Plan”) under which members of our senior management, Board of Directors and an employee of Cerberus were granted certain direct or indirect rights (stock options) to the Company’s shares held by the Cerberus Funds. There were nil and 27,734 options outstanding under the Cerberus Funds Equity Plan as of December 31, 2015 and 2014, respectively, none of which are subject to future vesting criteria.

AerCap Holdings N.V. Equity Grants

In March 2012, we implemented an equity incentive plan (the “Equity Incentive Plan 2012”) which provides for the grant of stock options, non-qualified stock options, restricted stock, restricted stock units, stock appreciation rights and other stock awards to participants of the plan selected by the Nomination and Compensation Committee of our Board of Directors. Effective May 14, 2014, the Equity Incentive Plan 2012 was expanded and the maximum number of equity awards available to be granted under the plan is equivalent to 8,064,081 Company shares. The Equity Incentive Plan 2012 is not open for equity awards to our directors.

On May 14, 2014, we implemented an equity incentive plan (the “Equity Incentive Plan 2014”) which provides for the grant of equity awards to participants of the plan selected by the Nomination and Compensation Committee of our Board of Directors. The maximum number of equity awards available to be granted under the plan is equivalent to 4,500,000 Company shares. The Equity Incentive Plan 2014 is open for equity awards to our directors.

(U.S. dollar amounts in thousands or as otherwise stated, except share data)

18. Share-based compensation (Continued)

The Equity Incentive Plan 2014 replaced an equity incentive plan that was implemented in October 2006 (the "Equity Incentive Plan 2006", the Equity Incentive Plan 2014, Equity Incentive Plan 2012 and Equity Incentive Plan 2006 collectively referred to herein as "AerCap Holdings N.V. Equity Plans"). Prior awards remain in effect pursuant to their terms and conditions. The terms and conditions of the Equity Incentive Plan 2006 and the Equity Incentive Plan 2014 are substantially the same.

The terms and conditions, including the vesting conditions, of the equity awards granted under AerCap Holdings N.V. Equity Plans are determined by the Nomination and Compensation Committee and, for our directors, by the Board of Directors in line with the remuneration policy approved by the General Meeting of Shareholders. The vesting periods of the equity awards range between three years and five years, subject to certain exceptions. Certain awards are subject to long term performance vesting criteria, based on the average earnings per share over the specified periods, in order to promote and encourage superior performance over a prolonged period of time. Some of our officers receive annual equity awards as part of their compensation package. Annual equity awards are granted after the year end and the number of awards granted is dependent on the performance of AerCap and the respective individual officer during the previous financial year. The 2015 annual equity awards were granted to some of our officers in December 2015 in lieu of the first quarter of 2016 in order to avoid double taxation in connection with the migration of the Company's headquarters to Ireland in early 2016. All outstanding awards of restricted stock units are convertible into common shares of the Company at a ratio of one-to-one. During the year ended December 31, 2015, the Company's obligations to issue shares at the exercise of vested options, on the vesting date of restricted stock units, or upon lapse of the restrictions in relation to restricted stock were satisfied by both the issuance of new shares and the transfer of treasury shares acquired from a share repurchase during the year ended December 31, 2015.

The following table presents movements in the outstanding restricted stock units and restricted stock under the AerCap Holdings N.V. Equity Plans during the year ended December 31, 2015:

	Year Ended December 31, 2015			
	Number of time based restricted stock units and restricted stock	Number of performance based restricted stock units and restricted stock	Weighted average grant date fair value of time based grants ($)	Weighted average grant date fair value of performance based grants ($)
Number at beginning of period(a)	**4,473,433**	**5,959,009**	**$33.40**	**$42.50**
Granted(b)	318,398	156,669	43.11	44.37
Vested(c)	(1,045,415)	(548,214)	13.34	13.37
Cancelled	(6,726)	(13,453)	46.59	46.59
Number at end of period(d)	**3,739,690**	**5,554,011**	**$39.81**	**$45.42**

(a) Includes 365,000 restricted stock granted prior to 2015 under the AerCap Holdings N.V. Equity Plans, of which 232,140 restricted stock were issued with the remaining restricted stock being withheld and applied to pay the taxes involved.

(U.S. dollar amounts in thousands or as otherwise stated, except share data)

18. Share-based compensation (Continued)

(b) Includes 89,317 restricted stock granted under the AerCap Holdings N.V. Equity Plans, of which 63,311 restricted stock were issued with the remaining restricted stock being withheld and applied to pay the taxes involved.

(c) 1,588,808 restricted stock units, which were previously granted under the AerCap Holdings N.V. Equity Plans, vested. In connection with the vesting of the restricted stock units, the Company issued, in full satisfaction of its obligations, 912,850 ordinary shares to the holders of these restricted stock units with the remainder being withheld and applied to pay the taxes involved. In addition, restrictions on 4,821 restricted stock (3,066 restricted stock net of withholding for taxes) lapsed during the period.

(d) In December 2015, 3,848,853 restricted stock units that had been issued previously were converted to restricted stock of which 2,744,813 were issued with the remaining stock being withheld and applied to pay the taxes involved. The converted restricted stock remained subject to restrictions and conditions identical to the restricted stock units, including vesting conditions.

The following table presents movements in the outstanding stock options under the Equity Incentive Plan 2006 (no options were granted under the Equity Incentive Plan 2012 or Equity Incentive Plan 2014) and the stock options that rolled over from the amalgamation of Genesis in 2010 during the year ended December 31, 2015. All outstanding options were vested as of January 1, 2016.

	Year Ended December 31, 2015	
	Number of options	Weighted average exercise price ($)
Options outstanding at beginning of period(a)	**532,223**	**$18.91**
Exercised	(12,530)	11.69
Options outstanding at end of period	**519,693**	**$19.08**

(a) Includes 124,536 AER options granted to former Genesis directors and employees at the closing of the amalgamation with Genesis on March 25, 2010. These options were issued pursuant to a separate board resolution, and were not issued under any of the AerCap Holdings N.V. Equity Plans.

The amount of share-based compensation expense is determined by reference to the fair value of the restricted stock units or restricted stock on the grant date, based on the trading price of the Company's shares on the grant date and reflective of the probability of vesting. All outstanding options have been fully expensed.

We incurred share-based compensation expense of $100.2 million and $68.2 million during the years ended December 31, 2015 and 2014, respectively. The following table presents our expected

18. Share-based compensation (Continued)

share-based compensation expense assuming that the established performance criteria are met and that no forfeitures occur:

	Expected share-based compensation expense
	(U.S. dollar amounts in millions)
2016	$100.7
2017	90.9
2018	41.3
2019	3.8

19. Pension plans

We operate defined benefit plans and defined contribution pension plans for our employees. These plans do not have a material impact on our Consolidated Balance Sheets or Consolidated Income Statements.

Defined benefit plans

Dutch defined benefit plan

We provide an insured defined benefit pension plan covering our Dutch employees (the "Dutch Plan") based on years of service and career average pay. The Dutch Plan is funded through a guaranteed insurance contract, and we determine the funded status of this plan with the assistance of an actuary. During the years ended December 31, 2015 and 2014, we recognized actuarial gains (losses) of pension obligations, net of taxes, of $(0.2) million and $1.6 million, in revaluation reserves. The actuarial gains or losses were calculated assuming a discount rate of 2.4% and 2.4% for the years ended December 31, 2015 and 2014, respectively, and various assumptions regarding the plan's future funding and pay out. As of December 31, 2015 and 2014, we recorded a liability in accounts payable, accrued expenses and other liabilities of $3.2 million and $2.9 million, respectively, which covers the excess of our projected benefit obligations over plan assets.

Irish defined benefit plan

We provide a defined benefit pension plan covering some of our Irish employees (the "Irish Plan") based on years of service and final pensionable pay. The Irish Plan is funded through contributions by the Company and invested in trustee administered funds, which was closed to new participants as of June 30, 2009, but will continue to accrue benefits for existing participants. We determine the funded status of this plan with the assistance of an actuary. During the years ended December 31, 2015 and 2014, we recognized actuarial gains (losses), net of tax, of $0.5 million and $(3.1) million in revaluation reserves. The actuarial gains or losses were calculated assuming a discount rate of 2.5%, and 2.4% for the years ended December 31, 2015 and 2014, respectively, and various assumptions regarding the plan's future funding and pay out. As of December 31, 2015 and 2014, we recorded a liability in

(U.S. dollar amounts in thousands or as otherwise stated, except share data)

19. Pension plans (Continued)

accounts payable, accrued expenses and other liabilities of $6.9 million and $7.0 million, respectively, which covers the excess of our projected benefit obligations over plan assets.

Defined contribution plans

Dutch defined contribution plan

We provide a defined contribution pension plan for those Dutch employees that are not covered by the defined benefit plan. During the years ended December 31, 2015 and 2014, we contributed $0.4 million and $0.3 million, respectively, to this plan. No amounts were outstanding in respect of pension contributions as of December 31, 2015.

Irish defined contribution plan

We provide a defined contribution pension plan for those Irish employees that are not covered by the defined benefit plan. During the years ended December 31, 2015 and 2014, we contributed $1.1 million and $0.3 million, respectively, to this plan. No amounts were outstanding in respect of pension contributions as of December 31, 2015.

Other plans

We provide defined contribution pension plans or comparable company saving plans to employees not covered by the Dutch or Irish plans as disclosed above. All of these plans, individually or on an aggregated basis, do not have a material impact on our Consolidated Balance Sheets or Consolidated Income Statements.

20. Geographic information

The following table presents *(i)* the percentage of lease revenue attributable to individual countries representing at least 10% of our total lease revenue in any year; and *(ii)* the percentage of lease revenue attributable to the Netherlands, our country of domicile, based on each lessee's principal place of business, for the years ended December 31, 2015 and 2014:

	Year Ended December 31,			
	2015		2014	
	Amount	%	Amount	%
China(a)	$ 656,809	13.2%	$ 427,737	12.4%
United States of America	538,686	10.8%	378,693	11.0%
The Netherlands	98,213	2.0%	62,589	1.8%
Other countries(b)	3,697,843	74.0%	2,580,552	74.8%
Total	**$4,991,551**	**100.0%**	**$3,449,571**	**100.0%**

(a) Includes Mainland China, Hong Kong and Macau.

(b) No individual country within this category accounts for more than 10% of our lease revenue.

(U.S. dollar amounts in thousands or as otherwise stated, except share data)

20. Geographic information (Continued)

The following table presents *(i)* the percentage of long-lived assets, including flight equipment held for operating leases, flight equipment held for sale, net investment in finance and sales-type leases and maintenance rights intangible assets, attributable to individual countries representing at least 10% of our total long-lived assets in any year, and *(ii)* the percentage of long-lived assets attributable to the Netherlands, our country of domicile, based on each aircraft's habitual base, as of December 31, 2015 and 2014:

	As of December 31,			
	2015		2014	
	Amount	%	Amount	%
China(a)	$ 5,143,237	14.5%	$ 4,849,906	13.5%
United States of America	4,528,441	12.8%	4,448,758	12.4%
The Netherlands	824,398	2.3%	663,399	1.9%
Other countries(b)	25,002,304	70.4%	25,880,773	72.2%
Total(c)	**$35,498,380**	**100.0%**	**$35,842,836**	**100.0%**

(a) Includes Mainland China, Hong Kong and Macau.

(b) No individual country within this category accounts for more than 10% of our long-lived assets.

(c) Excludes AeroTurbine long-lived assets of $225.0 million and $207.1 million as of December 31, 2015 and 2014, respectively.

We lease and sell aircraft to airlines and others throughout the world and our trade and notes receivables are from entities located throughout the world. During the years ended December 31, 2015 and 2014, we had no lessees that represented more than 10% of total lease revenue.

(U.S. dollar amounts in thousands or as otherwise stated, except share data)

21. Selling, general and administrative expenses

Selling, general and administrative expenses consisted of the following for the years ended December 31, 2015 and 2014:

	Year Ended December 31, 2015	Year Ended December 31, 2014
Personnel expenses	$144,445	$117,860
Social securities	9,923	6,558
Pensions	7,599	5,836
Share-based compensation	100,162	68,152
Travel expenses	23,090	17,501
Professional services	42,921	32,359
Office expenses	26,989	21,678
Directors expenses	2,780	3,441
Other expenses	23,399	26,507
Transaction, integration and restructuring related expenses(a)	58,913	117,714
	$440,221	**$417,606**

(a) Transaction, integration and restructuring related expenses for the year ended December 31, 2015 included $7.2 million of severance and other compensation expenses, $2.4 million of professional fees and other expenses and $49.3 million of restructuring expenses related to the downsizing of AeroTurbine. Transaction, integration and restructuring related expenses for the year ended December 31, 2014 included $54.6 million of severance and other compensation expenses, $45.7 million of banking fees and $17.4 million of professional fees and other expenses.

The following table presents the number of employees relating to our aircraft leasing business at each of our principal geographic locations as of December 31, 2015 and 2014:

Location	As of December 31, 2015	As of December 31, 2014
Dublin, Ireland	90	65
Amsterdam, the Netherlands	90	89
Shannon, Ireland	74	64
Los Angeles, California	72	63
Singapore	41	32
Other(a)	18	19
Total(b)	**385**	**332**

(a) Includes employees located in China, the United Kingdom, the United Arab Emirates and throughout the United States.

(b) Includes seven part-time employees and 11 employees on short-term contracts, and excludes 411 employees of AeroTurbine, which is in the process of a downsizing, as of December 31, 2015.

(U.S. dollar amounts in thousands or as otherwise stated, except share data)

22. Other income

Other income consisted of the following for the years ended December 31, 2015 and 2014:

	Year Ended December 31,	
	2015	2014
AeroTurbine		
Engines, airframes, parts and supplies revenue	$ 337,597	$ 275,315
Cost of goods sold	(311,107)(a)	(234,478)
Gross profit	26,490	40,837
Management fees, interest and other	86,186(b)	63,654(c)
	$ 112,676	**$ 104,491**

(a) Includes an expense of $38.7 million related to a lower of cost or market adjustment of AeroTurbine's parts inventory as a result of the AeroTurbine downsizing.

(b) Includes $22.6 million of income from the settlement of asset value guarantees and $16.2 million of income from net insurance proceeds.

(c) Includes a $19.9 million gain from the sale of an investment accounted for under net asset value.

23. Lease revenue

Our current operating lease agreements expire up to and over the next 15 years. The contracted minimum future lease payments receivable from lessees for flight equipment on non-cancelable operating leases as of December 31, 2015 were as follows:

	Contracted minimum future lease payments receivable
2016	$ 4,272,946
2017	3,708,698
2018	3,017,322
2019	2,395,271
2020	1,895,549
Thereafter	5,814,243
	$21,104,029

(U.S. dollar amounts in thousands or as otherwise stated, except share data)

24. Asset impairment and reversal

Asset impairment consisted of the following for the years ended December 31, 2015 and 2014:

	Year Ended December 31,	
	2015	2014
Impairment of flight equipment	$ 54,679	$ 33,996
Reversal of impairment of flight equipment	(10,359)	(53,886)
Other assets	13	—
	$ 44,333	**$(19,890)**

Our long-lived assets include flight equipment and definite-lived intangible assets. We test long-lived assets for impairment whenever events or changes in circumstances indicate that the assets' carrying amount is not recoverable from its discounted cash flows.

The following assumptions drive the discounted cash flows for flight equipment: contracted lease rents per aircraft through current lease expiry, subsequent re-lease rates based on current marketing information, the discount rate (2015: 5.7%) and residual values based on current market transactions. We review and stress test our key assumptions to reflect any observed weakness in the global economic environment. Further deterioration of the global economic environment and a further decrease of aircraft values might have a negative effect on the discounted cash flows of older aircraft and might trigger further impairments.

During the year ended December 31, 2015, we also recognized impairment charges for certain AeroTurbine intangible assets and leased engines. Please refer to Note 25—*AeroTurbine restructuring* for further details.

There can be no assurance that the Company's estimates and assumptions regarding the economic environment, or the period or strength of recovery, made for purposes of the long-lived asset impairment tests will prove to be accurate predictions of the future. A deterioration in the global economic environment and a decrease of appraised values will have a negative effect on fair values, which might then trigger further impairments on our assets.

25. AeroTurbine restructuring

During the fourth quarter of 2015, we made the decision to downsize the AeroTurbine business. After completion of the downsizing, AeroTurbine will only provide services to support AerCap's aircraft leasing business, including aircraft maintenance, engine leasing and engine trading. In connection with the downsizing, we performed recoverability assessments of AeroTurbine's long-lived assets. These recoverability assessments indicated that the book value of certain AeroTurbine intangible assets and leased engines were no longer supported by their future expected cash flows. The resulting impairment was measured as the excess of the carrying amount of each asset over its fair value. Fair value was estimated based on the present value of future cash flows expected to be generated from the asset, including its expected residual value, discounted at a rate commensurate with the associated risk. During the year ended December 31, 2015, we also recognized a lower of cost or market adjustment of AeroTurbine's parts inventory. Please refer to Note 22—*Other income* for further details.

(U.S. dollar amounts in thousands or as otherwise stated, except share data)

25. AeroTurbine restructuring (Continued)

The impairment charges and severance expenses as provided in the following table were recorded in selling, general and administrative expenses in our Consolidated Income Statement during the year ended December 31, 2015.

	Year Ended December 31, 2015
Tradename and other intangible assets impairment	$24,837
Leased engines impairment	22,402
Severance expenses	2,072
	$49,311

26. Earnings per share

Basic earnings per share ("EPS") is calculated by dividing net income by the weighted average number of our ordinary shares outstanding, which excludes 3,030,724 and 232,140 restricted stock as of December 31, 2015 and 2014, respectively. For the calculation of diluted EPS, the weighted average of our ordinary shares outstanding for basic EPS is adjusted by the effect of dilutive securities, including awards under our equity compensation plans. The number of shares excluded from diluted shares outstanding were 36,666 and nil for the years ended December 31, 2015 and 2014, respectively, because the effect of including those shares in the calculation would have been anti-dilutive.

The computations of outstanding shares for basic EPS as of December 31, 2015 and 2014 were as follows:

	As of December 31,	
	2015	2014
	Number of ordinary shares	
Ordinary shares issued	203,411,207	212,318,291
Treasury shares	(3,069,003)	—
Ordinary shares outstanding	200,342,204	212,318,291
Unvested restricted stock	(3,030,724)	(232,140)
Ordinary shares outstanding for basic EPS	**197,311,480**	**212,086,151**

The computations of basic and diluted EPS for the years ended December 31, 2015 and 2014 were as follows:

	Year Ended December 31,	
	2015	2014
Net income for the computation of basic EPS	$ 1,078,498	$ 763,619
Weighted average ordinary shares outstanding—basic	203,850,828	175,912,662
Basic EPS	**$ 5.29**	**$ 4.34**

(U.S. dollar amounts in thousands or as otherwise stated, except share data)

26. Earnings per share (Continued)

	Year Ended December 31, 2015	Year Ended December 31, 2014
Net income for the computation of diluted EPS	$ 1,078,498	$ 763,619
Weighted average ordinary shares outstanding—diluted	206,224,135	178,684,989
Diluted EPS	**$ 5.23**	**$ 4.27**

27. Special purpose entities

Our leasing and financing activities require us to use many forms of entities to achieve our business objectives and we have participated to varying degrees in the design and formation of these entities. Our involvement in SPEs varies and includes being a passive investor in the SPE with involvement from other parties, managing and structuring all the activities, or being the sole shareholder of the SPE.

During the year ended December 31, 2015, we have not provided any financial support to any of our SPEs that we were not contractually obligated to provide.

Consolidated SPEs

As of December 31, 2015 and 2014, substantially all assets and liabilities presented in our Consolidated Balance Sheets were held in consolidated SPEs. Further details of debt held by our consolidated SPEs are disclosed in Note 15—*Debt*.

Wholly-owned ECA and Ex-Im financing vehicles

We have created certain wholly-owned subsidiaries for the purpose of purchasing aircraft and obtaining financing secured by such aircraft. The secured debt is guaranteed by the European ECAs and the Export-Import Bank of the United States. These entities meet the definition of a SPE because they do not have sufficient equity to operate without subordinated financial support from us in the form of intercompany notes. We have determined we are the PB of these entities because we control and manage all aspects of these entities, including directing the activities that most significantly affect the entities economic performance, we absorb the majority of the risks and rewards of these entities and we guarantee the activities of these entities.

Other secured financings

We have created a number of wholly-owned subsidiaries for the purpose of obtaining secured financings. These entities meet the definition of a SPE because they do not have sufficient equity to operate without subordinated financial support from us in the form of intercompany notes. We have determined we are the PB of these entities because we control and manage all aspects of these entities, including directing the activities that most significantly affect the entities economic performance, we absorb the majority of the risks and rewards of these entities and we guarantee the activities of these entities.

27. Special purpose entities (Continued)

Wholly-owned leasing entities

We have created wholly-owned subsidiaries for the purpose of facilitating aircraft leases with airlines. These entities meet the definition of a SPE because they do not have sufficient equity to operate without subordinated financial support from us in the form of intercompany notes, which serve as equity. We have determined we are the PB of these entities because we control and manage all aspects of these entities, including directing the activities that most significantly affect the entities economic performance, we absorb the majority of the risks and rewards of these entities and we guarantee the activities of these entities.

Limited recourse financing structures

We have established entities to obtain secured financings for the purchase of aircraft in which we have variable interests. The entities meet the definition of a SPE because they do not have sufficient equity to operate without subordinated financial support from us in the form of intercompany notes. The loans of these entities are non-recourse to us except under limited circumstances. We have determined that we are the PB of these entities because we control and manage all aspects of these entities, including directing the activities that most significantly affect the economic performance of the entity, and we absorb the majority of the risks and rewards of these entities.

AerCap Partners I

AerCap Partners I Holding Limited (“AerCap Partners I”) is a 50%-50% joint venture owned by us and Deucalion Aviation Funds. We provide lease management, insurance management and aircraft asset management services to AerCap Partners I for a fee. We have determined that we are the PB of the entity because we direct the activities that most significantly affect the economic performance of the entity and we absorb a significant portion of the risks and rewards of the entity.

As of December 31, 2015, AerCap Partners I had a portfolio consisting of 11 Boeing 737NG aircraft. As of December 31, 2015, AerCap Partners I had $127.0 million outstanding under a senior debt facility, which is guaranteed by us, and $80.8 million of subordinated debt outstanding, consisting of $40.4 million from us and $40.4 million from our joint venture partner.

AerCap Partners II

AerCap Partners II Holding Limited (“AerCap Partners II”) is a 50%-50% joint venture owned by us and Deucalion Aviation Funds. We provide lease management, insurance management and aircraft asset management services to AerCap Partners II for a fee. We have determined that we are the PB of the entity because we direct the activities that most significantly affect the economic performance of the entity and we absorb a significant portion of the risks and rewards of the entity.

As of December 31, 2015, AerCap Partners II had a portfolio consisting of three Airbus A320 aircraft. As of December 31, 2015, AerCap Partners II had $56.7 million outstanding under an ECA senior debt facility, which is guaranteed by us, and $16.8 million of subordinated debt outstanding, consisting of $8.4 million from us and $8.4 million from our joint venture partner.

27. Special purpose entities (Continued)

AerCap Partners 767

AerCap Partners 767 Limited ("AerCap Partners 767") is a 50%-50% joint venture owned by us and Deucalion Aviation Funds. We provide lease management, insurance management and aircraft asset management services to AerCap Partners 767 for a fee. We have determined that we are the PB of the entity because we direct the activities that most significantly affect the economic performance of the entity and we absorb a significant portion of the risks and rewards of the entity.

As of December 31, 2015, AerCap Partners 767 had a portfolio consisting of two Boeing 767-300ER aircraft. As of December 31, 2015, AerCap Partners 767 had $20.8 million outstanding under a senior debt facility, which is limited recourse to us and $30.9 million of subordinated debt outstanding, consisting of $15.45 million from us and $15.45 million from our joint venture partner.

ALS II

We hold a 5% equity investment and 100% of the subordinated fixed rate deferrable interest asset backed notes ("ALS II Class E-1 Notes") in ALS II. We provide lease management, insurance management and aircraft asset management services to ALS II for a fee. We have determined that we are the PB of the entity because we have control and we absorb the majority of the risks and rewards of the entity.

As of December 31, 2015, ALS II had a portfolio consisting of 30 Airbus A320 family aircraft. As of December 31, 2015, ALS II had $210.6 million of senior Class A notes outstanding and $340.3 million of ALS II Class E-1 Notes outstanding due to us.

AerFunding

We hold a 5% equity investment and 100% of the subordinated fixed rate deferrable interest asset backed notes ("AerFunding Class E-1 Notes") in AerFunding. We provide lease management, insurance management and aircraft asset management services to AerFunding for a fee. We have determined that we are the PB of the entity because we have control and we absorb the majority of the risks and rewards of the entity.

As of December 31, 2015, AerFunding had a portfolio consisting of 14 Airbus A320 family aircraft, five Airbus A330 aircraft, 11 Boeing 737NG aircraft and two Boeing 787 aircraft. As of December 31, 2015, AerFunding had $1.1 billion outstanding under a secured revolving credit facility and $313.4 million of AerFunding Class E-1 Notes outstanding due to us.

AerLift Jet

AerLift Jet is a 50%-50% joint venture owned by us and a U.S.-based aircraft leasing company. We have an agreement to provide lease management, insurance management and aircraft asset management services to AerLift Jet for a fee. We have determined that we are the PB of the entity because we direct the activities that most significantly affect the economic performance of the entity and we absorb a significant portion of the risks and rewards of the entity.

(U.S. dollar amounts in thousands or as otherwise stated, except share data)

27. Special purpose entities (Continued)

As of December 31, 2015, AerLift Jet owned four aircraft and had $33.6 million outstanding under secured bank loans.

Non-consolidated SPEs

The following table presents our maximum exposure to loss in SPEs for which we are not the PB as of December 31, 2015 and 2014:

	As of December 31,	
	2015	2014
Carrying value of investments (Note 11)	$114,711	$115,554
Carrying value of the ALS Note Receivable	85,747	79,254
Debt guarantee	248,105	267,260
Maximum exposure to loss	**$448,563**	**$462,068**

The maximum exposure to loss represents the amount that would be absorbed by us in the event that all of our assets held in the SPEs, for which we are not the PB, had no value and outstanding debt guarantees were called upon in full.

AerDragon

AerDragon is a joint venture with 50% owned by China Aviation Supplies Holding Company, and the other 50% owned equally by us, affiliates of Crédit Agricole Corporate and Investment Bank, and East Epoch Limited. This joint venture enhances our presence in the Chinese market and our ability to lease our aircraft and engines throughout the entire Asia/Pacific region. We provide certain aircraft- and accounting-related services to AerDragon, and guarantee debt secured by certain aircraft which AerDragon purchased directly from us for a fee. As of December 31, 2015 and 2014, we guaranteed debt of $7.5 million and $11.3 million, respectively, for AerDragon. With the exception of the debt for which we act as a guarantor, the obligations of AerDragon are non-recourse to us.

As of December 31, 2015, AerDragon had 27 narrowbody and one widebody aircraft on lease to ten airlines and had a further two aircraft on order. AerDragon completed the sales of two narrowbody aircraft to a third party during the year ended December 31, 2015.

We have determined that AerDragon is a SPE, in which we do not have control and therefore we are not the PB. We do have significant influence and, accordingly, we account for our investment in AerDragon under the equity method of accounting.

AerLift

AerLift is a joint venture in which we have a 39% interest. We provide asset and lease management, insurance management and cash management services to AerLift for a fee. As of December 31, 2015 and 2014, we guaranteed debt of $168.9 million and $173.1 million, respectively, for AerLift. Other than the debt for which we act as a guarantor, the debt obligations of AerLift are non-recourse to us.

27. Special purpose entities (Continued)

As of December 31, 2015, AerLift owned six aircraft. We have determined that AerLift is a SPE in which we do not have control and therefore we are not the PB. We do have significant influence and, accordingly, we account for our investment in AerLift under the equity method of accounting.

ACSAL

In June 2013, we completed a transaction under which we sold eight Boeing 737-800 aircraft to ACSAL, an affiliate of Guggenheim, in exchange for cash, and we made a capital contribution to ACSAL in exchange for 19% of its equity. We provide aircraft asset and lease management services to ACSAL for a fee. As of December 31, 2015, ACSAL continued to own the eight aircraft.

We determined that ACSAL is a SPE in which we do not have control and therefore we are not the PB. We do have significant influence and, accordingly, we account for our investment in ACSAL under the equity method of accounting.

AerCap Partners III

In 2010, we entered into a 50% joint venture, AerCap Partners III Holdings Limited (“AerCap Partners III”), which initially owned three Airbus A330 aircraft. On June 1, 2011, we sold our 50% interest in the three Airbus A330 aircraft but we continue to guarantee debt for AerCap Partners III for a fee. As of December 31, 2015 and 2014, we guaranteed $71.7 million and $82.9 million of debt for AerCap Partners III, respectively. Other than the debt for which we act as a guarantor, the obligations of AerCap Partners III are non-recourse to us. We have determined that AerCap Partners III is a SPE in which we do not have control and therefore we are not the PB.

ALS

In 2012, we completed the ALS Transaction. In addition, we obtained financing (the “ALS Coupon Liability”) in return for which we received a contingent asset (the “ALS Note Receivable”) with the substance of a structured note. Repayments of the ALS Coupon Liability are equal to an annual 8% coupon of the purchase price, paid until the earlier of December 2016 or the month in which the senior securities issued by ALS (the “G-Notes”), are fully repaid. The ALS Note Receivable will be received following the repayment of the G-Notes and is equal to a maximum of 20% of the portfolio cash flows on a pro rata basis up to a cap which will be equal to the total ALS Coupon Liability. As of December 31, 2015 and 2014, the ALS Note Receivable was $85.7 million and $79.3 million, respectively, and $28.0 million and $53.1 million, respectively, was outstanding under the ALS Coupon Liability. We have determined that ALS is a SPE in which we do not have control and therefore we are not the PB.

Other joint ventures

We had an economic interest in AerCo. On August 4, 2015, AerCo entered into a creditor’s winding up. On February 16, 2016, AerCo Limited was dissolved. AerCo was an aircraft securitization vehicle in which we held the most junior class of subordinated notes and certain notes immediately senior to those junior notes. We provided a variety of management services to AerCo for which we received fees. For the years ended December 31, 2015 and 2014, AerCo was a SPE for which we

27. Special purpose entities (Continued)

determined that we did not have control and were not the PB and, accordingly, we did not consolidate the financial results of AerCo in our Consolidated Financial Statements. Historically, the investment in AerCo had been written down to zero. On October 15, 2015, AerCo disclosed that no further payments of interest or principal would be made in respect of the classes of notes held by us. Hence, we will not realize any value from the creditor's winding up of AerCo.

In 2014, we sold our 42.3% equity interest in AerData, an integrated software solution provider for the aircraft leasing industry. AerData continues to provide software services to us.

Other variable interest entities

We have variable interests in other entities in which we have determined we are not the PB because we do not have the power to direct the activities that most significantly affect the entity's economic performance. Our variable interest in these entities consists of servicing fees that we receive for providing aircraft management services.

28. Related party transactions

AIG

As a result of the ILFC Transaction, AIG held a significant ownership interest in AerCap. Following both secondary public offerings and the Share Repurchase, AIG no longer owns any of our outstanding ordinary shares. See Note 4—*ILFC Transaction*. AIG and its subsidiaries were considered related parties between the Closing Date and August 24, 2015, when AIG sold its remaining AerCap ordinary shares and when AIG's remaining designee resigned from our Board of Directors.

Debt

We have a senior unsecured revolving credit facility with AIG as lender and administrative agent. We paid fees of $4.1 million and $14.9 million from January 1, 2015 through August 24, 2015 and for the year ended December 31, 2014, respectively.

In June 2015, AerCap Trust issued the Junior Subordinated Notes due 2045 to AIG. See Note 15—*Debt*. We paid no fees or interest to AIG from January 1, 2015 through August 24, 2015 for these notes.

Repurchase of shares

On June 9, 2015, we completed the Share Repurchase from AIG. See Note 17—*Equity*.

Derivatives

The counterparty of the interest rate swap agreements we acquired as part of the ILFC Transaction was AIG Markets, Inc., a wholly-owned subsidiary of AIG, and these swap agreements were guaranteed by AIG. All interest rate swap agreements with AIG Markets, Inc. matured in August 2015. The net effect in our Consolidated Income Statements from January 1, 2015 through August 24, 2015 and for the year ended December 31, 2014 from derivative contracts with AIG Markets, Inc., was

28. Related party transactions (Continued)

nil, as the interest of $1.3 million and $4.3 million, respectively, was offset by mark-to-market gains of $1.3 million and $4.3 million, respectively. See also Note 12—*Derivative assets and liabilities*.

Management fees

We received management fees of $5.1 million and $4.9 million from January 1, 2015 through August 24, 2015 and during the year ended December 31, 2014, respectively, from Castle Trusts, affiliates of AIG.

AerDragon

We provide certain aircraft- and accounting-related services to AerDragon, a joint venture accounted for at net asset value. We charged AerDragon a fee for these management services of $0.5 million and $0.4 million during the years ended December 31, 2015 and 2014, respectively.

ACSAL

We provide aircraft asset and lease management services to ACSAL, an investment accounted for at net asset value, for which we received a fee of $0.5 million and $0.5 million for the years ended December 31, 2015 and 2014, respectively.

AerLift

We provide a variety of management services to AerLift, a joint venture accounted for at net asset value, for which we received a fee of $2.8 million and $4.0 million during the years ended December 31, 2015 and 2014, respectively.

AerCo

AerCo was an aircraft securitization vehicle in which we held all of the most junior class of subordinated notes and certain notes immediately senior to those junior notes. We provided a variety of management services to AerCo for which we received fees of $1.4 million and $1.5 million during the years ended December 31, 2015 and 2014, respectively.

29. Commitments and contingencies

Aircraft on order

As of December 31, 2015, we had commitments to purchase 447 new aircraft scheduled for delivery through 2022. The majority of these commitments are based upon purchase agreements with Boeing, Airbus and Embraer. These agreements establish the pricing formulas (including adjustments for certain contractual escalation provisions) and various other terms with respect to the purchase of aircraft. Under certain circumstances, we have the right to alter the mix of aircraft types ultimately acquired. As of December 31, 2015, we had made non-refundable deposits on these purchase commitments (exclusive of capitalized interest and fair value adjustments) of approximately $526.8 million, $403.8 million and $7.5 million with Boeing, Airbus and Embraer, respectively.

(U.S. dollar amounts in thousands or as otherwise stated, except share data)

29. Commitments and contingencies (Continued)

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

Movements in prepayments on flight equipment and capitalized interest during the years ended December 31, 2015 and 2014 were as follows:

	Year Ended December 31,	
	2015	2014
Prepayments on flight equipment and capitalized interest at beginning of period	$ 3,486,514	$ 223,815
Prepayments made during the period	747,541	320,396
ILFC Transaction	—	3,176,322
Interest capitalized during the period	79,230(a)	80,328
Prepayments and capitalized interest applied to the purchase of flight equipment	(1,012,859)	(314,347)
Prepayments on flight equipment and capitalized interest at end of period	**$ 3,300,426**	**$3,486,514**

(a) Includes an out of period adjustment of $16.9 million. See Note 2—*Basis of presentation*.

The following table presents our contractual commitments for the purchase of flight equipment as of December 31, 2015:

	2016	2017	2018	2019	2020	Thereafter	Total
Purchase obligations(a)	$3,883,380	$5,647,627	$5,817,938	$4,484,003	$3,608,082	$3,017,180	$26,458,210

(a) Includes commitments to purchase 413 aircraft, 34 purchase and leaseback transactions and spare engine commitments.

(U.S. dollar amounts in thousands or as otherwise stated, except share data)

29. Commitments and contingencies (Continued)

Leases

We have operating lease agreements with third parties for office space, company cars and office equipment. As of December 31, 2015, minimum payments under the lease agreements for office space were as follows:

	Future minimum lease payments
2016	$ 10,828
2017	13,908
2018	11,800
2019	9,657
2020	9,732
Thereafter	65,253
	$121,178

Asset value guarantees

As part of the ILFC Transaction, we assumed the potential obligation of contracts that guarantee, for a fee, a portion of the residual value of aircraft owned by third parties. These guarantees expire at various dates through 2023 and generally obligate us to pay the shortfall between the fair market value and the guaranteed value of the aircraft and, in certain cases, provide us with an option to purchase the aircraft for the guaranteed value. During the year ended December 31, 2015, we settled three asset value guarantees and recognized a $22.6 million gain. As of December 31, 2015, eight guarantees were outstanding.

We regularly review the underlying values of the aircraft collateral to determine our exposure under asset value guarantees. We did not record any asset guarantee loss provisions during the years ended December 31, 2015 or 2014.

As of December 31, 2015 and 2014, the carrying value of the asset value guarantee liability was $37.5 million and $133.5 million, respectively, and was included in accounts payable, accrued expenses and other liabilities in our Consolidated Balance Sheets. As of December 31, 2015, the maximum aggregate potential commitment that we were obligated to pay under these guarantees, including those exercised, and without any offset for the projected value of the aircraft or other contractual features that may limit our exposure, was approximately $168.4 million.

Other guarantees

In September 2015, we entered into an agreement to guarantee the future re-lease or extension rental rates and other costs of four aircraft sold up to agreed maximum amounts for each aircraft. These guarantees expire when qualifying re-lease or extension agreements are signed, but no later than 2018. We are obligated to perform under these guarantees if the contracted net re-lease or extension rates do not equal or exceed the specified amounts in the guarantees. As of December 31, 2015, the guarantee carrying value was $9.9 million and was included in accounts payable, accrued expenses and other liabilities in our Consolidated Balance Sheet. As of December 31, 2015, the maximum

29. Commitments and contingencies (Continued)

undiscounted aggregate future guarantee payments that we could be obligated to make under these guarantees, without offset for the projected net future re-lease or extension rates, were approximately $22.4 million.

Legal proceedings

General

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

VASP litigation

We leased 13 aircraft and three spare engines to Viação Aerea de São Paulo ("VASP"), a Brazilian airline. In 1992, VASP defaulted on its lease obligations and we commenced litigation against VASP to repossess our equipment. In 1992, we obtained a preliminary injunction for the repossession and export of 13 aircraft and three spare engines from VASP. We repossessed and exported the aircraft and engines in 1992. VASP appealed this decision. In 1996, the Appellate Court of the State of São Paulo ("TJSP") ruled in favor of VASP on its appeal. We were instructed to return the aircraft and engines to VASP for lease under the terms of the original lease agreements. The Appellate Court also granted VASP the right to seek damages in lieu of the return of the aircraft and engines. Since 1996 we have defended this case in the Brazilian courts through various motions and appeals. On March 1, 2006, the Superior Tribunal of Justice (the "STJ") dismissed our then-pending appeal and on April 5, 2006, a special panel of the STJ confirmed this decision. On May 15, 2006 we filed an extraordinary appeal with the Federal Supreme Court. In September 2009 the Federal Supreme Court requested an opinion on our appeal from the office of the Attorney General. This opinion was provided in October 2009. The Attorney General recommended that AerCap's extraordinary appeal be accepted for trial and that the case be subject to a new judgment before the STJ. The Federal Supreme Court is not bound by the opinion of the Attorney General. While we have been advised that it would be normal practice to take such an opinion into consideration, there are no assurances that the Federal Supreme Court will rule in accordance with the Attorney General opinion or, if it did, what the outcome of the judgment of the STJ would be.

On February 23, 2006, VASP commenced a procedure to calculate its alleged damages and since then we, VASP and the court appointed experts to assist the court in calculating damages. Our appointed expert has concluded that no damages were incurred. The VASP-appointed expert has concluded that substantial damages were incurred, and has claimed that such damages should reflect monetary adjustments and default interest for the passage of time. The court-appointed expert has also concluded that no damages were incurred. The public prosecutor had filed an opinion that supports the view of the VASP-appointed expert. In response to that opinion, the court-appointed expert reaffirmed

29. Commitments and contingencies (Continued)

his conclusion. A subsequently-appointed public prosecutor has since filed a new opinion that is less supportive of the VASP-appointed expert's opinion. The procedure is ongoing. We believe, and we have been advised, that it is not probable that VASP will be able to recover damages from us even if VASP prevails on the issue of liability. The outcome of the legal process is, however, uncertain, and the court is conducting its own analysis and will reach its own conclusion. The amount of damages, if any, payable to VASP cannot reasonably be estimated at this time. We continue to actively pursue all courses of action that may reasonably be available to us and intend to defend our position vigorously.

In July 2006, we brought a claim for damages against VASP in the English courts, seeking damages incurred by AerCap as a result of VASP's default under seven leases that were governed by English law. VASP filed applications challenging the jurisdiction of the English court, and sought to adjourn the jurisdictional challenge pending the sale of some of its assets in Brazil. We opposed this application and by an order dated March 6, 2008, the English court dismissed VASP's applications.

In September 2008, the bankruptcy court in Brazil ordered the bankruptcy of VASP. VASP appealed this decision. In December 2008, we filed with the English court an application for default judgment, seeking damages plus accrued interest pursuant to seven lease agreements. On March 16, 2009, we obtained a default judgment in which we were awarded approximately $40.0 million in damages plus accrued interest. We subsequently applied to the STJ for an order ratifying the English judgment, so that it might be asserted in the VASP bankruptcy. The STJ granted AerCap's application and entered an order ratifying the English judgment. Although VASP appealed that order, it is fully effective pending a resolution of VASP's appeal of the order ratifying the English judgment.

On November 6, 2012, the STJ ruled in favor of VASP on its appeal from the order placing it in bankruptcy. Acting alone, the reporting justice of the appellate panel ordered the bankruptcy revoked and the matter converted to a judicial reorganization. Several creditors of VASP appealed that ruling to the full panel of the STJ. On December 17, 2012, the Special Court of the STJ reversed the ruling of the reporting justice and upheld the order placing VASP in bankruptcy. The decision was published on February 1, 2013. On February 25, 2013, the lapse of time for appeal (res judicata) was certified.

In addition to our claim in the English courts, AerCap has also brought actions against VASP in the Irish courts to recover damages incurred as a result of VASP's default under nine leases governed by Irish law. The Irish courts granted an order for service of process, and although VASP opposed service in Brazil, the STJ ruled that service of process had been properly completed. After some additional delay due to procedural issues related to VASP's bankruptcy, the Irish action went forward. Upon VASP's failure to appear, the High Court entered default judgment in favor of AerCap, finding VASP liable for breach of its obligations under the leases. On October 24, 2014, the High Court entered judgment in favour of AerCap, awarding us damages in the amount of approximately $36.9 million. We are presently seeking to have the Irish judgment ratified by the STJ in Brazil, so that it might be asserted in the VASP bankruptcy.

29. Commitments and contingencies (Continued)

Transbrasil litigation

In the early 1990s, two AerCap-related companies (the "AerCap Lessors") leased an aircraft and two engines to Transbrasil S/A Linhas Areas ("Transbrasil"), a now-defunct Brazilian airline. By 1998, Transbrasil had defaulted on various obligations under its leases with AerCap, along with other leases it had entered into with GECC and certain of its affiliates (collectively with GECC, the "GE Lessors"). GECAS was the servicer for all these leases at the time. Subsequently, Transbrasil issued promissory notes (the "Notes") to the AerCap lessors and GE Lessors (collectively the "Lessors") in connection with restructurings of the leases. Transbrasil defaulted on the Notes and GECC brought an enforcement action on behalf of the Lessors in 2001. Concurrently, GECC filed an action for the involuntary bankruptcy of Transbrasil.

Transbrasil brought a lawsuit against the Lessors in February 2001 (the "Transbrasil Lawsuit"), claiming that the Notes had in fact been paid at the time GECC brought the enforcement action. In 2007, the trial judge ruled in favor of Transbrasil. That decision was appealed. In April 2010, the appellate court published a judgment (the "2010 Judgment") rejecting the Lessors' appeal, ordering them to pay Transbrasil statutory penalties equal to double the face amount of the Notes (plus interest and monetary adjustments) as well as damages for any losses incurred as a result of the attempts to collect on the Notes. The 2010 Judgment provided that the amount of such losses would be calculated in separate proceedings in the trial court (the "Indemnity Claim"). In June 2010, the AerCap Lessors and GE Lessors separately filed special appeals before the STJ in Brazil. These special appeals were subsequently admitted for hearing.

In July 2011, Transbrasil brought three actions for provisional enforcement of the 2010 Judgment (the "Provisional Enforcement Actions"): one to enforce the award of statutory penalties; a second to recover attorneys' fees related to that award, and a third to enforce the Indemnity Claim. Transbrasil submitted its alleged calculation of statutory penalties, which, according to Transbrasil, amounted to approximately $210 million in the aggregate against all defendants, including interest and monetary adjustments. AerCap and its co-defendants opposed provisional enforcement of the 2010 judgment, arguing, among other things, that Transbrasil's calculations were greatly exaggerated.

Transbrasil also initiated proceedings to determine the amount of its alleged Indemnity Claim. The court appointed an expert to determine the measure of damages and the defendants appointed an assistant expert. We believe we have strong arguments to convince the expert and the court that Transbrasil suffered no damage as a result of the defendants' attempts to collect on the Notes.

In February 2012, AerCap brought a civil complaint against GECAS and GECC in the State of New York (the "New York Action"), alleging, among other things, that GECAS and GECC had violated certain duties to AerCap in connection with their attempts to enforce the Notes and their defense of Transbrasil's lawsuit. In November 2012, AerCap, GECAS, and the GE Lessors entered into a settlement agreement resolving all of the claims raised in the New York Action. The terms of the settlement agreement are confidential.

In October 2013, the STJ granted the special appeals filed by GECAS and its related parties, effectively reversing the 2010 Judgment in most respects as to all of the Lessors.

29. Commitments and contingencies (Continued)

In February 2014, Transbrasil appealed the STJ's ruling of October 2013 to another panel of the STJ.

In light of the STJ's ruling of October 2013, the trial court has ordered the dismissal of two of Transbrasil's Provisional Enforcement Actions—those seeking statutory penalties and attorneys' fees. The TJSP has since affirmed the dismissals of those actions. Transbrasil's Provisional Enforcement Action with respect to the Indemnity Claim remains pending; however, the action has currently been stayed pending a final decision in the Transbrasil Lawsuit.

Yemen Airways-Yemenia litigation

ILFC is named in a lawsuit in connection with the 2009 crash of an Airbus A310-300 aircraft owned by ILFC and on lease to Yemen Airways-Yemenia, a Yemeni carrier ("Hassanati Action"). The Hassanati plaintiffs are families of deceased occupants of the flight and seek unspecified damages for wrongful death, costs, and fees. The Hassanati Action commenced in January 2011 and is pending in the United States District Court for the Central District of California. On February 18, 2014, the district court granted summary judgment in ILFC's favor and dismissed all of the Hassanati plaintiffs' remaining claims. The Hassanati plaintiffs appealed. On March 22, 2016, the appellate court rejected the appeal. On August 29, 2014, a new group of plaintiffs filed a lawsuit against ILFC in the United States District Court for the Central District of California (the "Abdallah Action"). The Abdallah Action claims unspecified damages from ILFC on the same theory as does the Hassanati Action. We believe that ILFC has substantial defenses on the merits and is adequately covered by available liability insurance in respect of both the Hassanati Action and the Abdallah Action.

Air Lease litigation

On April 24, 2012, ILFC and AIG filed a lawsuit in the Los Angeles Superior Court against ILFC's former CEO, Steven Udvar Hazy, Mr. Hazy's current company, Air Lease Corporation ("ALC"), and a number of ALC's officers and employees who were formerly employed by ILFC. The lawsuit alleged that Mr. Hazy and the former officers and employees, while employed at ILFC, diverted corporate opportunities from ILFC, misappropriated ILFC's trade secrets and other proprietary information, and committed other breaches of their fiduciary duties, all at the behest of ALC.

The complaint sought monetary damages and injunctive relief for breaches of fiduciary duty, misappropriation of trade secrets, unfair competition, and various other violations of state law.

On August 15, 2013, ALC filed a cross-complaint against ILFC and AIG. Relevant to ILFC, ALC's cross-complaint alleged that ILFC entered into, and later breached, an agreement to sell aircraft to ALC. Based on these allegations, the cross-complaint asserted a claim against ILFC for breach of contract. The cross-complaint sought significant compensatory and punitive damages.

On April 23, 2014, ILFC filed an amended complaint adding as a defendant Leonard Green & Partners, L.P. The complaint added claims against Leonard Green & Partners, L.P. for aiding and abetting the individual defendants' breaches of their fiduciary duties and duty of loyalty to ILFC and for unfair competition.

(U.S. dollar amounts in thousands or as otherwise stated, except share data)

29. Commitments and contingencies (Continued)

On April 23, 2015, we entered into an agreement to settle the litigation. Pursuant to the terms of the settlement agreement, each of the parties to the litigation received full releases of all claims and counterclaims asserted in the litigation. Neither AerCap nor ILFC made or received any payments pursuant to the settlement agreement.

30. Fair values of financial instruments

The fair value of a financial instrument is the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. Fair values of financial instruments have been determined with reference to available market information. However, considerable management judgment is required in interpreting market data to arrive at estimates of fair values. Accordingly, the estimates presented herein may not be indicative of the amounts that we could realize in a current market exchange.

The fair value of restricted cash and cash and cash equivalents approximates their carrying value because of their short-term nature. The fair value of notes receivables approximates its carrying value. The fair value of our long-term unsecured debt is estimated using quoted market prices for similar or identical instruments, depending on the frequency and volume of activity in the market. The fair value of our long-term secured debt is estimated using a discounted cash flow analysis based on current market interest rates and spreads for debt with similar characteristics. Derivatives are recognized in our Consolidated Balance Sheets at fair value. The fair value of derivatives is based on dealer quotes for identical instruments. We have also considered the credit rating and risk of the counterparties of the derivative contracts based on quantitative and qualitative factors. The fair value of guarantees is determined by reference to the fair market value or future lease cash flows of the underlying aircraft and the guaranteed amount.

The carrying amounts and fair values of our most significant financial instruments as of December 31, 2015 and 2014 are as follows:

	As of December 31, 2015	
	Carrying value	Fair value
Assets		
Cash and cash equivalents	$ 2,403,098	$ 2,403,098
Restricted cash	419,447	419,447
Derivative assets	18,965	18,965
Notes receivables	116,197	116,197
	$ 2,957,707	**$ 2,957,707**
Liabilities		
Debt	$29,806,843	$29,915,965
Derivative liabilities	21	21
Guarantees	47,380	46,827
	$29,854,244	**$29,962,813**

30. Fair values of financial instruments (Continued)

	As of December 31, 2014	
	Carrying value	Fair value
Assets		
Cash and cash equivalents	$ 1,490,369	$ 1,490,369
Restricted cash	717,388	717,388
Derivative assets	24,549	24,549
Notes receivables	135,154	135,154
	$ 2,367,460	**$ 2,367,460**
Liabilities		
Debt	$30,402,392	$30,384,868
Derivative liabilities	2,208	2,208
Guarantees	133,500	131,814
	$30,538,100	**$30,518,890**

31. Directors' remuneration

Our remuneration policy for non-executive and executive directors can be found in our Remuneration Policy, which is available on our website, and in the Remuneration Report included in this Annual Report. The table below indicates the total remuneration paid to our non-executive directors as of December 31, 2015 and 2014:

	Year Ended December 31,	
	2015	2014
	(Euro amounts in thousands)	
Pieter Korteweg	€ 265	€ 275
Salem Al Noaimi	157	167
Homaid Al Shimmari	101	110
James (Jim) Chapman	162	167
Paul Dacier	154	162
Richard (Michael) Gradon	151	165
Marius Jonkhart	176	167
Robert (Bob) Warden	148	176
Total	**€1,314**	**€1,388**

In addition, during the years ended December 31, 2015 and 2014, we recognized share-based compensation expense of $0.1 million and $0.1 million related to restricted stock units and stock options that were granted to the non-executive directors, respectively.

We paid Mr. Aengus Kelly, our only executive director and Chief Executive Officer, a total remuneration of approximately €2.3 million, consisting of an annual base salary of €0.8 million, an annual cash bonus of €1.2 million, which is based on specific targets that were met, and €0.3 million as

(U.S. dollar amounts in thousands or as otherwise stated, except share data)

31. Directors' remuneration (Continued)

contributions to his defined benefit pension plan and other employment benefits, such as tax advice and certain costs incurred for his family members, during the year ended December 31, 2015. In addition, during the year ended December 31, 2015, we recognized $28.2 million of expenses related to restricted stock units that were granted to him in 2015 and prior years.

The following table presents beneficial ownership of our shares which are held by our directors as of December 31, 2015:

	Ordinary shares (unrestricted)	Restricted stock(a)	Restricted stock units(a)(b)	Ordinary shares underlying options(c)	Fully diluted ownership percentage(d)
Directors:					
Salem Al Noaimi	—	2,037	—	3,954	*
Homaid Al Shimmari	—	—	—	—	*
James (Jim) Chapman	7,458	5,150	—	1,803	*
Paul Dacier (Vice Chairman)	10,109	4,488	—	5,728	*
Richard (Michael) Gradon	592	4,022	—	1,803	*
Marius Jonkhart	6,500	3,036	—	5,728	*
Aengus Kelly (CEO)(e)	572,012	1,328,113	792,227	—	1.4%
Pieter Korteweg (Chairman)	20,000	5,557	—	3,606	*
Robert (Bob) Warden	—	3,520	—	5,728	*
Total Directors	**616,671**	**1,355,923**	**792,227**	**28,350**	

* Less than 1.0%.

(a) All restricted stock and restricted stock units are subject to time-based or performance-based vesting conditions. Of these restricted stock and restricted stock units, subject to the vesting conditions, 37,596 will vest on February 14, 2016, 191,544 will vest on February 24, 2016, 4,917 will vest on January 1, 2017, 20,455 will vest on February 13, 2017, 468,438 will vest on May 31, 2017, 4,319 will vest on January 1, 2018, 42,124 will vest on February 17, 2018, 2,514,634 will vest on May 31, 2018, 20,347 will vest on February 19, 2019 and 792,227 will vest on May 31, 2019.

(b) On December 14, 2015, restricted stock units held by our directors and Group Executive Committee members, except the restricted stock units remaining in this table, were converted into restricted stock on a one-to-one basis. The converted restricted stock is subject to restrictions and conditions identical to the restricted stock units, including vesting conditions. Part of the restricted stock was withheld by AerCap Holdings N.V. to pay taxes incurred in connection with the conversion.

(c) 187,500 of these outstanding options expire on September 13, 2017 and carry a strike price of $24.63 per option. 100,000 of these options expire on December 11, 2018 and carry a strike price of $2.95 per option. 5,322 of these options expire on December 31, 2020 and carry a strike price of $14.12 per option. 8,604 of these options expire on December 31, 2021 and carry a strike price of $11.29 per option. The remaining 14,424 options expire on December 31, 2022 and carry a strike price of $13.72 per option.

(U.S. dollar amounts in thousands or as otherwise stated, except share data)

31. Directors' remuneration (Continued)

(d) Percentage amount assumes the exercise by such persons of all options to acquire shares exercisable within 60 days and no exercise of options by any other person.

(e) Mr. Aengus Kelly is our Chief Executive Officer and an Executive Director of the Board.

All of our ordinary shares have the same voting rights.

The address for all our officers and directors is c/o AerCap Holdings N.V., La Touche House, IFSC, Dublin 1, Ireland.

32. Subsidiary undertakings

The subsidiaries which are taken up in the consolidated financial statements are direct and indirect subsidiaries 100% owned, unless otherwise stated.

Subsidiary name	Jurisdiction of incorporation
ILFC Aruba A.V.V.	Aruba
ILFC Australia Holdings Pty. Ltd.	Australia
ILFC Australia Pty. Ltd.	Australia
Wombat 30633 Leasing Pty Ltd	Australia
Wombat 30638 Leasing Pty Ltd	Australia
Wombat 30644 Leasing Pty Ltd	Australia
Wombat 30648 Leasing Pty Ltd	Australia
Wombat 30658 Leasing Pty Ltd	Australia
Wombat 3474 Leasing Pty Ltd	Australia
Wombat 3495 Leasing Pty Ltd	Australia
Wombat 3547 Leasing Pty Ltd	Australia
Wombat 3668 Leasing Pty Ltd	Australia
Wombat V Leasing Pty Ltd	Australia
Wombat VI Leasing Pty Ltd	Australia
AerCap Holdings (Bermuda) Limited	Bermuda
AerCap International Bermuda Limited	Bermuda
AerCap Leasing 3034 (Bermuda) Ltd	Bermuda
AerCap Leasing MSN 2413 (Bermuda) Ltd	Bermuda
AerFunding 1 Limited and subsidiaries (5%)	Bermuda
Aircraft Lease Securitisation II Ltd. and subsidiaries (5% owned by AerCap Ireland Limited.)	Bermuda
Aquarius Aircraft Leasing Limited	Bermuda
Ararat Aircraft Leasing Limited	Bermuda
Copperstream Aircraft Leasing Limited	Bermuda
Flotlease 973 (Bermuda) Limited	Bermuda
Genesis Portfolio Funding I Limited	Bermuda
GLS Atlantic Alpha Limited	Bermuda
Goldstream Aircraft Leasing Limited	Bermuda
ILFC (Bermuda) 5 Limited	Bermuda
ILFC (Bermuda) III Limited	Bermuda

32. Subsidiary undertakings (Continued)

Subsidiary name	Jurisdiction of incorporation
Lare Leasing Limited	Bermuda
LC Bermuda No. 2 L.P.	Bermuda
LC Bermuda No. 2 Limited	Bermuda
Roselawn Leasing Limited	Bermuda
Ross Leasing Limited	Bermuda
Silverstream Aircraft Leasing Limited	Bermuda
Wahaflot Leasing 3699 (Bermuda) Limited	Bermuda
Westpark 1 Aircraft Leasing Limited	Bermuda
Whitestream Aircraft Leasing Limited	Bermuda
AerCap Aircraft Purchase Limited	Cayman Islands
AerCap HK-320-A Limited	Cayman Islands
AerCap HK-320-B Limited	Cayman Islands
AerCap HK-320-C Limited	Cayman Islands
Eaststar Limited	China
ILFC (Beijing) Services Co., Ltd	China
North Star Company Limited	China
Southstar Limited	China
Sunstar Limited	China
Biarritz Location S.A.R.L.	France
Calais Location S.A.R.L.	France
Grenoble Location S.A.R.L.	France
ILFC France S.A.R.L.	France
Lille Location S.A.R.L	France
Mulhouse Location S.A.R.L.	France
Nancy Location S.A.R.L.	France
Nice Location S.A.R.L.	France
Strasbourg Location S.A.R.L.	France
Toulouse Location S.A.R.L.	France
AerLift Leasing Jet Limited (50%)	Ireland
Acorn Aviation Limited	Isle of Man
AerCap Holding (IOM.) Limited	Isle of Man
AerCap International (Isle of Man) Limited	Isle of Man
AerCap IOM 2 Limited	Isle of Man
AerCap Note Purchaser (Io M) Limited	Isle of Man
AerLift Leasing Limited and subsidiaries (40%) (unconsolidated)	Isle of Man
Crescent Aviation Limited	Isle of Man
Stallion Aviation Limited	Isle of Man
AerCap Jet Limited	Jersey
ILFC Labuan ECA Ltd.	Labuan
ILFC Labuan Ltd.	Labuan
AerCap Aviation Assets Fund Management S.a.r.l. (60%)	Luxembourg

(U.S. dollar amounts in thousands or as otherwise stated, except share data)

32. Subsidiary undertakings (Continued)

Subsidiary name	Jurisdiction of incorporation
Delos Finance S.A.R.L.	Luxembourg
GLS Norway Alpha A/S	Norway
AerCap A330 Holdings Limited	Republic of Ireland
AerCap Administrative Services Limited	Republic of Ireland
AerCap Asset Finance Limited	Republic of Ireland
AerCap Cash Manager II Limited	Republic of Ireland
AerCap Cash Manager Limited	Republic of Ireland
AerCap Celtavia 4 Limited	Republic of Ireland
AerCap Celtavia 5 Limited	Republic of Ireland
AerCap Engine Leasing Limited	Republic of Ireland
AerCap Finance Limited	Republic of Ireland
AerCap Financial Services (Ireland) Limited	Republic of Ireland
AerCap Holding & Finance Limited	Republic of Ireland
AerCap Ireland Asset Investment 1 Limited	Republic of Ireland
AerCap Ireland Asset Investment 2 Limited	Republic of Ireland
AerCap Ireland Capital Limited	Republic of Ireland
AerCap Ireland Funding 1 Limited	Republic of Ireland
AerCap Ireland Limited	Republic of Ireland
AerCap Irish Aircraft Leasing 2 Limited	Republic of Ireland
AerCap Leasing 3034 Limited	Republic of Ireland
AerCap Leasing 8 Limited	Republic of Ireland
AerCap Leasing 946 Limited	Republic of Ireland
AerCap Note Purchaser Limited	Republic of Ireland
AerCap Partners 2 Holding Limited and subsidiary (50%)	Republic of Ireland
AerCap Partners 3 Holding Limited and Subsidiaries (50%)	Republic of Ireland
AerCap Partners 767 Holdings Limited & Subsidiary (50%)	Republic of Ireland
AerCap Partners I Holding Limited and Subsidiaries (50%)	Republic of Ireland
AerDragon Aviation Partners Limited and Subsidiaries (16.667%) (unconsolidated)	Republic of Ireland
AerFi Group Limited	Republic of Ireland
AerVenture Export Leasing Limited	Republic of Ireland
AerVenture Limited (and subsidiaries)	Republic of Ireland
Andes Aircraft Leasing Limited	Republic of Ireland
Andromeda Aircraft Leasing Limited	Republic of Ireland
Burgundy Aircraft Leasing Limited	Republic of Ireland
Calliope Limited	Republic of Ireland
Camden Aircraft Leasing Limited	Republic of Ireland
Castletroy Leasing Limited	Republic of Ireland

32. Subsidiary undertakings (Continued)

Subsidiary name	Jurisdiction of incorporation
CelestialFunding Holdings Limited	Republic of Ireland
CelestialFunding II Limited	Republic of Ireland
CelestialFunding Limited	Republic of Ireland
Celtago Limited	Republic of Ireland
Charleville Aircraft Leasing Limited	Republic of Ireland
CieloFunding Holdings Limited & Subsidiaries	Republic of Ireland
Clarity Leasing Limited	Republic of Ireland
CloudFunding II Limited	Republic of Ireland
CloudFunding Limited	Republic of Ireland
CuttlefishFunding Limited	Republic of Ireland
Danang Aircraft Leasing Limited	Republic of Ireland
Danang Aircraft Leasing No 2 Limited	Republic of Ireland
Excalibur Aircraft Leasing Limited	Republic of Ireland
Fansipan Aircraft Leasing Limited	Republic of Ireland
Flotlease MSN 3699 Limited	Republic of Ireland
Flotlease MSN 973 Limited	Republic of Ireland
FlyFunding Limited	Republic of Ireland
Geministream Aircraft Leasing Limited	Republic of Ireland
Geneva Triple Sept Leasing Limited	Republic of Ireland
Glide Aircraft 73B-41815 Limited	Republic of Ireland
Glide Funding Limited	Republic of Ireland
Harmonic Aircraft Leasing Limited	Republic of Ireland
Hyperion Aircraft Financing Limited & Subsidiaries	Republic of Ireland
ILFC Aircraft 32A-2797 Limited	Republic of Ireland
ILFC Aircraft 33A-1284 Limited	Republic of Ireland
ILFC Ireland 2 Limited	Republic of Ireland
ILFC Ireland 3 Limited	Republic of Ireland
ILFC Ireland Limited	Republic of Ireland
ILFC Ireland Limited & Subsidiaries	Republic of Ireland
Jade Aircraft Leasing Limited	Republic of Ireland
Jasmine Aircraft Leasing Limited	Republic of Ireland
Jasper Aircraft Leasing Limited	Republic of Ireland
Leostream Aircraft Leasing Limited	Republic of Ireland
Librastream Aircraft Leasing Limited	Republic of Ireland
Limelight Funding Limited	Republic of Ireland
Lishui Aircraft Leasing Limited	Republic of Ireland
Mainstream Aircraft Leasing Limited	Republic of Ireland
Melodic Aircraft Leasing Limited	Republic of Ireland
Monophonic Aircraft Leasing Limited	Republic of Ireland
Moonlight Aircraft Leasing (Ireland) Limited	Republic of Ireland
NimbusFunding Limited	Republic of Ireland
Philharmonic Aircraft Leasing Limited	Republic of Ireland

32. Subsidiary undertakings (Continued)

Subsidiary name	Jurisdiction of incorporation
Polyphonic Aircraft Leasing Limited	Republic of Ireland
Quadrant MSN 5869 Limited	Republic of Ireland
Rouge Aircraft Leasing Limited	Republic of Ireland
Scarlet Aircraft Leasing Limited	Republic of Ireland
Shrewsbury Aircraft Leasing Ltd	Republic of Ireland
SkyFunding II Holdings Limited	Republic of Ireland
SkyFunding II Limited	Republic of Ireland
SkyFunding Limited	Republic of Ireland
Skyscape Limited	Republic of Ireland
SoraFunding Limited	Republic of Ireland
StratusFunding Limited	Republic of Ireland
Streamline Aircraft Leasing Limited	Republic of Ireland
Sunflower Aircraft Leasing Limited	Republic of Ireland
Surestream Aircraft Leasing Limited	Republic of Ireland
Symphonic Aircraft Leasing Limited	Republic of Ireland
Synchronic Aircraft Leasing Limited	Republic of Ireland
Transversal Aircraft Holdings Limited	Republic of Ireland
Transversal Aircraft Leasing II Limited	Republic of Ireland
Transversal Aircraft Leasing Limited	Republic of Ireland
Triple Eight Aircraft Holdings Limited	Republic of Ireland
Triple Eight Aircraft Leasing Limited	Republic of Ireland
Virgostream Aircraft Leasing Limited	Republic of Ireland
XLease MSN (1439) Limited	Republic of Ireland
XLease MSN (1450) Limited	Republic of Ireland
AerCap Singapore Pte. Ltd.	Singapore
ILFC Singapore Pte. Ltd.	Singapore
AerFi Sverige AB	Sweden
International Lease Finance Corporation (Sweden) AB	Sweden
AerCap A330 Holdings B.V.	The Netherlands
AerCap AerVenture Holding B.V.	The Netherlands
AerCap Aircraft 30661 B.V.	The Netherlands
AerCap Aircraft 73B-30645 B.V.	The Netherlands
AerCap Aviation Solutions B.V.	The Netherlands
AerCap B.V.	The Netherlands
AerCap Dutch Aircraft Leasing I B.V.	The Netherlands
AerCap Dutch Aircraft Leasing IV B.V.	The Netherlands
AerCap Dutch Aircraft Leasing VII B.V.	The Netherlands
AerCap Dutch Global Aviation B.V.	The Netherlands
AerCap Group Services B.V.	The Netherlands
AerCap International B.V.	The Netherlands
AerCap Leasing XIII B.V.	The Netherlands
AerCap Leasing XXIX B.V.	The Netherlands

(U.S. dollar amounts in thousands or as otherwise stated, except share data)

32. Subsidiary undertakings (Continued)

Subsidiary name	Jurisdiction of incorporation
AerCap Leasing XXX B.V.	The Netherlands
AerCap Netherlands B.V.	The Netherlands
Annamite Aircraft Leasing B.V.	The Netherlands
Clearstream Aircraft Leasing B.V.	The Netherlands
FodiatorFunding B.V.	The Netherlands
Harmony Funding B.V.	The Netherlands
Harmony Funding Holdings B.V.	The Netherlands
ILFC Aviation Services(Europe) B.V.	The Netherlands
NimbusFunding B.V.	The Netherlands
Quadrant MSN 209 BV.	The Netherlands
Quadrant MSN 2254 B.V.	The Netherlands
Quadrant MSN 231 B.V.	The Netherlands
Quadrant MSN 2310 B.V.	The Netherlands
StratocumulusFunding B.V.	The Netherlands
Worldwide Aircraft Leasing B.V.	The Netherlands
Worldwide Aircraft Leasing II B.V.	The Netherlands
AerCap UK Limited	United Kingdom
AeroTurbine Europe Limited	United Kingdom
ILFC UK Limited	United Kingdom
Acsal Holdco LLC (19.44%) (unconsolidated)	United States of America
AerCap Global Aviation Trust	United States of America
AerCap Group Services, Inc	United States of America
AerCap Leasing USA I, Inc	United States of America
AerCap Leasing USA II, Inc	United States of America
AerCap U.S. Global Aviation LLC	United States of America
AerCap, Inc.	United States of America
AeroTurbine, Inc.	United States of America
Aircraft 32A-2731 Inc.	United States of America
Aircraft 32A-3147 Inc.	United States of America
Aircraft 32A-3148 Inc.	United States of America
Aircraft 32A-810 Inc.	United States of America
Aircraft 33A-272 Inc.	United States of America
Aircraft 33A-358 Inc.	United States of America
Aircraft 33A-364 Inc.	United States of America
Aircraft 34A-216 Inc.	United States of America
Aircraft 73B-25374 Inc.	United States of America
Aircraft 73B-25375 Inc.	United States of America
Aircraft 73B-26323 Inc.	United States of America
Aircraft 73B-28249 Inc.	United States of America
Aircraft 73B-30671 Inc.	United States of America
Aircraft 73B-31127 Inc.	United States of America
Aircraft 73B-32796 Inc.	United States of America

(U.S. dollar amounts in thousands or as otherwise stated, except share data)

32. Subsidiary undertakings (Continued)

Subsidiary name	Jurisdiction of incorporation
Aircraft 73B-33220 Inc.	United States of America
Aircraft 73B-38821 Inc.	United States of America
Aircraft 73B-41794 Inc.	United States of America
Aircraft 73B-41796 Inc.	United States of America
Aircraft 73B-41806 Inc.	United States of America
Aircraft 73B-41815 Inc.	United States of America
Aircraft B757 29382 Inc.	United States of America
Aircraft B767 29388 Inc.	United States of America
Aircraft SPC-12, LLC & Subs	United States of America
Aircraft SPC-14, Inc.	United States of America
Aircraft SPC-3, Inc.	United States of America
Aircraft SPC-4, Inc.	United States of America
Aircraft SPC-8, Inc.	United States of America
Aircraft SPC-9, LLC & Subs	United States of America
Apollo Aircraft Inc.	United States of America
Brokat Leasing, LLC	United States of America
CABREA, Inc.	United States of America
Charmlee Aircraft Inc.	United States of America
Delos Aircraft Inc.	United States of America
Euclid Aircraft, Inc.	United States of America
Excalibur One 77B LLC	United States of America
Fleet Solutions Holdings Inc.	United States of America
Flying Fortress Financing, LLC & Subsidiaries	United States of America
Grand Staircase Aircraft, LLC	United States of America
Hyperion Aircraft Financing Inc.	United States of America
Hyperion Aircraft Inc.	United States of America
ILFC Aviation Consulting, Inc.	United States of America
ILFC Cayman Limited	United States of America
ILFC Dover, Inc.	United States of America
ILFC Volare, Inc.	United States of America
Interlease Aircraft Trading Corporation	United States of America
Interlease Management Corporation	United States of America
International Lease Finance Corporation	United States of America
Klementine Holdings, Inc.	United States of America
Klementine Leasing, Inc.	United States of America
Maiden Leasing, LLC	United States of America
Park Topanga Aircraft, LLC	United States of America
Romandy Triple Sept LLC	United States of America
States Aircraft, Inc.	United States of America
Temescal Aircraft, LLC & Subsidiaries	United States of America
Top Aircraft, Inc.	United States of America

AerCap Holdings N.V.
Company Balance Sheets
As of December 31, 2015 and 2014
(After proposed profit appropriation)

	Note	As of December 31, 2015	As of December 31, 2014
		(U.S. dollar amounts in thousands, except share data)	
Assets			
Cash and cash equivalents		$ 14,086	$ 7,325
Investments	34	8,113,365	8,362,299
Receivable from subsidiaries		18,443	—
Other assets		61,601	17,598
Total Assets		**$8,207,495**	**$8,387,222**
Liabilities and Equity			
Accounts payable, accrued expenses and other liabilities		$ 58,697	$ 22,010
Payable to subsidiaries		3,687	602,505
Negative goodwill	35	26,540	29,090
Total Liabilities		88,924	653,605
Ordinary share capital, €0.01 par value (350,000,000 ordinary shares authorized, 203,411,207 ordinary shares issued and 200,342,204 ordinary shares outstanding as of December 31, 2015 and 350,000,000 ordinary shares authorized, 212,318,291 ordinary shares issued and outstanding at December 31, 2014)		2,457	2,559
Additional paid-in capital		5,133,277	5,607,744
Treasury shares (3,069,003 ordinary shares)		(146,312)	—
Revaluation reserves		(6,307)	(6,895)
Accumulated retained earnings(a)		3,135,456	2,130,209
Total Equity	36	8,118,571	7,733,617
Total Liabilities and Equity		**$8,207,495**	**$8,387,222**

(a) This includes $34.4 million and $35.2 million of legal reserves as of December 31, 2015 and 2014, respectively, which are not free to distribute.

The accompanying notes are an integral part of these Company Financial Statements.

AerCap Holdings N.V.
Company Income Statements
For the Years Ended December 31, 2015 and 2014

	Note	Year Ended December 31, 2015	Year Ended December 31, 2014
		(U.S. dollar amounts in thousands)	
Net income from subsidiaries	34	$1,189,172	$835,726
Other income and expenses after taxation		(110,674)	(72,107)
Net income		**$1,078,498**	**$763,619**

The accompanying notes are an integral part of these Company Financial Statements.

33. Summary of significant accounting policies

General

The Company Financial Statements have been prepared in accordance with the statutory provisions of Part 9, Book 2, of the Dutch Civil Code and the firm pronouncements in the Dutch Accounting Standards for annual reporting in the Netherlands as issued by the Dutch Accounting Standards Board. The Company Income Statements are presented in accordance with Part 9, Book 2, Art 402 of the Dutch Civil Code.

Based on Part 9 Book 2 Art. 362.4 of the Dutch Civil Code, the Company did not adopt the model formats for the balance sheets, the income statements or the statements of cash flows as prescribed by the Dutch Civil Code. The current presentation of primary statements in the Consolidated Financial Statements is applied by our peers and we believe the use of these primary statements is necessary to provide sound judgment on the financial position and results of the Company. This presentation has no impact on the net income or equity of the Company. For the Company Financial Statements, we have followed the same presentation as in our Consolidated Financial Statements for consistency purposes.

The principles of valuation and determination of result for AerCap Holdings N.V. and the Consolidated Financial Statements are the same. For these principles, refer to the Consolidated Financial Statements.

Investments

Investments in subsidiaries are stated at net asset value as we effectively exercise influence over the operational and financial activities of these investments. The net asset value is determined in accordance with the accounting policies used for the Consolidated Financial Statements. If the valuation of an investment in a subsidiary based on the net asset value is negative, it will be stated at nil. If and insofar as AerCap Holdings N.V. can be held fully or partially liable for the debts of the subsidiary, or has the firm intention of enabling the participation to settle its debts, a provision is recognized for this.

Share-based compensation

Prior to the ILFC Transaction, certain of our employees participated in the parent company's share-based compensation plans, with the associated expenses reflected in the parent company's financial statements. Subsequent to the ILFC Transaction, the share-based compensation expenses related to certain of our employees are being pushed down from the parent company and recognized as a capital contribution from the parent.

(U.S. dollar amounts in thousands or as otherwise stated, except share data)

34. Investments

Changes in investments during 2015 and 2014 were as follows:

	Year Ended December 31,	
	2015	2014
Balance at beginning of period	$ 8,362,299	$2,942,861
Share-based compensation	35,079	24,802
Capital contributions and direct equity movements of subsidiaries	588	4,558,910
Redemptions and dividends received	(1,473,773)	—
Net income from subsidiaries	1,189,172	835,726
Balance at end of period	**$ 8,113,365**	**$8,362,299**

The redemptions and dividends received in 2015 reflect intercompany restructuring transactions within the group.

35. Negative goodwill

Movements in negative goodwill during the years ended December 31, 2015 and 2014 were as follows:

	Year Ended December 31,	
	2015	2014
Balance at beginning of period	$ 29,090	$ 29,551
Release to income, net	(2,550)	(461)
Balance at end of period	**$ 26,540**	**$ 29,090**

36. Equity

Movements in equity during the years ended December 31, 2015 and 2014 were as follows:

	Number of ordinary shares issued	Ordinary share capital	Additional paid-in capital	Treasury shares	Revaluation reserves	Accumulated retained earnings	Total equity
	(U.S. dollar amounts in thousands, except share data)						
Balance as of December 31, 2013	**113,783,799**	**$1,199**	**$1,051,450**	**$ —**	**$(9,890)**	**$1,299,281**	**$2,342,040**
Share-based compensation	973,516	13	—	—	—	67,309	67,322
ILFC Transaction	97,560,976	1,347	4,556,294	—	—	—	4,557,641
Direct equity movements of subsidiaries	—	—	—	—	2,995	—	2,995
Net income for the period	—	—	—	—	—	763,619	763,619
Balance as of December 31, 2014	**212,318,291**	**$2,559**	**$5,607,744**	**$ —**	**$(6,895)**	**$2,130,209**	**$7,733,617**
Repurchase of shares	—	—	—	(761,228)	—	—	(761,228)
Share cancellation	(9,698,588)	(111)	(474,467)	474,578	—	—	—
Share-based compensation	791,504	9	—	140,338	—	(73,251)	67,096
Direct equity movements of subsidiaries	—	—	—	—	588	—	588
Net income for the period	—	—	—	—	—	1,078,498	1,078,498
Balance as of December 31, 2015	**203,411,207**	**$2,457**	**$5,133,277**	**$(146,312)**	**$(6,307)**	**$3,135,456**	**$8,118,571**

37. Employees

AerCap Holdings N.V. had 19 and 41 employees, all employed in the Netherlands, as of December 31, 2015 and 2014, respectively. The disclosure on directors' remuneration is included in Note 31—*Directors' remuneration*.

(U.S. dollar amounts in thousands or as otherwise stated, except share data)

38. Audit fees

Our auditors charged the following fees for professional services rendered for the years ended December 31, 2015 and 2014:

	Year Ended December 31,	
	2015	2014
Audit fees	$ 7,731	$ 10,896
Audit-related fees	22	673
Tax fees	1,494	215
All other fees	326	400
Total	**$ 9,573**	**$ 12,184**

The fees listed above relate only to the services provided to AerCap Holdings N.V. and its consolidated group entities by accounting firms and external auditors as referred to in Section 1(1) of the Dutch Accounting Firms Oversight Act (Dutch acronym: Wta). The total fees included $5.3 million and $10.1 million which was charged by PricewaterhouseCoopers Accountants N.V. for the years ended December 31, 2015 and 2014, respectively.

39. Fiscal unity

Until December 31, 2015, AerCap Holdings N.V. formed a fiscal unity for corporate income tax and turnover tax purposes with AerCap B.V. Under the Tax Collection Act, AerCap Holdings N.V. is jointly and severally liable for the taxes payable by the group. The tax expense recognized in the financial statements of AerCap B.V., a subsidiary of AerCap Holdings N.V., is based on its profit for financial reporting purposes. AerCap Holdings N.V. settles its intercompany balances with AerCap B.V. based on the subsidiary's profit for financial reporting purposes. As of February 1, 2016, AerCap Holdings N.V. became a tax resident in Ireland and as a result is subject to corporate income tax in Ireland.

40. Declaration of liability

AerCap Holdings N.V. has issued a declaration of liability as referred to in Article 2:403 of the Dutch Civil Code in respect of a significant number of its Dutch subsidiaries.

Dublin, March 23, 2016

Pieter Korteweg
Aengus Kelly
Salem Al Noaimi
Homaid Al Shimmari
James (Jim) Chapman
Paul Dacier
Richard (Michael) Gradon
Marius Jonkhart
Robert (Bob) Warden

AerCap Holdings N.V.
La Touche House
IFSC
Dublin 1
Ireland

41. Subsequent events

In February 2016, our Board of Directors approved a share repurchase program authorizing total repurchases of up to $400 million of AerCap ordinary shares through June 30, 2016. Repurchases under the program may be made through open market purchases or privately negotiated transactions in accordance with applicable U.S. federal securities laws. The timing of repurchases and the exact number of common shares to be purchased will be determined by the Company's management and Board of Directors, in its discretion, and will depend upon market conditions and other factors. The program will be funded using the Company's cash on hand and cash generated from operations. The program may be suspended or discontinued at any time.

42. Profit appropriation

According to article 26 of the articles of association, the Board of Directors determines which amounts from the Company's annual profits are reserved. The Board of Directors has determined that the entire 2015 profits shall be reserved and that no profits shall be distributed as dividends to the shareholders. Thus, the result for the year ended December 31, 2015 a net income of $1,078.5 million, will be included in accumulated retained earnings.

Independent auditor's report

To: the general meeting and board of directors of AerCap Holdings N.V.

Report on the financial statements 2015

Our opinion

In our opinion the accompanying financial statements give a true and fair view of the financial position of AerCap Holdings N.V. as at 31 December 2015, and of its result for the year then ended in accordance with Part 9 of Book 2 of the Dutch Civil Code.

What we have audited

We have audited the accompanying financial statements 2015 of AerCap Holdings N.V., Amsterdam ('the company'). The financial statements include the consolidated financial statements of AerCap Holdings N.V. and its subsidiaries (together: 'the Group') and the company financial statements.

The financial statements comprise:

- the consolidated and company balance sheet as at 31 December 2015;
- the consolidated and company income statement for the year then ended;
- the notes, comprising a summary of the accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is Part 9 of Book 2 of the Dutch Civil Code.

The basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the section 'Our responsibilities for the audit of the financial statements' of our report. We are independent of AerCap Holdings N.V. in accordance with the 'Verordening inzake de onafhankelijkheid van accountants bij assuranceopdrachten' (ViO) and other relevant independence requirements in the Netherlands. Furthermore, we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA).

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the board of directors

The board of directors is responsible for:

- the preparation and fair presentation of the financial statements and for the preparation of the Board Report, both in accordance with Part 9 of Book 2 of the Dutch Civil Code; and for
- such internal control as the board of directors determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, the board of directors is responsible for assessing the company's ability to continue as a going-concern. Based on the financial reporting framework mentioned, the board of directors should prepare the financial statements using the going-concern basis of accounting unless the board of directors either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so. The board of directors should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going-concern in the financial statements.

The board of directors is responsible for overseeing the company's financial reporting process.

Our responsibilities for the audit of the financial statements

Our responsibility is to plan and perform an audit engagement to obtain sufficient and appropriate audit evidence to provide a basis for our opinion. Our audit opinion aims to provide reasonable assurance about whether the financial statements are free from material misstatement. Reasonable assurance is a high but not absolute level of assurance which makes it possible that we may not detect all misstatements. Misstatements may arise due to fraud or error. They are considered to be material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A more detailed description of our responsibilities is set out in the appendix to our report.

Report on other legal and regulatory requirements

Our report on the Board Report and the other information

Pursuant to the legal requirements of Part 9 of Book 2 of the Dutch Civil Code (concerning our obligation to report about the Board Report and the other information):

- We have no deficiencies to report as a result of our examination whether the Board Report, to the extent we can assess, has been prepared in accordance with Part 9 of Book 2 of this code, and whether the information as required by Part 9 of Book 2 of the Dutch Civil Code has been annexed.
- We report that the Board Report, to the extent we can assess, is consistent with the financial statements.

Amsterdam, 23 March 2016
PricewaterhouseCoopers Accountants N.V.

/s/ W.J. van der Molen RA

Appendix to our auditor's report on the financial statements 2015 of AerCap Holdings N.V.

In addition to what is included in our auditor's report we have further set out in this appendix our responsibilities for the audit of the financial statements and explained what an audit involves.

The auditor's responsibilities for the audit of the financial statements

We have exercised professional judgement and have maintained professional scepticism throughout the audit in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error. Our audit consisted, among others of the following:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the intentional override of internal control.
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board of directors.
- Concluding on the appropriateness of the board of directors' use of the going-concern basis of accounting, and based on the audit evidence obtained, concluding whether a material uncertainty exists related to events and/or conditions that may cast significant doubt on the company's ability to continue as a going-concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report and are made in the context of our opinion on the financial statements as a whole. However, future events or conditions may cause the company to cease to continue as a going-concern.
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures, and evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Considering our ultimate responsibility for the opinion on the company's consolidated financial statements we are responsible for the direction, supervision and performance of the group audit. In this context, we have determined the nature and extent of the audit procedures for components of the group to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole. Determining factors are the geographic structure of the group, the significance and/or risk profile of group entities or activities, the accounting processes and controls, and the industry in which the group operates. On this basis, we selected group entities for which an audit or review of financial information or specific balances was considered necessary.

We communicate with the board of directors and the audit committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.